

UPDATE: NEW FISCAL RELATIONSHIP

December 2017



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NEW FISCAL RELATIONSHIP

WHAT DOES THAT EVEN MEAN?

- *“It’s time for a new fiscal relationship with First Nations that gives communities sufficient, predictable and sustained funding”* – Prime Minister Trudeau
- Fiscal relationship refers to the financial arrangements under which First Nations governments finance their functions.

TWO APPROACHES

i. Transfer based:

- a) Expenditures are funded by a transfer from another government.
- b) Own source revenues can be used to justify deductions from the transfer.
- c) Priorities and conditions may be applied to any service partly funded by the transfer.

ii. Revenue based:

- a) Expenditures are funded by your revenues (fiscal powers).
- b) Service delivery is driven by your own priorities.
- c) Transfers may still be required to top-up services to the national standards

SOME COMMITMENTS HAVE BEEN MADE

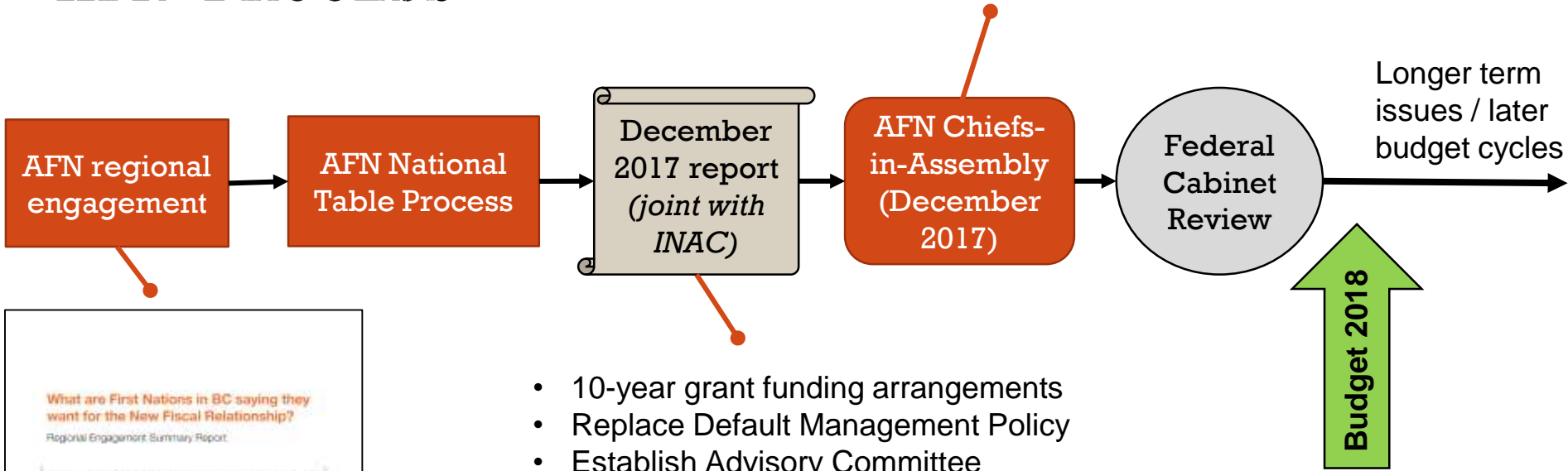
- PM Trudeau - lifting the 2% cap
- United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) – “without qualification”
- Working Group of Ministers – reviewing laws and policies
 - Principles to help assess and recommend changes
- Memorandum of Understanding with Assembly of First Nations
- Moratorium on Own Source Revenue offsets
- Allowing for “carry over” of funding into the following fiscal year
- Statements made by Minister Philpott to AFN on December 6, 2017

SOME WORK HAS BEEN UNDERTAKEN

- There are several tables where First Nations are working on a new fiscal relationship
 - AFN National Table (*Chiefs Committee & 3 working groups*)
 - Self-Governing Indigenous Governments (*Steering Committee & 8 working groups*)
 - Negotiating Nations (*2 working groups*)
- Chief David Jimmie carried out 6 regional engagement sessions in September and October to gather feedback for what First Nation in BC want for the New Fiscal Relationship
- Dialogue sessions co-hosted by BC AFN, UBCIC, FN Summit, Lands Advisory Board, FNFA, FNTPC, FNFMB, and AFOA BC was held on June 7, 2017 and October 13, 2017 at Musqueam Community Centre, and some principles were discussed and updated.

AFN PROCESS

Resolution passed on Dec.6th calling on Canada to implement recommendations

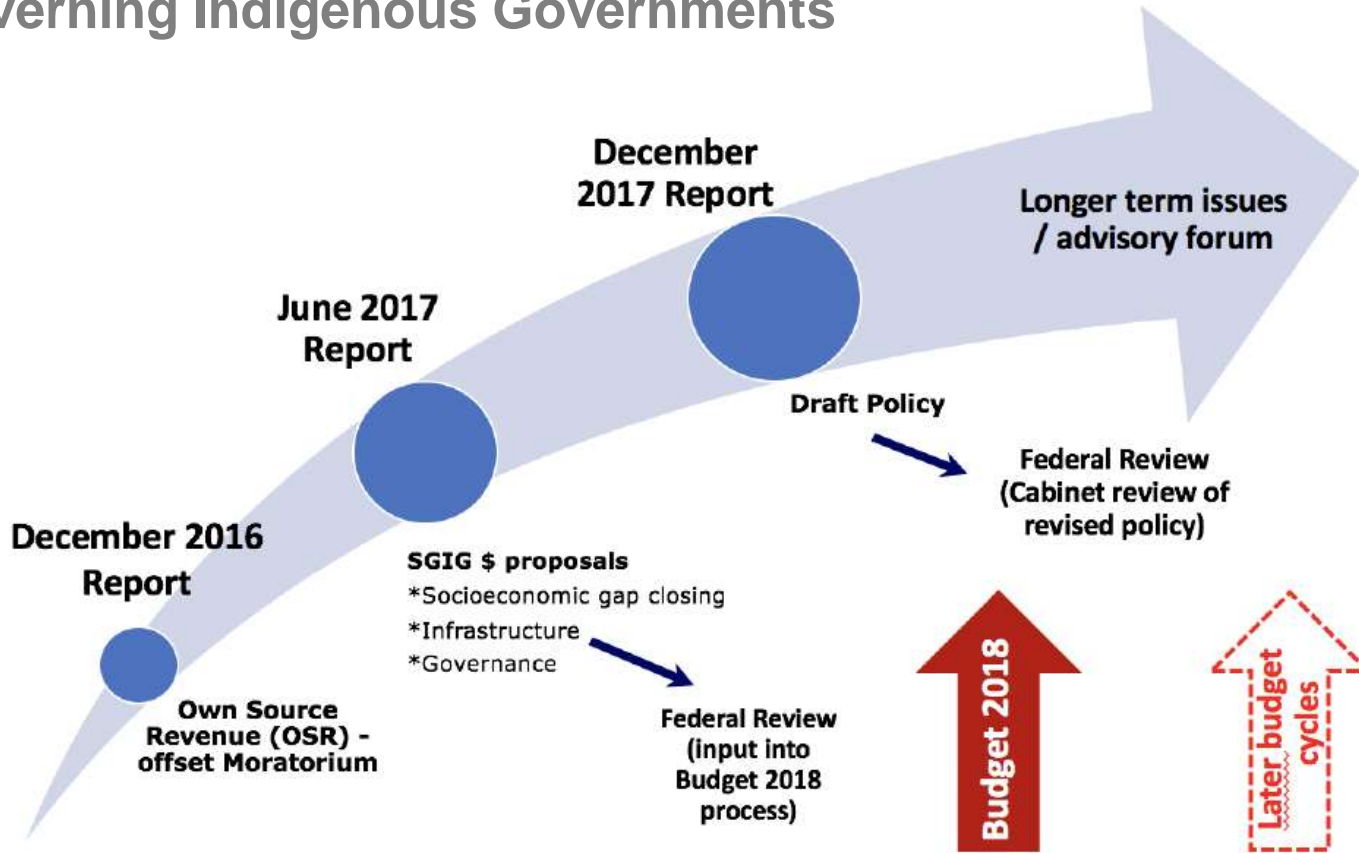


Report from BC regional engagement

- 10-year grant funding arrangements
- Replace Default Management Policy
- Establish Advisory Committee

COLLABORATIVE FISCAL POLICY DEVELOPMENT PROCESS

Self-Governing Indigenous Governments



PRINCIPLES FOR AN IMPROVED FISCAL RELATIONSHIP

- Discussions for a New Relationship must be Nation driven, premised on Aboriginal Title and Rights
- New Relationship to reflect United Nations Declaration on the Rights of Indigenous Peoples, in particular, Article 4;
- Expanded tax powers and clear revenue and service jurisdictions and authorities, respective of legal pluralism;
- Incentives for economic development;
- Revenues related to service responsibilities;
- Comparability;
- Improved statistics; and
- Support from First Nations institutions.

Building a Nation-to-Nation Relationship



THANK YOU

QUESTIONS?