

Supplementary Information and
Notices of Ways and Means Motions Included

THE BUDGET PLAN 2006

FOCUSING ON PRIORITIES



CANADA'S NEW GOVERNMENT

TURNING A NEW LEAF



Department of Finance
Canada

Ministère des Finances
Canada



Foreign Credential Recognition

Many immigrants to Canada, though well-educated and highly skilled, still face barriers in obtaining recognition of their qualifications, training and experience. In this budget, the Government is moving forward on its commitment to create an agency to ensure foreign-trained immigrants meet Canadian standards, while getting those who are trained and ready to work in their fields of expertise into the workforce more quickly.

Under the leadership of the Minister of Human Resources and Social Development, consultations with the provinces and territories and other stakeholders are underway on the mandate, structure and governance of the agency, and the Government will proceed on the basis of the advice received. To facilitate the consultation process and to take the first steps toward the establishment of a Canadian agency for assessment and recognition of credentials, this budget sets aside \$18 million over two years.

Increasing the Supply of Affordable Housing

In order to help provinces and territories address short-term pressures with regard to the supply of affordable housing, the Government is providing a one-time payment of \$800 million, to be paid into a third-party trust, contingent on sufficient funds from the 2005–06 surplus in excess of \$2 billion. The Affordable Housing Trust will support investments to increase the supply of affordable housing, including transitional and supportive housing.

Pending confirmation in fall 2006 of the Government of Canada's financial results for 2005–06, funding will be distributed on an equal per capita basis among provinces and territories, and notionally allocated over three years. More details can be found in the section entitled "Restoring Fiscal Balance in Canada".

Helping Aboriginal Communities

A New Approach

Government of Canada spending on programs directed towards Aboriginal people, including claims, has increased to \$9.1 billion in 2005–06 from \$7.4 billion in 2000–01, an average annual increase of 4.3 per cent. While federal programs targeted to Aboriginal Canadians have reduced disparities between Aboriginal people and other Canadians, unacceptable gaps remain.



Federal Spending on Aboriginal People

The Government spends approximately \$9.1 billion¹ each year to fund programs directed towards Aboriginal people.

- Indian and Northern Affairs Canada provides about \$6.1 billion, of which about 80 per cent is for basic, province-type services for First Nations on reserve (e.g. education, social services, income assistance), where the Government has primary responsibility.
- Fifteen other federal departments and agencies, the largest of which is Health Canada, also provide about \$3.0 billion for a wide variety of programs for First Nations on reserve, Inuit, Métis and off-reserve Aboriginal people.
- Over the last five years spending has grown by about 4.3 per cent or \$350 million per year.

¹ Sources: 2005–2006 Estimates: *Report on Plans and Priorities*; Indian and Northern Affairs Canada.

The Government is committed to meeting the targets agreed upon at the fall 2005 First Ministers meeting with national Aboriginal leaders. The way forward will require a joint commitment by all parties to deal with the root causes and structural issues causing these socio-economic gaps.

The Government will work with Aboriginal leaders and provinces and territories to develop a new approach with workable solutions to meet the established targets. Strong accountability and governance structures will be essential to ensure concrete improvements in outcomes and to ensure programs are effective. This budget provides \$150 million in 2006–07 and \$300 million in 2007–08 for the following priority areas:

Education: Although Aboriginal students have made significant gains in educational attainment over the past two decades, the Government is committed to improving Aboriginal education outcomes as this is key to eliminating the socio-economic gap.

Women, Children and Families: The Government recognizes the pivotal roles that Aboriginal women play within their families and their communities and in improving socio-economic outcomes.

Water and Housing: Aboriginal Canadians living on reserve suffer from a severe housing shortage and a backlog in the renovation of current units.



Many do not have access to clean and safe drinking water. To properly address these fundamental needs, it is essential to consider innovative solutions that could help address this chronic situation over the longer term.

Details concerning initiatives will be provided by the Minister of Indian Affairs and Northern Development in the coming months.

Addressing the Legacy of Residential Schools

The Government is committed to honouring the Agreement-in-Principle reached on November 20, 2005, with the legal counsel for former Indian residential school students, the churches, the Assembly of First Nations and other Aboriginal organizations.

In anticipation of a final agreement, \$2.2 billion has been set aside for the common experience payments and for other programmatic elements such as healing and commemoration. In addition, provision has been made in anticipation of an improved Independent Assessment Process to address claims of serious abuse in the Indian residential school system, which would replace the current Dispute Resolution Framework. Compensation through the Independent Assessment Process would in all cases be paid by the Government following validation by an independent adjudicator.

The Government believes that this financial recognition of the often negative impact of the residential school experience, buttressed by support programs and compensation for those who suffered harm, will help former students to build a better future for themselves and their families in communities across Canada. Programs and activities devoted to truth and reconciliation and commemoration of the residential school experience should lead to a broader understanding among all Canadians of the impacts of the Indian residential school system.

Off-Reserve Aboriginal Housing

In order to help provinces address short-term pressures with regard to the housing needs of Aboriginal Canadians living off reserve, the Government is providing a one-time payment of \$300 million, to be paid into a third-party trust, contingent on sufficient funds from the 2005–06 surplus in excess of \$2 billion. The Off-Reserve Aboriginal Housing Trust will support investments to increase the supply of rental housing and enhance home ownership opportunities for Aboriginal Canadians living off reserve.



Pending confirmation in fall 2006 of the Government of Canada’s financial results for 2005–06, funding will be distributed to provinces based on their share of the Aboriginal population living off reserve and notionally allocated over three years.

Affordable Housing in the Territories

The pressures on housing in the territories, where many Aboriginal Canadians live, are particularly acute. In order to help the territories address short-term affordable housing pressures, the Government is providing a one-time payment of \$300 million, to be paid into a third-party trust, contingent on sufficient funds from the 2005–06 surplus in excess of \$2 billion. The Northern Housing Trust will support investments to increase the supply of affordable housing, including rental, transitional and supportive housing in the territories.

Pending confirmation in fall 2006 of the Government of Canada’s financial results for 2005–06, funding will be notionally allocated over three years and distributed among the three territories as follows: \$50 million each for the Yukon, the Northwest Territories and Nunavut, plus an additional \$150 million for urgent needs in Nunavut.

More details on the two trusts can be found in the section entitled “Restoring Fiscal Balance in Canada.”

In total, Budget 2006 confirms funding of over \$3 billion in support of Aboriginal Canadians.

Aboriginal Communities

A new approach: priorities	\$450 million
<ul style="list-style-type: none"> • Education • Women, children and families • Water and housing 	
Addressing the legacy of residential schools	\$2,200 million
Off-reserve Aboriginal housing	\$300 million
Affordable housing in the territories	\$300 million
Total	\$3,250 million