

Federal Budget 2018
Summary of Points of Interest for RPIC and the Real Property Community

On February 27, 2018, the Minister of Finance tabled the “2018 Federal Budget, Equality and Growth – A Strong Middle Class”. This budget contains numerous items that may be of interest to RPIC Board Members, for planning and programming purposes, and which are relevant to the Real Property Community at large.

By chapter, examples of the real property/infrastructure, technology and/or human resources related investments of interest are provided below:

1. Growth:

Equality in the workforce and skills for tomorrow

2. Progress:

- Scientists and Researchers - including science infrastructure and equipment
- Canadian Foundation for Innovation
- Harnessing “Big” Data
- Stronger and more collaborative Federal Science
- Innovation and Skills Plan
- Simpler and Better Procurement
- Rural communities – including renewing the network of Small Craft Harbours

3. Reconciliation:

Achieving better results for Indigenous Peoples

- Water, Housing and other infrastructure requirements
- Expanded Land Management
- Rights and Self Determination
- New fiscal relationship

4. Advancement:

- Canada’s Natural Legacy: a clean Environment for Future Generations, Protecting Nature, Parks and Wild Spaces
- Strengthened rules for environmental protection
- Pricing carbon pollution and supporting clean growth
- Implementing the 2030 Agenda for Sustainable Development
- Some individual projects: examples include: Veterans - cemetery grave maintenance, projects: revitalizing NCC Assets, Penitentiary Farms, Library and Archives Canada and Ottawa Public Library partnership
- Governance – improve service delivery; consolidations and new Program or Project Management offices
- Security/Justice – Cyber Security, Digital Service

5. Equality:

- The requirement to assess investment and other decisions through the Gender Based Analysis “plus” analytical tool
- Investments in opportunities for Women

The following highlights these investments by category of interest. It should be noted that these are excerpts from the 2018 Budget and are provided to demonstrate the magnitude of investment in these areas of interest. Many of these investments, particularly infrastructure related investments, build on the significant 2017 Budget commitments, and some of the 2018 additional investments are adjusted to reflect funds that are being provided from existing departmental reference level (where applicable) and some of the infrastructure funding has been re-profiled.

Real Property/Infrastructure and Technology Investment Strategies

1. Science – Researchers, Infrastructure and Equipment:

- Research Support Fund – provides universities with resources to cover the indirect costs of research, including overhead costs such as those related to the maintenance of laboratories and other research space that are shared widely
- A “re-imagined” National Research Council (NRC) – \$540 million over five years, starting in 2018-19, and \$108 million annually for measures that will reinforce its research strengths and role as a trusted collaboration partner of industry. It includes lower fees to access to NRC’s facilities
- \$139 million over five years to federal laboratories and other federal assets to advance science, research and innovation.
- PSPC – the first phase of an ambitious plan to renew federal laboratories:
 - PSPC will begin process of construction of multi-purpose, collaborative, federal science and technology facilities
 - \$2.8 billion on a cash basis (\$58 million on an accrual basis) over five years, starting in 2018-19, with \$4.5 million per year ongoing. The new facilities will be built to achieve a net zero carbon footprint
 - Will bring together federal scientists and science facilities across government including Agriculture and Agri-Food Canada, Natural Resources Canada, Fisheries and Oceans Canada, Environment and Climate Change Canada, the National Research Council and others to advance interdisciplinary research on, among other things, climate change, ocean protection, and human health
 - Funding will support a *new Science Infrastructure Program Management office* to support the renewal of federal laboratories
- \$100 million to support agricultural science research and innovation, with a focus on addressing emerging priorities, such as climate change and soil and water conservation.
- Approximately \$500 million over six years for oceans and freshwater science
- \$20.6 million over four years, starting in 2019-20 with \$5.1 million per year ongoing, to POLAR Knowledge Canada. This funding will support the Canadian High Arctic Research Station (CHARS) campus. The Government proposes to amend the Canadian High Arctic Research Station Act to support *the transfer of the CHARS campus to POLAR Knowledge Canada*.
- “Big Data”: \$572.5 million over five years, with \$52 million per year ongoing, to implement a Digital Research Infrastructure Strategy that will deliver more open and equitable access to advanced computing and big data resources to researchers across Canada

2. Small Craft Harbours – Fisheries and Oceans

- \$250 million on a cash basis over two years, starting in 2018-19, to renew the network of small craft harbours and work with municipalities where investments and divestitures can enhance local communities. Examples include:
 - Building additional berthing space to help address overcrowding in Charlottetown in Southern Labrador.
 - Extending the seawall to protect the fisheries industry from the full force of waves at the entrance of the harbour in Sainte-Thérèse-de Gaspé, Quebec.
 - Rehabilitating the east and west piers of Port Dalhousie in St. Catharines, Ontario.
 - Making improvements to enhance the safety of moorage facilities for the fisheries industry and other harbour users in Port Hardy and Powell River in British Columbia.

3. Canada’s Natural Legacy: Building on 2017 and other investments:

- Protection of Canada’s National Heritage – preservation and protections of nature, parks and wild spaces:
 - To conserve at least 17% of Canada’s land and inland waters by 2020 (note – includes provincial territorial and indigenous lands as well)
 - \$500M to create a new \$1 billion Nature Fund in partnership with corporate, not-for profit, provincial, territorial and other partners
 - Strengthened regulations and legislation for environmental assessments.
- Greening Government Operations Strategy – reference <https://www.canada.ca/en/treasury-board-secretariat/services/innovation/greening-government/strategy.html>
- Low Carbon Economy Leadership Fund – announced earlier - \$1.4 billion in projects that will generate clean growth and reduce greenhouse gas emissions, while creating jobs (not federal projects)
- Environment and Climate Change Canada:
 - \$40.6 million over five years, starting in 2018-19, with \$0.2 million in remaining amortization to modernize Canada’s weather forecast and severe weather warning systems, and maintain direct support to the emergency management organizations that prepare for and respond to severe weather
 - \$69.5 million over five years, starting in 2018-19, with \$7.3 million in remaining amortization to revitalize water stations, improve services for long-range water forecasts, test and implement new technologies and expand technical and engineering capacity

- \$9.8 million over five years, starting in 2018-19, with remaining amortization of \$3.1 million to support the operation of water stations that are cost-shared with provinces and territories
- Implementing the 2030 Agenda for Sustainable Development – continuing efforts including:
 - \$49.4 million over 13 years, starting in 2018-19, to **establish a Sustainable Development Goals Unit**, and fund monitoring and reporting activities by Statistics Canada; and
 - Also proposing to provide, from existing departmental resources, up to \$59.8 million over 13 years, starting in 2018-19, for programming to support the implementation of the Sustainable Development Goals.

Note: Progress is being made on the Implementation of the 2030 Agenda for Sustainable Development Goals in areas of interest for this Community:

- **Infrastructure and clean economic growth**
- **Combatting climate change:** Support for the Pan-Canadian Framework on Clean Growth and Climate Change
- **Building a healthy environment for future generations:** Implementing the Pan-Canadian Approach to Pricing Carbon Pollution

4. Indigenous Communities: *Building on budget 2017 investments:*

- **Water:**
 - Additional \$172.6 million over three years, beginning in 2018-19, to improve access to clean and safe drinking water on reserve. Will support initiatives to accelerate the pace of construction and renovation of affected water systems which will result in 25 additional projects being completed by 2020 rather than 2021
- **Housing** – National Housing Strategy – First Nations, Inuit and Métis Nation communities:
 - An additional \$600 million over three years to support housing on reserve as part of a 10-year First Nations Housing Strategy that is being developed with First Nations
 - An additional \$400 million over 10 years to support an Inuit-led housing plan in the Inuit regions of Nunavik, Nunatsiavut and Inuvialuit
 - \$500 million over 10 years to support the Métis Nation’s housing strategy
- **Health Care facilities:**
 - Contribution to Ontario to build new hospital and ambulatory care facility for James Bay communities
 - Significant investments in “access” to health care
- **Integrate Indigenous history and heritage:**
 - \$23.9 million over five years, starting in 2018-19, to Parks Canada to integrate Indigenous views, history and heritage into the national parks, marine conservation areas and historic sites managed by that agency.
- **First Nations Land Management:**
 - \$143.5 million over five years, beginning in 2018-19, and \$19 million per year ongoing to support the expansion of the First Nations Land Management Act (50 additional First Nations)
- **New Fiscal Relationships:**
 - May result in changes to governance, planning and implementation of infrastructure projects.
- **Rights and Self Determination:**
 - It is the Government’s intention that, with the Recognition and Implementation of Rights Framework, Indigenous rights will be recognized from the outset, and the focus of the Government’s work with First Nations, Inuit and the Métis Nation will be on how those rights are implemented and exercised moving forward

Note: it is important information for real property practitioners to stay apprised of developments, as they undertake due diligence on all projects or real property transaction.

5. Security:

- **Cyber Security:**
 - \$507.7 million over five years, and \$108.8 million per year thereafter, to fund a new National Cyber Security Strategy.
 - \$155.2 million over five years, and \$44.5 million per year ongoing, to the Communications Security Establishment to create a **new Canadian Centre for Cyber Security** – will introduce legislation to allow various Government cyber security functions to consolidate into the new Centre. Note: Federal responsibility to investigate potential criminal activities will remain with the RCMP – funding is provided to create the **National Cybercrime Co-ordination Unit**.

- **Digital Services:** Modernize and enhance governments digital services. Significant investments in Shared Services Canada and the Communications Security Establishment to ensure that these organizations are properly resourced to address evolving IT needs and opportunities, and proactively address cyber security threats:
 - \$2.2 billion over six years, starting in 2018-19, with \$349.8 million per year thereafter, to improve the management and provision of IT services and infrastructure within the Government of Canada, and to support related cyber security measures.
 - \$110 million over six years, starting in 2018-19, to be accessed by Shared Services Canada’s partner departments and agencies to help them migrate their applications from older data centres into more secure modern data centres or cloud solutions.

Note: A majority of the funding for these initiatives will be reallocated from federal organizations that receive mandatory services from Shared Services Canada.

- **Critical Infrastructure Security:**
 - Public Safety Canada – \$1.4 million in 2018-19 to Public Safety Canada to continue operations of the Regional Resilience Assessment Program and the Virtual Risk Analysis Cell. These programs support assessments of critical infrastructure facilities, such as energy grids, information and communication technology networks and hospitals

6. Other Real Property Initiatives/Projects: *including some from Annex 2 listing that are not included in the budget chapters:*

- National Capital Commission (NCC) - Revitalization of NCC Assets: \$55 million over two years, on a cash basis, in support of critical repair and maintenance work on its portfolio of fixed assets.
- Library and Archives Canada and Ottawa Public Library: \$73.3 million over six years, on a cash basis, starting in 2018-19, with \$4.0 million per year ongoing, to support the construction and ongoing operations of a new joint facility that will house Library and Archives Canada and the Ottawa Public Library.
- Correctional Service of Canada (CSC): Re-open Penitentiary Farms – \$4.3 million over five years, beginning and 2018-19, to support the reopening of the Penitentiary Farms at the Joyceville and Collins Bay Institutions in Kingston, Ontario.
- Veterans Affairs: Cemetery Grave Maintenance – \$24.4 million over five years, starting in 2018-19. The funding will be used for cleaning, restoring or replacing headstones, and fixing foundation issues
- Canadian Air Transportation Security Authority (CATSA): Some funding provided for new lanes for U.S. Pre-clearance of passengers at the Billy Bishop Toronto City Airport and the Quebec City Jean Lesage International Airport.
- Public Services and Procurement Canada: Federal Accommodation Program \$275M in 2018-19 for real property maintenance and repairs for office accommodation and related real property services to federal departments and agencies
- Jacques Cartier and Champlain Bridges Incorporated: \$444M over the next five years to support the ongoing maintenance and rehabilitation of federally-owned bridges and other transportation infrastructure in the Montreal area.

Other Related Initiatives and Items of Interest for the Community

7. Procurement: Doing business with the Federal Government – simpler and better procurement:

- Consolidate the existing ***Build in Canada Innovation Program (BCIP)***, focused on the procurement of later stage innovative goods and services, into ***Innovative Solutions Canada***
- Provide \$196.8 million over five years, beginning in 2018-19, to Public Services and Procurement Canada to establish a new electronic procurement platform to make opportunities easier to find, simpler to navigate and faster to award, with less administrative burden.

8. Governance: In addition to other organizational changes and consolidations noted “***in bold***” at various sections above, the following initiatives are of interest:

- **Statistics Canada:** Renewing and modernizing Statistics Canada. The Government is committed to evidence-based decision-making and RP practitioners need access to good data to do their work;
- **Improving Client Service:** Canada Revenue Agency and Employment and Social Development Canada
- **Phoenix:** stabilizing and future transformation is of interest to all federal employees.

9. Gender Based Analysis + (plus): Requirement to analyse policy, programs and initiatives. Budget 2018 – every single decision on expenditure and tax measures was informed by GBA+. Links to Gender Results Framework.

10. Equality in the Workforce – numerous initiatives

11. Innovation and Skills Plan – numerous initiatives

12. Indigenous Skills Program – links to #4 above

13. Heritage and Cultural Diversity – includes the 2018-2023 Action Plan for Official Languages

Source: “2018 Federal Budget, Equality and Growth – A Strong Middle Class”.

This document is provided for information only. Excerpts were taken from the 2018 Budget Plan and re-organized for easy reference by the RPIC Board. As RPIC develops its plans and programs, this information will help inform professional development and training priorities.

It is also interesting to note, that the preliminary program for the 2018 Real Property National Workshop includes the following streams: Disruption; Security and Resilience; Carbon Neutrality; Strategic Procurement and Management; Indigenous Engagement; and, Policy/Program Priorities (includes Science Infrastructure). These topics align with many of the significant investments noted above.