

PRINCIPLES OF A NEW FIRST NATIONS FISCAL RELATIONSHIP WITH THE CROWN

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Principles of a New Fiscal Relationship

- 1. Expanded Tax Powers and Clear Revenue & Service Jurisdiction**
- 2. Incentives for Economic Development**
- 3. Revenues Related to Service Responsibilities**
- 4. Comparability**
- 5. Improved Statistics**
- 6. Institutional Support**

1. Expanded Tax Powers and Clear Revenue & Service Jurisdiction

- i. Protected and certain (direct or shared) tax powers, not delegated by Canada or BC.**
- ii. Clear First Nation jurisdictions that are on similar terms as other orders of government.**
- iii. When First Nations assume revenue jurisdictions, other governments will coordinate according to negotiated terms (wholly or partially in a tax-sharing arrangement).**
- iv. Legislative framework for the transfer payment system that provides autonomy & flexibility.**
- v. First Nations must be consulted on any legislation from other orders of government that may impact on the First Nations fiscal relationship.**

2. Incentives for Economic Development

- i. First Nations need broader and more certain transfers and tax jurisdictions so that:
 - a) they are not forced into commercial enterprises to generate revenues, and**
 - b) are incentivized to develop better quality services and seek service efficiencies.****
- ii. The relationship between own source revenues (“OSR”) and transfers must create incentives and not unduly penalize First Nations for developing their revenue base.**
- iii. First Nations need clear and secure revenue jurisdiction to support access to capital to engage in economic development.**
- iv. The measurement of OSR capacity must be respectful of cultural land uses, community land uses, community aspirations and environmental limitations.**
- v. OSR capacity must factor in decisions made by other orders of government and market conditions that can affect the economic potential of First Nation lands.**
- vi. The new arrangements need to reflect and respect the “inescapable economic component” of Aboriginal title as recognized by the Supreme Court of Canada.**

3. Revenues Related to Service Responsibilities

- i. Tying the exercise of specific First Nation revenue jurisdictions to assumption of specific service responsibilities leads to better services and infrastructure and supports accountability from all governments to our members.**
- ii. First Nations should have a clearly defined bundle of service responsibilities and a related bundle of clearly defined revenue options to help meet the costs of these services.**
- iii. A core of services and direct revenues should be revenue based. These First Nation revenues should be exempted from transfer offsets and revenue caps, and associated First Nation services should be exempt from reporting requirements and conditions of other governments.**

4. Comparability

- i. First Nations must be recognized, respected and treated as an order of government within the federation of Canada.**
- ii. First Nation jurisdictions and revenue authorities need protections comparable to the provinces.**
- iii. First Nations should have comparable standard of living to other Canadians.**
- iv. First Nations should have comparable quality and access to government services.**
- v. First Nations need the revenues to be able provide services up to national standards in order to “catch up” and “keep up” to the quality of life enjoyed by other Canadians.**
- vi. There must be no reduction in transfers related to the development of OSR until some mutually agreed upon measure of “comparability of services or socio-economic outcomes” is achieved.**

5. Improved Statistics

- i. The quality of and access to First Nations statistics must be improved.**
- ii. First Nations need independent capacity (institutional support) to develop statistics to support a new fiscal relationship.**

6. Institutional Support

- i. First Nations require own institutions to support, protect and expand jurisdictions**
- ii. First Nations require our own institutions for capacity development, training and advice**
- iii. First Nations require our own institutions to establish standards and tools, and carry out research, advocacy and government-to-government relationship building.**