



First Nations Tax Commission

Commission de la fiscalité des premières nations

Corporate Plan 2018/2019



Mission

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



Mandate

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

“The purposes of the Commission are to:

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

Section 83 of the *Indian Act*

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

Abbreviations

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

Table of Contents

Introduction	1
Corporate Profile	4
Structure	4
Governance	4
Summary of 2017/2018 Performance against Objectives	6
External Assessment and Risks	8
Assessment of 2017/2018 Risk Management Strategy	8
Assessment of 2018/2019 Risks	9
External Economic Risks	9
Federal Government Indigenous Policy Risks	9
Provincial Government Indigenous Policy Risks	11
First Nations Demand for Services Risks	11
2018/2019 Risk Management Strategy	12
Assessment of Corporate Resources 2018/2019	12
Business Case for Increased Funding for FMA Institutions	13
Additional Resources and a New Funding Relationship Required	14
FNTC Priorities for 2018/2019	14
Objectives, Strategies, and Performance Measures for 2018/2019	17
Corporate Services	17
Policy Development	21
Law/By-law Development and Review; Legislative Affairs	22
Education	24
Dispute Management and Negotiations	25
Communications and <i>First Nations Gazette</i>	26
Corporate Work Plan for 2018/2019	28
Financial Plan 2018/2019	32
Financial Performance 2016/2017 and 2017/2018	32
2016/2017 Plan vs. Actual and 2017/2018 Plan vs. Forecast	34
Revenues 2016/2017 Actual	34
Expenses 2016/2017 Actual	34
Capital Expenditures 2016/2017 Actual	35
Revenues 2017/2018 Forecast	35
Expenses 2017/2018 Forecast	35
Capital Expenditures 2017/2018 Forecast	35
Financial Plan 2018/2019 to 2022/2023	35

Introduction

The FNTC regulates, supports, and advances First Nation taxation under the *First Nations Fiscal Management Act* (FMA) and under section 83 of the *Indian Act*. Since its inception, the FNTC has consistently delivered on its performance objectives. It has helped First Nations build economies and infrastructure and implement their jurisdictions. The FNTC has proven it is ready and able to support the expectation for greater Indigenous jurisdictions and improved Indigenous socio-economic outcomes. The Government of Canada has committed to replacing the *Indian Act*, dismantling the Department of Indigenous and Northern Affairs, supporting reconciliation and nation-to-nation relations and implementing the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). As a signal to this commitment, on August 28th, 2017, the Prime Minister announced the dissolution of INAC and its division into two departments: Crown-Indigenous Relations and Northern Affairs and Indigenous Services Canada. The purpose of the first department is to develop and implement agreements that implement Indigenous jurisdictions, treaties and rights in a nation-to-nation framework. The purpose of the second department is to orchestrate its obsolescence by transferring service responsibilities to Indigenous governments and institutions. National Indigenous institutions like the First Nations Tax Commission (FNTC) help Canada deliver on these commitments.

35% of all First Nations in Canada are exercising their property tax jurisdiction. They are using their jurisdiction to respond to community needs and provide local services to thousands of property taxpayers. The number of FMA First Nations continues to increase. Nine additional First Nations were added to the FMA Schedule this year, bringing the total number of FMA First Nations to 220. Another seven First Nations have requested to be added to the Schedule. Since 2008, the FNTC's First Nation client base that is taxing or is developing taxation has more than doubled from approximately 80 to over 200 First Nations, while the FNTC's operating budget has increased 7%, from \$5.78 million in 2008/2009 to \$6.15 million in 2017/2018. While British Columbia is home to the largest number of First Nation tax administrations (104), there are First Nations who have exercised property tax powers in every province except Prince Edward Island.

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

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

The FNTC provides training and capacity development to support the diverse needs of First Nation tax administrations nationwide. 177 students from 91 First Nations have participated in at least one university-accredited course in the Certificate in First Nation Tax Administration program through the Tulo Centre of Indigenous Economics (Tulo Centre).

The FNTC works with the First Nations Financial Management Board (FMB) and the First Nations Finance Authority (FNFA) – both created by the FMA - to enable First Nations to have access to practical tools available to other governments for modern fiscal management. 41 First Nations have participated in First Nation bond issues totaling \$376 million, which has financed infrastructure for local purposes in their communities.

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 greater First Nation self-reliance.

Since its inception, the FNTC has worked with proponent First Nations to develop a number of proposed institutional innovations that expand local revenues and support First Nation economic development. Current proposals for expansions of First Nation tax powers include First Nation cannabis taxation; First Nation tobacco tax (Ontario); Aboriginal Resource Tax (ART); First Nations Goods and Services Tax (FNGST); and a revenue-based fiscal relationship option. Proposed new institutional developments include the First Nation Infrastructure Institute (FNII); and the Indigenous Land Title Registry. Together these initiatives propose to significantly close the legal and administrative gaps restricting First Nation economic growth.

The FMA requires the FNTC to establish a Corporate Plan including a budget for each fiscal year and submit it to the Minister of Indigenous and Northern Affairs Canada (INAC) for approval. The Corporate Plan must set out information according to its business lines and all business or activities carried out in any fiscal year must be consistent with the corporate plan for that year.

The Corporate Plan for 2018/2019 contains five sections, in addition to this introduction:

1. **Corporate Profile** describes the mandate and mission of the FNTC, its organizational structure and governance.
2. **Summary of 2017/2018 Performance against Objectives** details the extent to which the FNTC has achieved its objectives from the previous fiscal year.



3. **External Assessment and Risks** provides an analysis of the FNTC's operating environment and risks that may impact the results of the Commission over the upcoming fiscal year as well as mitigation strategies.
4. **Objectives, Strategies and Performance Measures for 2018/2019** sets out the objectives of each business line and the activities and performance measures that will be completed to support those objectives.
5. **The FNTC Financial Plan for 2018/2019** provides detailed financial plans for each of the next five years, a summary of the expected results for 2017/2018, and a summary of the actual financial results for 2016/2017.

Based on the Corporate Plan activities for 2018/2019 and the workplan outlined below, the FNTC has estimated its funding requirements from the Government of Canada to be \$6,763,000. Below is a summary of the financial plan for 2018/2019 as well as a summary of the financial performance for the FNTC for 2017/2018 and 2016/2017.

Financial Summary						
	2018/2019	Plan	2017/2018 Forecast	2016/2017 Actual		
Revenue						
Government of Canada	\$	6,763,000	\$	6,147,450	\$	6,000,000
Government of Canada - special initiatives		-		1,392,238		1,231,623
Other		10,000		22,253		19,222
		6,773,000		7,561,941		7,250,845
Expenses						
Commission Services		971,591		872,040		813,079
Corporate Services		1,479,662		1,360,194		1,405,149
<i>First Nation Gazette</i>		133,423		114,021		178,203
Policy Development		788,653		791,746		711,426
Education		852,250		717,212		639,808
Dispute Management and Negotiations		285,503		153,537		200,967
Communications		834,166		783,676		700,727
Law/By-law Development and Review; Legislative Affairs		1,427,752		1,377,277		1,371,134
Special Initiatives		-		1,392,238		1,231,623
		6,773,000		7,561,941		7,252,116
Annual Surplus (Deficit)	\$	-	\$	-	\$	(1,271)



Corporate Profile

Structure

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

- C.T. (Manny) Jules, Tk'emlúps te Secwepemc, BC (Chief Commissioner/CEO)
- David Paul, Tobique, NB (Deputy Chief Commissioner)
- Dr. Céline Auclair, Gatineau, QC
- Leslie Brochu, Chase, BC
- Lester Lafond, Saskatoon, SK
- Ken Marsh, Okotoks, AB
- William McCue, Georgina Island, ON
- Terry Babin, Canal Flats, BC
- Randy Price, North Vancouver, BC

There is currently one vacancy on the Commission.

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

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

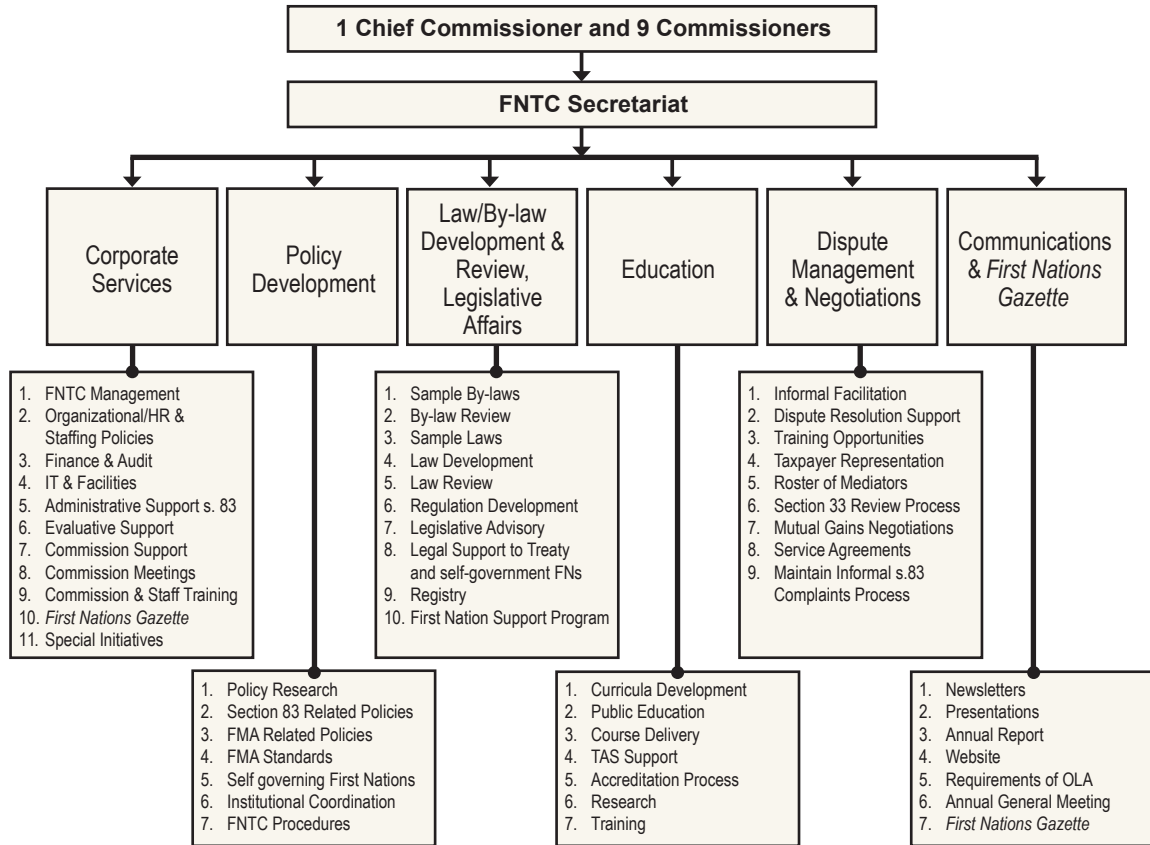
Governance

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

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

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

The FNTC operates six business lines, as illustrated below.



Summary of 2017/2018 Performance against Objectives

Performance measures for the FNTC were identified in the Corporate Plan 2017/2018. The table below provides a projection of the status of these deliverables at the end of the 2017/2018 fiscal year:

OBJECTIVES, STRATEGIES AND ACTIVITIES	PERFORMANCE
Corporate Services	
Annual Corporate Plan, work plan and financial plan produced and approved	Completed
Capital requirements for HO and NCR office managed	Completed
10 Commission meetings held	Completed
Financial, Human Resource, Administrative management and committee support provided	Ongoing
Access to <i>Information and Privacy Act</i> requirements met	Completed
Annual audit and financial reporting process completed	In progress
Special initiatives managed	Completed
Risk management plan updated	Completed
Staff training and professional development opportunities delivered	Completed
Five-year business, financial plan and workplan updated	Completed
Policy Development	
3 standards approved	Completed
2 s.83 policies reviewed	Completed
Minimum of 8 policies developed or research initiated	Completed
4 projects with other institutions initiated or continued	Ongoing
Pre-Budget Submission completed and submitted	Completed
Property tax statistics reporting mechanism developed	Completed
Law/By-law Development and Review; Legislative Affairs	
4 sample laws produced or modified	Completed
Support to 20 First Nations provided	Completed
216 FMA laws reviewed	Completed
Legislative amendments advanced	Ongoing
Legal Support to Policy Working Group provided, including research paper on mining taxation (SK), guidelines for ARB procedures, and briefing on s.83 residual powers	Completed
Treaty and self-government First Nations' participation in FMA advanced	Ongoing
50 by-laws reviewed	Completed
FMA and s.83 registries maintained	Completed
Projects with other institutions coordinated	Completed
Report to Commission on legal developments	Completed

Summary of 2016/2017 Performance against Objectives

OBJECTIVES, STRATEGIES AND ACTIVITIES	PERFORMANCE
First Nations Gazette	
First Nation laws, by-laws, notices, FMA standards, procedures, sample laws and s.81 and s.85.1 bylaws published	Completed
FNG Procedure and Operations Manual developed and maintained	Completed
FNG communications plan developed	Completed
FNG 5-year strategic plan developed and implemented	In progress
Communications	
FNTC, ILTI, FNG Websites updated and maintained	Completed
Mobile app updated and maintained	Completed
Newsletter published quarterly, email database maintained	Completed
First Nation success story series expanded	Completed
Annual Report published	In progress
Annual General Meeting materials produced	In progress
<i>Official Languages Act</i> requirements met	Completed
Five-year communications strategy updated	Completed
Communication materials updated	Completed
National meeting plan and marketing completed	Completed
Communications procedures and operations manual developed and maintained	Completed
Education	
Coordinate delivery of 10 courses including providing administrative and support for students and student graduation	Completed
Support public education about First Nations Taxation	Ongoing
4 regional workshops delivered	Completed
TAS webinars delivered	Completed
Webinar program delivered	Completed
CRM staff training developed and delivered	In progress
Commissioner orientation and training program developed	Completed
Legal webinar series developed	Completed
Instructor recruitment plan developed	Completed
Tulo Centre operations and five-year strategy supported	Completed
Education procedures and operations manual updated and maintained	Completed
Curriculum Retreat delivered: Review and update course material	Completed
FNTAA / Tulo alumni working group supported	Completed
Dispute Management and Negotiations	
Roster of mediators maintained	Completed
Support for negotiations with local and provincial governments provided	Completed
Training managed and coordinated	Completed
Responding to inquiries and facilitation of disputes	Completed
Support provided to negotiations and service agreements	Completed



External Assessment and Risks

Assessment of 2017/2018 Risk Management Strategy

The table below presents an assessment of the FNTC 2017/2018 risk management strategy:

External Policy Environment	FNTC Risks 2017/2018	Outcomes
Global Economic Uncertainty	<ul style="list-style-type: none"> • Slower growth outside of the US • Uncertainty about trade and investment • Looming disputes over Canadian exports (softwood lumber, commodities, automobiles/auto parts) 	<p>These risks did occur in 2017/2018. First Nations will be impacted by higher softwood duties and other NAFTA elements. In some cases, it will reduce independent revenues. The softwood duties have increased interest in the proposed ART. The FNTC adjusted resources to respond.</p>
Federal Government Indigenous Policy	<ul style="list-style-type: none"> • Support for developing revenue based fiscal relationship option • Lack of support for FMA amendments and other initiatives • Momentum lost on ILTI and title registry proposals • Significant resources spent on unsustainable infrastructure • Slow GIC appointment process • Insufficient resources • Unsupported transition process 	<p>Almost all these risks did not occur in 2017/2018. The federal government has been supportive of FNTC led proposals about taxation, fiscal relationships, infrastructure and appointments, as well as the FNTC has received resources to advance these initiatives and is working with the LAB on the Indigenous Land Registry proposal. The GIC appointment process is advancing. The FNTC transition process and support remains a significant corporate plan risk for 2018/2019.</p>
First Nations	<ul style="list-style-type: none"> • Increased demand for tax jurisdiction and revenue based fiscal relationship • Increased demand for all FNTC services as FMA expands • Increased demand for capacity development related to jurisdiction and fiscal relationship • Increased demand for infrastructure project support • Increased demand for resource project taxation • Increased demand for ILTI to support title, improved land registry, faster ATRs and sustainable economies and housing 	<p>These risks occurred. Demand for FNTC services related to taxation, law development, service agreements, education, training and the <i>First Nations Gazette</i> all increased. Demand and interest in initiatives related to new fiscal relationships, ART, ILTI, land registry and the infrastructure institution also increased. The FNTC adjusted resources as much as possible to meet this increased demand but it will be imperative for FNTC to receive more resources and to expand its capacity to meet this increased demand next fiscal year.</p>

The FNTC's 2017/2018 risk management strategy was successful. It should be noted however, that the demand for FNTC services and initiatives was even higher than anticipated. The FNTC addressed these additional service demands last year by adjusting resources, prioritizing activities and seeking additional resources. The increased demand has placed stress on FNTC capacity and resources this year. It will be imperative for the FNTC to expand its capacity and resources in 2018/2019 to meet the growing demand and interest. This is especially true as, given the number of FNTC initiatives advanced in 2017/2018 which will lead to even greater implementation and service requirements in 2018/2019.

Assessment of 2018/2019 Risks

Each year the FNTC assesses the policy environment to identify external risks that could affect its programs and priorities. These include economic and fiscal risks, legislative risks, and other risks that could affect the demand for FNTC services. These risks are divided into four categories: external economic risks; federal government Indigenous policy risks; provincial government Indigenous policy risks; and First Nations demand for services risks.

External Economic Risks

There are at least three external economic factors that could impact the First Nation taxation environment in 2018/2019. First, it is possible that the Bank of Canada will continue to raise interest rates in response to an overheated housing market and to reduce inflationary pressures. This would raise FMA financing costs and reduce development demand on First Nation lands. Second, possible changes to NAFTA and other trade agreements could hasten Canada's pivot to other markets for its exports. First Nations along trade corridors to Asia or European markets could see an increase in economic and revenue opportunities. Third, world political uncertainty could lead to increases in resource prices and demand for Canadian resources. Demand for resource related proposals such as the ART could increase.

Federal Government Indigenous Policy Risks

The government of Canada has stated its unequivocal commitments to replacing the *Indian Act*, dismantling the Department of Indigenous and Northern Affairs Canada, supporting reconciliation and nation-to-nation relations and implementing the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). As a signal to this commitment, on August 28th, 2017, the Prime Minister announced the dissolution of INAC and its division into two new departments: Indigenous Crown Relations and Northern Affairs and Indigenous Services Canada.



To further signal the intent of its commitments, the federal government created the Working Group of Ministers on the Review of Laws and Policies Related to Indigenous Peoples, chaired by the Minister of Justice. The Working Group was mandated to review all Indigenous laws, regulations and policies to support the implementation of the inherent right and title in s.35 of the Constitution, facilitate nation-to-nation relations and implement the federal government's commitment to UNDRIP. In July 2017, the FNTC, along with First Nations proponents and the other FMA institutions, advanced a three-part comprehensive proposal to the Working Group. The first part proposes to expand First Nation tax powers (FNGST, tobacco, resources, and cannabis) and financing options in support of a new fiscal relationship. The second part proposes to expand the FNTC and FMA institutions and establish new institutions to support expanded jurisdictions (Infrastructure, Land Registry and Statistics). The third part proposes to build the administrative capacity to implement these jurisdictions through the Tulo Centre. The Working Group expressed support for this agenda and in response, the FNTC is advancing the elements of this proposal in this corporate plan.

Despite federal political support, there are also three key federal risks to the FNTC's 2018/2019 Corporate Plan. First, it is possible that the federal government will not dedicate sufficient resources and expertise to develop and pass the necessary legislative changes to implement the proposals. Second, it is possible that the two new Indigenous departments will focus more on their re-organization instead of advancing and supporting practical First Nation-led proposals. Third, it is possible that the FNTC and proponents won't be adequately resourced to successfully implement their agenda for change.

An additional risk is insufficient federal support for FNTC commissioner and leadership transition. A number of new commissioners will be appointed in 2018/2019 including the potential appointment of a new Deputy Chief Commissioner and a Chief Commissioner. This transition will be occurring just as there is substantial growth in demand for FNTC services and interest for FNTC supported proposals and initiatives. Managing this transition, while maintaining and increasing FNTC services and support, will be a major FNTC Corporate Plan challenge in 2018/2019. Full federal support for the FNTC transition plan will be required to ensure that this transition does not slow momentum or negatively impact First Nation initiatives.



Provincial Government Indigenous Policy Risks

Many provincial governments have been supportive of the federal Indigenous commitments. This is important because some of the FNTC's expanded tax jurisdiction proposals will require provincial support. For example, the Government of Ontario has expressed interest in working with the FNTC on First Nation tobacco taxation and possibly resource taxation. The Government of Saskatchewan has supported expanding First Nation casino taxation, while the Government of British Columbia is discussing the Aboriginal Resource Tax (ART) with the FNTC. Moreover, the BC, Ontario and Alberta governments all support the federal commitment to nation to nation frameworks and UNDRIP. Also encouraging is the FNTC's development of strong working relationships in BC, Alberta, Saskatchewan, Ontario and Nova Scotia for the provision of assessment services to tax collecting First Nation in those provinces. Despite this support, there are two provincial Indigenous policy risks to the FNTC's 2018/2019 corporate plan. First, some provinces have not yet stated their support for new First Nation jurisdictions. Second, politics tend to change with provincial elections so currently supportive provinces of Indigenous jurisdiction proposals may also be subject to change.

First Nations Demand for Services Risks

The FNTC is experiencing rapidly increasing demand for law development, facilitation services and training and has seen increasing First Nation support for expanded tax jurisdictions, adding new institutions and growing the Tulo Centre. Since 2008, the FNTC's First Nation client base has more than doubled from approximately 80 to over 200 First Nations, while the FNTC's operating budget has increased 7%, from \$5.78 million in 2008/2009 to \$6.15 million in 2017/2018.

To cite some specific examples, there are now 220 First Nations listed on the FMA Schedule. There was significant growth last year in First Nation taxation jurisdiction in Ontario and Saskatchewan. The *First Nations Gazette* now houses over 9500 laws and demand for its services is growing. The Tulo Centre started its largest cohort for its tax administration certificate program. The FNTC is facilitating 8 service agreement negotiations between First Nations and local governments. In all these cases, growth exceeded expectations. This growth is unsustainable on the current FNTC staff complement and its ability to provide adequate service delivery.

In 2016, INAC initiated a review of the FMA and worked with the FNTC and the other FMA institutions to develop a five-year plan to significantly expand the FMA institutions and produce an analysis of future funding requirements of the FMA institutions. The INAC-FMA Institutions Report referenced in this corporate plan addresses the risk of the FNTC being under-resourced to address the First Nation demand for current FMA tax jurisdictions and related support. The unprecedented increase in First Nation demand for FNTC services and support for initiatives represents a significant threat to meeting performance measures in the 2018/2019 corporate plan.



2018/2019 Risk Management Strategy

The following table demonstrates how the external policy environment creates risks to the FNTC. The third column contains the proposed FNTC risk management strategy for 2018/2019. The FNTC priorities for 2018/2019 result from an assessment of corporate resources and this proposed risk management strategy.

External Policy Environment	FNTC Risks	Proposed Risk Management Strategy
External Economic Conditions	<ul style="list-style-type: none"> Higher interest rates raise borrowing and development costs Changing trade patterns induce growth for some First Nations Increased demand for resource related initiatives if resource prices increase 	<ul style="list-style-type: none"> Support more tax powers, new registry Respond to support requests Advance new tax powers (ART)
Federal Government Indigenous Policy	<ul style="list-style-type: none"> Insufficient support and time for proposed legislative changes Insufficient support from former INAC owing to uncertainty Inadequate resources to expand FNTC and advance new initiatives Inadequate support for FNTC transition during growth 	<ul style="list-style-type: none"> Seek resources to develop proposals Joint focused work on initiatives Reallocate resources, reduce services and seek more resources through proposals Support for FNTC transition plan, training and mentorship
Provincial Indigenous Policy	<ul style="list-style-type: none"> Requirement to gain provincial support for new jurisdictions Maintaining support after elections and other changes 	<ul style="list-style-type: none"> Gaining and maintaining provincial support in 2018/2019 incorporated into communication plans
First Nations	<ul style="list-style-type: none"> Increased demand for FMA law development and BATs Increased demand for facilitation and FNG Increased demand for training and education Increased support and demand for new tax powers Increased support and demand for new institutions 	<ul style="list-style-type: none"> Expand FNTC law development support Expand facilitation services and FNG Expand Tulo Centre Additional resources for new initiatives Resources and support for new institutions

Assessment of Corporate Resources 2018/2019

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



In 2016, INAC retained Patterson Creek Consulting Inc. to produce an analysis of future funding requirements of the FMA institutions. This INAC commissioned report concluded that the FMA institutions are the most interesting innovation to occur over the past decade in Indigenous policy-making, that their long-term sustainability should be a high priority for all governments in Canada, and that there is a strong business case for increasing funding for the three FMA institutions. For the FNTC, the report recommended an increase of approximately 33% in its 2016/2017 funding of \$5.99 million to \$7.99 million, to be achieved over a five-year period ending in 2020/2021. The FNTC is proposing an increase in funding for 2018/2019 to \$6,763,000 representing an increase of 10% over 2017/2018.

Business Case for Increased Funding for FMA Institutions

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

1. **Large and tangible impacts for First Nations** - The FMA institutions as a group are producing large and tangible impacts for First Nation communities including new infrastructure, increased own source revenues, substantial economic development opportunities, improved financial management and governance, and the restoration of tax jurisdiction.
2. **FMA Institutions as centres of innovation** - The institutions have researched, developed and implemented important new approaches to jurisdiction, collection, and regulation of taxation, access to capital markets, and have helped develop solutions to deal with issues of scale. Furthermore, the institutions have been particularly effective at transferring this innovation to First Nation communities through sustainable capacity development approaches. The institutions are currently involved in developing new approaches to resource development, taxation, economic development, infrastructure management, third party management, and mechanisms for structuring a new fiscal relationship with the federal government. The INAC-FMA study noted *“all of these areas are of high priority to both First Nations and the federal government and therefore should be encouraged.”*
3. **The original business plans and funding assumptions are out-of-date** - First Nation interest in the FMA system and the services offered by the institutions is growing exponentially. The number of First Nations listed on the Schedule to the FMA increased again this year to 220 First Nations. Since 2008, the FNTC’s First Nation client base (taxing First Nations or First Nations developing tax laws/by-laws) has more than doubled from approximately 80 to over 200 First Nations, while the FNTC’s operating budget has increased 7%, from \$5.78 million in 2008/2009 to \$6.15 million in 2017/2018. Implementation also consumes more time and resources when the FNTC is operating in regions where there is no recent history of taxation on reserve. The institutions are also providing additional services to First Nations beyond the scope of the original assumptions. Examples include the expansion of First Nation debentures to include other revenues, and FNTC special initiatives such as cannabis tax, tobacco tax, ART, FNII, ILTI, support for the FNGST, and a new fiscal relationship.



4. **The institutions directly support the federal government’s intention to stimulate the Canadian economy with infrastructure spending** - The institutions enable First Nations to generate and leverage their Own Source Revenues to boost infrastructure spending at a time when First Nations face significant infrastructure deficits and deficiencies that hamper their growth. According to the INAC-FMA Institutions Report, this would generate a “very healthy return on a very small investment” and “no province or municipality promises anywhere near this leverage factor for federal dollars.”

Additional Resources and a New Funding Relationship Required

The INAC-FMA Institutions Report proposed that an additional \$2 million in annual resources by 2021/2022 would enable the FNTC to expand service delivery in all its business lines. This would allow the FNTC to address increasing First Nation service requests, the expansion of the First Nation tax system in revenues and participants, the geographical dispersion of the participating First Nations, and the variety of First Nation tax and other revenue jurisdictions supported.

In addition to increased funding, the report presented the business case for changing the funding arrangement with Canada to one that is more grant-like, longer term with more flexibility. The FNTC has a proven track record with capable staff and governing body, occupies the low end of the risk assessment of organizations funded through INAC and a new FNTC funding agreement with Canada should reflect this.

The FNTC has developed a five-year business plan to support the implementation of the expanded FNTC business lines and the other recommendations in the report.

FNTC Priorities for 2018/2019

The FNTC has identified the following priorities for 2018/2019:

Property Taxation Supportive Services and Regulatory Framework - The FNTC provides on-going services, and maintains and updates a regulatory framework to support over 200 First Nations, First Nation tax authorities, and their taxpayers in developing and implementing:

- property tax and assessment laws and by-laws;
- annual rates and expenditure laws and by-laws;
- development cost charge (DCC) laws;
- service tax laws;
- business activity tax laws;
- property transfer tax laws;
- fee laws; and
- borrowing laws.



The FNTC devotes its operational resources to meet this priority through its law review, policy development, education, communications, dispute management and negotiations, and corporate services business lines. The details of the significant work load and performance measures associated with these business lines for 2018/2019 are in the next section. Due to increasing demand for FNTC services, and FNTC success to date, the INAC-FMA Institutions Report has recommended additional resources for the FNTC as well as a new grant-like funding relationship. The FNTC has developed a five-year plan and will be working with Indigenous Services Canada to implement these recommendations, and to continue to successfully implement its mandate under the FMA.

Appointment Process and Transition - The FNTC will work closely with the federal government in support of the revised Governor-in-Council appointment process to fill vacancies on the Commission. The FNTC has developed a transition plan and orientation materials to ensure the efficient transition of its executive management in 2018/2019. Orientation and training activities will be undertaken in 2018/2019 to support new commissioners.

Education and Capacity Development - The FNTC has a successful partnership with the Tulo Centre in its mission to develop a professional and accredited First Nation public service to implement FMA local revenue jurisdictions and support economic growth. The FNTC has seen increased demand from First Nations and other indigenous groups in Canada for education and training programs in support of implementation of local revenue jurisdictions and economic growth. The work of FNTC with the Tulo Centre, including its curriculum and methods, is being recognized by First Nations; Indigenous groups in other countries such as in New Zealand, Peru, and the United States; and governments at all levels in Canada (local, provincial, and federal). Last year, the FNTC supported the development of a comprehensive five-year plan to expand and meet this increased demand. In 2018/2019, the FNTC will continue to work with the Tulo Centre and Indigenous Services Canada to secure stable long-term funding to expand the Tulo Centre's capacity to develop and deliver more courses and workshops, create unique curriculum for new certificates and diploma programs, develop more research, and find a new permanent location for Tulo.

Expanding First Nation Tax Powers - The FNTC will continue to support the following special initiatives to expand First Nation local revenue jurisdictions under the FMA, supported by a revenue based fiscal relationship:

- First Nation Cannabis Taxation;
- First Nation Tobacco Tax (Ontario);
- Aboriginal Resource Tax;
- First Nations Goods and Services Tax;
- Revenue-based Fiscal Relationship Option.



Building New First Nation Institutions - The FNTC will continue to support the following special initiatives to establish new First Nation institutions and improve First Nation land title systems:

- First Nation Infrastructure Institute;
- Indigenous Land Title and Registry.

National Meeting of FMA and FNLMA First Nations - The FNTC will work with the FMB, FNFA, and First Nations Lands Advisory Board to host a national meeting of FMA First Nations and FNLMA First Nations in the spring of 2018 in Vancouver. The national meeting will showcase First Nation successes in using the fiscal and land management tools of the FMA and FNLMA, discuss proposed legislative amendments and changes, and highlight the work of the institutions and LAB looking forward.



Objectives, Strategies, and Performance Measures for 2018/2019

Corporate Services

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

Strategies and Activities

In 2018/2019, Corporate Services will continue to manage the operation of the FNTC, and provide financial, human resource and administrative management. In addition, the Corporate Services will undertake the following:

Commission Support and Meetings - Corporate services will convene four general FNTC meetings and six law review meetings. All but one of the Commission appointments will expire in 2018/2019 and the level of continuity in the succession appointments will impact the orientation work requirements for the Commission. Corporate services will provide training and professional development opportunities to Commissioners including expanded activities in support of orientation and training for new Commissioners.

Training, Human Resources and Succession Planning - Corporate services will undertake recruiting, training, team building exercises, and professional development in support of succession planning for secretariat staff and executives. It will also work to recruit, hire and train new staff to meet the expanded demand for services in the other FNTC business lines.

Finance, Reporting and Planning - Corporate Services produces the annual corporate plan, work plan and financial plan. It will work to negotiate a new multi-year funding agreement with Canada and review and revise strategic, business and financial plans, and implementation plans in support of a new multi-year funding agreement.

IT & Facilities Management - Corporate Services manages the capital requirements for the Head Office and the National Capital Region office and maintains and improves the information technology and information management systems and practices of the FNTC.

In 2018/2019, Corporate Services will document information management practices by creating a map of the FNTC information system, guides and checklists to support staff. It will also work with departments to build work flows for information including Working Group meeting materials, decisions and action items. Training and communications programming will be developed for Client Records Management (CRM) that will assist staff in proper use of information and records management.

ATIP and Privacy Act - Corporate Services will continue to ensure that the FNTC meets *Access to Information Act* and *Privacy Act* requirements.

Special Initiatives - In 2018/2019, Corporate Services will provide support or seek additional resources to advance the following special initiatives:

- 1. First Nation Cannabis Tax** - The proposed *Cannabis Act*, Bill C-45, intends to lift prohibition on the recreational use of cannabis in Canada. The bill has a target date of becoming law no later than July 2018. Just as with First Nation tobacco tax, the implementation of First Nation cannabis tax jurisdiction can help curtail the unregulated cannabis market in Canada.

The FNTC has developed a report on cannabis jurisdiction and taxation in a number of other jurisdictions, and explored First Nation cannabis tax policy options and legal requirements.

The FNTC will develop a cannabis taxation option for interested First Nations and, with First Nations support, develop proposed amendments to the FMA to enable First Nation cannabis taxation laws and related standards.

- 2. First Nation Tobacco Tax (Ontario)** - The development of First Nations tobacco tax jurisdiction is strongly supported by the Government of Ontario as the best method to deal with unregulated tobacco sales in the province. They have indicated that they are prepared to share a portion of its tobacco revenues from all tobacco sales in the province with First Nations that enact an on-reserve tobacco tax of at least \$25. Further, the Government of Ontario agrees the FMA offers the best approach to providing the regulatory framework required to implement First Nation tobacco taxation.

In May 2016, the Ontario Ministry of Indigenous Relations and Reconciliation (MIRR) asked the FNTC to provide support for the development of First Nations tobacco tax jurisdiction. Over the last year, the FNTC has been working with MIRR and the Ontario Ministry of Finance (MOF) on the development of tobacco tax jurisdiction under the FMA. In March 2017, MIRR and MOF invited the Chief Commissioner to attend and make a presentation at a 2-day Tobacco Forum in Toronto with over 25 First Nations in attendance.

An MOU between the Union of Ontario Indians (UOI) and the FNTC was signed in April 2017 enabling the parties to work together to “create a draft implementation framework for the exercise of First Nation tobacco tax jurisdiction for interested Union of Ontario Indians member First Nations.” The FNTC and UOI have agreed to work together on a draft implementation framework for First Nation tobacco (and gas) tax jurisdiction and support revenue sharing arrangements associated with each of these.

The FNTC will work with interested First Nations, Union of Ontario Indians (Anishinabek Nation), and the government of Ontario to develop and advance a regulatory framework under the FMA for tobacco taxation and revenue sharing. This includes the identification of potential FMA amendments and provincial legislative requirements, the development of standards and sample laws for First Nation tobacco retailers licensing laws and tobacco taxation laws, and an appropriate administration system for tax collection.



- 3. Aboriginal Resource Tax** - ART would empower First Nations to establish resource tax jurisdiction over their traditional territory and generate revenues from new resource projects in their territory. This would provide more certainty to resource investors and First Nations than negotiating impact-benefit agreements with each project or resource revenue sharing.

The FNTC will continue to support the design and development of ART options with interested First Nations and the federal government.

- 4. First Nations Goods and Services Tax** - The FNTC will continue to work with interested First Nations to support the development and implementation of FNGST systems. Proposed FNTC amendments to the FMA will be developed and advanced to allow for the inclusion of FNGST revenues as FMA local revenues for borrowing purposes.
- 5. National Meeting** - The FNTC will work with the FMB, FNFA, and First Nations Lands Advisory Board to host a national meeting of FMA First Nations and FNLMA First Nations in the spring of 2018 in Vancouver. The national meeting will showcase First Nation successes in using the fiscal and land management tools of the FMA and FNLMA, discuss proposed legislative amendments and changes, and highlight the work of the institutions and LAB looking forward.
- 6. First Nation Infrastructure Institution** - The FNTC, proponent First Nations and the FNII Development Board are advancing the development of a First Nations Infrastructure Institution as part of the FMA. The FMA was designed to provide expanded tools to finance infrastructure and support economic development on First Nations lands.

Modeled on the successful FMA institutions, the FNII will help interested First Nations assume jurisdiction over the development of more environmentally, economically and fiscally sustainable infrastructure and access more effective and efficient formulas and processes for federal infrastructure funding.

The proposed FNII mandate includes:

- supporting interested Indigenous governments in the exercise of their jurisdiction over infrastructure development on their lands;
- supporting aggregations of Indigenous communities as part of nation groupings or to achieve economies of scale;
- promoting understanding of the infrastructure development process of Indigenous governments and the linkage with economic and fiscal sustainability;
- providing support for the implementation of standards and laws required to support infrastructure projects;
- developing transparent formulas to efficiently provide federal infrastructure funding to participating Indigenous governments;
- implementing formulas and processes to secure stable federal infrastructure funding that supports long term infrastructure financing through the First Nations Finance Authority;



- assessing infrastructure project readiness and support infrastructure planning for participating Indigenous governments;
- developing training programs and build capacity and administrative efficiencies in participating Indigenous governments for infrastructure procurement, construction, management and financing; and
- supporting more integrated infrastructure planning (environmental, economic, capital, land and financing) for Indigenous governments.

Together with the FNII Development Board and the First Nation proponents, the FNTC will work to develop and advance draft amendments to the FMA based on the FNII business plan, as well as a transition plan, and supporting communications materials.

- 7. Indigenous Land Title Registry** - The FNTC is working with the First Nation Lands Advisory Board to develop and advance a proposal to develop a new Indigenous Lands Registry. The LAB is advancing a series of amendments to update the Framework Agreement on First Nation Land Management.
- 8. Revenue-Based Fiscal Relationship Option** - The FNTC will continue to develop and advance an option whereby First Nations can use new tax revenues to assume full decision-making authority and responsibility for the delivery of specific services. These revenues would then be exempted from the application of any further transfer offsets, such as those envisioned by the proposed federal OSR policy. This would reduce the federal government's need to set conditions or reporting requirements with respect to the assumed responsibilities; these could be established through the FMA.

Corporate Services Performance Measures

Annual corporate plan, work plan and financial plan produced and approved
Capital requirements for HO and NCR office managed
10 Commission meetings held
Financial, human resource, administrative management and committee support provided
Access to <i>Information and Privacy Act</i> requirements met
Special initiatives managed
Recruiting, training and professional development undertaken in support of succession planning for staff and executives
Training and professional development support undertaken in support of succession of Commissioners
Negotiations for multi-year funding agreement supported
Paper records action plan and retention schedule approval project undertaken
Policy and procedures development continued
CRM processes, procedures and manuals maintained
CRM communications developed and training delivered
Email records management plan developed and supported
Server/Network/IT structure maintained



Policy Development

The objective of Policy Development is to develop and implement, through a transparent policy development process, effective standards and policies that support several of the Commission's policy objectives including expanding First Nation jurisdiction, promoting harmonization, fostering efficiencies, and reconciling the interests of First Nation governments with those of stakeholders in the First Nation tax system.

Strategies and Activities

In 2018/2019, Policy Development will develop or modify, seek public input on, and present for approval at least three of the following Standards:

- Property Assessment;
- Property Taxation;
- Annual Tax Rates;
- Taxpayer Representation to Council;
- Well-Drilling Business Activity Tax for Saskatchewan;
- Mining Business Activity Tax for Saskatchewan.

In 2018/2019, Policy Development will develop or modify, seek public input on, and present for approval at least three of the following section 83 policies:

- Property Assessment;
- Property Taxation;
- Annual Tax Rates;
- First Nation Taxpayer Relations.

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

- Use of Reference Jurisdictions in tax rate setting;
- Property tax enforcement powers;
- First Nation assessment appeals process;
- Service agreements and TLEs;
- Mining and/or Well-Drilling Business Activity Tax for Saskatchewan;
- Assessment Review Board (ARB) Best Practices;
- Options for infrastructure development to expand First Nations economies and tax base;
- Aboriginal Resource Tax;
- FNGST;
- First Nation Tobacco Tax;
- First Nation Cannabis Tax;
- Tax-Based New Fiscal Relationship.



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

- further amendments to the FMA;
- support for Treaty and Self-Governing First Nation participation in the FMA;
- FMA Information Collection and Dissemination;
- FMA Marketing and Coordinated Law Development;
- Borrowing Coordination.

Policy Development will prepare the FNTC’s annual Pre-Budget Submission for the 2019 Federal Budget.

Policy Development Performance Measures
3 standards approved
3 s.83 policies reviewed
Minimum of 8 policies developed, continued or research initiated
4 Projects with other institutions initiated or continued
Pre-Budget Submission completed

Law/By-law Development and Review; Legislative Affairs

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

LBDRLA also monitors legal developments that may impact First Nation property taxation under the FMA, and the *Indian Act*.

Strategies and Activities

In 2018/2019, LBDRLA will modify or develop up to four sample laws and by-laws for the Commission’s consideration and approval. The four sample laws and by-laws developed or modified will be from the following areas:

- Property Assessment;
- Property Taxation;
- Annual Tax Rates;
- Taxpayer Representation Council;
- Well-Drilling Business Activity Tax for Saskatchewan;
- Mining Business Activity Tax for Saskatchewan.



LBDRLA provides support for First Nations to enter the field of property taxation for the first time, or to transition to the FMA from *Indian Act* taxation. 2018/2019 priorities will include expanding the number of First Nation tax systems in Manitoba, Ontario, and the Atlantic, and increasing the number of First Nations using other local revenue raising powers and local revenue securitization.

LBDRLA expects to prepare technical reviews for 190 annual and 26 non-annual FMA laws in 2018/2019 for the Commission’s consideration. It also expects to review 50 s.83 by-laws for the Commission’s consideration in making their recommendations to the Minister for by-law approval.

LBDRLA will also provide legal support to Policy Development, including:

- developing legislative options for expanding revenue jurisdictions (FNGST, tobacco tax, and cannabis tax);
- developing legislative/regulatory options for improving First Nation tax/fee enforcement powers;
- developing legislative/regulatory options for improving First Nation assessment appeal mechanisms.

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

LBDRLA will also:

- provide legal support to enable treaty and self-government First Nations’ participation in FMA;
- monitor legal developments, especially in the areas of First Nation jurisdiction, property assessment and taxation, and administrative law principles; and
- maintain the registry of First Nation laws and by-laws.

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

4 sample laws/by-laws produced or modified
Support to 20 First Nations provided
216 FMA laws reviewed
Legislative amendments advanced
Support to policy development – including 3 research projects
Treaty and self-government First Nations’ participation in FMA advanced
50 by-laws reviewed
FMA and s.83 registries maintained
Reports to Commission on legal developments



Education

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

Strategies and Activities

In 2018/2019, Education and the Tulo Centre will deliver eleven accredited courses of the Certificate in First Nation Tax Administration program and Certificate in Applied Economics program. Education also provides support services for the non-accredited education programs by delivering webinars and workshops. The FNTC and the Tulo Centre will deliver five regional workshops to First Nations, three regional workshops for regional INAC offices and develop new workshops upon request. Work to expand the Tulo Centre continues, providing more accredited training in support of First Nation public administration that supports economic development, and the process to develop a degree program for accreditation will begin.

Education also provides support services for the accredited education program by completing:

- annual updates of Tulo Centre Five Year strategy;
- annual updates and maintenance of education procedures and operations manual; and
- annual reviews of course material with updates for new policy, new activities, and expanded use of activity based learning for workshops, presentations and policy implementation.

Education also provides support for Tax Administration System (TAS) users and system updates, supports the Tulo Centre website, supports Tulo Centre graduation and supports alumni activities.

Education will also provide public education programming in conjunction with the Communications business line to widen understanding and support of First Nation property tax and special initiatives.



Education Performance Measures

8 regional workshops for First Nations and government held
11 accredited courses delivered
1 new course developed
Logistics and support provided to students to attend 11 accredited courses
8 webinars developed and published
Multi-media productions to support public education and course material developed
Graduation and convocation logistics supported
Tulo Centre of Indigenous Economics operations supported
Curriculum retreat held
FNTAA/Tulo alumni working group supported

Dispute Management and Negotiations

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

Strategies and Activities

In 2018/2019, Dispute Management and Negotiations will continue to respond to requests for negotiation facilitation and dispute resolution support and maintain a roster of qualified mediators. Training opportunities are provided to Commissioners, staff and mediators listed on the roster. In 2018/19, the FNTC will manage and coordinate dispute resolution and mutual gains negotiations training activities for the FNTC staff, selected First Nations, and the Tulo Centre. In 2018/19, the FNTC will conduct a S.33 review simulation as part of the commissioner orientation process.

Dispute Management and Negotiations will also provide support services for:

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



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

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

Dispute Management and Negotiations Performance Measures
Roster of mediators maintained
Support for negotiations with local and provincial governments provided
Training managed and coordinated
S.33 review simulation in support of Commissioner orientation activities conducted
First Nation and taxpayer inquiries and requests for facilitation of disputes responded to
Support provided to negotiations and service agreements
Institutional coordination

Communications and *First Nations Gazette*

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

Strategies and Activities

In 2018/2019, Communications will continue to provide support and collaborate with other departments to meet the FNTC's external communication goals. Communications will also coordinate communication strategies for special initiatives to increase awareness and support.

Communications maintains the FNTC's tradeshow exhibits and materials and participates in tradeshows. Communications will continue to develop and document First Nation success stories using various media.

Communications also maintains websites for the FNTC, publishes the *Clearing the Path* quarterly newsletter, and operates the *First Nations Gazette*.

The *First Nations Gazette* provides:

- promulgation of First Nation laws, by-laws, codes, and other First Nation legislation (similar to the function of the *Canada Gazette* for the Canadian government);
- publication of FMA policies, standards, sample laws and sample *Indian Act* by-laws;
- publication of notices related to First Nations; and
- an authoritative reference for First Nation law in Canada.



Communications also provides support to Corporate Services, including preparation and publication of the annual report and preparation of materials for the annual general meeting.

Communications will coordinate the work with the FMA institutions to develop and host a national meeting of FMA First Nations.

Communications conducts annual updates of the Communications strategy to assist the FNTC in communicating effectively and meeting core objectives. There is also an annual update of the Communications procedures and operations manual and FNG policies and administration procedures.

Communications and *First Nations Gazette* Performance Measures

Annual Report published
Annual General Meeting materials prepared
Websites updated and maintained
Newsletter published quarterly, distributed via hardcopy and electronically
Communication materials updated
Webinars produced and recorded
Storytelling collected and distributed through new media
Tradeshow exhibit updated and tradeshow participation undertaken
FNG marketing plan designed
FNG business plan updated
FNG website maintained and FNG services provided
Communications strategy, procedures and operations manual updated



Corporate Work Plan for 2018/2019

OBJECTIVES, ACTIVITIES and STRATEGIES	PERFORMANCE MEASURES
Corporate Services	
Produce the annual corporate plan, work plan and financial plan	Produce the annual corporate plan, work plan and financial plan
Manage the capital requirements for head office and National Capital Region offices	Manage the capital requirements for head office and National Capital Region offices
Convene four general FNTC meetings and six law review meetings	10 Commission meetings held
Provide financial, human resource and administrative management and committee support	Financial, human resource and administrative management and committee support provided
Meet <i>Access to Information Act</i> and <i>Privacy Act</i> requirements	<i>Access to Information and Privacy Act</i> requirements met
Provide support or seek additional resources to advance the following special initiatives: <ul style="list-style-type: none"> • FN Cannabis Tax • FN Tobacco Tax (Ontario) • ART • ILTI • FNII • National Meeting • FNGST • Revenue based fiscal relationship 	Special initiatives managed
Recruit, train, and provide professional development opportunities and support for executives and staff	Recruiting, training and professional development undertaken in support of succession planning for staff and executives
Provide training and professional development in support of succession of Commissioners	Training and professional development support undertaken in support of succession of Commissioners
Support negotiations for multi-year funding agreement	Negotiations for multi-year funding agreement supported
Implement paper records action plan	Paper records action plan implemented
Undertake retention schedules approval project	Retention schedules approval project undertaken
Continue policies and procedures development	Policies and procedures development continued
Maintain CRM processes, procedures and manual	CRM processes, procedures and manual maintained
Deliver CRM communications and training	CRM communications and training delivered
Implement and support email records management plans	Email records management plan developed and supported
Maintain Server/Network/IT structure	Server/Network/IT structure maintained

OBJECTIVES, ACTIVITIES and STRATEGIES	PERFORMANCE MEASURES
Policy Development	
Develop or modify, seek public input on, and present for approval at least three of the following standards: <ul style="list-style-type: none"> • Property Assessment • Property Taxation • Annual Tax Rates • Taxpayer Representation to Council • Well-Drilling Business Activity Tax (BAT) for Saskatchewan • Mining Business Activity Tax (BAT) for Saskatchewan 	3 standards approved
Review or modify 3 of the following s.83 policies: <ul style="list-style-type: none"> • Property Assessment • Property Taxation • Annual Tax Rates • First Nation Taxpayer Relations 	3 s.83 policies reviewed
<ul style="list-style-type: none"> • Continue or initiate policy development of a minimum of eight of the following policies or research projects: • Use of Reference Jurisdictions in tax rate setting • Property tax enforcement powers • First Nation assessment appeals process • Service agreements and TLEs • Mining and/or Well-Drilling Business Activity Tax (BAT) for Saskatchewan • Assessment review Board (ARB) Best Practices • Options for infrastructure development to expand First Nations economies and tax base • Aboriginal Resource Tax • FNGST • First Nation Tobacco Tax • First Nation Cannabis Tax • Tax-Based New Fiscal Relationship 	Minimum of 8 policies developed or research projects initiated or continued or completed.
Initiate or continue four of the following projects with other fiscal institutions: <ul style="list-style-type: none"> • Further amendments to the FMA • Support for Treaty and Self-Governing First Nation participation in the FMA • FMA Information Collection and Dissemination • FMA Marketing and Coordinated Law Development. • Borrowing Coordination 	4 projects with other institutions initiated or continued
Prepare the FNTC's annual Pre-Budget Submission	Pre-Budget Submission completed and submitted



OBJECTIVES, ACTIVITIES and STRATEGIES	PERFORMANCE MEASURES
Law/By-law Development and Review; Legislative Affairs	
Develop or modify Sample laws or by-laws in the following areas: <ul style="list-style-type: none"> • Property Assessment • Property Taxation • Annual Tax Rates • Taxpayer Representation Council • Well-Drilling Business Activity Tax (BAT) for Saskatchewan • Mining Business Activity Tax (BAT) for Saskatchewan 	4 sample laws/by-laws produced or modified
Provide support to First Nations entering taxation or transitioning from s.83	Support to 20 First Nations provided
Prepare technical reviews for 190 annual and 26 non-annual FMA laws	216 FMA laws reviewed
Continue to advance and implement the FMA amendments	Legislative amendments advanced
Provide legal support to the Policy Working Group, including: <ul style="list-style-type: none"> • developing legislative options for expanding revenue jurisdictions (FNGST, tobacco tax, and cannabis tax); • developing legislative/regulatory options for improving First Nation tax/fee enforcement powers; • developing legislative/regulatory options for improving First Nation assessment appeal mechanisms. 	Support to Policy Development – Includes 3 research projects
Provide legal support to enable treaty and self-government First Nations' participation in FMA	Treaty and self-government First Nations' participation in FMA advanced
Prepare 50 technical reviews of s.83 by-laws	50 by-laws reviewed
Maintain the registry of First Nation laws and by-laws	FMA and s.83 registries maintained
Monitor legal developments, especially in the areas of First Nation jurisdiction, property assessment and taxation, and administrative law principles	Reports to Commission on legal developments
Education	
Deliver eight regional workshops to First Nations and government	8 regional workshops
Deliver eleven accredited courses of the Certificate in First Nation Tax Administration program and Certificate in Applied Economics program	11 accredited courses delivered
Provide support and logistics for students to attend 11 accredited courses	Logistics and support for students to attend 11 accredited courses provided
Develop one new course in the Certificate in First Nation Tax Administration program or the Certificate in Applied Economics program	1 new course developed
Develop and publish eight webinars	8 webinars developed and published
Develop multi-media productions to support public education and course material	Multi-media productions to support public education and course material developed
Provide support and logistics planning for Tulo Centre graduation and convocation	Graduation and convocation logistics supported
Provide support to Tulo Centre operations	Tulo Centre of Indigenous Economics operations supported
Hold a curriculum retreat to review and update course materials	Curriculum retreat held
Maintain alumni support.	FNTAA/Tulo alumni working group supported



OBJECTIVES, ACTIVITIES and STRATEGIES	PERFORMANCE MEASURES
Dispute Management and Negotiations	
Maintain roster of mediators	Roster of mediators maintained
Provide support services for negotiations and coordination of First Nations taxation implementation with local and provincial governments	Support for negotiations with local and provincial governments provided
Manage and coordinate dispute resolution and mutual gains negotiations training activities for the FNTC staff, selected First Nations, and the Tulo Centre	Training managed and coordinated
Conduct s.33 review simulation in support of Commissioner orientation activities	S.33 review simulation in support of Commissioner orientation activities conducted
Respond to First Nations and taxpayer inquiries and requests for facilitation of disputes	First Nations and taxpayer inquiries and requests for facilitation of disputes responded to
Provide support when requested to Service Agreements negotiations and other disputes	Support provided to negotiations and service agreements
Coordinate with other FMA institutions	Institutional coordination provided
Communications and <i>First Nations Gazette</i>	
Publish Annual Report	Annual Report published
Prepare Annual General Meeting materials	Annual General Meeting materials prepared
Regular update and maintenance of websites	Websites updated and maintained
Publish and distribute quarterly newsletter	Newsletter published quarterly, distributed via hardcopy and electronically
Update communications materials	Communication materials updated
Record and produce webinars	Webinars produced and recorded
Record storytelling and distribute through new media	Storytelling collected and distributed through new media
Update tradeshow exhibit and participate in tradeshow	Tradeshow exhibit updated and tradeshow participation undertaken
Develop FNG marketing plan to expand audience and participation	FNG marketing plan developed
Update FNG business plan to include outcome of FNG 5-year strategy	FNG business plan updated
Maintain FNG website and provide FNG services	FNG website is maintained and FNG services are provided
Update communications strategy, procedures and operations manual	Communications strategy, procedures and operations manual updated



Financial Plan 2018/2019

The FNTC financial plan presents the financial results for 2016/2017 fiscal year, forecasts for 2017/2018 and financial plans for 2018/2019 to 2022/2023.

Financial Performance 2016/2017 and 2017/2018

Financial assets at the end of 2016/2017 totaled \$2.54 million and consisted of cash and accounts receivable. The forecasted financial assets at the end of 2017/2018 are \$2.09 million and consist of cash and accounts receivable. Liabilities consisting of accounts payable and contracts payable totaled \$2.37 million at the end of 2016/2017 and are forecasted to be \$2.06 million at the end of 2017/2018.

Non-financial assets of the FNTC which consist of prepaid expenses and tangible capital assets totaled \$320 thousand at the end of 2016/2017 and are forecasted to be \$463 thousand at the end of 2017/2018. The FNTC's tangible capital assets are comprised of furniture, IT infrastructure, equipment, software, website development costs, and leasehold improvements relating to its business premises. The Commission does not own real property and does not carry debt. The Commission leases space for its head office on the reserve lands of the Tk'emlúps te Secwepemc and in Ottawa for its National Capital Region office.

Below is an overview of the FNTC's actual performance for the 2016/2017 against its plan and its forecasted performance for the 2017/2018 against its plan with an explanation of significant variances. The figures for 2016/2017 are actual results for the fiscal year ending March 31, 2017 and the figures for 2017/2018 represent forecasted results to March 31, 2018.

Statement of Financial Activities	2016/2017			2017/2018		
	Actual	Plan	Variance	Forecast	Plan	Variance
Revenue						
Government of Canada	\$ 6,000,000	\$ 6,000,000	\$ -	\$ 6,147,450	\$ 6,147,450	\$ -
Government of Canada - special initiatives	1,231,623	1,231,623	-	1,392,238	1,392,238	-
Other	19,222	10,000	9,222	22,253	10,000	12,253
	7,250,845	7,241,623	9,222	7,561,941	7,549,688	12,253
Expenses						
Commission Services	813,079	893,085	80,006	872,040	893,085	21,045
Corporate Services	1,405,149	1,277,130	(128,019)	1,360,194	1,342,898	(17,296)
<i>First Nations Gazette</i>	178,203	145,238	(32,965)	114,021	120,519	6,498
Policy Development	711,426	783,911	72,485	791,746	793,930	2,184
Education	639,808	596,853	(42,955)	717,212	624,796	(92,416)
Dispute Management and Negotiations	200,967	248,585	47,618	153,537	222,770	69,233
Communications	700,727	734,777	34,050	783,676	786,336	2,660
Law/By-law Development and Review; Legislative Affairs	1,371,134	1,330,421	(40,713)	1,377,277	1,373,116	(4,161)
Special Initiatives	1,231,623	1,231,623	-	1,392,238	1,392,238	-
	7,252,116	7,241,623	(10,493)	7,561,941	7,549,688	(12,253)
Annual Surplus (Deficit)	\$ (1,271)	\$ -	\$ (1,271)	\$ -	\$ -	\$ -

Statement of Financial Position	2016/2017 Actual	2017/2018 Forecast
Financial Assets		
Cash	\$ 2,469,066	\$ 2,013,146
Accounts receivable	73,987	75,000
	2,543,053	2,088,146
Liabilities		
Accounts payable	762,793	860,000
Contracts payable	1,609,100	1,200,000
	2,371,893	2,060,000
Net Financial Assets	171,160	28,146
Non-Financial Assets		
Prepaid expenses	42,575	40,000
Tangible capital assets	277,558	423,146
	320,133	463,146
Accumulated Surplus	\$ 491,293	\$ 491,292
Accumulated Surplus		
Investment in tangible capital assets	\$ 277,558	\$ 423,146
Current funds	213,735	68,146
Accumulated Surplus	\$ 491,293	\$ 491,292



Statement of Cash Flows	2016/2017 Actual	2017/2018 Forecast
Operating Activities		
Annual surplus (deficit)	\$ (1,271)	\$ -
Items not involving cash		
Amortization	208,810	197,398
Changes in non-cash operating balances		
Accounts receivable	22,531	(1,013)
Prepaid expenses	(6,128)	2,575
Accounts payable and contracts payable	(196,634)	(311,893)
Cash flows from operating activities	27,308	(112,933)
Capital Activities		
Purchase of tangible capital assets	(178,750)	(342,987)
	(178,750)	(342,987)
Net increase (decrease) in cash during the year	(151,442)	(455,920)
Cash, beginning of the year	2,620,508	2,469,066
Cash, end of the year	\$ 2,469,066	\$ 2,013,146

2016/2017 Plan vs. Actual and 2017/2018 Plan vs. Forecast

Revenues 2016/2017 Actual

Revenues for 2016/2017 were \$7.25 million, \$9 thousand over a budgeted plan of \$7.24 million. Revenue for 2016/2017 consisted of government funding of \$6 million for FNTC core business activities, \$1.23 million of government funding for research and special initiatives, and \$19 thousand of bank interest. The variance from plan resulted from greater than planned bank interest being earned in the year.

Expenses 2016/2017 Actual

Expenses for 2016/2017 were \$7.25 million, \$10 thousand over planned expenditures of \$7.24 million, resulting in a \$1,271 deficit for the year. Expenses relating to core business activities totaled \$6.02 million, and expenses relating to special initiatives totaled \$1.23 million for 2016/2017.

Overall, core business activities expenditures were consistent with planned amounts. Expenditures for Corporate Services, Education, and Law/By-law Development and Review; Legislative Affairs business lines were greater than planned and were offset by lower than planned expenditures in other business lines.

Expenses relating to special initiatives undertaken by the FNTC were consistent with planned amounts and totaled \$1.23 million for the year. These expenses related to work undertaken on the First Nations Indigenous Land Title Initiative and research on an Aboriginal Resource Tax, a First Nations Infrastructure Institution and one window tax services. Special projects were also undertaken on the development of a long term strategy for Tulo, development of a certificate in First Nations applied land management, workshop delivery, and planning for a National meeting of FMA First Nations.



Capital Expenditures 2016/2017 Actual

Capital expenditures for 2016/2017 totaled \$179 thousand and consisted of costs related to the completion of the leasehold improvements relating to reorganization of the business premises at the FNTC head 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.

Revenues 2017/2018 Forecast

Revenues for 2017/2018 are forecast to be \$7.56 million, \$12 thousand over a budgeted plan of \$7.55 million. The forecasted revenues include \$6.15 million from the Government of Canada for core business activities and \$1.39 million for special projects relating to the First Nations Indigenous Land Title Initiative, continued research on an Aboriginal Resource Tax and the First Nations Infrastructure Institution, and planning activities for a National Meeting of First Nations. Other income arising from bank interest is forecasted to be \$22 thousand.

Expenses 2017/2018 Forecast

Total expenses for 2017/2018 are forecast to be \$7.56 million, consistent with total planned expenditure amounts, resulting in a forecasted surplus/deficit of \$0.

Expenses relating to core business activities are forecast to be \$6.17 million, \$12 thousand over planned expenses of \$6.15 million. Education expenditures are forecasted to be higher than planned by approximately \$90 thousand for 2017/2018. This budget variance is forecasted to be offset by lower than planned activities in commission services and Dispute Management and Negotiations support business lines.

Expenses related to the special initiatives are forecast to be \$1.39 million for 2017/2018, consistent with plan.

Capital Expenditures 2017/2018 Forecast

Capital expenditures for 2017/2018 are forecast to be \$340 thousand, relating to leasehold improvements to the business premises at the FNTC head office, design and installation of a new information management system, acquisition of furniture, and information technology related equipment including lifecycle replacement of desktop computers, laptops, and software licensing costs.

Financial Plan 2018/2019 to 2022/2023

The table below contains the five-year financial plan for the FNTC for 2018/2019 to 2022/2023.

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

1. The financial plans for the periods 2018/2019 to 2022/2023 cover the 12-month fiscal years ending March 31.



2. The financial plans for the periods 2018/2019 to 2022/2023 have been prepared based on the FNTC's best estimates of the funding requirements, activities and costs required to:
 - a) 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 negotiations;
 - b) Expand the number of First Nations using local revenues to secure debentures;
 - c) Seek to expand the number of First Nation tax systems in Manitoba, Ontario, Quebec, and the Atlantic;
 - d) Expand the education program to provide more accredited training and workshops in support of First Nation public administration that supports economic development; and
 - e) Expand the *First Nations Gazette* to become the voice for all First Nation law.
3. The revenues contained in the financial plans for 2018/2019 to 2022/2023 are consistent with the recommended funding levels from the Government of Canada as outlined in the 2016 INAC-FMA Institutions Report on the future funding requirements of the FMA institutions.
4. The financial plan for the FNTC for 2018/2019:
 - a) is balanced, and has planned revenues and expenditures of \$6.77 million;
 - b) has planned revenue from the Government of Canada for core activities of \$6.76 million, and \$10 thousand from other sources. This represents an increase of approximately 10.0% over funding levels for 2017/2018;
 - c) has been prepared based on a detailed review of the FNTC business lines including the initiatives, strategies, and activities planned for 2018/2019, 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.
5. The Assessment of Corporate Resources 2018/2019 section outlines the factors supporting the business case for increased funding for the FNTC.
6. No provision has been made for an increase in Commissioner remuneration for 2018/2019 as these rates are determined and set by the Governor in Council.
7. The financial plan includes the estimated costs of continuing to provide services to First Nations under s.83 of the *Indian Act*.
8. Other income consists of revenue forecasted to be earned from bank interest.
9. 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 2018/2019 to 2022/2023 includes only those revenues and projected costs for core business activities.



Statement of Financial Activities	Financial Plan				
	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Revenue					
Government of Canada	\$ 6,763,000	\$ 7,290,000	\$ 7,610,000	\$ 7,833,000	\$ 7,996,000
Other	10,000	10,000	10,000	10,000	10,000
	6,773,000	7,300,000	7,620,000	7,843,000	8,006,000
Expenses					
Commission Services	971,591	955,090	960,649	972,076	983,057
Corporate Services	1,479,662	1,584,539	1,607,036	1,589,980	1,631,443
<i>First Nations Gazette</i>	133,423	143,326	144,929	149,438	152,507
Policy Development	788,653	904,844	923,687	942,924	962,566
Education	852,250	897,560	979,659	1,034,417	1,046,751
Dispute Management and Negotiations	285,503	307,638	343,066	400,610	408,322
Communications	834,166	941,625	1,035,021	1,098,237	1,119,232
Law/By-law Development and Review; Legislative Affairs	1,427,752	1,565,378	1,625,953	1,655,318	1,702,122
	6,773,000	7,300,000	7,620,000	7,843,000	8,006,000
Annual Surplus (Deficit)	\$ -	-	\$ -	\$ -	\$ -

Statement of Financial Position	Financial Plan				
	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Financial Assets					
Cash	\$ 1,601,523	\$ 1,667,217	\$ 1,786,253	\$ 1,683,265	\$ 1,810,815
Accounts receivable	75,750	76,508	77,274	78,047	78,828
	1,677,273	1,743,725	1,863,527	1,761,312	1,889,643
Liabilities					
Accounts payable	860,000	861,500	863,015	864,546	866,092
Contracts payable	750,000	757,500	765,075	772,726	780,454
	1,610,000	1,619,000	1,628,090	1,637,272	1,646,546
Net Financial Assets	67,273	124,725	235,437	124,040	243,097
Non-Financial Assets					
Prepaid expenses	40,400	40,804	41,213	41,626	42,043
Tangible capital assets	383,619	325,763	214,642	325,626	206,152
	424,019	366,567	255,855	367,252	248,195
Accumulated Surplus	\$ 491,292	\$ 491,292	\$ 491,292	\$ 491,292	\$ 491,292
Accumulated Surplus					
Investment in tangible capital assets	\$ 383,619	\$ 325,763	\$ 214,642	\$ 325,626	\$ 206,152
Current funds	107,673	165,529	276,650	165,666	285,140
Accumulated Surplus	\$ 491,292	\$ 491,292	\$ 491,292	\$ 491,292	\$ 491,292



Statement of Cash Flows	Financial Plan				
	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Operating Activities					
Annual surplus (deficit)	\$ -	\$ -	\$ -	\$ -	\$ -
Items not involving cash					
Amortization	254,527	277,856	206,121	249,016	234,474
Changes in non-cash operating balances					
Accounts receivable	(750)	(758)	(766)	(773)	(781)
Prepaid expenses	(400)	(404)	(409)	(413)	(417)
Accounts payable and contracts payable	(450,000)	9,000	9,090	9,182	9,274
Cash flows from operating activities	(196,623)	285,694	214,036	257,012	242,550
Capital Activities					
Purchase of tangible capital assets	(215,000)	(220,000)	(95,000)	(360,000)	(115,000)
Net increase (decrease) in cash during the year	(411,623)	65,694	119,036	(102,988)	127,550
Cash, beginning of the year	2,013,146	1,601,523	1,667,217	1,786,253	1,683,265
Cash, end of the year	\$ 1,601,523	\$ 1,667,217	\$ 1,786,253	\$ 1,683,265	\$ 1,810,815

