



First Nations Tax Commission

Corporate Plan 2021/2022



Mandate

The mandate of the **First Nations Tax Commission** (the FNTC) derives from the federal *First Nations Fiscal Management Act* (the FMA), which created the FNTC, and from a Memorandum of Understanding (MOU) with the Minister of Crown-Indigenous Relations (the Minister) to provide advice regarding approval of by-laws under section 83 of the *Indian Act*.

As set out in section 29 of the FMA, the mandate of the FNTC is 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.

In addition, under terms of the MOU with the Minister, the FNTC provides advice regarding the approval of by-laws under section 83 of the *Indian Act* and delivers services to First Nations exercising property tax jurisdiction under those provisions.

The work of the FNTC is supported through financial contributions from the Government of Canada. This consists of an annual funding arrangement for core ongoing operations, plus funding for special initiatives based on proposals submitted to the Minister. Advice, tax tools and services from the FNTC are available at no cost to all interested First Nations.



Vision and Mission

Vision

The FNTC has long maintained that First Nations are governments within the Canadian federation, that jurisdiction defines governments, and that tax revenues enable jurisdiction. First Nation tax jurisdiction is the basis for revenue-based fiscal relationships between First Nations and the federal and provincial governments. Most importantly, the assumption of tax jurisdictions by First Nations must be First Nation-led, optional, and supported by national First Nation institutions.

The FNTC operates in the larger context of First Nation issues, which go 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 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 First Nation self-reliance.

Mission

Under the broad enabling authorities of its legislated mandate, and guided by the above Vision, the ongoing Mission of the FNTC is as follows:

Assist First Nation governments to build and maintain fair and efficient property and other tax jurisdictions, and ensure that those First Nation communities and their taxpayers receive the maximum benefit from their tax systems.

A Positive Force in First Nation Economic Development and Self-Determination

The establishment of tax systems by First Nation governments secures reliable sources of revenue from taxpayers that have leasehold or other interests in reserve lands, with the revenues used to fund necessary infrastructure and community services. This applies to a wide range of activities and investments, including residential properties, commercial developments, recreation facilities, utility properties, resource development, and agricultural operations. In addition to providing tax revenues to help fund necessary infrastructure and community services, many of these business activities generate employment and commercial opportunities for community members.





Executive Summary

The First Nations Tax Commission (the FNTC) regulates, supports and advances First Nation taxation under the *First Nations Fiscal Management Act* (the FMA) and under section 83 of the *Indian Act*.

The FMA is a successful First Nation-led legislative and institutional framework that now has 309 participating First Nations. The FMA has helped First Nations to build economies and infrastructure and to implement jurisdiction. FMA institutions have helped First Nations generate over a billion dollars in revenues for better community services and infrastructure, and attract billions more of investment to First Nation communities. The FMA has been recognized internationally as a model to implement Indigenous jurisdiction and improve socio-economic outcomes. The FMA and the FNTC have become a cornerstone in Canada's strategy for expanded First Nation jurisdiction, an improved First Nation fiscal relationship, and better First Nation services and infrastructure.

Status and Progress

Since its inception in 2007, there has been continuous growth in the number of FMA-participating First Nations. Almost one half (48%) of the 634 First Nations in Canada have now been added to the FMA, and this number continues to grow each year. There are now FMA-participating First Nations in every province and the Northwest Territories.

The number of First Nations in Canada that are taxing or developing taxation laws has more than doubled since 2007. First Nation taxation jurisdiction continues to expand beyond property tax, as more First Nations enact development cost charges laws, business activity tax laws, and other forms of taxation and fees to fund local services and enable communities to share in the economic activity that is happening on their lands. In 2020, anticipated local revenues collected by First Nations in Canada will exceed \$97 million.

Demand for capacity development and training, presentations, and outreach to First Nation governments that are interested in, or implementing, tax jurisdiction continues to increase significantly each year.

Building on the progress to date, and continuing the commitment to innovation, efficiency, service quality, better socio-economic outcomes, and expansion of First Nation jurisdiction, the FNTC has set out its objectives, strategic directions and priorities for 2021/2022 in this Corporate Plan.

Details of the FNTC's progress against its ongoing goals and past Corporate Plan commitments are set out in the "*Performance*" and "*Scorecard*" sections of this Plan.

Emerging Issues and Factors

The FNTC operates in a constantly changing policy environment and evaluates ongoing and emerging conditions that may have an impact on the demand for, and nature of, its services and activities.

As detailed further below in the ENVIRONMENT section, this Plan responds to ongoing and emerging demands and opportunities, notably:

- Immediate and short-term COVID-19 impacts
- Longer-term post-COVID-19 economic recovery
- Greater First Nation interest and participation
- Imperatives for continuous improvement
- Interest and opportunities for international collaboration

This Plan also includes measures to mitigate and respond to critical areas of risk and uncertainty—also detailed in the ENVIRONMENT section—that might otherwise impact the FNTC in achievement of its mission, most notably:

- Longer-term impacts and implications of COVID-19
- Increased demand for FNTC engagement and support
- Challenges to the regulatory framework
- Appointments to the Commission
- Unpredictable and short-term funding

Directions and Priorities

This Plan sets out measures and commitments to advance the following strategic directions for the FNTC for 2021/2022:

Ongoing Management and Service Delivery

1. Provide property tax system advice and support to First Nations.
2. Strengthen FNTC through organizational innovation and renewal.

Service Enhancement, Outreach and Growth

3. Increase the number of First Nations with First Nation property tax systems.
4. Expand and enrich FNTC services for First Nations.

Framework Development and Innovation

5. Support amendment of the FMA and FMA regulations.
6. Advance a jurisdiction-based fiscal relationship for First Nations.

Partnership Development and Collaboration

7. Develop and strengthen partner institutions and inter-relationships.

Funding Requirements

Based on the activities and work plan outlined in this Corporate Plan, the FNTC has estimated its funding requirements from the Government of Canada to be \$7,980,000 for 2021/2022. In addition, the FNTC will seek supplemental funding to enable it to proceed with incremental work on advancing a jurisdiction-based fiscal relationship for First Nations (item 6 above), and developing and strengthening partner institutions (item 7 above), including advancing plans and proposals for establishment of a First Nations Infrastructure Institute (FNII).



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Profile Organization and Management

The First Nations Tax Commission (the FNTC) is a shared governance institution established under the *First Nations Fiscal Management Act* (the FMA). The FNTC regulates, supports and advances First Nation Taxation under the FMA and under section 83 of the *Indian Act*. It reviews and approves local revenue laws, builds capacity, reconciles First Nation government and taxpayer interests, and provides research, advocacy and services to advance First Nation jurisdiction.

Participating First Nations

Participation in the FMA is optional. First Nations must request, through a Band Council Resolution (BCR), to be added to the Schedule to the FMA. Participating First Nation governments then have opportunities to exercise fiscal powers by enacting FMA laws—including property tax laws and financial administration laws—and to participate in pooled debenture financing for infrastructure and economic development.

As of January 2021, 309 First Nations (48% of all First Nations in Canada) have been scheduled on the FMA, with more requesting to be scheduled every year. Of these participating First Nations, 126 have enacted property tax laws under the FMA, 179 have had their financial performance certified by the First Nations Financial Management Board (FNFM), and 119 have qualified as borrowing members under provisions of the First Nations Finance Authority (FNFA). (See *FMA Institution Partners* further below.) There are now FMA-participating First Nations in every province plus Northwest Territories.

In addition, 32 First Nations currently have property tax by-laws under section 83 of the *Indian Act* (s. 83), of which 26 are actively taxing under their by-laws.

Commissioners

The FNTC consists of one Chief Commissioner (CC)—who also serves as Chief Executive Officer (CEO)—one Deputy Chief Commissioner (DCC), and eight other Commissioners, collectively supported by dedicated full-time staff, plus additional contracted professionals as needed.

On the recommendation of the Minister, the Governor in Council appoints nine of the ten Commissioners, consisting of:

- Chief Commissioner
- Deputy Chief Commissioner

- Three Commissioners who must be taxpayers using reserve lands—one for Commercial, one for Residential, and one for Utility purposes
- Four additional Commissioners

A tenth Commissioner is appointed by the Indigenous Law Centre, University of Saskatchewan (the ILC)—the appointing body prescribed by the *First Nations Tax Commissioner Appointment Regulations*.

When convened as the Commission, the Commissioners are responsible for reviewing and approving local revenue laws under the FMA and providing advice to the Minister on the approval of by-laws under section 83 of the *Indian Act*.

The current Commissioners are:

- **C.T. (Manny) Jules** (*Tk'emlúps te Secwepemc*, BC)—Chief Commissioner and CEO
- **David Paul** (*Tobique First Nation*, NB)—Deputy Chief Commissioner
- **Dr. Céline Auclair** (Gatineau, QC)—Commissioner
- **Terry Babin** (Canal Flats, BC)—ILC-appointed Commissioner
- **Leslie Brochu** (*Little Shuswap Lake Band*, BC)—Residential Taxpayer Commissioner
- **Ken Marsh** (Okotoks, AB)—Utility Taxpayer Commissioner
- **William McCue** (*Chippewas of Georgina Island First Nation*, ON)—Commissioner
- **Georjann Morriseau** (*Fort William First Nation*, ON)—Commissioner
- **Randolph Price** (North Vancouver, BC)—Commercial Taxpayer Commissioner

There is currently one vacancy on the Commission.

Governance

In addition to presiding over the Commission, the Chief Commissioner chairs the Executive Management Committee. In his capacity as CEO, the Chief Commissioner also oversees the general governance and operation of the FNTC.

Under the general direction of the CEO, the Chief Operating Officer (COO) is responsible for planning and coordination of FNTC staff and operations, and management of collaboration with the FNTC's external partners, consultants and advisors.

The Chief Commissioner has established a number of committees—which may consist of some Commissioners only, or some Commissioners plus staff and/or other professionals as appropriate—to guide and support the FNTC's work. These include: an *Executive Management Committee* (CC/CEO, DCC, COO); a *Management Committee* (COO and Directors); an *Audit Committee*, as provided under s. 128(2) of the FMA (three Commissioners); a *Section 83 Rates Committee* (DCC and two Commissioners); and a *First Nations Gazette Editorial Board*.

Business Lines and Services

Chief Commissioner and Commissioners

Chief Executive Officer

Chief Operating Officer

Corporate Services

- Human Resources
- Corporate Policy development
- Finance and Audit
- *Access to Information Act* and *Privacy Act* compliance
- *Official Languages Act* compliance
- Administrative support to all business functions
- Records and information management
- Information technology management and support
- Professional development and staff training
- Office and facilities management
- Strategic and corporate planning
- Special initiative coordination and planning

First Nations Gazette

- Operation and maintenance of the website (www.fng.ca)
- Operation and maintenance of database to support the *Gazette*

Communications

- Intergovernmental affairs
- Annual reports
- Website
- Internal and external communications
- Presentations and print materials
- Annual General Meeting

Legal and Policy Services

- Sample law development
- Standards development
- Regulation development
- Legislative advisory
- Legal research
- Policy research and development

Law/By-Law Review and Outreach

- Law review
- By-law review
- First Nation Support Program
- FMA and section 83 registries
- Outreach
- Engagement and support

Education

- Curricula development
- Accreditation
- Course delivery
- Development and delivery of webinars and workshops

Dispute Management and Negotiations

- Dispute resolution support
- Informal facilitation
- Mutual gains negotiation
- Training
- Service agreement support
- Section 33 review process
- Roster of mediators
- Taxpayer inquiries
- Taxpayer representation

Offices and Staff

As provided under section 26 of the FMA, the FNTC maintains its Head Office on the reserve lands of the *Tk'emlúps te Secwepemc* in British Columbia. It also maintains an office located on Algonquin Anishinabe traditional territory in the National Capital Region. This arrangement provides flexibility in the FNTC's outreach and accessibility for First Nations across Canada.

The FNTC is supported by a team of 25 full-time and contracted professionals dedicated to delivery of the functions and services detailed further below. This arrangement ensures the FNTC has ready access to the best experts in critical disciplines such as law, dispute mediation, economic development, and policy research and analysis.

FMA Institution Partners

In addition to the FNTC, the FMA established the First Nations Financial Management Board (FNFMB) and the First Nations Finance Authority (FNFA):

- **The FNFMB is a shared governance institution** that assists First Nations in strengthening their financial administration regimes—including the approval of First Nation financial administration laws—and provides independent certification to support borrowing from the FNFA, as well as First Nations economic and community development.
- **The FNFA is a non-profit corporation** that provides First Nation governments with access to affordable financing as well as investment and advisory services.

Once a First Nation has been added to the schedule of the FMA, it can access the services of any of the three FMA institutions. These institutions work together to improve the ability of First Nation governments to advance the fiscal and economic well-being of their communities, by providing participating First Nations with the kinds of modern fiscal management tools that are typically available to other governments.



Tulo–Chinook for “Earned Profit”

The Chinook language was an innovative tool to facilitate an Indigenous economy stretching from Alaska to California over a century ago, creating wealth, and supporting the well-being and cultural practices of Indigenous communities. The Tulo Centre captures that entrepreneurial spirit by sharing modern-day practical solutions for First Nation governments to build their economies, providing the means to improve the income, health, education and well-being of their communities.

Education and Accreditation Partners

The FNTC has established a partnership arrangement with the Tulo Centre of Indigenous Economics (the Tulo Centre) and Thompson Rivers University (TRU) to support university-accredited certificate programs and other training and workshops.

Incorporated on January 31, 2008, the Tulo Centre is a Canadian charitable organization whose mission is to assist interested First Nations in building legal and administrative frameworks that support markets on their lands. It delivers education programs and conducts research in the areas of First Nation public administration.

TRU is a public teaching and research university offering undergraduate and graduate degrees and vocational training. Its main campus is in Kamloops, British Columbia.

Under MOUs signed with each other and with the FNTC, the Tulo Centre and TRU offer a *First Nation Tax Administration Certificate* program that provides the knowledge and skills needed to implement and operate a First Nation property tax system using the powers set out in the FMA. This is complemented by the *First Nation Applied Economics Certificate* program delivered in conjunction with the FNTC and TRU, plus a range of other joint workshops, webinars and special courses. The Tulo Centre also offers an accredited certificate in *First Nation Applied Lands Management* with TRU.

Certification in First Nation Tax Administration

To date, 195 students from 92 First Nations have participated in the *Certificate in First Nation Tax Administration* program delivered under a partnership between the FNTC, the Tulo Centre of Indigenous Economics and Thompson Rivers University. More than 90 students from seven provinces have completed all eight courses for successful graduation. Successful First Nation Tax Administrators are qualified to assume responsibility for administering property tax policies, supporting taxpayer relations, property tax collections and enforcement of payment.



Programs Functions and Services

In delivering on its mandate, vision and mission, the FNTC undertakes a comprehensive range of functions and services designed to meet the evolving interests, needs and circumstances of First Nations and their taxpayers. The aim of these functions and services is to ensure the integrity of the system of First Nation real property taxation, and to promote a common approach to First Nation real property taxation nationwide, having regard to variations in provincial real property taxation systems.

Regulatory Framework Development

Policy Development

Policy development includes the design, development and promotion of policies and standards. The objective is to develop and implement—through a transparent process—effective standards and policies that support the FNTC’s policy objectives, including: expanding First Nation jurisdiction; promoting harmonization; fostering efficiencies; increasing First Nation, taxpayer and investor confidence in the integrity of the First Nation local revenue systems; and reconciling the interests of First Nation governments with those of stakeholders in the First Nation tax system. *Policies* address: section 83 by-law making with respect to property taxation, property assessment, tax rate setting, expenditures, local improvement taxation and business licensing; and dispute resolution, law registration, and public input with respect to standards, policies and procedures. *Standards* address: the form and content of local revenue laws; enforcement procedures; criteria for approval of borrowing laws; delegation of authority, notices relating to local revenue laws; the form in which information required is to be provided to the Commission; and the dates by which annual laws must be made by a council of a First Nation.

Legislative Affairs and Legal Services

Legislative affairs and legal services include monitoring legal developments and rulings, analyzing and providing advice regarding legislative and regulatory processes, and supporting other legal initiatives. The objective is to provide advice and to support decision making by the Commission, and to contribute to policy and standards development in the ongoing evolution and maturation of the regulatory framework for First Nation local revenue systems. This work includes analysis of the legal framework in jurisdictions across Canada, and assessment of implications for the design and implementation of First Nation tax systems. A core element involves working with the federal government to improve the legislative and regulatory framework, and monitoring legal developments that may impact First Nation property taxation under the FMA and the *Indian Act*.

Research and Innovation

Research and innovation activities include researching, exploring, testing and analyzing innovative approaches and mechanisms for the design, expansion and administration of First Nation tax systems. The objective is to: continually improve and enhance local revenue systems; expand First Nation jurisdiction; inform development of policies and standards; and identify means to reduce barriers to First Nation economic development.

Sample Laws and By-Laws

Sample law and by-law development includes developing and updating sample laws and by-laws, as well as providing related tools and advice. The objective is to support First Nations and professionals working with First Nations in law and by-law development processes. The sample laws and by-laws assist First Nations in the development of their own laws or by-laws. Sample laws/by-laws: are based on best practices; comply with applicable statutory requirements, regulations and FNTC standards/policies; and help to support the timely and efficient development of local revenue laws.

Law/By-Law Review and Commission Approval/Recommendation

Law and by-law review includes the review and approval by the Commission of First Nation local revenue laws under the FMA, and Commission review and provision of recommendations to the Minister on by-laws under section 83 of the *Indian Act*. The objective is to assess compliance of First Nation laws and by-laws with applicable legislation, regulations, standards and policies.

Promulgation and Registration

First Nations Gazette

The FNTC operates and maintains the *First Nations Gazette*, a free searchable database of First Nation laws, by-laws and other enactments published on the website **www.fng.ca**. The objective—as set out in the *Gazette's* mission statement—is to “provide a comprehensive source for First Nation legislation in Canada, including laws, by-laws and other enactments, and to provide a public notification service for matters affecting First Nations.” The *First Nations Gazette* is the official record of all local revenue laws approved by the Commission, all standards and procedures established by the Commission under section 35 of the FMA, by-laws under section 83 of the *Indian Act* approved by the Minister, financial administration laws approved by the FNFMB, and standards developed by the FNFMB under section 55 of the FMA.

FMA and Section 83 Registries

The FNTC maintains and updates a registry of all approved local revenue laws and financial administration laws—as required under the FMA—and of all by-laws approved by the Minister under section 83 of the *Indian Act*. The objective is to provide comprehensive registries containing the originals of all approved local revenue laws, financial administration laws and s. 83 by-laws for formal reference as required.

First Nations Services

First Nation Law and By-Law Development

The FNTC provides advice and assistance to First Nations in their development and implementation of local revenue laws and by-laws. The objective is to support First Nations in the law development process, including providing assistance to First Nations entering the field of property taxation for the first time or transitioning to the FMA from *Indian Act* taxation. The work includes preparing technical reviews of submitted First Nations laws for compliance with the regulatory framework, providing presentations to First Nations governments on the law development process, and responding to enquiries.

Service Agreement Support

The FNTC provides support for the facilitation of service agreements between First Nations and local governments to advance implementation of property tax systems, additions to reserves, and treaty land entitlements. The objective is to help First Nations negotiate fair, efficient and effective service arrangements with local governments. This also includes support for the development of samples, models and templates for service agreements.

Dispute Management and Negotiations

Dispute management includes support for negotiations relating to the implementation of First Nation property taxation and support for resolution of disputes in relation to the application of local revenue laws. The objective is to support dispute prevention and resolution in relation to the application of local revenue laws and, where disputes do occur, to facilitate their timely, efficient and amicable resolution consistent with the principles and objectives of the applicable laws, regulations and procedures. This work also includes support for: negotiations for the provision of provincial assessment services; negotiations and coordination of First Nation taxation implementation with local and provincial governments; transition to assessment-based tax rates from service fees; response to taxpayer inquiries; and taxpayer relations systems, including taxpayer representation to council laws.

Engagement and Capacity Building

Communications and Outreach

Communications and outreach include engagement activities and the development of products and materials to promote the understanding of First Nation real property taxation systems. The objectives are to: support the voice of the FNTC in advocating for First Nation tax jurisdiction; promote broad understanding of the First Nation real property taxation systems and their benefits; strengthen linkages with other organizations and governments; promote best practices; and facilitate access to local revenue options and tools. This entails: aligning communications activities and messages with the FNTC's goals, objectives and plans; demonstrating the success and benefits of First Nation implementation of FMA powers; encouraging, engaging and supporting First Nation communities; building relationships with partners and stakeholders; and incorporating innovative media content in advancing the FNTC's communications and outreach goals.

Education, Training and Accreditation

Education, training and accreditation activities include the development and delivery of specialized training and formal certification for First Nation government staff in implementing FMA jurisdictions that lead to greater economic growth, investments, revenues and employment for First Nation communities. The objectives are to: promote understanding of

the taxation systems of First Nations; develop knowledge and skills for First Nation real property tax administrators; and build capacity in First Nations to administer their taxation systems. This entails: sharing practical skills and knowledge for rebuilding the economic foundations for First Nation communities; developing and facilitating workshops; developing webinars; and providing logistics and support for students, graduation and convocation services, and alumni relations. It also includes implementation of a working agreement with the Tulo Centre and partnership with TRU for design and delivery of courses leading to an accredited First Nation Tax Administration certificate and an accredited First Nation Applied Economics certificate.

Commission Operations

Commission Support

Commission support includes provision of ongoing advice, logistical support and services for the Commission and its Committees. The objective is to ensure the timely and efficient functioning of the Commission in all aspects of its review, decision making, leadership and advocacy functions. This includes: oversight of processes for the appointment/reappointment of Commissioners and the orientation of new Commissioners; planning, scheduling and coordination of regular Commission and Committee meetings, as well as special processes and events; preparation of briefing and presentation materials for Commission operations; recording and distribution—as appropriate—of relevant proceeding minutes, records and decisions; and other support as required.

Corporate Services

Corporate services include the provision of planning, financial/accounting, personnel, administrative, legal, office facility, technology management, contracting and other support services to the Commission and the FNTC. The objective is to: operate the Commission in keeping with the FMA and the Corporate Plan; create an efficient and effective work environment for other service areas; and fulfill the financial management and control functions and requirements set out in the FMA. This includes: coordination and support for the annual Corporate Plan and the Annual Report; capital management for Head Office and National Capital Region Office; financial, human resource and administrative management; compliance with the *Access to Information Act*, the *Privacy Act* and the *Official Languages Act*; staff and executive recruitment, training and professional development; negotiation of funding; client and e-mail records management; server and network maintenance; and development, training and implementation of FNTC policies and procedures.

International Respect and Collaboration

The FMA—and the institutional support provided by the FNTC and the Tulo Centre—has been recognized in New Zealand, Australia and the United States as a model to implement Indigenous jurisdiction and improve socio-economic outcomes for Indigenous peoples. With a commitment to sharing insights and best practices, the FNTC will continue to build on its partnerships with organizations like the Ngāi Tahu in New Zealand and the National Intertribal Taxation Alliance, Oklahoma Tribes, and Indian Land Tenure Foundation in the United States. FNTC and the Tulo Centre will also continue working with the Bank of Canada, the Federal Reserve Bank of Minneapolis, the Reserve Bank of Australia, and the Reserve Bank of New Zealand to advance resilient Indigenous economies.



Performance Measurement Against Goals

The FNTC has developed performance measures to track and assess the FNTC's success in delivering on its mandate, vision and mission. This section highlights progress and trends with respect to current indicators for which data are available. Additional indicators and related data will be added in future years, in support of the FNTC's plans for a more comprehensive suite of performance measures.

First Nation Participation in the FMA

Since its establishment in 2007 the FNTC's priority focus has been on:

- Promoting participation of First Nations in the FMA.
- Building the regulatory framework for First Nation taxation systems.
- Supporting First Nations in the successful development and implementation of local revenue systems.

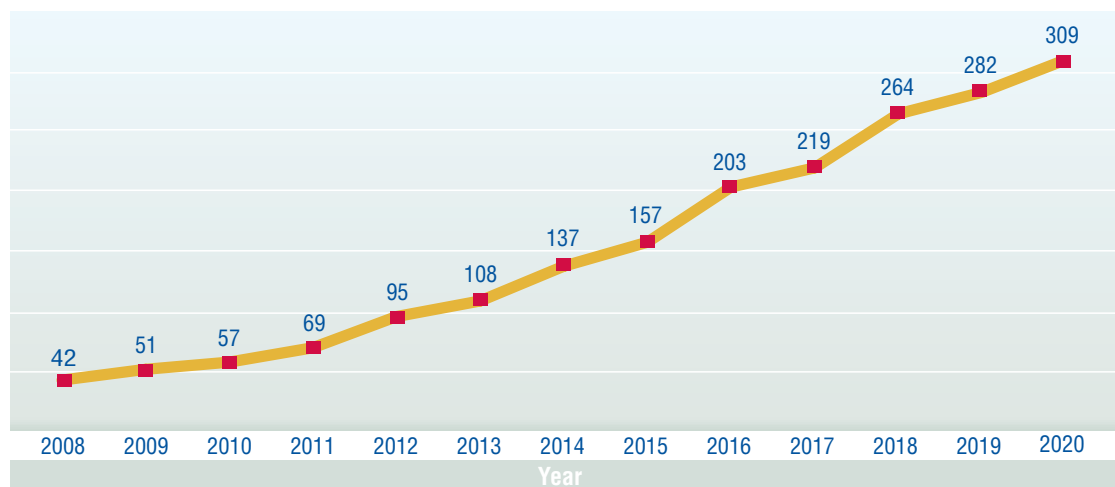
Figure 1 below shows the number of First Nations, by province and territory and by year, that have been added to the schedule of the FMA. Every year has seen increased participation in the FMA, and there are now 309 First Nations on the FMA schedule, including at least one in every province plus Northwest Territories.

Figure 1 First Nation Participants Under the *First Nations Fiscal Management Act*—Annual New and Total

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	TOTAL
BC	35	5	5	5	11	5	15	6	10	5	10	2	7	121
AB	0	1	0	0	0	1	0	1	3	4	2	6	1	19
SK	3	2	0	4	2	2	2	2	9	1	7	1	6	41
MB	0	0	1	1	1	5	6	2	11	2	2	0	3	34
ON	1	0	0	2	5	0	3	6	7	3	14	6	3	50
QC	0	0	0	0	3	0	0	1	2	0	3	2	2	13
NB	3	1	0	0	2	0	1	0	0	0	1	1	1	10
NS	0	0	0	0	2	0	2	1	3	0	3	0	1	12
PE	0	0	0	0	0	0	0	0	0	0	1	0	0	1
NL	0	0	0	0	0	0	0	0	0	0	2	0	0	2
NT	0	0	0	0	0	0	0	1	1	1	0	0	3	6
New	42	9	6	12	26	13	29	20	46	16	45	18	27	309
TOTAL	42	51	57	69	95	108	137	157	203	219	264	282	309	

As shown in Figure 2 below, within the first year following the establishment of the FNTC in 2007, there were 42 First Nations participating in the FMA. Building on this momentum, there are now more than seven times as many as in that first year.

Figure 2 Total First Nation Participants Under the *First Nations Fiscal Management Act*



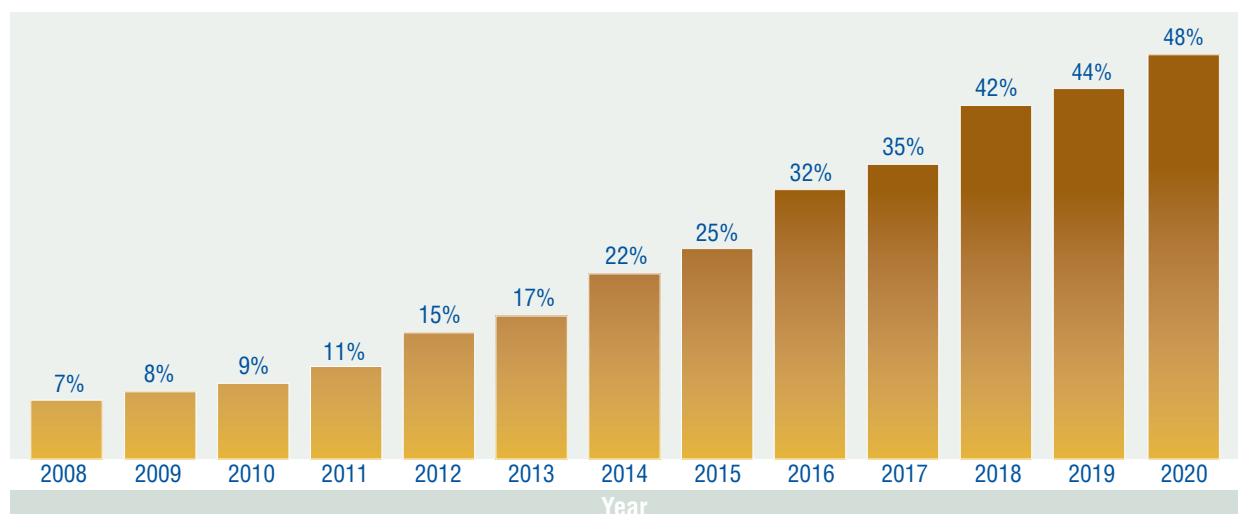
As shown in Figure 3 below, the number of First Nations (plus one Tribal Society with delegated property tax powers) that have a property tax system under the FMA in place has grown from 15 in 2008 to 126 in 2020. This represents one fifth (20%) of the 634 First Nations across Canada.

Figure 3 First Nations with a Tax System Under the *First Nations Fiscal Management Act*—Annual New and Total

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
New	15	8	5	4	12	8	9	17	20	6	12	5	5
TOTAL	15	23	28	32	44	52	61	78	98	104	116	121	126

Participation in the FMA has grown continually over the past 12 years. As shown in Figure 4 below, almost one half (48%) of the 634 First Nations in Canada now participate in the FMA, with more continuing to be added every year.

Figure 4 Proportion of all First Nations in Canada that are Scheduled Under the *First Nations Fiscal Management Act*



First Nation Tax Systems and Revenues

As shown in Figures 5A and 5B below, revenues (based on First Nation budget information) are currently slightly more than \$26 million per year under s. 83, and more than \$71 million annually under the FMA. (Note: Amounts that are nil or not applicable are shown as —.)

Figure 5A Total Annual Tax Revenues (\$) by First Nations Under Section 83 of the *Indian Act*

	2013	2014	2015	2016	2017	2018	2019	2020
BC	20,390,462	23,557,867	25,578,712	27,803,300	18,992,187	20,586,536	21,277,684	21,701,786
AB	12,476,290	7,941,084	8,642,752	6,122,213	5,423,102	5,068,720	4,039,950	3,619,347
SK	750,359	767,283	780,940	789,731	754,545	55,000	—	—
MB	312,874	582,672	375,198	515,204	—	—	—	—
ON*	—	—	—	—	—	—	—	—
QC*	663,253	665,000	629,000	629,000	629,000	600,000	622,904	657,800
NB	—	—	—	—	—	—	—	—
NS	49,760	74,133	74,134	156,997	157,780	161,772	159,968	159,968
PE	—	—	—	—	—	—	—	—
NL*	—	—	—	—	—	—	—	—
NT	—	—	—	—	—	—	—	—
TOTAL	\$34,642,998	\$33,588,039	\$36,080,736	\$36,016,445	\$25,956,614	\$26,472,028	\$26,100,506	\$26,138,901

*Amount of utility taxes collected in some communities in Ontario, Québec, and Newfoundland and Labrador unknown.

Figure 5B Total Annual Tax Revenues (\$) by First Nations Under the *First Nations Fiscal Management Act*

	2013	2014	2015	2016	2017	2018	2019	2020
BC	36,151,119	40,951,128	43,260,171	45,792,657	49,734,305	53,210,267	55,986,592	56,140,449
AB	1,255,153	1,187,075	2,092,715	4,566,969	4,252,205	4,293,235	5,531,675	5,873,378
SK	2,001,299	2,033,769	2,051,931	2,078,673	2,254,759	3,290,606	4,259,748	4,059,576
MB	413,621	432,116	439,001	448,599	931,265	963,601	969,330	1,007,942
ON	—	—	—	559,822	732,831	1,673,648	2,818,525	3,158,032
QC	—	—	—	—	—	—	—	—
NB	—	—	—	—	35,655	16,890	56,803	53,646
NS	651,699	626,090	700,048	724,595	753,120	874,504	917,190	987,479
PE	—	—	—	—	—	—	—	—
NL	—	—	—	—	—	—	—	—
NT	—	—	—	—	—	—	—	—
TOTAL	\$40,472,891	\$45,230,178	\$48,543,866	\$54,171,315	\$58,694,140	\$64,322,751	\$70,539,863	\$71,280,501

As shown in Figure 6 below, combined tax revenues (based on First Nation budget information) from section 83 and the FMA now total over \$97 million annually. While property taxes are the principal source of local revenues, the size and relative significance of other tax revenues will increase in the future.

Figure 6 Total Tax Revenues (\$) by First Nations Under the *First Nations Fiscal Management Act* and Section 83 of the *Indian Act*, by Revenue Source, 2020

Source	FMA	Section 83	Total	%
Property Taxes	64,303,790	26,138,901	90,442,691	92.8%
Property Transfer Tax	3,435,177	N/A	3,435,177	3.5%
Development Cost Charge	1,960,950	N/A	1,960,950	2.0%
Service Fee	1,394,073	N/A	1,394,073	1.4%
Service Tax	127,008	0	127,008	0.1%
Business Activity Tax	59,503	N/A	59,503	0.1%
TOTAL	\$71,280,501	\$26,138,901	\$97,419,402	100%
Distribution (%)	73%	27%	100%	

New Revenues and Investments for First Nations

Since its inception in 2007, the FNTC—in partnership with other FMA institutions and the Tulo Centre of Indigenous Economics—has helped First Nations generate over \$1 billion in revenues to support better community services and infrastructure for residents and taxpayers. Their initiatives have also attracted billions more in investments to First Nation communities, leading to thousands of employment and business opportunities, higher incomes, better services, and improved social outcomes for participating First Nations.

FNTC Activities and Outputs

The FNTC continues to expand and enrich its services and activities in support of its mandate, vision and mission. The output measures in Figure 7 below are an initial suite of indicators that will be augmented in the future with other performance measures, as indicated in the FNTC's Strategic Directions and Priorities further below.

Figure 7 Selected Key Indicators of FNTC Activities and Outputs, by Fiscal Year

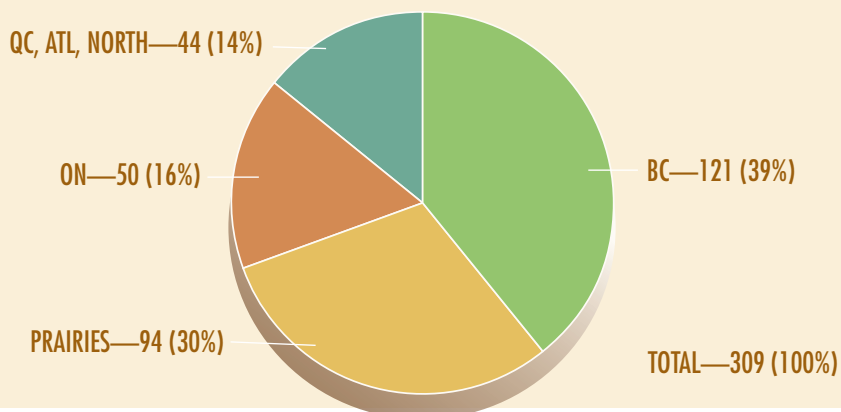
2008/ 2009	2009/ 2010	2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020	2020/ 2021*
# Law Reviews Completed—Each Year and Cumulative Total												
81	90	84	105	122	137	149	189	206	225	212	231	229
81	171	255	360	482	619	768	957	1,163	1,388	1,600	1,831	2,060
# By-Law Reviews Completed—Each Year and Cumulative Total												
63	59	60	72	71	65	59	59	61	56	46	41	32
63	122	182	254	325	390	449	508	569	625	671	712	744
# First Nation Tax-Related Courses, Webinars and Workshops Delivered—Each Year and Cumulative Total												
4	24	7	7	7	10	11	11	12	14	23	15	9
4	28	35	42	49	59	70	81	93	107	130	145	154
# Participants in First Nation Tax-Related Courses, Webinars and Workshops—Each Year and Cumulative Total												
65	131	84	84	84	145	124	183	178	205	298	315	147**
65	196	280	364	448	593	717	900	1,078	1,283	1,581	1,896	2,043
# Accredited Graduates from First Nation Tax-Related Courses—Each Year and Cumulative Total												
—	—	—	—	11	13	13	5	10	15	15	6	9
—	—	—	—	11	24	37	42	52	67	82	88	97
# Laws and By-Laws Documented and Accessible in <i>First Nations Gazette</i> —Each Year and Cumulative Total												
142	155	138	148	197	365	283	562	2,878	353	376	344	342
142	297	435	583	780	1,145	1,428	1,990	4,868	5,221	5,597	5,941	6,283
# First Nation Tax-Related Presentations Delivered—Each Year and Cumulative Total												
40	40	30	70	100	50	50	34	73	74	56	96	22
40	80	110	180	280	330	380	414	487	561	617	713	735

*Data for FY 2020/2021 as of January 12, 2021 (i.e., partial year; final numbers will be larger).

**With presentations delivered virtually under COVID-19, participation numbers are estimated.

First Nation Participants Under the *First Nations Fiscal Management Act*, 2020

FNTC has been making solid progress in broadening its reach with First Nations in all regions of Canada, with active participation of 309 First Nations under the *First Nations Fiscal Management Act* as of 2020.





Scorecard Progress Against Plans

Progress as of January 31, 2021, on Commitments in Corporate Plan 2020/2021

This Scorecard provides a brief update on significant key commitments set out in the FNTC's previous Corporate Plan. It highlights progress made on the commitments over the past year and planned next steps for follow-through and completion. The FNTC Annual Report for 2020/2021 will provide a final summary of results for the fiscal year.

STATUS: On Track / Ongoing / Adjusted / Delayed / Completed

1. Provide property tax system advice and support to First Nations.

Provide support to First Nations to effectively implement their tax jurisdictions.

Commitment	Status	Progress
Develop/update regulatory framework for First Nation local revenue systems.	On Track	Continued work on potential amendments to FMA and continued work on draft regulations to support access to FMA for Treaty First Nations and Self-Governing Nations; undertook regulatory initiatives to clarify and strengthen enforcement powers and assessment appeal procedures; developed revised standards and procedures to facilitate First Nation participation in the FMA and access to FNTC services; and updated and revised sample laws and by-laws.
Support dispute prevention, mediation and resolution.	Ongoing	Responded to 20 taxpayer enquiries concerning issues with respect to First Nations property tax; provided information, and facilitated communication with taxpayers and tax administrators, to achieve resolution of issues.
Support development/implementation of local revenue systems.	Ongoing	Provided financial and technical support to 11 First Nations for their development and implementation of local revenue laws; provided advisory services to 154 First Nations on drafting of annual laws and by-laws; reviewed 229 laws and 32 by-laws.
Share information, tools, advice and best practices for local revenue systems.	Ongoing	Delivered 22 presentations to First Nations on the FMA fiscal powers, including the benefits, how to access, and how they help support economic growth. As well provided interested First Nations with sample FMA laws, administrative templates, tools and regional workshops.

Commitment	Status	Progress
Support development/strengthening of capacities, skills and mechanisms.	Ongoing	Convened 20 meetings with First Nations focused on providing tailored advice to address specific issues and challenges in their tax administration.
Support relations with taxpayers and taxpayer organizations, and related engagement, dialogue and participation.	On Track	Participated in the Canadian Property Tax Association (CPTA) annual conference, including “virtual” presentation by the Chief Commissioner on the impacts of the COVID-19 pandemic on First Nations; redesigned website to provide a special section dedicated to on-reserve taxpayers, with user-friendly access to key information; Chief Commissioner addressed virtually some 2,000 employees of the Municipal Property Assessment Corporation (MPAC), highlighting work done with First Nations in Ontario.

2. Strengthen FNTC service delivery through innovation and renewal.

Continue with Transition Management Plan work initiated in 2019/2020, to develop and implement a well-planned approach to managing organizational changes and continuous improvement.

Commitment	Status	Progress
Implement succession plan for executive and senior management.	On Track	Identified staffing areas where succession is expected in the short term; now beginning proactive recruitment to address anticipated gaps/needs and arrange for retirement advisory services.
Seeking finalization of Commission appointments.	On Track	Discussing with Government of Canada (GoC) officials suitable processes to fill vacancies via Order in Council, including one current vacancy, plus two whose terms expire in 2021.
Pursue First Nation-led appointment process for Commissioners.	On Track	Continuing development—for discussion with GoC—of proposed amendments to legislation and/or regulations for First Nation organizations to appoint a majority of Commissioners, including those with specific required backgrounds and identified mandates.
Support human resource recruitment, retention and capacity development.	On Track	Created and filled new position of Director of Corporate Services with human resources function responsibilities; now focusing on recruitment, with four new employees engaged and four additional positions to be posted before year end—the largest growth since creation of FNTC.
Evaluate management/organizational structures and service delivery models.	On Track	Completed organizational review and core service assessment, setting out 52 recommendations. Implementation well underway with most to be completed in 2020/2021. Revised organizational structure, with new established business lines and identified FNTC capacity requirements for the next two years. Salary structure and staff orientation processes underway. Review of Information Management and Information Technology (IT) systems underway with transition to a new records management system in progress, new video conferencing capabilities implemented, and additional in-house IT capacity added. Move to more in-house capacity for IT planning and services.

Commitment	Status	Progress
Strengthening collaboration within FNTC.	Adjusted	Staff retreat, team-building exercises, quarterly planning and staff training initiatives were delayed/cancelled due to COVID-19, although the proactive and coordinated response to the pandemic actually served to advance desired levels and forms of collaboration, with more engagement, clearer understanding of internal roles, and regular coordination processes.
Improve coordination with FMA Partner Institutions and governments.	Adjusted	Working jointly on COVID-19 emergency response and economic recovery strategy, with new regular monthly calls with Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC), Indigenous Services Canada (ISC), and the FMA Partner Institutions (FNFA; FNFMB).
Advance a proposal for new five-year grant funding for FNTC.	On Track	Working with Commissioners and consultants on a 5-Year Strategic Vision and Financial Plan, which will set the foundation and rationale for a longer-term funding model for FNTC.
Explore ways to measure stakeholder needs, concerns and preferences.	Delayed	On hold pending attention to COVID-19 impact priorities.
Launch technological improvements for <i>First Nations Gazette</i> .	Completed	Developed a modern database and dedicated website in partnership with <i>Lexum</i> —modelled after <i>Canada Gazette</i> and the Canadian Legal Information Institute (CANLII) database, and launched on <i>Aboriginal Day</i> (June 21, 2020—the 23rd anniversary of the <i>First Nations Gazette</i>).

3. Improve the FNTC performance measurement system.

The FNTC will build on the set of performance measures included in this Corporate Plan (see *Performance—Measurement Against Goals*, above) to improve its suite of statistical and other indicators that will be used to track and assess progress toward the FNTC’s long-term vision and ongoing goals.

Commitment	Status	Progress
Improve existing performance measures and baseline reference data.	Ongoing	Established relatively robust set of performance measures and indicators in 2020/2021 Corporate Plan and Annual Report; now continuing with further additions, updates and refinements.
Develop new indicators and data collection processes.	On Track	Initiated research on new system for collection and reporting of data for local revenue; now setting up working groups and experts to scope a project for future implementation, including addressing statistical data and related information gaps identified in the responses to COVID-19.

4. Increase the number of First Nations with First Nation property tax systems.

First Nation interest in the FMA system and the services offered by the institutions is growing each year. Recognizing the interest of First Nations in establishing First Nation property tax systems to advance their economic, fiscal and broader community development goals, and building on the demonstrated successes of First Nations that have implemented property tax systems, the FNTC will prioritize work necessary to increase the number of First Nations implementing tax jurisdiction in Canada.

Commitment	Status	Progress
Increase regional communications and outreach to promote tax jurisdiction.	Adjusted	Shifted from planned regional in-person visits to 3 regional virtual workshops, consisting of 2 in Atlantic Canada and 1 in Ontario; also shifted from planned in-person visits and working sessions with individual First Nations to individual virtual presentations to promote tax jurisdiction in British Columbia, Saskatchewan, Ontario and Atlantic Canada. A total of 22 virtual visits held.
Provide advice/assistance in establishing property tax systems.	Adjusted	Provided financial and technical support to 11 First Nations for their development and implementation of local revenue laws; provided advisory services to 154 First Nations on drafting of local revenue laws and by-laws.

5. Expand and enrich FNTC services for First Nations.

Supporting the evolving needs of taxing First Nations—and as a way of supporting new First Nations to implement tax jurisdiction—the FNTC will continue to expand and enrich the range of services it will provide.

Commitment	Status	Progress
Evaluate and improve services to existing taxing First Nations.	Ongoing	Improved procedures for approval of local revenue laws to streamline procedures and criteria, clarify requirements, and make processes more efficient. Also established <i>Standards for COVID-19 Emergency Response</i> to provide greater flexibility for First Nations in: the submission of laws; setting of tax rates; use of reserve funds; and holding of meetings virtually.
Strengthen capacity development and governance support.	Ongoing	Reviewing Tax Administration System with a view to making future changes and improvements, to enhance capacity for administration of tax systems; continued to work with Tulo Centre on enhancement and delivery of their tax courses to support local First Nation capacity.
Enhance support for service agreement negotiations.	Ongoing	Continued government-to-government precedent-setting work on development of sample service agreements with Broken Head First Nation and East St. Paul in Manitoba and Red Pheasant Cree Nation and City of Saskatoon in Saskatchewan, and assistance with negotiations, advice and presentations for Doig River First Nation and Fort St. John in British Columbia. Commenced collaboration with the Sto:lo Nation communities on approaches to service agreements.

6. Advance a jurisdiction-based fiscal relationship for First Nations.

The FMA represents a jurisdiction-based fiscal relationship because it associates local revenues with local services. Interested First Nations, the FNTC and the other FMA institutions propose to enhance this fiscal relationship by advancing several proposals to expand FMA fiscal powers and jurisdictions.

Commitment	Status	Progress
Co-develop/support a First Nation cannabis excise tax-sharing framework between federal/provincial/territorial (F/P/T) and First Nation governments.	Ongoing	Continued research and consultations with the Assembly of First Nations (AFN) and Finance Canada, to support excise tax sharing; provided proposals to GoC on process and ideas for tax-sharing frameworks.
Advance proposals for improvements to First Nations Goods and Services Tax (FNGST).	Ongoing	Provided support to First Nations in implementing GST and tax estimate research and addressing issues related to revenue caps. Continuing advancement of proposals to GoC to allow FNGST to be considered as “other revenues” for purposes of borrowing under the FMA.
Advance proposals for comprehensive cannabis fiscal and regulatory options.	Ongoing	Meetings with organizations (including the AFN) to advance proposals on approaches to local regulation and oversight of cannabis (age; possession; sales; etc.), with ongoing advocacy, presentations, and research on legislation, F/P/T roles, and revenue distribution.
Collaborate on tobacco, alcohol and fuel excise tax-sharing proposals.	Ongoing	Continuing work on revenue sharing with GoC and First Nations, with work and ideas on fuel and alcohol to serve as a model for inclusion of cannabis (“FACT”—fuel, alcohol, cannabis, tobacco) as sources of local revenue under the FMA.
Support broad First Nation tobacco tax systems where enabled.	Delayed	Continuing work with provinces with interest in tobacco tax agreements to develop and implement First Nation tobacco tax. In-person engagement largely suspended under COVID-19, but undertaking research on potential revenues and other implications in New Brunswick (which has tobacco tax-sharing agreements).
Advance proposals for a First Nations Resource Charge.	Ongoing	Continuing exploration of the feasibility of mining and forestry resource charge arrangements in Manitoba, and outreach to other P/T governments.
Undertake other research, feasibility assessment and proposal development for innovations in First Nations fiscal jurisdiction.	Ongoing	Continued ongoing function as “ideas generator” and “proposal incubator” of initiatives relevant to First Nation tax jurisdiction and revenue generation, including exploration of grants in lieu of taxes, CN railway rights of way, and general local economic development arrangements.

7. Contribute to amendment of the FMA and FMA regulations.

The FNTC will work with the FMA institutions and Canada to pursue amendments to the FMA and related regulations to support the work of the FNTC and to expand participation in the FMA.

Commitment	Status	Progress
Explore/develop/promote renewal and expansion of FNTC's mandate.	On Track	Continuing engagement with GoC on changes to legislation re: FNTC mandate, including participation in GoC working group to study expansion of FNTC mandate under section 29 of the FMA; proceeding with legislative drafting; and now readying for advancement in spring 2021.
Advance proposals to broaden First Nation eligibility to participate in the FMA.	On Track	Continued research, analysis and advocacy to advance regulatory amendments to enable First Nation non-profit entities, treaty First Nations and self-governing First Nations to participate in the FMA. Continuing participation in technical working groups with GoC and the fiscal institutions to advance these regulatory amendments.
Advance amendments to First Nation Taxation Enforcement and Assessment Appeal Regulations.	On Track	Researched and presented policy and regulatory amendments; continuing work with GoC to advance proposed regulatory amendments.

8. Develop and strengthen partner institutions.

Working with its FMA and training and accreditation partners, the FNTC will promote the development and strengthening of institutions to: enrich and accelerate the development of legal and administrative frameworks to expand First Nation jurisdictions; enable economies of scale; support research and innovation; facilitate knowledge transfer among First Nations; and to support and advocate on behalf of participating First Nations.

Commitment	Status	Progress
Support addition of new fiscal powers to the FMA so FNTC can support First Nations in generating more secure revenue streams to access the FNFA—i.e., to enable borrowing by First Nations for longer-term investments and economic infrastructure projects.	Ongoing	Continued consultations and collaboration with the Department of Finance to promote and support expansion and modernization of the FMA to broaden its scope to respond to the fiscal needs of First Nation communities, and more effective arrangements with the FNFA.
Promote establishment of a First Nations Infrastructure Institute (FNII).	Ongoing	Convened meetings with Ministers responsible for CIRNAC and ISC, and their officials, on FNII organization, design, rationale and required legislation; now readying for GoC consideration early in 2021; Chief Commissioner made presentations to Senate and House Committees on proposed COVID-19 economic recovery strategies, including FNII proposals.
Advance development of an Indigenous Land Title Registry System (ILTRS).	Delayed	Continued research and advocacy on vision and plans for a proposed ILTRS, entailing presentations and discussions with the GoC.

Commitment	Status	Progress
Promote a First Nations statistics institute.	Ongoing	Continued work and advocacy in promoting the establishment of a statistics institute under the FMA and/or the building of statistical functions and capacity within each FMA institution. Continuing to compile statistics on local revenues and other relevant factors to support evidence-based planning and decision making.
Work with the Tulo Centre to secure stable long-term funding.	Ongoing	With the support of the FNTC, the Tulo Centre is working to expand and strengthen its administrative capacity and its planning and reporting systems, and to operationalize its strategic objectives. This includes completing a feasibility study for a new modern shared FNTC/Tulo Centre facility to include classroom and research space for the Tulo Centre. Responding to the needs and interests of participants, the Tulo Centre's plan considers both in-person and virtual teaching and learning capabilities.

FNTC Pivots in Response to COVID-19

With the onset of the COVID-19 pandemic early in 2020, FNTC moved quickly to respond to the urgent fiscal and economic needs and priorities of First Nations and to adjust to the new restrictions for pandemic control. Major initiatives included the following—many of which have resulted in fundamentally new ways of doing business and providing service:

- Outreach and engagement with First Nations to assess their needs and priorities and advocate for their interests in Canada's pandemic response and recovery strategies.
- Establishment of close and ongoing collaboration with FMA Partner Institutions, focused on strategies for immediate fiscal support and longer-term economic recovery.
- Presentations and collaboration with federal Ministers on immediate pandemic support and longer-term economic recovery strategies.
- Cessation of in-person visits and travel and switch to virtual meetings, workshops, presentations and outreach to First Nations.
- Upgrading and launch of new audiovisual and web conferencing technologies.
- Conversion of *First Nation Tax Administration* and *First Nation Applied Economics* programs from in-person to online and virtual delivery.
- Shift of staff to home-based operations.



Environment Emerging Issues and Factors

The FNTC operates in a constantly changing environment and evaluates ongoing and emerging conditions that may have an impact on the demand for, and nature of, its services and activities, and how they are carried out. These factors include ongoing and newly emerging demands and opportunities relevant to the FNTC's objectives and priorities. They also include known and potential risks and matters of uncertainty, for which the FNTC must adopt and adjust appropriate mitigation measures and strategies.

Demands and Opportunities

Immediate and short-term COVID-19 impacts: The COVID-19 pandemic is expected to continue to adversely impact First Nations through 2021/2022 until a successful vaccination program and other public health measures can bring the disease under control. There will be both an expected reduction in First Nations government business enterprises profits and an expected continued reduction in tax revenues to First Nations into 2021/2022. This will in turn increase interest in possible revenue stabilization and replacement measures. This is expected to continue to translate—as it has already in 2020—into strong interest in initiatives that FNTC has been promoting, including expansion of First Nation fiscal powers such as fuel, alcohol, cannabis and tobacco tax (FACT), First Nations Goods and Services Tax (FNGST), cannabis and tobacco excise tax sharing, and the First Nation Resource Charge. Taking stock of the impacts of COVID-19 on First Nations reinforced the fact that FNTC and First Nation governments need ready access to reliable financial and socioeconomic statistics (e.g., revenues and revenue potential, fiscal pressures, business activity and investments, employment and income, debt liabilities, etc.) to support timely and evidence-based planning and decision making on effective assistance, recovery and growth strategies for their communities. This underscores the need for a dedicated First Nations statistical institution and/or dedicated statistical capacity within each of the FMA institutions.

Longer-term post-COVID-19 economic recovery: Federal and provincial pandemic recovery strategies are expected to focus on building better infrastructure and accelerating the transition to an information and lower emission economy, which will present opportunities for First Nations to advance innovative recovery plans. First Nations will need greater institutional support to respond to demand for infrastructure financing and infrastructure project cooperation with local and provincial governments (e.g., dealing with protocols, service agreements and other cooperative instruments), and supporting action on Treaty Land Entitlements (TLEs) and Additions to Reserves (ATRs) that support community economic viability. This in turn will add urgency and importance to the proposed creation of a First Nations Infrastructure Institute (FNII), which will place increased demands on FNTC for advice and expertise. More generally, the pandemic has increased pressures on government fiscal resources, including provincial–First Nation revenue-sharing arrangements (including many

that back First Nations Finance Authority (FNFA) debentures). This is expected to increase First Nation interest in FMA fiscal powers, and likely federal and provincial government interest as well, as a shared goal is economic resilience, self-sufficiency and risk management.

Greater First Nation interest and participation: There are continued—and growing—opportunities to promote and deliver FNTC services and support to those First Nations already participating under the FMA as well as additional First Nations who wish to be scheduled under the FMA. Building on the existing base, there are opportunities for further expansion in all regions, with specific growth anticipated in Manitoba, Ontario, Québec and Atlantic Canada. The increasing number of Tulo graduates will provide an increasingly important source of skilled professionals in the world of First Nations fiscal management.

Imperatives for continuous improvement: There are continuing pressures and opportunities to improve, update, and make more efficient and accessible the FNTC's services, functions and offerings, including application of new partnership arrangements, media/technologies and/or delivery mechanisms for the FNTC's education and training offerings, information and communications functions, enquiry services and tools, templates and best practices. COVID-19 has forced an adjustment to certain ways of operating, including greater reliance on telecommunications and online services. As noted above, the establishment of statistical capacity for FNTC and its partner FMA institutions will be a vital element in the continuous growth and improvement of their capacity to support timely and evidence-based planning and decision making on fiscal and economic objectives and strategies.

Interests and opportunities for international collaboration: As the FNTC's reputation grows there are increasing demands and opportunities for enhanced collaboration and sharing of information, tools, strategies and best practices with the FNTC's domestic and international partners. Reflecting international interest in the FMA framework, the future will see continuing Ngāi Tahu (Maori, New Zealand) work with FNTC on building local tax systems and with the Tulo Centre on institutional design and implementation. In the United States, the National Intertribal Tax Alliance, Oklahoma Tribes and Indian Land Tenure Foundation will continue to explore and learn from the FMA framework and innovations. In addition, the FNTC and the Tulo Centre will continue working with the Bank of Canada on an international symposium about building more resilient Indigenous economies and monetary policy, including engagement of the reserve banks of Australia, New Zealand, Minneapolis and St. Louis.

Risks and Uncertainty

Longer-term impacts and implications of COVID-19: While there is high certainty that COVID-19 will continue to impact First Nations throughout 2021/2022, the longer-term impacts and consequences are less well known. The overall effect, however, will be to place pressure on First Nations to pursue longer-term economic and fiscal stability through advancement of First Nation fiscal jurisdiction, capacities and opportunities, supported by the FNTC.

Increased demand for FNTC engagement and support: There are many economic, social, political and institutional factors (economic growth; resource projects; fiscal pressures; institutional readiness and capacity) that affect First Nation interest in, and demand for, the establishment or expansion of their tax jurisdictions. The approach is to anticipate and respond to the expected continued increase in demand for FNTC support, while coping with the special pressures presented by COVID-19. This will entail expanded outreach and engagement; enhanced service offerings; improved accessibility and efficiency of FNTC services, including heavy reliance on virtual delivery; and engagement of additional personnel to ensure adequate service delivery and support capacity.

Challenges to the regulatory framework: The FNTC could face challenges related to the services it provides to First Nations, including advice respecting the design and application of their local revenue laws, or with respect to Commission law approval. The approach is to continue to take steps to minimize the risk of challenges—and the consequences of any such challenges—by continuing to offer professional advice and support and, when needed, to provide timely dispute mitigation and resolution services to help address and resolve issues. The Commission will also consistently communicate, clarify and defend its mandate and authority in response to any challenges.

Unpredictable and short-term funding: The FNTC's current dependence on one-year funding and year-by-year approval of "special projects"—most of which have multi-year timeframes—is an obstacle to the development of meaningful long-term plans, innovations and commitments normally expected of a national institution with ongoing programs and multi-year strategies and initiatives. The approach is to advance a new multi-year planning and budget commitment arrangement for the FNTC, building on FNTC's development—now underway—of a longer-term vision that will chart future directions and strategic paths for the Commission.

Appointments to the Commission: The FNTC currently has one vacancy on the Commission and the terms of a number of other Commissioners will expire before the end of 2022. These positions will need to be filled and it will be timely to review and possibly update the processes and mechanisms for succession planning and the future appointment of Commissioners.

First Nations Leading the Way Conference 2021

At the 2019 *First Nations Leading the Way* conference in Calgary, 415 participants from 125 First Nations heard presentations from the FNTC, the FNFA, the FMB, the Lands Advisory Board and others, on leading the economy, celebrating success, and building vibrant communities. The Chairs of the institutions participated in a panel on legislative reform and economic opportunities, and signed an historic protocol agreeing to work together to improve governance, increase local jurisdiction and advance wealth generation for First Nations. While COVID-19 forced cancellation of a face-to-face *First Nations Leading the Way* conference for 2020/2021 in favour of a scaled-down virtual conference, the Institutions are planning to proceed with a safe face-to-face conference for 2021/2022.

The vision is to establish the annual conference as a regular signature event promoting awareness, building commitment and sharing insights on First Nation jurisdiction and self-determination in fiscal management and economic development. To advance this vision, FNTC, in collaboration with its institution partners, will focus on:

- Creating the infrastructure to host virtual events through specialized platforms and training programs and mechanisms.
- Strengthening the administrative capacity of both virtual and in-person future events by setting up shared database and content libraries.
- Building a network between institutions and First Nations that can be utilized throughout the year.



Strategy Directions and Priorities

The strategic directions and priorities set out below identify key themes that will characterize the FNTC's work in 2021/2022. These reflect a balanced consideration of factors from three essential sources: the FNTC's core mandate and ongoing functions and services; follow-up actions to complete delivery on past Corporate Plan commitments; and newly emerging issues and opportunities identified through the FNTC's Corporate Plan process.

Charting a Long-Term Vision and Strategic Plan for FNTC

The Commissioners, supported by senior staff of FNTC and expert consultants, have launched a process to develop, refine and implement a longer-term vision and strategic plan for FNTC. The aim is to lay the foundation for multi-year program planning supported by predictable longer-term funding commitments. Centred on a vision where Indigenous peoples have the tools, capacity, support and institutional frameworks to create their own long-term prosperity, the strategic plan will update FNTC's statement of mission, articulate core values that will guide FNTC's work, and map out longer-term strategic directions for the FNTC and its relationships with First Nations, its institutional partners, and key stakeholders and collaborators.

Ongoing Management and Service Delivery

1. Provide property tax system advice and support to First Nations.

A central and ongoing focus of the FNTC will be to continue to provide support to First Nations to develop and effectively implement their tax jurisdictions, entailing:

- Ongoing development, maintenance and updating of the regulatory framework for First Nation local revenue systems.
- Support for First Nations in the development and implementation of local revenue systems for their communities.
- Support for the ongoing implementation and operation of First Nation local revenue systems, through sharing of information, tools, advice and best practices.

- Assistance with the prevention, mediation and resolution of disputes in relation to the application of local revenue laws.
- Support for the development and strengthening of First Nation capacities, skills and institutional mechanisms for administration and management of their local revenue systems.
- Support for relations with taxpayers and further strengthening of engagement, dialogue and participation.
- Development and implementation of new service delivery methods and business continuity under COVID-19, including more virtual meetings, greater online access and self-service, less travel and greater use of webinars/videos.
- Addition of staff to: strengthen policy development capacity; and support outreach to targeted regions, with a particular focus in the immediate term on First Nations in Québec.

2. Strengthen FNTC through organizational innovation and renewal.

With the aim of developing and implementing a well-planned approach to managing organizational changes and continuous improvement, the FNTC will continue with the transition management plan work initiated in 2019/2020 and further advanced in 2020/2021, entailing:

- Implementation of the succession plan for executive and senior management positions.
- Undertaking of recruitment and work planning efforts to ensure smooth transition in response to the retirement of a number of staff in the next year.
- Strengthening of capacity through creation and filling of four new staff positions.
- Implementation of recommendations of FNTC's salary review and updating and finalization of the performance pay program and benefit review.
- Restructuring the section 83 by-law and FMA law registries for operational efficiencies.
- Seeking the finalization of Commission appointments to achieve a full complement (one vacancy and two terms due to expire next year).
- Implementation of a strategic plan for Commissioner appointment, with continued discussions with the Government on the development of regulations to support a First Nation-led appointment process for FNTC Commissioners.

Ensuring Service Stability and Continuity During COVID-19 and Beyond

With the onset of the COVID-19 pandemic in Canada, FNTC and its partner institutions pivoted quickly to identify and respond to radically altered needs, priorities and circumstances of the First Nations they serve. Even as FNTC continues its work to advocate for critical new and expanded forms of fiscal powers and economic development support for First Nations, it will remain focused on ensuring continuing access by First Nations to all of its core services. While face-to-face meetings and consultations will remain curtailed for the months ahead, FNTC will continue to expand innovative ways to ensure stability and continuity in service delivery, including enhanced access to online services and more proactive and flexible virtual outreach to First Nations.



- Finalize the five-year vision planning process for the Commission to provide a framework for longer-term Corporate Planning.
- Advancement of a proposal for new five-year grant funding to provide stability and flexibility to the FNTC, in concert with the five-year Vision and Strategic Plan.
- Recruitment, retention and support for human capacity development throughout the FNTC.
- Administrative changes to facilitate expansion of First Nation local revenue jurisdictions under the FMA.
- Support for innovation and creativity within the organization, including continued evaluation of management and organizational structures and service delivery models, with revisions identified and implemented, and strengthening of collaboration within the FNTC.
- Exploration of new means to measure the needs, concerns and preferences of the FNTC's audiences, to provide input to help further shape and strengthen products and services.
- Improvement of the FNTC performance measurement system, building on the indicators and measures used in the Corporate Plan and Annual Report, and addressing impacts and benefits of FNTC initiatives, as well as client experience and satisfaction.
- Refreshing or replacement of legacy software to support efficient and reliable management operations.
- Advancement of organizational excellence, addressing staff training and development, technology and processes for how the Commission reviews laws and by-laws, and how meetings are planned and managed.
- Planning and feasibility assessment for a modern FNTC facility in Kamloops as the foundation toward advancing a capital investment business case and financing/delivery options/proposals.
- Implementation of a number of other technology and process initiatives to improve internal capacities and efficiencies, including: roll-out of a new SharePoint technology; integration of e-mail technologies; introduction of new technical law review forms; streamlining of a range of forms for automation, electronic approval and maintenance; and review of Client Records Management (CRM) processes.

Rolling Out the Tulo Centre's New Service Delivery Model and Offerings

In rapid response to COVID-19, the Tulo Centre shifted delivery of its eight-course *Certificate in First Nation Tax Administration* program to online access using the Moodle distance learning platform. This innovative approach—which enables convenient participation of participants from First Nations across Canada—entails a rich mixture of online discussions, multimedia course material and live virtual lectures. The Tulo Centre will continue with online delivery of the program, which includes a full cohort of 20 students from across Canada, until it is safe to travel and deliver programs in person. Going forward, the Tulo Centre will continue to incorporate innovative curriculum and multimedia productions, taking lessons learned from distance delivery into face-to-face delivery. With more than ten years in operation, the Tulo Centre will work towards building an active alumni group to further support and empower First Nation Tax Administrators.

Service Enhancement, Outreach and Growth

3. Increase the number of First Nations with First Nation property tax systems.

Recognizing the interest of First Nations in establishing First Nation property tax systems to advance their economic, fiscal and broader community development goals, and building on the demonstrated successes of First Nations that have implemented property tax systems, the FNTC will prioritize work necessary to increase the number of First Nations implementing tax jurisdiction in Canada, entailing:

- Pursuing more focused and proactive outreach that emphasizes promotion of best practices, targeted outreach to urban reserves, and adoption of a comprehensive approach that encompasses not only property tax but a full range of fiscal powers, supported by additional dedicated tax advisors and other staff.
- Supporting the work of the First Nations Leading the Way (FNLTW) group with FMA institutions and the Lands Advisory Board. This includes expansion of virtual outreach and continued coordination of annual National Meetings.
- Increasing regional communications activities to promote understanding of tax jurisdiction and how to take advantage of expanded use of tax powers, as well as new ways of accessing services in light of COVID-19.
- Reviewing and updating of FNTC's communication strategy, materials, websites and content management systems.
- Providing advice and assistance to interested First Nation governments in their assessment of the merits, feasibility and implications of establishing property tax systems for their communities.

Strengthening Regional Outreach to First Nations Across Canada

FNTC's dedicated Regional Outreach Manager will lead the planning and implementation of a more comprehensive and proactive outreach strategy to promote awareness of, and participation in, FNTC programs and services by interested First Nations across Canada. Overcoming the challenges of COVID-19, the approach is to rely on one-on-one virtual contact with key professionals and leaders, the offering of webinars and other media presentations, and the development of enhanced online information and tools. In its outreach, FNTC will seek to increase the number of First Nations registered under the FMA and establishing their own tax systems, and to encourage and support use of the full range of FNTC services and support to help First Nations achieve their fiscal and economic development goals.

4. Expand and enrich FNTC services for First Nations.

Supporting the evolving needs of taxing First Nations—and as a way of supporting new First Nations to implement tax jurisdiction—the FNTC will continue to expand and enrich the range of services it will provide, entailing:

- Ongoing evaluation and improvement of services to existing taxing First Nations in areas of law development, law review and approval, standards, sample laws, education, training and dispute resolution.
- Strengthening of capacity development and governance support for First Nations, through increased communications and outreach activities, workshops, courses and webinars.
- Enhancement of support for service agreement negotiations, with continued expansion/promotion of models for service agreements, negotiations, and illustrative examples of mutually beneficial service arrangements between First Nations and local governments.
- Exploration and feasibility assessment of enhanced/new models for assessment services, potentially leading to proposals and options for establishment of a new institute.
- Increase law development support capacity to support First Nations in implementing FMA systems.
- Collaboration with provinces to facilitate service agreement and infrastructure projects for Treaty Land Entitlement (TLE) and Additions to Reserve (ATR) initiatives, particularly in Saskatchewan and Manitoba.

Enhancing FNTC's Support for Service Agreements

The establishment of service agreements between First Nations and adjacent municipalities—governing terms, conditions and rates for civic services such as water, sewage, waste disposal, fire and emergency response—is becoming an increasingly important mechanism to secure cost-efficient services for participating parties and ensuring fair compensation for associated costs. FNTC will be increasing its focus on promoting the development of service agreements and providing tools and advice to interested First Nations in their design and implementation.



Framework Development and Innovation

5. Support amendment of the FMA and FMA regulations.

The FNTC will work with the FMA institutions and Canada to continue to pursue amendments to the FMA and related regulations to support the work of the FNTC and to expand participation in the FMA, entailing:

- Exploration, development, advocacy and promotion of policy proposals to advance renewal and expansion of the FNTC mandate.
- Work with Canada to advance amendments to First Nation Taxation Enforcement and Assessment Appeal regulations.
- Work with the fiscal institutions and Canada to advance regulatory amendments to enable First Nation organizations and Treaty First Nations to participate in the FMA.
- Addition to the FMA of the fiscal powers identified above, so that the FNTC can support First Nations in accessing FNFA programs and services to secure revenues in support of economic infrastructure.

6. Advance a jurisdiction-based fiscal relationship for First Nations.

The FMA represents a jurisdiction-based fiscal relationship because it associates local revenues with local services. Interested First Nations, the FNTC and the other FMA institutions propose to enhance this fiscal relationship by advancing several proposals to expand FMA fiscal powers and jurisdictions, entailing:

- Continued work with interested First Nations and the Government of Canada to: establish the four product sales taxes for fuel, alcohol, cannabis and tobacco (FACT) within the FMA local revenue account; and provide an option for interested First Nations to include FNGST revenues within the FMA local revenue account.
- Continued advancement of proposals for the development of a comprehensive cannabis fiscal and regulatory option for interested First Nations, which could include proposed amendments to cannabis-related legislation and the FMA to enable First Nation cannabis taxation and regulatory laws and related standards.

Broadening FNTC's Mandate and First Nation Participation in the FMA

FNTC will continue to work with the Government of Canada in expanding and clarifying its mandate and functions under section 29 of the FMA. The focus of these proposals will be: promoting and supporting a broader range of tax powers beyond real property; recognition of both domestic and international interests in the FMA framework and its implementation; supporting FNTC involvement in communications and centre of excellence for Indigenous taxation and economic development; and broadening FNTC's management beyond the provision of advice to the Minister of Indigenous Services and the Minister of Crown-Indigenous Relations, to include a whole-of-Government collaborative role embracing research, analysis, advice and recommendations. This will be complemented by initiatives to extend FNTC's mandate to include a more comprehensive and meaningful range of taxes, excises and fees of benefit to First Nations, such as for fuel, alcohol, cannabis, tobacco and resource development.

- Collaboration with First Nations, First Nation organizations and Canada to develop and support a First Nation cannabis excise tax-sharing framework that could be expanded to include fuel, alcohol and tobacco.
- Provision of support for provincial-type First Nation sales tax systems in situations where there is an agreement between the province and interested First Nations with possible expansion to provincial-type cannabis and tobacco tax systems.
- Development of a First Nation resource charge offset by a possible federal tax credit to improve the resource project investment climate in Canada and support Indigenous-led environmental review and management systems.
- Continued research, analysis and advocacy regarding potential legislative remedies to clarify and address treaty and legal provisions that currently limit certain First Nations (e.g., under modern treaty and related settlement agreements) and other First Nation entities such as Tribal Councils, Friendships Centres, NGOs and societies from accessing and fully exercising powers under the FMA.

Partnership Development

7. Develop and strengthen partner institutions.

Working with its FMA and training and accreditation partners, the FNTC will promote the development and strengthening of institutions to: enrich and accelerate the development of legal and administrative frameworks to expand First Nation jurisdictions; enable economies of scale; support research and innovation; facilitate knowledge transfer among First Nations; and to support and advocate on behalf of participating First Nations, entailing:

- Continuation of work with the Tulo Centre to secure stable long-term funding to expand the Tulo Centre's capacity, in keeping with its five-year growth plan and supporting its key role as an accredited First Nation public service educational institution supporting FMA jurisdictions and capacities.
- Continued adaptation of the new Tulo Centre business model and delivery strategy beyond the initial rapid pivot in response to the initial COVID-19 outbreak, and focused on longer-term transformational change and improvement. The increased ability to deliver online will enable the material and information to reach more First Nation administration staff.

Establishing More Comprehensive Taxation Systems

The expansion and enhancement of First Nation authorities and capacities to be engaged in the design and administration of a more comprehensive range of local and sales tax, excise and service fee regimes constitutes an important element of FNTC's longer-term commitment to equip First Nations with modern mechanisms and tools to advance their fiscal and economic development goals. The establishment of First Nation systems for determination, collection and use of revenues from First Nation Goods and Services Taxes (FNGST), fuel, alcohol, cannabis and tobacco sales taxes (FACT), resource development charges and other excise taxes, will provide for a more stable, well-balanced and predictable source of revenue to support First Nation operations and community development and infrastructure projects.



- Enhanced support to First Nations to strengthen their administrative capacity to transition to FMA tax systems, including continued expansion of Tulo Centre courses and workshops, and student support for participation in Tulo's offerings.
- Promotion of a First Nations Infrastructure Institute (FNII) as the fourth FMA institution, to enable participating First Nations to build more durable economic and community infrastructure faster and more cost-effectively. This will be advanced through collaboration between FNTC and the FNII Development Board and the First Nation proponents on the drafting of amendments to the FMA and the development of related communications on the initiative.
- Exploration and promotion of a First Nations statistical capacity—whether re-establishment of a First Nations Statistical Institute and/or establishment of statistical capacity within each FMA institution, so as to support a First Nation jurisdiction-based fiscal relationship option and an improved First Nation investment climate, including options and ideas for work with the Bank of Canada and other central banks internationally.
- Support for planning, coordinating, convening and participating in an in-person *First Nations Leading the Way* conference in fall 2021, working with FMA partners and the Lands Advisory Board.
- Advancement of the proposals for an *Indigenous Organization for Economic Cooperation and Partnership* (IOECP) supported by all FMA institutions and other interested First Nations. The IOECP would be a voluntary organization committed to the principles of jurisdictions, self-determination, capacity development and economic growth through promotion of standards and innovation.
- Continued advancement of the need for development of an Indigenous Land Title Registry System (ILTRS) with interested First Nations and First Nation organizations.
- Improvement of coordination with FMA institutions and governments through such means as more regular consultation and collaboration on issues and initiatives of mutual interest.
- Continued collaboration with international organizations to share best practices in Indigenous economic development and models to implement Indigenous jurisdiction.

Promoting Establishment of a New First Nations Infrastructure Institute

FNTC will continue with progress in advancing plans for the establishment under new legislation in 2021 of a First Nations Infrastructure Institute (FNII). FNII will be designed to provide the skills and processes necessary to ensure First Nations can efficiently and effectively plan, procure, own and manage infrastructure assets on their lands. It will establish itself as a leader in researching, developing and promoting knowledge, standards and best practices in infrastructure management, and in assessing the conformance by investors, developers and managers against those criteria. In doing so, FNII will facilitate access to finance, technologies and partnerships that will enable First Nations to proceed confidently with viable infrastructure projects of benefit to their communities. Enabled by proposed amendments to the FMA, FNII would become the fourth partner fiscal institution, alongside FNTC, FNFMB and FNFA.



Finance Resources and Plans

The FNTC financial plan presents the actual financial results for the 2019/2020 fiscal year, forecasts of financial results for 2020/2021 and financial plans for the years 2021/2022 to 2025/2026. Figure 8 below is a summary of the financial plan for 2021/2022 and a summary of the financial performance for 2020/2021 (forecast) and 2019/2020 (actual).

Based on the activities and work plan outlined in this Corporate Plan, the FNTC has estimated its funding requirements from the Government of Canada to be \$7,980,000 for 2021/2022. In addition, the FNTC will seek supplemental funding to enable it to proceed with incremental work on advancing a jurisdiction-based fiscal relationship for First Nations and developing and strengthening partner institutions.

Figure 8 Financial Summary

	2021/2022 Plan	2020/2021 Forecast	2019/2020 Actual
Revenue			
Government of Canada—Core Activities	\$7,980,000	\$7,681,000	\$7,015,114
Government of Canada—Deferred Revenue— Core Activities	525,000	345,886	—
Government of Canada—Special Initiatives	—	3,287,634	2,321,250
Government of Canada—Deferred Revenue— Special Initiatives	—	589,381	—
Other	10,000	21,924	58,551
	\$8,515,000	\$11,925,825	\$9,394,915
Expenses			
Commission Services	1,053,662	880,939	924,295
Corporate Services	2,469,523	2,251,176	1,772,106
<i>First Nations Gazette</i>	177,245	138,309	191,883
Legal and Policy Services	1,045,844	1,036,847	768,047
Education	1,236,500	943,038	972,050
Dispute Management and Negotiations	224,535	179,183	188,426
Communications	757,145	781,327	812,244
Law/By-Law Review and Outreach	1,550,546	1,312,991	1,625,805
Special Initiatives	—	3,877,015	2,321,712
	\$8,515,000	\$11,400,825	\$9,576,568
Annual Surplus (Deficit)	\$ —	\$ 525,000	\$ (181,653)

Financial Performance 2019/2020 and 2020/2021

Financial assets at the end of 2019/2020 totalled \$4.47 million and are forecasted to be \$4.97 million at the end of 2020/2021. Financial assets for the FNTC consist of cash and accounts receivable. Financial liabilities for the FNTC consist of accounts payable, contracts payable and deferred revenue and totalled \$4.47 million at the end of 2019/2020 and are forecasted to be \$4.98 million at the end of 2020/2021.

Non-financial assets of the FNTC, which consist of prepaid expenses and tangible capital assets, totalled \$298 thousand at the end of 2019/2020 and are forecasted to be \$312 thousand at the end of 2020/2021. 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 in both the National Capital Region (NCR) Office and the Head Office. 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 NCR Office.

Figures 9–11 below provide an overview of the FNTC's financial activities by business line for the 2019/2020 fiscal year against its Plan and its forecasted performance for the 2020/2021 fiscal year against its Plan. Significant variances are explained below.

Figure 9 Statement of Financial Activities	2019/2020			2020/2021		
	Actual	Plan	Variance	Forecast	Plan	Variance
Revenue						
Government of Canada						
Core Activities	\$7,015,114	\$7,361,000	\$ (345,886)	\$7,681,000	\$7,681,000	\$ —
Deferred Revenue— Core Activities	—	—	—	345,886	—	345,886
Special Initiatives	2,321,250	2,910,632	(589,382)	3,287,634	3,287,634	—
Deferred Revenue— Special Initiatives	—	—	—	589,381	589,381	—
Other	58,551	25,000	33,551	21,924	12,000	9,924
	\$9,394,915	\$10,296,632	\$ (901,717)	\$11,925,825	\$11,570,015	\$ 355,810
Expenses						
Commission Services	924,295	961,318	37,023	880,939	992,293	111,354
Corporate Services	1,772,106	1,669,771	(102,335)	2,251,176	2,275,104	23,928
<i>First Nations Gazette</i>	191,883	128,813	(63,070)	138,309	177,124	38,815
Legal and Policy Services	768,047	640,068	(127,979)	1,036,847	713,346	(323,501)
Education	972,050	970,324	(1,726)	943,038	1,086,086	143,048
Dispute Management and Negotiations	188,426	279,765	91,339	179,183	224,341	45,158
Communications	812,244	1,031,207	218,963	781,327	631,673	(149,654)
Law/By-Law Review and Outreach	1,625,805	1,704,734	78,929	1,312,991	1,593,032	280,041
Special Initiatives	2,321,712	2,910,632	588,920	3,877,015	3,877,015	—
	\$9,576,568	\$10,296,632	\$ 720,064	\$11,400,825	\$11,570,015	\$ 169,190
Annual Surplus (Deficit)	\$ (181,653)	\$ —	\$ (181,653)	\$ 525,000	\$ —	\$ 525,000

Figure 10 Statement of Financial Position

	2019/2020 Actual	2020/2021 Forecast
Financial Assets		
Cash	\$4,093,262	\$4,877,298
Accounts receivable	377,624	100,000
	4,470,886	4,977,298
Liabilities		
Accounts payable	1,221,457	1,600,000
Contracts payable	2,348,331	2,900,000
Deferred revenue	935,267	—
	4,505,055	4,500,000
Net Financial Assets	(34,169)	477,298
Non-Financial Assets		
Prepaid expenses	127,467	130,000
Tangible capital assets	171,379	182,379
	298,846	312,379
Accumulated Surplus	\$ 264,677	\$ 789,677
Accumulated Surplus		
Investment in tangible capital assets	171,379	182,379
Current funds	93,298	607,298
Accumulated Surplus	\$ 264,677	\$ 789,677

Figure 11 Statement of Cash Flows

	2019/2020 Actual	2020/2021 Forecast
Operating Activities		
Annual surplus (deficit)	\$ (181,653)	\$ 525,000
Items not involving cash	—	—
Amortization	205,612	189,000
Changes in non-cash operating balances	—	—
Accounts receivable	(280,709)	277,624
Prepaid expenses	(62,739)	(2,533)
Accounts payable and contracts payable	438,421	930,212
Deferred revenue	558,176	(935,267)
Cash Flows from Operating Activities	\$ 677,108	\$ 984,036
Capital Activities		
Purchase of tangible capital assets	(24,421)	(200,000)
	(24,421)	(200,000)
Net increase in cash during the year	652,687	784,036
Cash, beginning of the year	3,440,575	4,093,262
Cash, end of the year	\$4,093,262	\$4,877,298

2019/2020 Actual vs. Plan and 2020/2021 Forecast vs. Plan

Revenues

Revenues for 2019/2020 were \$9.39 million, \$901 thousand under a budgeted plan of \$10.3 million. For 2019/2020, \$935 thousand of Government of Canada revenues for special initiatives including the First Nations Infrastructure Institute (FNII) and the First Nations FMA Institutions and LAB National Meeting 2019 were deferred and expended in the 2020/2021 fiscal year.

Revenues for 2020/2021 are forecast to be \$11.33 million. The forecasted revenues include \$7.68 million from the Government of Canada for core business activities, \$346 thousand deferred from 2019/2020, \$2.7 million for special projects relating to the FNII, costs for hosting the National Meeting for FMA and *First Nations Land Management Act* (FNLMA) First Nations, and special research initiatives for cannabis and tobacco. \$589 thousand of Government of Canada revenue for special initiatives was deferred from 2019/2020 and expended in 2020/2021. Other income arising from bank interest is forecasted to be \$22 thousand.

Expenses

Expenses for 2019/2020 were \$9.57 million, \$720 thousand below planned expenditures of \$10.3 million, resulting in a \$181 thousand deficit for the year.

Expenses relating to core business activities totalled \$7.26 million for 2019/2020 and, overall, core business activities expenditures were consistent with planned amounts. Expenditures for Corporate Services, *First Nations Gazette*, Legal and Policy Services, and Education were less than planned and were offset by higher than planned expenditures in Commission Services, Dispute Management, Communications, and Law/By-Law Review and Outreach.

Expenses relating to special initiatives undertaken by the FNTC totalled \$2.32 million for the year.

Total expenses for 2020/2021 are forecast to be \$10.8 million, resulting in a forecasted surplus of \$525 thousand. This projected surplus will be carried forward and expended in 2021/2022. The projected surplus is a result of lower than planned travel and meeting costs as a result of travel restrictions resulting from the COVID-19 pandemic. Expenditures for Legal and Policy Services and Communications are anticipated to be higher than planned due to additional legal and policy work and communications planning related to the COVID-19 pandemic. These expenditures were offset by lower than planned costs in the remaining business lines, as well as lower travel and meeting costs.

Capital Expenditures

Capital expenditures for 2019/2020 totalled \$24 thousand and consisted of costs related to the completion of the leasehold improvements for reorganization of the business premises at the FNTC NCR Office, acquisition of furniture and equipment and fit-up costs, and information technology-related software and equipment purchases, including lifecycle replacement of desktop computers and laptops.

Capital expenditures for 2020/2021 are forecast to be approximately \$200 thousand, relating to furniture and equipment and acquisition of information technology-related equipment, including lifecycle replacement of desktop computers, laptops, and software licensing costs.

Financial Plan 2021/2022 to 2025/2026

The tables below (Figure 12–14) contain the five-year financial plan for the FNTC for 2021/2022 to 2025/2026.

The following assumptions have been used in the preparation of the financial plans:

- 1.** The financial plans for the periods 2021/2022 to 2025/2026 cover the 12-month fiscal years ending March 31.
- 2.** The financial plans for the periods 2021/2022 to 2025/2026 have been prepared based on the FNTC's best estimates of the funding requirements, activities and costs required to:
 - a. Implement all Directions and Priorities identified in this Corporate Plan.
 - b. Support a full complement of Commissioners.
 - c. Support a full return to travel in 2021, including in-person presentations, meetings, engagement, and outreach.
 - d. A blend of virtual and in-person curriculum delivery for the First Nation Taxation Administration Certificate and the Applied Economic Program.
 - e. Expand and improve operational services to tax collecting First Nations in areas of law development, law review and approval, standards, sample laws, education and training, communications, and dispute resolution and negotiation.
 - f. Increase the number of staff and advisors to support transition and succession plans, implement core service assessment recommendations, implement recommendations from the 2021 salary review, and increase outreach and engagement activities.
 - g. Continue to update and expand Information Technology and Information Management systems for efficiency.
 - h. Seek to expand the number of First Nation tax systems in Manitoba, Ontario, Québec, and the Atlantic.
 - i. Continue work on succession management activities.
 - j. Expand the education program to provide more accredited training and workshops in support of First Nation public administration that supports economic development.
 - k. Implement an updated FNTC Communications strategy.
- 3.** The financial plan for the FNTC for 2021/2022:
 - a. Is balanced, and has planned revenues and expenditures of \$8.52 million;
 - b. Has planned revenue from the Government of Canada for core activities of \$7.98 million, \$525 thousand of revenues carried forward from 2020/2021 and \$10 thousand from other sources. This represents an increase of approximately 4% over funding levels for 2020/2021; and
 - c. Has been prepared based on a detailed review of the FNTC business lines, including the priorities, direction, initiatives, strategies, and activities planned for 2021/2022, an external risk assessment, the expected policy environment for the coming fiscal year, and best estimates of management for the cost of activities planned under each business line as outlined in this Corporate Plan.
- 4.** No provision has been made for an increase in Commissioner remuneration for 2021/2022 as these rates are determined and set by the Governor in Council.

5. The financial plan includes the estimated costs of continuing to provide services to First Nations under s. 83 of the *Indian Act*.
6. Other income consists of revenue forecasted to be earned from bank interest.
7. The financial plans do 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 plans for 2021/2022 to 2025/2026 include only those revenues and projected costs for core business activities.

Figure 12

**Statement of
Financial Activities**

	Financial Plan				
	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
Revenue					
Government of Canada—Core Activities	\$7,980,000	\$8,244,270	\$8,404,605	\$8,562,883	\$8,692,246
Government of Canada—Deferred Revenue—Core Activities	525,000	—	—	—	—
Other	10,000	10,000	10,000	10,000	10,000
	\$8,515,000	\$8,254,270	\$8,414,605	\$8,572,883	\$8,702,246
Expenses					
Commission Services	1,053,662	1,065,339	1,077,398	1,089,700	1,102,251
Corporate Services	2,469,523	2,441,522	2,466,480	2,483,955	2,566,723
<i>First Nations Gazette</i>	177,245	178,237	179,252	180,291	181,354
Legal and Policy Services	1,045,844	905,668	866,070	882,091	898,433
Education	1,236,500	1,102,108	1,146,191	1,164,354	1,179,603
Dispute Management and Negotiations	224,535	230,451	239,635	294,911	250,303
Communications	757,145	726,666	728,337	743,074	758,110
Law/By-Law Review and Outreach	1,550,546	1,604,279	1,711,242	1,734,507	1,765,469
	\$8,515,000	\$8,254,270	\$8,414,605	\$8,572,883	\$8,702,246
Annual Surplus (Deficit)	\$ —	\$ —	\$ —	\$ —	\$ —

Figure 13
**Statement of
Financial Position**

	Financial Plan				
	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
Financial Assets					
Cash	\$3,010,998	\$3,097,753	\$3,158,949	\$3,220,069	\$3,274,403
Accounts receivable	100,000	102,000	104,040	106,121	108,243
	3,110,998	3,199,753	3,262,989	3,326,189	3,382,646
Liabilities					
Accounts payable	1,200,000	1,224,000	1,248,480	1,273,450	1,298,919
Contracts payable	1,995,000	2,061,068	2,101,151	2,140,721	2,173,062
Deferred revenue	—	—	—	—	—
	3,195,000	3,285,068	3,349,631	3,414,171	3,471,981
Net Financial Assets	(84,002)	(85,315)	(86,642)	(87,982)	(89,335)
Non-Financial Assets					
Prepaid expenses	131,300	132,613	133,940	135,280	136,633
Tangible Capital Assets	217,379	182,379	182,379	182,379	182,379
	348,679	314,992	316,319	317,659	319,012
Accumulated Surplus	\$ 264,677	\$ 229,677	\$ 229,677	\$ 229,677	\$ 229,677
Accumulated Surplus					
Investment in tangible capital assets	\$ 217,379	\$ 182,379	\$ 182,379	\$ 182,379	\$ 182,379
Current funds	47,298	47,298	47,298	47,298	47,298
Accumulated Surplus	\$ 264,677	\$ 229,677	\$ 229,677	\$ 229,677	\$ 229,677

Figure 14
Statement of Cash Flows

	Financial Plan				
	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
Operating Activities					
Annual surplus (deficit)	\$ —	\$ —	\$ —	\$ —	\$ —
Items not involving cash					
Amortization	200,000	180,000	170,000	175,000	170,000
Changes in non-cash operating balances					
Accounts receivable	—	(2,000)	(2,040)	(2,081)	(2,122)
Prepaid expenses	(1,300)	(1,313)	(1,327)	(1,340)	(1,353)
Deferred revenue	(525,000)	—			
Accounts payable and contracts payable	(1,305,000)	90,068	64,564	64,540	57,810
Cash Flows from Operating Activities	(1,631,300)	266,755	231,197	236,119	224,334
Capital Activity					
Purchase of tangible capital assets	(235,000)	(180,000)	(170,000)	(175,000)	(170,000)
Net (decrease) increase in cash during the year	(1,866,300)	86,755	61,197	61,119	54,334
Cash, beginning of the year	4,877,298	3,010,998	3,097,753	3,158,949	3,220,069
Cash, end of the year	\$3,010,998	\$3,097,753	\$3,158,949	\$3,220,069	\$3,274,403



Glossary of Acronyms

AFN—Assembly of First Nations

ATR—Additions to Reserve

BCR—Band Council Resolution

CANLII—Canadian Legal Information Institute

CC—Chief Commissioner (of FNTC)

CEO—Chief Executive Officer (of FNTC)

CIRNAC—Crown-Indigenous Relations and Northern Affairs Canada

COO—Chief Operating Officer (of FNTC)

CPTA—Canadian Property Tax Association

CRM—Client Records Management

DCC—Deputy Chief Commissioner (of FNTC)

FACT—fuel, alcohol, cannabis and tobacco (tax)

FMA—*First Nations Fiscal Management Act*

FNFA—First Nations Finance Authority

FNFMB—First Nations Financial Management Board

FNGST—First Nations Goods and Services Tax

FNLMA—*First Nations Land Management Act*

FNLTW—First Nations Leading the Way

F/P/T—federal/provincial/territorial

FNII—First Nations Infrastructure Institute

FNTC—First Nations Tax Commission

GoC—Government of Canada

ILC—Indigenous Law Centre, University of Saskatchewan

ILTRS—Indigenous Land Title Registry System

IOECP—Indigenous Organization for Economic Cooperation and Partnership

ISC—Indigenous Services Canada

IT—Information Technology

MOU—Memorandum of Understanding

MPAC—Municipal Property Assessment Corporation (Ontario)

NCR—National Capital Region

S. 83—section 83 of the Indian Act

TLE—Treaty Land Entitlement

TRU—Thompson Rivers University

Tulo Centre—Tulo Centre of Indigenous Economics