



First Nations Tax Commission

Commission de la fiscalité des premières nations

Corporate Plan 2017/2018



Mission

The mission of the First Nations Tax Commission (FNTC) is to assist First Nation governments to build and maintain fair and efficient property tax regimes, and to ensure those First Nation communities, and their taxpayers, receive the maximum benefit from those systems.



Mandate

The mandate of the FNTC is provided by s.29 of the *First Nations Fiscal Management Act* (FMA):

“The purposes of the Commission are to:

- a. ensure the integrity of the system of first nations real property taxation and promote a common approach to first nations real property taxation nationwide, having regard to variations in provincial real property taxation systems;
- b. ensure that the real property taxation systems of first nations reconcile the interests of taxpayers with the responsibilities of chiefs and councils to govern the affairs of first nations;
- c. prevent, or provide for the timely resolution of, disputes in relation to the application of local revenue laws;
- d. assist first nations in the exercise of their jurisdiction over real property taxation on reserve lands and build capacity in first nations to administer their taxation systems;
- e. develop training programs for first nation real property tax administrators;
- f. assist first nations to achieve sustainable economic development through the generation of stable local revenues;
- g. promote a transparent first nations real property taxation regime that provides certainty to taxpayers;
- h. promote understanding of the real property taxation systems of first nations; and
- i. provide advice to the Minister regarding future development of the framework within which local revenue laws are made.”

Section 83 of the *Indian Act*

Through an agreement with the Minister of Indigenous and Northern Affairs Canada, the FNTC will provide advice regarding the approval of s.83 by-laws and deliver services to First Nations exercising property tax jurisdiction under s.83 of the *Indian Act*.

Abbreviations

ARB	Assessment Review Board
ART	Aboriginal Resource Tax
ATIP	Access to Information and Privacy
ATR	Additions to Reserve
FMA	<i>First Nations Fiscal Management Act</i>
FMB	First Nations Financial Management Board
FNFA	First Nations Finance Authority
FNG	<i>First Nations Gazette</i>
FNGST	First Nations Goods and Services Tax
FNII	First Nations Infrastructure Institute
FNTC	First Nations Tax Commission
ILTI	Indigenous Land Title Initiative
INAC	Indigenous and Northern Affairs Canada
OLA	<i>Official Languages Act</i>
OSR	Own Source Revenues
TAS	Tax Administration System
TLE	Treaty Land Entitlement
Tulo Centre	Tulo Centre of Indigenous Economics
UNDRIP	United Nations Declaration on the Rights of Indigenous Peoples

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Introduction

The federal government has made a number of important commitments to First Nations to close the gaps with other Canadians. These include proposals to implement a nation-to-nation relationship, officially adopting the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), and creating a new fiscal relationship. The federal government also increased resources allocated to Indigenous communities and peoples for infrastructure, education, governance, and economic development in the 2016/2017 budget.

The federal government is clearly committed to delivering results to Indigenous communities and members. National Indigenous institutions like the First Nations Tax Commission (FNTC) help Canada deliver on these commitments.

The FNTC regulates, supports, and advances First Nation taxation under the *First Nations Fiscal Management Act* (FMA) and under section 83 of the *Indian Act*. Since its inception, the FNTC has consistently delivered on its performance objectives. It has helped First Nations build economies and infrastructure and implement their jurisdictions. The FNTC has proven it is ready and able to support the expectation for greater Indigenous jurisdictions and improved Indigenous socioeconomic outcomes.

Over 25% of all First Nations are exercising their property tax jurisdiction. They are using their jurisdiction to respond to community needs and provide local services to thousands of property taxpayers. The number of FMA First Nations continues to increase by over 10% per year. The number of First Nations listed on the Schedule to the FMA increased another 14.7% this year to 203 First Nations. Since 2008, the FNTC's First Nation client base has more than doubled from approximately 80 to over 160 First Nations, through the implementation of operational efficiencies, growth in FNTC's operating budget has been held to 2.5% during the 9 year period from 2008-2017. While British Columbia (BC) is home to the largest number of First Nation tax administrations, there are First Nations who have exercised property tax powers in every province except Prince Edward Island.

While some taxing First Nations may have only a few utility or railway taxpayers, others are providing services and infrastructure to entire communities of residential, commercial, and other taxpayers that have property interests on their reserve lands. First Nation jurisdiction continues to expand beyond property tax as more First Nations enact development cost charge (DCC) laws, business activity tax (BAT) laws, and other forms of taxation to fund local services and enable communities to share in the economic activity that is happening on their lands.

The FMA and the FNTC recognize and support taxpayer interests in several ways: notification and law review processes; taxpayer representation to council laws; dispute management support services; and the appointment of three Commissioners who are also residential, commercial and utility taxpayers on First Nation lands.

The FNTC continues to provide training and capacity development to support the diverse needs of First Nation tax administrations nationwide. Over 172 students from 73 First Nations have participated in university-accredited courses in the Certificate in First Nation Tax Administration program through the Tulo Centre of Indigenous Economics (Tulo Centre).

The FNTC works with the First Nations Financial Management Board (FMB) and the First Nations Finance Authority (FNFA) to enable First Nations to have access to practical tools available to other governments for modern fiscal management. To date, 29 First Nations have participated in First Nation bond issues totaling \$250 million, which has financed infrastructure for local purposes in their communities.

The Commission operates in the larger context of First Nation issues, which goes beyond property tax. The FNTC strives to reduce the barriers to economic development on First Nation lands, increase investor certainty, and enable First Nations to be vital members of their regional economies. The FNTC is working to fill the institutional vacuum that has prevented First Nations from participating in the market economy and is creating a national regulatory framework for First Nation tax systems that meets or exceeds the standards of provinces. Through the development of a competitive First Nation investment climate, economic growth can be a catalyst for greater First Nation self-reliance.

Since its inception, the FNTC has worked with proponent First Nations to develop a number of proposed institutional innovations that support economic development. These include the Tulo Centre, a proposed Aboriginal Resource Tax (ART), a proposed Indigenous Land Title Initiative (ILTI), and a proposed First Nation Infrastructure Institute (FNII). Together these initiatives propose to significantly close the legal and administrative gaps restricting First Nation economic growth.

The FMA requires the FNTC to establish a Corporate Plan and a budget for each fiscal year and submit the plan to the Minister of Indigenous and Northern Affairs Canada (INAC) for approval. The Corporate Plan sets out information according to its business lines. An institution may not carry on any business or activity in any fiscal year in a manner that is not consistent with its Corporate Plan for that year.

This Corporate Plan contains five sections, in addition to this introduction:

1. Corporate Profile describes the mandate and mission of the FNTC, its organizational structure and governance.
2. Summary of 2016/2017 Performance against Objectives details the extent to which the FNTC has achieved its objectives from the previous fiscal year.
3. External Assessment and Risks provides an analysis of the FNTC's operating environment and risks that may impact its results over the next fiscal year and provides some mitigation strategies.
4. Objectives, Strategies and Performance Measures for 2017/2018 set out the objectives of each business line and the activities and performance measures that will be completed to support those objectives. These activities and performance measures are summarized in the 2017/2018 Corporate Workplan.



5. The Financial Plan 2017/2018 provides detailed financial plans for each of the next five-years, a summary of the expected results for 2016/2017, and a summary of the actual financial results for 2015/2016.

Based on the Corporate Plan activities for 2017/2018 and the workplan outlined below, the FNTC estimates its funding requirements from the Government of Canada to be \$6,147,451. Below is a summary of the financial plan for 2017/2018 as well as a summary of the financial performance for the FNTC for 2016/2017 and 2015/2016.

Financial Summary			
	2017/2018 plan	2016/2017 Forecast	2015/2016 Actual
Revenue			
Government of Canada	\$ 6,147,451	\$ 6,000,000	\$ 5,994,687
Government of Canada - special initiatives	-	1,231,623	736,894
Other	10,000	18,224	64,720
	\$ 6,157,451	\$ 7,249,847	\$ 6,796,301
Expenses			
Commission Services	893,085	867,647	908,148
Corporate Services	1,342,898	1,324,313	1,232,789
<i>First Nation Gazette</i>	120,519	129,275	157,197
Policy Development	793,931	808,214	811,545
Education	624,796	603,486	582,509
Dispute Management and Negotiations	222,770	197,110	167,455
Communications	786,336	750,506	730,713
Law/By-law Development and Review; Legislative Affairs	1,373,116	1,337,673	1,470,000
Special Initiatives	-	1,231,623	736,894
	6,157,451	7,249,847	6,797,244
Annual Surplus (Deficit)	\$ -	\$ -	\$ (943)



Corporate Profile

Structure

The FNTC is a shared-governance institution. The Governor in Council appoints nine of the Commissioners and, by regulation, the Native Law Centre, University of Saskatchewan, appoints one Commissioner as per s.20(3) of the FMA and regulations. The Commissioners are:

- C.T. (Manny) Jules, Tk'emlúps te Secwepemc, BC (Chief Commissioner/CEO)
- David Paul, Tobique, NB (Deputy Chief Commissioner)
- Dr. Céline Auclair, Gatineau, QC
- Leslie Brochu, Little Shuswap Lake Indian Band, BC
- Lester Lafond, Saskatoon, SK
- Ken Marsh, Okotoks, AB
- Latrica Babin, Canal Flats, BC
- Randy Price, North Vancouver, BC
- Ann Shaw, Chateauguay, QC

Currently there is one vacancy on the Commission as the appointment for William McCue (Georgina Island, Ontario) lapsed in November 2016.

The FNTC maintains the head office on the reserve lands of the Tk'emlúps te Secwepemc (s.26(1) FMA), and an office in the National Capital Region (s.26(2) FMA).

The FNTC is supported by the Secretariat with an allocation of twenty-three full time equivalents comprised of staff and professionals who assist the Commission with expertise related to the FNTC mandate.

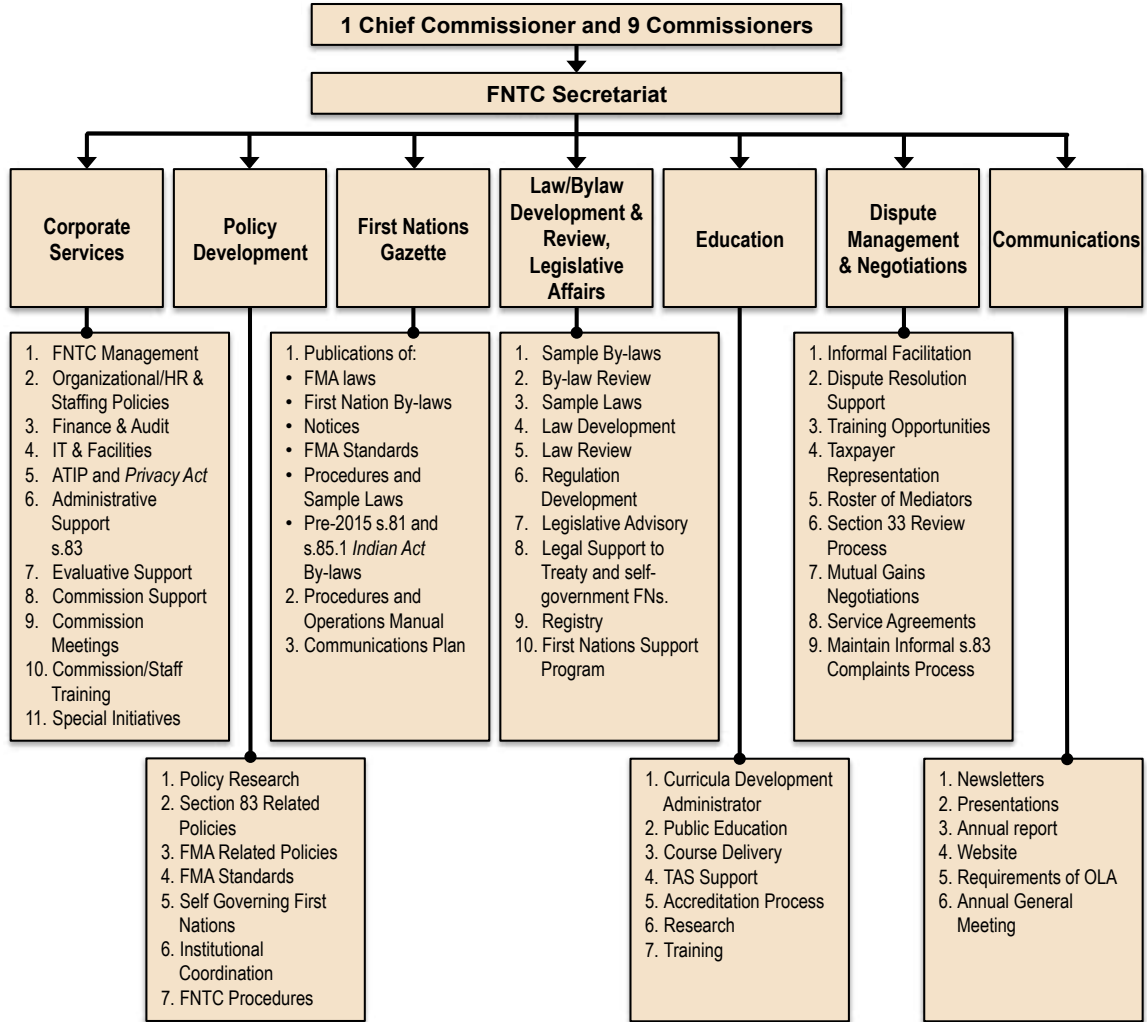
Governance

The FNTC maintains a “best practices” approach for good governance. It operates pursuant to a comprehensive governance and management policy. The Chief Commissioner has established the following committees to support its work:

- Executive Management Committee
- Management Committee
- Audit Committee
- Section 83 Rates Committee
- Education Committee
- International Relations Committee
- *First Nations Gazette* Editorial Board

Committees may consist of Commissioners only or a mix of Commissioners, staff, and other professionals as appropriate.

The FNTC operates seven business lines, as illustrated below.



Summary of 2016/2017 Performance against Objectives

Performance measures for the FNTC were identified in the Corporate Plan 2016/2017. The table below provides an assessment on the status of these deliverables.

Objectives & Activities	Performance
Corporate Services	
Annual Corporate Plan, workplan and financial plan produced and approved	Completed
Implementation plans for 5 year strategic and business plans developed	Completed
Capital requirements for HO and NCR managed	Ongoing
Commission and staff training opportunities provided	Completed
Special Examination	Completed
10 Commission meetings held	Completed
Administrative management and committee support provided	Ongoing
ATIP requirements and Info Source reporting requirements met	Ongoing
Manage <i>First Nations Gazette</i>	Ongoing
Special initiatives managed and advanced	Ongoing
Maori MOU implemented	Ongoing
Policy Development	
3 standards approved	Completed
2 s.83 policies reviewed	Completed
Up to 8 policies developed and research initiated	Completed/Ongoing
Projects with other institutions Initiated or continued	Completed/Ongoing
Property tax statistics reporting system implemented	Ongoing
Federal Pre-Budget Submission completed and submitted	Completed
Law/By-law Review & Regulations	
4 sample laws produced or modified	Completed
Support to 20 First Nations provided	Completed
168 FMA laws reviewed	Exceeded
Legislative amendments implemented	Ongoing
Manual revised/updated	Completed
50 by-laws reviewed	Exceeded
Registries maintained	Ongoing
Sample by-law(s) modified	Completed
Legal developments monitored	Ongoing

Summary of 2016/2017 Performance against Objectives

Objectives & Activities	Performance
Communications	
Website maintained	Ongoing
Newsletter published, email database maintained	Ongoing
Changes resulting from FMA amendments communicated	Completed
Local Revenue Expenditure workshop delivered	Completed
Presentations, materials developed/updated including special initiatives	Ongoing
Annual report published	Completed
AGM materials developed	Completed
OLA requirements met	Ongoing
Communications strategy implemented	Ongoing
Education	
9 courses delivered	Ongoing
Workshops delivered	Completed
Hold curriculum retreat to review and update Tax Administration courses	Completed
Course outlines / course materials for other accredited training in support of First Nation public administration developed	Completed
TAS support provided	Ongoing
Tulo Centre website maintained	Ongoing
Tulo Centre graduation and alumni supported	Completed
Dispute Management and Negotiations	
Contracts for the provision of provincial assessment services to First Nations negotiated	Completed
Taxpayer relations systems developed and implemented	Ongoing
Service Agreements facilitated	Ongoing
Roster of mediators maintained	Roster Operational
Support services provided	Ongoing
Training managed	Completed



External Assessment and Risks

Assessment of 2016/2017 Risk Management Strategy

The table below presents an assessment of the FNTC 2016/2017 risk management strategy.

External Policy Environment	FNTC Risks 2016/2017	Response
Economic Uncertainty	<ul style="list-style-type: none"> Economic or security events require resources and detract from First Nation priorities Reduced First Nation revenues/participation from resource development slowdown 	<ul style="list-style-type: none"> Risk Managed – Additional federal resources allocated Risk Managed - Aboriginal Resource Taxation initiative advancing FMA participation and tax powers exercised expands
Federal Government	<ul style="list-style-type: none"> Identifying legislative opportunities Coordinating fiscal relationship work within government and other First Nation institutions Funding delays for First Nation infrastructure projects First Nation support required for resource development investment 	<ul style="list-style-type: none"> Some FMA amendments recommended and legislative proposals for ILTI, FNII and ART in development Fiscal relationship support requested First Nation Infrastructure Institute project initiated ART initiative expanded
First Nations	<ul style="list-style-type: none"> Increased demand for revenue based fiscal relationship Increased demand for resource project taxation Increased demand for infrastructure project support Increased demand for capacity development Increased demand to develop options to support economic development, housing and faster ATRs 	<ul style="list-style-type: none"> Risk managed – FNTC support to interested First Nations and organizations ART initiative expanded FNII project initiated Proposal to expand Tulo Centre developed FNTC support to interested First Nations and ILTI proposal advanced

The FNTC's 2016/2017 risk assessment and management strategy was successful. Some of the risks that had been previously identified impacted FNTC operations as there was more First Nation interest and demand for services in the following areas than had been anticipated:

- **FMA Taxation** - Increased growth in number of FMA First Nations and growth in demand from existing FMA First Nations to exercise the full range of FMA fiscal powers in Saskatchewan, Alberta, Ontario, and BC;
- **Communications** - Increased interest for communications for implementing and expanding tax jurisdictions;
- **TLE Service Agreements** - Greater than anticipated growth in demand in Saskatchewan and Manitoba to help develop tax based service agreements;

- **Tulo Centre Services** - Increased interest in courses, new curriculum, new programs and workshops;
- **ART** - Increased demand related to pipelines and other utilities;
- **ILTI** - Increased interest from First Nations related to housing, expediting ATRs, and implementing land title; and
- **FNII** - Greater interest from First Nations and the federal government in filling the gaps to support more sustainable First Nation infrastructure systems.

The FNTC addressed these additional service demands last year by adjusting resources, prioritizing activities, and seeking additional resources.

Assessment of 2017/2018 Risks

Each year the FNTC assesses the policy environment to identify external risks that could affect its programs and priorities. These include economic and fiscal risks, legislative risks, and other risks that could affect the demand for FNTC services.

Global Economic Uncertainty

The International Monetary Fund is projecting slightly stronger economic growth this year than 2016. However, there continues to be slow growth outside the US. There is considerable uncertainty about trade and investment created by the new American administration. The United States remains Canada's most important export market and much of Canadian production is integrated with the United States. There are looming disputes over a wide range of Canadian exports including softwood lumber and other commodities as well as automobiles and parts.

Disputes could have a considerable impact on the Canadian economy and finances, which might affect financing for First Nation governments and organizations. An immediate risk for FNTC is that it may affect the prospects of many First Nation economic development initiatives, including ventures that are very important to individual First Nation economies. A longer-term risk is that attempts to reopen the NAFTA trade deal could create both risks and opportunities for First Nations with respect to resource rights, tenures, and access to revenues. Nonetheless, a rise in American protectionism could lead to a decline in major investment projects, many of which have substantial First Nations participation.

High levels of Canadian personal indebtedness and high housing prices continue to pose a risk to trigger a sudden deflation. The resulting economic contraction could lead to a reduction in federal support for FNTC and First Nations and have an adverse impact on property values.



Assessment: Federal Government First Nations Policy Environment

In the Federal Budget 2016/2017, the government made significant budgetary commitments to First Nations for improved services and infrastructure, and consultative processes to resolve outstanding issues. This has raised expectations and pressure to deliver on commitments related to a new fiscal relationship, nation-to-nation arrangements, the National Inquiry into Murdered and Missing Indigenous Women and Girls, implementing recommendations of the Truth and Reconciliation Commission, equal funding for education, child welfare, social development and health care programs, dramatic improvements to environmental infrastructure and better socioeconomic outcomes. In short, there are substantial expectations to close quickly the outcome, revenue, jurisdiction, legal and capacity gaps between Indigenous peoples and other Canadians.

There have already been concerns from First Nations leaders, the Auditor General, and the federal government itself that it is not delivering First Nations improvements efficiently. Most sources suggest that the federal government does not effectively develop or support the requirements for First Nations policy changes. This has created the following possible broad federal risks to their commitments to First Nations:

- Too much focus on spending committed resources and not enough on closing legal, jurisdiction, revenue, and administrative gaps to deliver sustained better outcomes
- Lapsed federal financial commitments because jurisdiction, revenue and capacity gaps not closed quickly enough, especially with respect to infrastructure commitments
- Reduced public support for Indigenous commitments because results not achieved or funds lapsed
- Reduced Indigenous support for federal Indigenous commitments because jurisdictional, legal, administrative and fiscal gaps not eliminated or reduced; therefore, results not achieved

The FNTC, among others, has long maintained that successful First Nations policy changes have four ingredients - *First Nations led, optional, institutional and capacity support, and federal, and where necessary, provincial political support*. The FNTC's efforts to support local revenue jurisdiction, infrastructure, resource taxation, land title, accredited capacity development, and revenue based fiscal relationship options follows this successful formula for change. The purpose of all these initiatives is to close the gaps to ensure First Nations can deliver sustainable public services and infrastructure at the national standard so economic, health and social outcomes improve. The FNTC intends to work closely with interested First Nations and the federal government in 2017/2018 to deliver sustainable positive results, subject to addressing the following specific FNTC risks:

- Insufficient Fiscal Relationship Options - Identifying opportunities to use the FNTC and FMA model to support revenue based fiscal relationship options, resource taxation and the FNGST;



- Identifying Legislative Opportunities - Coordinating opportunities to amend the FMA and advance other legislation;
- Losing Momentum for ILTI Initiatives - Delays in advancing ILTI and Land title registry to support improved housing, faster ATRs and implementing Indigenous title could reduce momentum for change;
- Supporting Unsustainable Infrastructure - Missing opportunities to utilize the FMA and the FNII proposal to support financing sustainable First Nation infrastructure systems;
- FNTC Appointment Delays - The federal government is currently revising its government agency appointment process. The risk is that lapsed appointments to the FNTC during this revision process could eventually lead to a loss of quorum so that the local revenue regulatory system is unsupported;
- Insufficient Resources - Since 2008, the FNTC's First Nation client base has more than doubled from approximately 80 to over 160 First Nations, while the FNTC's operating budget has increased 2.5%, from \$6 million in 2008/2009 to \$6.15 million in this 2017/2018 Corporate Plan; and
- Leadership Transition - The FNTC will be transitioning in the next two years from its long-term stable leadership (Chief Commissioner and Chief Executive Officer) to new leadership. There is a risk that delays in the appointment process and transition will impact continued effective FNTC operations.

Assessment: First Nation Policy Environment

Expectations for substantial improvements in Indigenous outcomes remain high but there is growing impatience with the federal government regarding the pace of implementation of proposed changes. There is anticipation for results on the following issues in this planning period:

- Hearings on the National Inquiry into Missing and Murdered Indigenous Women and Girls;
- A new fiscal relationship with more stable revenues;
- Legislation to implement the Truth and Reconciliation Commission recommendations and UNDRIP;
- Greater consultation and consent over proposed resource projects in First Nation and Aboriginal territories;
- More stable revenues associated with resource projects such as pipelines;
- Significant resources, revenues, and possibly legislation to improve community infrastructure and services;
- Capacity support and development to implement jurisdictions; and
- Processes to implement Treaty rights and Aboriginal title and a nation-to-nation relationship.



Results are required this year to sustain the momentum and support for these proposed changes. It will be important to identify and support initiatives that can deliver on these expectations and commitments in the short term. The FNTC is working with First Nations and its partners on a number of projects and initiatives to support federal commitments and meet First Nations expectations.

The FNTC will work with First Nations who seek to expand or implement their local revenue jurisdictions, grow their economies and tax base, build their administrative capacity, finance economic infrastructure with local revenues, implement the FNGST, and advance the concepts of ART and FNII. The ART may be particularly important in this planning period as the federal government has approved 2 major pipeline projects. The FNTC will also work with other First Nations who want to implement a more efficient land registry and title system that supports access to capital for members and an improved investment climate through ILTI. As a result, the FNTC has identified the following risks from this preliminary assessment of the First Nation policy environment:

- Continued demand from tax collecting First Nations to advance more tax jurisdictions in support of a revenue based fiscal relationship;
- Increased demand for FNTC law development and review, dispute management, and other services resulting from growth in FMA;
- Increased capacity development demand to implement more jurisdiction and a new fiscal relationship and to support improved services and build more sustainable infrastructure;
- Increased demand for the FNII and its supporting legislation;
- Increased demand to expand First Nation tax jurisdiction to implement the proposed ART for pipelines and other resource projects; and
- Increased demand for ILTI related to implementing title, expediting ATRs, addressing housing and supporting economic development.

2017/2018 Risk Management Strategy

The table below demonstrates how the external policy environment creates risks to the FNTC. The third column contains the proposed FNTC risk management strategy for 2017/2018. The FNTC priorities for 2017/2018 result from an assessment of corporate resources and this proposed risk management strategy.

External Policy Environment	FNTC Risks	Proposed Risk Management Strategy
Global Economic Uncertainty	<ul style="list-style-type: none"> • Slower growth outside of the US • Uncertainty about trade and investment • Looming disputes over Canadian exports (softwood lumber, commodities, automobiles/auto parts) 	<ul style="list-style-type: none"> • Continue to support First Nation economies through stable tax system, research and capacity development • Advance economic initiatives FNII and ILTI • Continue to provide stable First Nation tax systems and advance initiatives to reduce uncertainty ART and ILTI



External Policy Environment	FNTC Risks	Proposed Risk Management Strategy
Federal Government Indigenous Policy	<ul style="list-style-type: none"> • Support for developing revenue based fiscal relationship option • Lack of support for FMA amendments and other initiatives • Momentum lost on ILTI and title registry proposals • Significant resources spent on unsustainable infrastructure • Slow GIC appointment process • Insufficient resources • Unsupported succession process 	<ul style="list-style-type: none"> • Support interested First Nations and organizations, seek resources to advance FNGST, ART and plan National Meeting of FMA First Nations • Allocate resources to advance timely legislative proposals for FMA and other initiatives • Seek resources for ILTI legislative proposal completion and land title registry • Seek resources for FNII legislative proposal • Support improved GIC appointment process • Complete five-year plan to support additional resources • Develop and advance succession plan
First Nations	<ul style="list-style-type: none"> • Increased demand for tax jurisdiction and revenue based fiscal relationship • Increased demand for all FNTC services as FMA expands • Increased demand for capacity development related to jurisdiction and fiscal relationship • Increased demand for infrastructure project support • Increased demand for resource project taxation • Increased demand for ILTI to support title, improved land registry, faster ATRs and sustainable economies and housing 	<ul style="list-style-type: none"> • Advance single window service taxation initiative and support revenue based fiscal relationship option requests • Develop and implement FNTC five-year business plan to increase resources as recommended in INAC Report • Support proposal for resources to expand Tulo Centre research, curriculum, courses and workshops • Seek more resources to develop and implement FNII proposal • Seek resources to advance and implement ART • Work with proponents to seek resources to advance and implement the ILTI legislative and registry proposal

Assessment of Corporate Resources 2017/2018

Since its inception, the FNTC has effectively used its corporate resources to achieve results by recognizing that change within First Nations requires the support of an institutional framework characterized by strong leadership, stable and transparent governance, capacity development, well-researched innovations, and partnerships. However, analysis initiated by Indigenous and Northern Affairs Canada (INAC) has shown that the FNTC needs to build on its foundation with more resources to keep up with the increased use of the FMA system by First Nations and the expansion of the FMA system in ways not included in the original funding model.

In 2016, INAC retained Patterson Creek Consulting Inc. to produce an analysis of future funding requirements of the FMA institutions. This INAC commissioned report concluded that the FMA institutions are the most interesting innovation to occur over the past decade in Indigenous policy-making, that their long-term sustainability should be high priority for all governments in Canada, and that there is a strong business case for increasing funding for the three FMA institutions. For the FNTC, the report recommended an increase of approximately 33% in its 2016/2017 funding of \$5.99 million to \$7.99 million, to be achieved over a five-year period ending in 2020/2021.



Business Case

There are four factors supporting the business case for increased funding proposed by the INAC-FMA institutions study:

1. Large and tangible impacts for First Nations - The FMA institutions as a group are producing large and tangible impacts for First Nation communities including new infrastructure, increased own source revenues, substantial economic development opportunities, improved financial management and governance, and the restoration of tax jurisdiction.
2. FMA Institutions as centres of innovation - The institutions have researched, developed and implemented important new approaches to jurisdiction, collection, and regulation of taxation, access to capital markets, and have helped develop solutions to deal with issues of scale. Furthermore, the institutions have been particularly effective at transferring this innovation to First Nation communities through sustainable capacity development approaches. The institutions are currently involved in developing new approaches to resource development, taxation, economic development, infrastructure management, third party management, and mechanisms for structuring a new fiscal relationship with the federal government. The INAC-FMA study noted, “all of these areas are of high priority to both First Nations and the federal government and therefore should be encouraged.”
3. The original business plans and funding assumptions are out-of-date - First Nation interest in the FMA system and the services offered by the institutions is growing exponentially. The number of First Nations listed on the Schedule to the FMA increased another 14.7% this year to 203 First Nations. Since 2008, the FNTC’s First Nation client base has more than doubled from approximately 80 to over 160 First Nations, while the FNTC’s operating budget has increased 2.5%, from \$6 million in 2008/2009 to \$6.15 million in this 2017/2018 Corporate Plan. Implementation also becomes more time consuming and resource consuming if the FNTC is operating in regions where there is no recent history of taxation on reserve. The institutions are also providing additional services to First Nations beyond the scope of the original assumptions. Examples include the expansion of First Nation debentures to include other revenues, and FNTC special initiatives such as ART, FNII, ILTI, and support for the FNGST and a new fiscal relationship.
4. The institutions directly support the federal government’s intention to stimulate the fragile Canadian economy with infrastructure spending - The institutions enable First Nations to generate and leverage their OSRs to boost infrastructure spending at a time when First Nations face significant infrastructure deficits and deficiencies that hamper their growth. According to the INAC-FMA report, this would generate a *“very healthy return on a very small investment”* and *“no province or municipality promises anywhere near this leverage factor for federal dollars.”*



Additional Resources Required

The report proposed that an additional \$2 million in annual resources by 2021/2022 would enable the FNTC to expand service delivery in all its business lines. This would allow the FNTC to address increasing First Nation service requests, the expansion of the First Nation tax system in revenues and participants, the geographical dispersion of the participating First Nations, and the variety of First Nation tax and other revenue jurisdictions supported. The FNTC will be developing a five-year business plan to support the implementation of the expanded FNTC business lines and the other recommendations in the report in the near future.

Other Recommendations

Other recommendations include:

- **A new funding relationship between the institutions and the federal government** - Specifically, the funding instrument should be one that is more grant-like with longer term flexibility, due to their proven track records, capable staff and governing bodies, and governance structures. The INAC-FMA institutions study noted, *“They occupy the low end of the risk continuum of organizations funded by INAC and their funding relationship with the department should reflect this.”*
- **A new approach to selecting FNTC Commissioners and FMB Directors** - Like all small organizations, the institutions depend on a few, highly effective individuals who will be difficult to replace. One way of ensuring their continuity is to have strong, high performing governing bodies. Both the FMB and the FNTC are seeking changes to how their governing bodies are chosen. The FNTC proposal includes:
 - A new appointment process in which First Nation representatives would appoint three Commissioners, taxpayer representatives would appoint three Commissioners and the federal government would appoint four Commissioners; and
 - A six-month overlap of new and retiring Commissioners to ensure continuity.

The report recommends, *“INAC should place high priority on responding to these proposed changes.”*

- **Increasing awareness of FMA institutions within INAC and other federal departments** - For example, INAC at both the ministerial and official level can help facilitate effective relationships with other key federal departments - the Department of Finance and the Department of Natural Resources to name two examples. One way in which the three institutions can help INAC in this endeavor is to track and publicize more formally the impacts, both quantitative and qualitative, that they are having on First Nation communities and businesses.

MOU’s and Partnerships

Partnerships - Partnerships provide the FNTC with extra capacity, support and resources to deliver results. The FNTC has developed Memorandums of Understanding, protocol agreements, and working relationships with the following organizations:



- Alberta Municipal Affairs
- American Indian Infrastructure Association
- BC Assessment
- Canadian Energy Pipeline Association
- Canadian Property Tax Association
- Centre for First Nations Governance
- First Nations Alliance 4 Land Management
- First Nations Finance Authority
- First Nations Financial Management Board
- First Nations Lands Advisory Board
- First Nations Tax Administrators Association
- Indigenous Bar Association
- Institute of Liberty and Democracy
- Land Title and Survey Authority of British Columbia
- MIT-Harvard Consensus Building Institute
- National Aboriginal Land Management Association
- National Energy Board
- Native Law Centre at the University of Saskatchewan
- Surveyor General of Canada
- Thompson Rivers University
- Tulo Centre of Indigenous Economics

Priorities for 2017/2018

The FNTC has identified the following priorities for 2017/2018.

Supportive services and regulatory framework - The FNTC provides on-going services and maintains and updates a regulatory framework to support over 160 First Nations and First Nation tax authorities. The FNTC devotes its operational resources to meet this priority through its law review, policy development, education, communications, dispute management and negotiations and corporate services business lines. The details of the significant amount of work and performance measures associated with these business lines for 2017/2018 are in the next section.

Grow the FMA tax system - The FNTC will continue to support the growth of the FMA in three ways. First, it will support the expanded interest in new FMA tax systems associated with TLEs in Manitoba, Saskatchewan, and Alberta, and residential developments in Saskatchewan and Ontario. Second, it will continue to support those FMA First Nations implementing local revenue powers related to taxation for services, BATs, DCCs, service fees and other revenue raising powers. Third, the FNTC will support the growing interest in grants-in-lieu of taxation associated with federal and provincial interests on tax collecting First Nation lands.



Five-year business plan - In response to the significant growth in the FMA, the FNTC prepared a vision document and five-year business plan in 2016/2017 to support proposed new FMA fiscal powers, expanded business lines, and other special initiatives. This work in combination with similar work by the other institutions will support a joint proposal to expand the FMA in 2017/2018 and a request for more resources to the FMA institutions. The FNTC will work with the other FMA institutions and federal government to advance this plan in 2017/2018 for implementation in 2018/2019.

Appointment process - The FNTC will work closely with the federal government in support of the revised Governor-in-Council appointment process to ensure the timely appointments or reappointments of FNTC commissioners. The FNTC will also work to develop a plan in 2017/2018 to ensure the efficient succession of its executive management in 2018/2019.

National Meeting planning - The FNTC will continue to work with other fiscal institutions, FMA First Nations and the federal government on the planning for a National FMA meeting in 2018 to discuss and advance a new fiscal relationship, expanded tax jurisdictions, the FNII and ILTI initiatives, and other matters of importance to FMA First Nations. Once the plan is completed, FNTC and the other fiscal institutions may seek resources to support First Nation participation in the event.

Revenue based fiscal relationship option - The FNTC will continue to support FMA First Nations and other First Nation organizations interested in advancing a revenue based fiscal relationship option. In the last 20 years, the FNTC has completed a number of fiscal relationship research papers and proposals in support of an improved revenue based fiscal relationship. In 2017/18, the FNTC will seek resources to support fiscal relationship negotiation processes as requested by First Nations and organizations.

ART implementation - The ART initiative seeks to provide an efficient method for First Nation fiscal interests to be represented for proposed resource projects in their territory. It consists of a transparent pre-specified Indigenous tax on a resource project in their territory and a proposal to maintain the resource investment climate through tax credits provided by other governments to offset the ART cost on industry. The proposal has garnered widespread First Nation support in BC and other provinces for application to pipelines, utilities and other resource projects. In 2016/2017, the FNTC worked with some communities along the proposed Kinder Morgan expansion project to develop a specific ART application. First Nations and industry are currently reviewing this proposal. In 2017/2018, the FNTC will seek resources to advance this option as a proposal to the federal government and possibly other governments. The FNTC will also use resources to support and develop other ART proposals for other resource projects for proponent First Nations. The FNTC hopes to develop an ART pilot project with proponent First Nations and the federal government in 2017/2018.



Tulo Centre core funding - The Tulo Centre has been successful in its mission to develop a professional and accredited First Nation public service to implement FMA local revenue jurisdictions and support economic growth. The Tulo Centre's curriculum and methods have led to increased demand from First Nations, Indigenous groups in other countries and governments (local, provincial, and federal) for courses, programs, workshops, and research. In 2016/2017, the Tulo Centre developed a comprehensive five-year plan to expand and meet this increased demand. In 2017/2018, the FNTC will work with the Tulo Centre and INAC to secure stable long term funding to expand Tulo Centre capacity to develop and deliver more courses and workshops, create unique curriculum for new certificates and diploma programs, and develop more research.

FNII project development - The FNTC has developed a strong business case for the proposed First Nation Infrastructure Institute in 2016/17. It shows that First Nation's infrastructure is more expensive, more time consuming, and less durable than other comparable infrastructure in Canada. This research also demonstrates that improving First Nation infrastructure requires closing fiscal, regulatory, jurisdiction, and administrative capacity gaps. The FNII proposal could close these gaps and support sustainable Indigenous infrastructure systems that rely on the sound fiscal planning and tools present in the FMA. In 2017/2018, the FNTC will seek resources to establish a FNII development board with initiative proponents to develop and advance an amendment to the FMA that establishes and implements FNII.

ILTI legislative proposal and land title registry - The FNTC has worked with ILTI proponents and the federal government in 2016/2017 to complete a draft comprehensive legislative proposal to establish Indigenous land title; create an Indigenous Torrens title system; and facilitate a ready to use legal framework to implement First Nation jurisdictions. The number of proponent First Nations grew in 2016/2017 as more First Nations recognize the application of ILTI for better housing outcomes, expediting ATRs, and implementing Indigenous title. In 2017/2018, the FNTC will seek resources to complete the comprehensive legislative proposal and support an ILTI proponent proposal to the Minister of INAC to advance this option to legislation for their communities.

Continued support for First Nations Goods and Services Tax (FNGST) – In 2016/2017 the FNTC supported First Nations interested in the FNGST and developed a paper that proposes to expand, incrementally, the support provided by the FNTC for the FNGST. In 2017/2018, the FNTC will work with INAC to share the findings of this paper and discuss opportunities for implementation. The FNTC will also continue to support First Nations interested in implementing the FNGST.

Advance Indigenous rights – As requested in 2017/2018, the FNTC will continue to share its expertise and knowledge with Indigenous organizations and groups in New Zealand, Peru, and United States on matters related to taxation and land title. Furthermore, it will endeavor to respond to requests from other Indigenous groups, in support of Canada's commitment to United Nations Declaration on the Rights of Indigenous Peoples.



Objectives, Strategies, and Performance Measures for 2017/2018

Corporate Services

The objective of Corporate Services is to establish and operate the Commission in keeping with the FMA and the Corporate Plan, to create an effective work environment for other service areas, and to fulfil the financial management and control functions set out in Part 6 of the FMA.

Strategies and Activities

In 2017/2018, Corporate Services will continue to manage the operation of the FNTC with the following activities

- produce the annual corporate plan, workplan and financial plan
- review and revise the five-year business and financial plan and develop implementation plans as required
- manage the capital requirements for the head office and the National Capital Region office
- provide training and professional development opportunities to Commissioners and staff
- convene four general FNTC meetings and six law review meetings
- provide financial, human resource and administrative management
- meet *Access to Information Act* and *Privacy Act* requirements
- finalize succession plans to meet human resource requirements
- manage the annual audit and financial reporting process
- provide support or seek additional resources to advance the following special initiatives:
 - Aboriginal Resource Taxation (ART) - Continue to support the design and development of ART options with interested First Nations and the federal government;
 - First Nation Infrastructure Institution (FNII) - Some First Nations are interested in assuming more responsibility for infrastructure on their lands with support from a national Indigenous institution that would work with First Nations in developing their ability to plan, finance, build, maintain, and operate infrastructure. Building on the work undertaken in 2016/2017 on the development of an infrastructure institution framework, the FNTC will develop a concept paper and advance stage 2 of the FNII proposal with INAC;

- Indigenous Land Title (ILTI) - Indigenous communities want to be able to have the same title to their reserve lands as enjoyed by all other Canadians. A number of First Nations would like the title to their lands transferred to them from the federal government to support improved housing and economic outcomes. The FNTC has been working with the federal government to develop a legislative option to accomplish this goal;
- Tax Based Fiscal Relationship - Continue to develop and advance an option whereby First Nations can use new tax revenues to assume full decision-making authority and responsibility for the delivery of specific services. These revenues would then be exempted from the application of any further transfer offsets, such as those envisioned by the proposed federal OSR policy. This would reduce the federal government's need to set conditions or reporting requirements with respect to the assumed responsibilities; these could be established through the FMA;
- FNGST - Support the development and implementation of FNGST systems with interested First Nations; and
- Expanding Indigenous Tax Jurisdiction - Continue to advance FNTC's support for other Indigenous tax jurisdictions such as tobacco, resource related taxation, other sales taxes, income and others.

Corporate Services Performance Measures

Annual Corporate Plan, workplan and financial plan produced and approved

Capital requirements for HO and NCR office managed

10 Commission meetings held

Administrative management and committee support provided

Access to Information Act and Privacy Act requirements met

Manage the annual audit and financial reporting process

Human resource plans developed

Staff training delivered

Five-year business, financial plan and workplan updated

Risk management plan updated

Special initiatives managed

Policy Development

The objective of Policy Development is to develop and implement, through a transparent policy development process, effective standards and policies that support sound administrative practices and increase First Nation, taxpayer, and investor confidence and certainty in the integrity of the First Nation local revenue system.

Strategies and Activities

In 2017/2018, Policy Development will develop or modify, seek public input on, and present for approval at least three of the following standards:

- property assessment
- notification



- well-drilling BAT for Saskatchewan
- mining BAT for Saskatchewan
- specific BATs in other regions
- fees

Policy Development will review or modify two s.83 policies.

Policy Development will continue or initiate policy development of a minimum of eight of the following policies or research projects:

- service agreements and TLEs
- resource taxation pipelines
- resource taxation mining
- resource taxation utilities
- mining and/or well-drilling BAT for Saskatchewan
- accommodation BAT
- provincial grants-in-lieu of property tax
- assessment review board (ARB) best practices
- examining the residual powers in s.83
- options for infrastructure development to expand First Nations economies and tax base

Policy Development will initiate or continue four of the following projects with other fiscal institutions:

- further amendments to the FMA
- policy analysis or support for Treaty and self-governing First Nation participation in the FMA
- improved FMA information collection and dissemination
- improved FMA marketing and coordinated law development
- support for First Nation economic development
- borrowing coordination
- borrowing capacity expansion

Policy Development will prepare the FNTC’s annual Pre-Budget Submission.

Policy Development will also build on and improve the property tax statistics reporting system by developing a model for statistical reporting on property tax.

Policy Development Performance Measures

3 standards approved

2 s.83 policies reviewed

Minimum of 8 policies developed or research initiated

4 projects with other institutions initiated or continued

Pre-Budget Submission completed and submitted

Property tax statistics reporting mechanism developed



Law/By-law Development and Review, Legislative Affairs

The objective of Law/By-law Development and Review, Legislative Affairs is to ensure the integrity of the First Nations real property taxation system and promote a common approach to First Nations real property taxation nationwide, having regard to variations in provincial real property taxation systems. This is accomplished by providing support to First Nations in the law development process, reviewing submitted First Nations laws for compliance with the regulatory framework, and working with the federal government to improve the legislative and regulatory framework.

Law/By-law Development and Review, Legislative Affairs also monitors legal developments that may impact the exercise by First Nations of their property tax jurisdiction.

Strategies and Activities

In 2017/2018, Law/By-law Development and Review will modify or develop up to four sample laws and by-laws for the Commission's consideration and approval. These sample laws/by-laws will also include changes to sample laws required to implement FMA amendments. Sample laws and by-laws developed or modified will be in the following areas:

- property taxation
- assessment
- tax rates
- expenditure
- borrowing
- development cost charges (DCC)
- fees
- business activity taxes (BATs)
- taxation for the provision of services

Law/By-law Development and Review provides support for First Nations to enter the field of property taxation for the first time or to transition to the FMA from *Indian Act* taxation. 2017/2018 priorities will include expanding the number of First Nation tax systems in Manitoba, Ontario, and the Atlantic, and increasing the number of First Nations using local revenues to secure debentures.

Law/By-law Development and Review expects to prepare technical reviews for 190 annual and 26 non-annual FMA laws in 2017/2018 for the Commission's consideration. It also expects to prepare 50 technical reviews of s.83 by-laws for the Commission's consideration in making their recommendations to the Minister for by-law approval.

Law/By-law Development and Review will also provide legal support to the Policy Working Group, including:

- develop a research paper based on review of provincial legislation regarding mining and well drilling taxation in Saskatchewan;



- develop guidelines based on review of best practices for ARB procedures; and
- prepare a briefing which reviews s.83 residual powers (ex. business licensing; raising money from Band members) and their inclusion in FMA.

Legislative Affairs will continue to work with the other fiscal institutions to develop and advance amendments to the FMA and FMA Regulations to support the objectives and the work of the FNTC and improve services and opportunities for First Nations.

Legislative Affairs will also:

- participate in formal processes with the fiscal institutions and Canada to develop amendments to the FMA legislation and regulations;
- provide legal support to enable treaty and self-government First Nations' participation in FMA;
- monitor legal developments, especially in the areas of First Nation jurisdiction, property assessment and taxation, and administrative law principles; and
- maintain the registry of First Nation laws and by-laws.

Law, By-law Development and Review, Legislative Affairs Performance Measures

4 sample laws produced or modified

Support to 20 First Nations provided

216 FMA laws reviewed

Legislative amendments advanced

Legal Support to Policy Working Group provided

Treaty and self-government First Nations' participation in FMA advanced

50 by-laws reviewed

FMA and s.83 registries maintained

Report to Commission on legal developments

First Nations Gazette

The objective of the *First Nations Gazette* is to provide a comprehensive source for First Nation legislation in Canada, including laws, by-laws and codes, and to provide a public notification service for matters affecting First Nations.

Strategies and Activities

In 2017/2018, the *First Nations Gazette* will undertake the following activities:

- publication of FMA laws, First Nation by-laws, notices, FMA standards, procedures and sample laws, and pre-2015 s.81 and s.85.1 *Indian Act* by-laws;
- continuation of the expansion of the FNG as the voice for First Nation law;
- development and distribution of FNG marketing materials;
- development and maintenance of an FNG Procedure and Operations Manual;
- development of a communications plan to help raise awareness of FNG services; and
- development of a five-year strategy to provide a clear direction for FNG programs and service delivery.



First Nations Gazette Performance Measures

First Nation laws, by-laws, notices, FMA standards, procedures, sample laws and s.81 and s.85.1 bylaws published

FNG Procedure and Operations Manual developed and maintained

FNG communications plan developed

FNG 5-year strategic plan developed

Communications

The objective of Communications is to support the voice of the FNTC, promote the understanding of the First Nation real property taxation system, strengthen linkages with other organizations and governments, promote best practices, and facilitate access to local revenue options and tools.

Strategies and Activities

Throughout 2017/2018, Communications will undertake the following activities:

- maintenance of the FNTC website and update the content of the site including success stories, photos, and video interviews;
- publication and distribution of printed and electronic copies of “*Clearing the Path*” quarterly newsletter and maintenance of the email distribution database of subscribers;
- provision of support and communication strategies for projects;
- coordination, development, and updating of presentations and other communication materials including information sheet series and newsletter inserts to support other business lines, including special projects;
- continuation of planning for the National Meeting scheduled for 2018/2019 for First Nation taxing authorities across Canada; and
- updates to and implementation of the five-year communications strategy.

Communications will also collaborate with Corporate Services to complete the following activities:

- development and publication of the Annual Report, in print and electronic form in both official languages;
- coordination and development of materials for the Annual General Meeting; and
- ensure that the FNTC continues to meet OLA requirements.



Communications Performance Measures

FNTC, ILTI, FNG websites updated and maintained
Mobile app updated and maintained
Newsletter published quarterly, email database maintained
First Nation success story series expanded
Annual Report published
Annual General Meeting materials produced
<i>Official Languages Act</i> requirements met
Five year communications strategy updated
Communication materials updated
National meeting plan and marketing completed
Communications procedures and operations manual developed and maintained

Education

The objective of Education is to promote understanding of the taxation systems of First Nations, develop training programs for First Nation real property tax administrators, and build capacity in First Nations to administer their taxation systems. Education activities occur through events and publications that support public education about First Nations taxation and through a working agreement and contract with the Tulo Centre and in partnership with Thompson Rivers University (TRU). The partnership between the Tulo Centre, TRU, and the FNTC provides students with access to 14 courses leading to an accredited First Nation Tax Administration certificate or an accredited First Nation Applied Economics certificate.

Strategies and Activities

In 2017/2018, Education and the Tulo Centre will deliver ten accredited courses of the Certificate in First Nation Tax Administration program and Certificate in Applied Economics program and expand its resources and capacity. Education will also provide support services for the accredited education program by:

- developing an instructor recruitment plan to support growth of the program;
- assisting in implementing Tulo Centre operations and the five-year strategy; and
- annual curriculum review and update.

In 2017/2018, the FNTC and the Tulo Centre will deliver four regional workshops to First Nations and develop new workshops upon request. Education will also provide support services for the non-accredited education programs by delivering webinars.

Education also maintains and provides support for Tax Administration System (TAS), supports training in First Nation tax administration, maintains and updates the Tulo Centre website, supports Tulo Centre graduation and maintains alumni support.

As the FNTC organization grows, the Education department will provide support services for training FNTC in the following areas:

- the new administrative Client Resource Management program;
- Commissioner orientation program; and
- Education procedures and operations manual.



Education Performance Measures

Coordinate delivery of 10 courses
Support public education about First Nations Taxation
4 regional workshops delivered
TAS webinars delivered
Webinar Program delivered
CRM staff training developed and delivered
Commissioner orientation and training program developed
Legal webinar series developed
Instructor recruitment plan developed
Tulo Centre operations and 5-year strategy supported
Education procedures and operations manual updated and maintained
Curriculum Retreat delivered
FNTAA / Tulo alumni working group supported

Dispute Management and Negotiations

The objective of Dispute Management and Negotiations is to prevent or provide for the timely resolution of disputes in relation to the application of local revenue laws in fulfilment of the Commissions purposes. The Dispute Management and Negotiations business area also supports negotiations related to the implementation of First Nations property taxation.

Strategies and Activities

In 2017/2018, Dispute Management and Negotiations will continue to respond to requests for negotiation facilitation and dispute resolution support and maintain a roster of qualified mediators. Training opportunities are provided to Commissioners, staff and mediators listed on the roster.

Dispute Management and Negotiations will also provide support services for:

- negotiations for the provision of provincial assessment services to First Nations;
- negotiations and coordination of First Nations taxation implementation with local and provincial governments;
- the transition to assessment-based tax rates from service fees;
- the development and implementation of taxpayer relations systems including taxpayer representation to council laws;
- the facilitation of service agreements between First Nations and local governments as required to support the implementation of property tax systems or, if requested, additions to reserves and treaty land entitlements; and
- requests from First Nations to support the improvement of financial management of the local revenue account.

Dispute Management and Negotiations will respond, as necessary, to coordinate FNTC’s response to legal challenges to the First Nations tax system.



It will manage and coordinate dispute resolution and mutual gains negotiations training activities for the FNTC staff, selected First Nations, and the Tulo Centre, and will develop a s.33 review simulation.

Dispute Management and Negotiations Performance Measures

Roster of mediators maintained

Support for negotiations with local and provincial governments provided

Training managed and coordinated

Responding to inquiries and facilitation of disputes

Support provided to negotiations and service agreements



Corporate Workplan for 2017/2018

Objectives, Activities and Strategies	Performance Measures
Corporate Services	
Produce the annual corporate plan, workplan and financial plan	Annual Corporate Plan, workplan and financial plan produced and approved
Manage the capital requirements for head office and National Capital Region offices	Capital requirements for HO and NCR office managed
Convene 4 general FNTC meetings and 6 law review meetings	10 Commission meetings held
Provide financial, human resource and administrative management	Administrative management and committee support provided
Meet <i>Access to Information Act</i> and <i>Privacy Act</i> requirements	<i>Access to Information and Privacy Act</i> requirements met
Manage the annual audit and financial reporting process	Annual audit and financial reporting requirements completed
Provide support or seek additional resources to advance the following special initiatives <ul style="list-style-type: none"> • ART • ILTI • FNII • FNGST • Tax based fiscal relationship 	Special initiatives managed
Finalize succession plans to meet human resource requirements	Succession plans developed
Provide training and professional development opportunities to Commissioners and staff	Staff training delivered
Review and revise the 5 year business and financial plan and develop implementation plans	5-year business, financial plan and workplan updated
Policy Development	
Develop or modify, seek public input on, and present for approval at least 3 of the following standards: <ul style="list-style-type: none"> • property assessment • notification • well-drilling BAT for Saskatchewan • mining BAT for Saskatchewan • specific BATs in other regions • fees 	3 standards approved
Review or modify 2 s.83 policies	2 s.83 policies reviewed
Continue or initiate policy development of a minimum of 8 of the following policies or research projects: <ul style="list-style-type: none"> • service agreements and TLEs • resource taxation pipelines • resource taxation mining • resource taxation utilities • mining and/or well-drilling BAT for Saskatchewan • accommodation BAT • provincial grants-in-lieu of property tax • ARB best practices • examining the residual powers in s.83 • options for infrastructure development to expand First Nations economies and tax base 	Minimum of 8 policies developed or research initiated



Objectives, Activities and Strategies	Performance Measures
Policy Development	
Initiate or continue 4 of the following projects with other fiscal institutions: <ul style="list-style-type: none"> • further amendments to the FMA • policy analysis or support for Treaty and self-governing First Nation participation in the FMA • improved FMA information collection and dissemination • improved FMA marketing and coordinated law development • support for First Nation economic development • borrowing coordination • borrowing capacity expansion 	4 projects with other institutions initiated or continued
Prepare the FNTC's annual Pre-Budget Submission	Pre-Budget Submission completed and submitted
Develop a model for statistical reporting on property tax	Property tax statistics reporting mechanism developed.
Law/By-law Development and Review, Legislative Affairs	
Develop or modify Sample laws or by-laws in the following areas: <ul style="list-style-type: none"> • property taxation • assessment • tax rates • expenditure • borrowing • development cost charges (DCC) • fees • business activity taxes (BATs) • taxation for the provision of services 	4 sample laws produced or modified
Expand the number of First Nation tax systems in Manitoba, Ontario, and the Atlantic	Support to 20 First Nations provided
Prepare technical reviews for 190 annual and 26 non-annual FMA laws	216 FMA laws reviewed
Continue to advance and implement the FMA amendments	Legislative amendments advanced
Provide legal support to the Policy Working Group, including <ul style="list-style-type: none"> • developing a research paper based on review of provincial legislation regarding mining and well drilling taxation in Saskatchewan • developing guidelines based on review of best practices for Assessment Review Board procedures • preparing a briefing which reviews s. 83 residual powers (ex. business licensing; raising money from Band members) and their inclusion in FMA 	Legal Support to Policy Working Group provided, including research paper on mining taxation (SK), guidelines for ARB procedures, and briefing on s. 83 residual powers
Provide legal support to enable treaty and self-government First Nations' participation in FMA	Treaty and self-government First Nations' participation in FMA advanced
Prepare 50 technical reviews of s.83 by-laws	50 by-laws reviewed
Maintain the registry of First Nation laws and by-laws	FMA and s.83 registries maintained
Continue to work with the other fiscal institutions to develop and advance amendments to the FMA and FMA Regulations	Projects with other institutions coordinated
Monitor legal developments, especially in the areas of First Nation jurisdiction, property assessment and taxation, and administrative law principles	Report to Commission on legal developments



Objectives, Activities and Strategies	Performance Measures
First Nations Gazette	
Publish FMA laws, First Nation by-laws, notices, FMA standards, procedures and sample laws, and pre s.81 and s.85.1 <i>Indian Act</i> by-laws	First Nation laws, by-laws, notices, FMA standards, procedures, sample laws and s.81 and s.85.1 bylaws published
Development and maintenance of an FNG Procedure and Operations Manual	FNG Procedure and Operations Manual developed and maintained
Continuation of the expansion of the FNG as the voice for First Nation law	Expansion of FNG continued
Development and distribution of FNG marketing materials	Marketing materials distributed
Development of a communications plan to help raise awareness of FNG services	FNG communications plan developed
Development of a 5-year strategy to provide a clear direction for FNG programs and service delivery	FNG 5-year strategic plan developed and implemented
Communications	
Maintenance of the FNTC website and update the content of the site including success stories, photos, and video interviews	FNTC, ILTI, FNG Websites updated and maintained
Maintain and update the mobile FNTC app	Mobile app updated and maintained
Publish and distribute the printed and electronic copies of "Clearing the Path" quarterly newsletter and maintenance of the email distribution database of subscribers	Newsletter published quarterly, email database maintained
Continue to develop short stories on First Nation success series	First Nation success story series expanded
Development and publication of the Annual Report, in print and electronic form in both official languages	Annual Report published
Coordination and development of materials for the AGM	Annual General Meeting materials produced
Ensure that the FNTC continues to meet OLA requirements	<i>Official Languages Act</i> requirements met
Updates to and implementation of the 5-year communications strategy	5-year communications strategy updated
Coordination, development, and updating of presentations and other communication materials including information sheet series and newsletter inserts to support other business lines, including special projects	Communication materials updated and implemented
Continue planning for the National Meeting scheduled for 2018/2019 for First Nation taxing authorities across Canada	National meeting plan and marketing completed
Develop and maintain Communications Operations Manual	Communications manual developed and maintained
Education	
Deliver 10 accredited courses of the Certificate in First Nation Tax Administration program and Certificate in Applied Economics program and expand its resources and capacity	Coordinate delivery of 10 courses including providing administrative and support for students and student graduation
Support training in First Nation tax administration,	Support public education about First Nations Taxation
Deliver 4 regional workshops to First Nations and develop new workshops upon request	4 regional workshops delivered
Provide support for Tax Administration System	TAS webinars delivered
Schedule and deliver webinars	Webinar program delivered
Provide CRM training to staff	CRM staff training developed and delivered
Update Commissioner orientation package	Commissioner orientation and training program developed



Objectives, Strategies, and Performance Measures for 2017/2018

Objectives, Activities and Strategies	Performance Measures
Education	
Develop series of legal webinars	Legal webinar series developed
Develop a plan for Instructor recruitment	Instructor recruitment plan developed
Implement 5-year strategy	5-year strategy supported
Update Education Operations Manual	Education procedures and operations manual updated and maintained
Hold a Curriculum Retreat to review and update course materials	Curriculum Retreat delivered
Support Tulo Centre graduation and maintain alumni support.	FNTAA / Tulo alumni working group supported
Dispute Management and Negotiations	
Maintain roster of mediators	Roster of mediators maintained
Provide support services for negotiations and coordination of First Nations taxation implementation with local and provincial governments	Support for negotiations with local and provincial governments provided
Manage and coordinate dispute resolution and mutual gains negotiations training activities for the FNTC staff, selected First Nations, and the Tulo Centre	Training managed and coordinated
Respond, as necessary, to coordinate FNTC's response to legal challenges to the First Nations tax system	Responding to inquiries and facilitation of disputes
Provide support when requested to Service Agreements negotiations and other disputes	Support provided to negotiations and service agreements



Financial Plan 2017/2018

The FNTC financial plan presents the financial results for 2015/2016 fiscal year, forecasts for 2016/2017, and plans for 2017/2018 to 2021/2022.

Financial Performance 2015/2016 and 2016/2017

Financial assets at the end of 2015/2016 totaled \$2.72 million and consisted of cash and accounts receivable. The forecasted financial assets at the end of 2016/2017 are \$2.11 million and consist of cash and accounts receivable. Liabilities consisting of accounts payable and contracts payable totaled \$2.57 million at the end of 2015/2016 and are forecasted to be \$2.06 million at the end of 2016/2017.

Non-financial assets of the FNTC, which consist of prepaid expenses and tangible capital assets, totaled \$344 thousand at the end of 2015/2016 and are forecasted to be \$445 thousand at the end of 2016/2017. The FNTC's tangible capital assets are comprised of furniture, IT infrastructure, equipment, software, website development costs, and leasehold improvements relating to its business premises. The Commission does not own real property and does not carry debt. The Commission leases space for its head office on the reserve lands of the Tk'emlúps te Secwepemc and in Ottawa for its National Capital Region office.

Statement of Financial Activities	2015/2016			2016/2017		
	Actual	Plan	Variance	Forecast	Plan	Variance
Revenue						
Government of Canada	\$ 5,994,687	\$ 5,995,160	\$ (473)	\$ 6,000,000	\$ 6,000,000	\$ -
Government of Canada - special initiatives	736,894	736,894	-	1,231,623	1,231,623	-
Other	64,720		64,720	18,224	10,000	8,224
	\$ 6,796,301	\$ 6,732,054	\$ 64,247	\$ 7,249,847	\$ 7,241,623	\$ 8,224
Expenses						
Commission Costs	908,148	896,703	(11,445)	867,647	893,085	25,438
Corporate Services	1,232,789	1,285,571	52,782	1,324,313	1,277,130	(47,183)
<i>First Nations Gazette</i>	157,191	186,115	28,924	129,275	145,238	15,963
Policy Development	811,545	777,712	(33,833)	808,214	783,911	(24,303)
Education	582,509	539,979	(42,530)	603,486	596,853	(6,633)
Dispute Management and Negotiations	167,455	247,941	80,486	197,110	248,585	51,475
Communications	730,713	720,238	(10,475)	750,506	734,777	(15,729)
Law/By-law Development and Review, Legislative Affairs	1,470,000	1,340,901	(129,099)	1,337,673	1,330,421	(7,252)
Special Initiatives	736,894	736,894	-	1,231,623	1,231,623	-
	\$ 6,797,244	\$ 6,732,054	\$ (65,190)	\$ 7,249,847	\$ 7,241,623	\$ (8,224)
Annual Surplus (Deficit)	\$ (943)	\$ --	\$ (943)	\$ --	\$ --	\$ --

Above is an overview of the FNTC's actual performance for the 2015/2016 against its plan and its forecasted performance for the 2016/2017 against its plan with an explanation of significant variances. The figures for 2015/2016 are actual results for the fiscal year ending March 31, 2016 and the figures for 2016/2017 are forecasted results to March 31, 2017.

Statement of Financial Position	2015/2016 Actual	2016/2017 Forecast
Financial Assets		
Cash	\$ 2,620,508	\$ 2,012,353
Accounts receivable	96,518	95,000
	2,717,026	2,107,353
Liabilities		
Accounts payable	840,130	860,000
Contracts payable	1,728,397	1,200,000
	2,568,527	2,060,000
Net Financial Assets	148,499	47,353
Non-Financial Assets		
Prepaid expenses	36,447	40,000
Tangible capital assets	307,619	405,211
	344,066	445,211
Accumulated Surplus	\$ 492,565	\$ 492,564
Accumulated Surplus		
Investment in tangible capital assets	\$ 307,619	\$ 405,211
Current funds	184,926	87,353
Accumulated Surplus	\$ 492,565	\$ 492,564

Statement of Cash Flows	2015/2016 Actual	2016/2017 Forecast
Operating Activities		
Annual surplus (deficit)	\$ (943)	\$ -
Items not involving cash		
Amortization	180,896	181,373
Changes in non-cash operating balances		
Accounts receivable	(19,213)	1,518
Prepaid expenses	(8,393)	(3,553)
Accounts payable and contracts payable	494,001	(508,527)
Cash flows from operating activities	646,348	(329,189)
Capital Activities		
Purchase of tangible capital assets	(321,848)	(278,966)
	(321,848)	(278,966)
Net increase (decrease) in cash during the year	324,500	(608,155)
Cash, beginning of the year	2,296,008	2,620,508
Cash, end of the year	2,620,508	\$ 2,012,353



2015/2016 Plan vs. Actual and 2016/2017 Plan vs. Forecast

Revenues 2015/2016 Actual

Revenues for 2015/2016 were \$6.80 million, \$64 thousand over a budgeted plan of \$6.73 million. The revenue for 2015/2016 consisted of government funding of \$5.995 million for FNTC core business activities, \$737 thousand of funding from the Government of Canada for research and work on special initiatives, and \$65 thousand of other source revenue from bank interest. The variance from plan resulted from greater than planned bank interest being earned in the year.

Expenses 2015/2016 Actual

Expenses for 2015/2016 were \$6.80 million, \$65 thousand over budgeted expenditures of \$6.73 million, resulting in a \$943 deficit for the year. Expenses relating to core business activities totaled \$6.06 million, and expenses relating to special initiatives totaled \$737 thousand.

Total core business activity expenditures were consistent with planned amounts. Expenditures relating to Education, Law/By-law Development and Review, Legislative Affairs, and Policy Development were greater than planned. The additional expenditures in these business lines were offset by lower than planned expenditures in other business line activities.

Expenses relating to special initiatives undertaken by the FNTC during the year totaled \$737 thousand and were in line with planned amounts. These expenses related to work undertaken for the First Nations Indigenous Land Title Initiative, research on an Aboriginal Resource Tax and a FMA Infrastructure Institution, digitization and publication of existing First Nation by-laws in the First Nations Gazette, and long term planning activities for the FNTC.

Capital Expenditures 2015/2016 Actual

Capital expenditures for 2015/2016 totaled \$322 thousand and consisted of leasehold improvements relating to reorganization of the business premises at the FNTC head office including furniture and equipment and fit up costs, information technology related equipment purchases including lifecycle replacement of desktop computers and laptops, and website development costs.

Revenues 2016/2017 Forecast

Total revenues for 2016/2017 are forecast to be \$7.25 million, \$8 thousand over a budgeted plan of \$7.24 million. The forecasted revenues include \$6.0 million from the Government of Canada for core business activities and \$1.23 million from the Government of Canada for special projects relating to the First Nations Indigenous Land Title Initiative, continued research on an Aboriginal Resource Tax and a FMA Infrastructure Institution, commencement of work on the development of a land management accredited training program and an education strategy, and various other research activities. Other income arising from bank interest is forecasted to be \$18 thousand.



Expenses 2016/2017 Forecast

Total expenses for 2016/2017 are forecast to be \$7.25 million, resulting in a forecasted deficit of \$0.

Expenses relating to core business activities are forecast to be \$6.02 million, \$8 thousand over planned expenses of \$6.01 million. Dispute Management and Negotiations, Commission Services, and *First Nation Gazette* operational costs are forecasted to be lower than planned. The variance in these business lines are forecasted to be offset by greater than planned activities in other business areas.

Expenses related to the special initiatives are forecast to be \$1.23 million, consistent with plan.

Capital Expenditures 2016/2017 Forecast

Capital expenditures for 2016/2017 are forecast to be \$280 thousand, relating to the completion of reorganization of the business premises at the FNTC head office, and acquisition of information technology related equipment including lifecycle replacement of desktop computers, laptops, and software licensing costs.

Financial Plan 2017/2018 TO 2021/2022

The proposed budget for the FNTC for 2017/2018 is balanced, and has revenues and expenditures planned at \$6.15 million. The plan includes revenue from the Government of Canada for its core activities of \$6.14 million, and \$10 thousand in revenue from other sources. The planned revenues from the Government of Canada for core activities represent an increase of approximately 2% over funding levels for 2016/2017.

The table below contains the financial plan for the FNTC for 2017/2018 to 2021/2022. The following assumptions have been used in the preparation of the financial plans:

1. The financial plans for the periods 2017/2018 to 2021/2022 cover the 12-month fiscal year ending March 31 and are projected results for the period.
2. The 2017/2018 financial plan has been prepared based on a detailed review of the FNTC business lines including the initiatives, strategies, and activities planned for 2017/2018, an external risk assessment, the expected policy environment for the coming fiscal year, and best estimates of management for the cost of activities under each business line as outlined in this Corporate Plan.
3. The financial plans for the periods 2018/2019 to 2021/2022 are forecasted based on the assumption that no significant changes to the core activities or FNTC business lines occur during the planning period.
4. A detailed business and financial plan for the period 2018/2019 to 2022/2023 is currently being developed and the financial plans outlined below for these periods will be amended to reflect the approved business plan.
5. No provision has been made for an increase in Commissioner remuneration for 2017/2018 as these rates are determined and set by the Governor in Council.



6. The financial plan includes the estimated costs of continuing to provide services to First Nations under s.83 of the *Indian Act*.
7. Other income consists of revenue from bank interest.
8. The financial plan for 2017/2018 does not include revenue or expenditures relating to special initiatives that have been identified by the FNTC. The FNTC will seek additional funding for these initiatives during the planning period. The financial plan for 2017/2018 to 2021/2022 includes only those revenues projected for core business activities.

Statement of Financial Activities	Financial Plan				
	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
Revenue					
Government of Canada	\$ 6,147,451	\$ 6,215,908	\$ 6,278,695	\$ 6,313,140	\$ 6,414,016
Other	10,000	10,000	10,000	10,000	10,000
	\$ 6,157,451	\$ 6,225,908	\$ 6,288,695	\$ 6,323,140	\$ 6,424,016
Expenses					
Commission Services	893,085	978,101	921,631	923,335	940,703
Corporate Services	1,342,898	1,356,621	1,431,353	1,412,301	1,436,459
<i>First Nations Gazette</i>	120,519	83,989	85,488	87,016	88,574
Policy Development	793,931	778,085	791,116	804,377	817,872
Education	624,796	631,854	624,951	627,844	640,654
Dispute Management and Negotiations	222,770	240,635	244,296	248,013	251,787
Communications	786,336	792,455	805,087	821,414	827,880
Law/By-law Development and Review, Legislative Affairs	1,373,116	1,364,168	1,384,772	1,398,840	1,420,087
	\$ 6,157,450	\$ 6,225,908	\$ 6,288,695	\$ 6,323,140	\$ 6,424,016
Annual Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -

Statement of Financial Position	Financial Plan				
	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
Financial Assets					
Cash	\$ 1,559,507	\$ 1,576,195	\$ 1,573,163	\$ 1,585,368	\$ 1,580,442
Accounts receivable	95,950	96,910	97,880	98,859	99,848
	1,655,457	1,673,105	1,671,043	1,684,227	1,680,290
Liabilities					
Accounts payable	860,000	861,500	863,015	864,546	866,092
Contracts payable	750,000	757,500	765,075	772,726	780,454
	1,610,000	1,619,000	1,628,090	1,637,272	1,646,546
Net Financial Assets	45,457	54,105	42,953	46,955	33,744
Non-Financial Assets					
Prepaid expenses	40,400	40,804	41,213	41,626	42,043
Tangible capital assets	406,705	334,334	327,741	309,457	311,156
	447,105	375,138	368,954	351,083	353,199
Accumulated Surplus	\$ 492,562	\$ 429,243	\$ 411,907	\$ 398,038	\$ 386,943
Accumulated Surplus					
Investment in tangible capital assets	\$ 406,705	\$ 334,334	\$ 327,741	\$ 309,457	\$ 311,156
Current funds	85,857	94,909	84,166	88,582	75,787
Accumulated Surplus	\$ 492,562	\$ 429,243	\$ 411,907	\$ 398,038	\$ 386,943



Statement of Cash Flows	Financial Plan				
	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
Operating Activities					
Annual surplus (deficit)	\$ -	\$ -	\$ -	\$ -	\$ -
Items not involving cash					
Amortization	178,506	164,052	169,257	159,415	167,206
Changes in non-cash operating balances					
Accounts receivable	(950)	(960)	(970)	(979)	(989)
Prepaid expenses	(400)	(404)	(409)	(413)	(417)
Accounts payable and contracts payable	(450,000)	9,000	9,090	9,182	9,274
Cash flows from operating activities	(272,846)	171,688	176,968	167,205	175,074
Capital Activities					
Purchase of tangible capital assets	(180,000)	(155,000)	(180,000)	(155,000)	(180,000)
Net increase (decrease) in cash during the year	(452,846)	16,688	(3,032)	12,205	(4,926)
Cash, beginning of the year	2,012,353	1,559,507	1,576,195	1,573,163	1,585,368
Cash, end of the year	\$ 1,559,507	\$ 1,576,195	\$1,573,163	\$ 1,585,368	\$ 1,580,442

