

Standing Committee on Finance (FINA)

Pre-budget consultations 2012

Assembly of First Nations

Responses

1. Economic Recovery and Growth

Given the current climate of federal and global fiscal restraint, what specific federal measures do you feel are needed for a sustained economic recovery and enhanced economic growth in Canada?

Canada's resource and energy sectors are rapidly becoming a central focus for all governments, the private sector and First Nations governments. The Canadian Council of Chief Executives (CCCE) July 2012 submission to the Council of the Federation identifies the need to facilitate improved relationships and partnerships with First Nations. As the CCCE writes, "addressing the role of Aboriginal communities in energy and resource development begins with early engagement and a true spirit of building stronger relationships. ... Some Aboriginal communities have entered into Impact and Benefit Agreements (IBAs) with resource companies to secure broader benefits from such projects. A number of approaches have been used, including revenue sharing, minority equity interests and full partnership. ... As more and more companies are discovering, business has a reason to invest in capacity-building in Aboriginal communities." The recent study of the Senate Standing Committee on Energy, the Environment and Natural Resources, "Now or Never: Canada must act urgently to seize its place in the new energy world order", reinforces this call and makes strong recommendations for capacity building and education for First Nations. The study reaffirms "The committee feels strongly that, with respect to resource development projects, the federal government must continue its efforts to improve the interaction between Aboriginal groups, industry, and federal and provincial authorities". Early engagement of First Nations in all development considerations within their territories is the key first step. Maximizing economic opportunity for First Nations is a clear economic interest for all of Canada. Specific steps required include:

- Advancing and equipping First Nations with enhanced technical capacity to support engagement and development of First Nation proposals on resource revenue sharing (RRS) and reinvestment funds
- Establishing frameworks and principles for dialogue between jurisdictions to appropriately define Crown resource revenues and approaches to engagement with First Nations on resource revenues, re-investment and/or partnership as well as affirming ongoing co-governance with an interest to ensuring environmental sustainability
- Supporting First Nation governance and institutional capacity to ensure fairness, equity and sustainability of resource revenues for the economic and social benefit of all members through transparent structures and processes accountable to the members.

2. Job Creation

As Canadian companies face pressures resulting from such factors as uncertainty about the U.S. economic recovery, a sovereign debt crisis in Europe, and competition from a number of developed and developing countries, what specific federal actions do you believe should be taken to promote job creation in Canada, including that which occurs as a result of enhanced internal and international trade?

The current global economic climate presents a clear opportunity for Canada to foster leadership in growing revenues through an approach that recognizes and implements respect for First Nation rights and responsibilities throughout every aspect of resource development including regulation, agreements, monitoring and environmental protection. The uncertainty and barriers to clear trust and investment raised by not fulfilling Canada's obligations to First Nations have persisted for too long. Internationally,

a growing body of work stresses the need for indigenous peoples to be directly engaged in decisions about resource development that have the potential to affect them. The United Nations Experts Mechanism on the Rights of Indigenous Peoples at its fifth session, July 2012, confirmed that “Indigenous peoples are necessary and productive partners for extractive industries, with free, prior and informed consent a must for productive partnerships”. Furthermore, James Anaya, the Special Rapporteur on the Rights of Indigenous Peoples, is currently focusing on extractive industries operating within or near indigenous territories, and the development of specific guidelines or principles aimed at helping States, corporate actors and Indigenous peoples in fulfilling responsibilities that arise from international Indigenous rights standards. First Nation customary and traditional economies are a rich source of economic, social, cultural and health benefits that need to be considered as part of larger socio-economic planning, particularly in the context of increased focus on resource development and energy generation. As such, First Nation economic pursuits (hunting, fishing, other forms of harvesting like trapping, medicine gathering, etc) should be supported through fully collaborative environmental regimes, which respect First Nations as full planning and implementation partners. In this context, investments in First Nation education systems become even more crucial to ensuring that First Nation citizens can take advantage of existing and projected opportunities. Canada requires a well-trained workforce, especially in the booming resource extraction industry, and First Nation entrants into the labour market will be crucial in filling current and future labour market requirements in all sectors, skilled trades and professions.

3. Demographic Change

What specific federal measures do you think should be implemented to help the country address the consequences of, and challenges associated with, the aging of the Canadian population and of skills shortages?

The First Nation population has been increasing, with growth rates well above the Canadian average. The median age of the First Nation population is 25 years compared to 40 years of age for the non-First Nation population in Canada. The federal government estimates that over 600,000 Aboriginal youth will enter the labour market between 2001 and 2026, recognizing the important role of First Nation youth in meeting the skilled labour shortages and enhancing economic growth in Canada. Developing key partnership and investment opportunities in the training and education of First Nations is therefore paramount. A growing number of First Nation citizens entering the labour force presents a unique opportunity at a moment in time when the Canadian economy faces a huge wave of retirements and the problems associated with an aging population. Accordingly, access to professions and trades must be facilitated so that First Nation citizens can participate more fully in the job market as well as in creating jobs. This entails investing in all levels of First Nation education, training and skills development, as well as an overhaul of licensing requirements. First Nation businesses have great potential to contribute to the creation of jobs and should be supported through incentives for micro financing initiatives. Adequate frameworks to support First Nations full involvement in any and all development opportunities in their territories, including training and training partnerships, are essential. It is from a framework of respect and partnership that First Nation citizens can be fully empowered to achieve their potential. A critical area that requires attention is the unacceptably high rates of infant and youth mortality, especially related to youth suicides. Support for social measures, community reconciliation and healing further strengthens First Nations’ abilities to actively and fully engage in opportunities. First Nations are also facing the challenges associated with an aging population with an increase in Elders. Focus is needed on the care for First Nation Elders and the treatment and prevention of chronic diseases and health conditions in First Nation communities.

4. Productivity

With labour market challenges arising in part as a result of the aging of Canada's population and an ongoing focus on the actions needed for competitiveness, what specific federal initiatives are needed in order to increase productivity in Canada?

As Treaty, rights and title holders, First Nations seek willing partners to create economic opportunities. Growth in the natural resources sector presents strong opportunities for First Nations. However, due to the unique relationship between First Nations and the lands which we occupy, careful and thorough consideration must be given to major projects that may result in adverse environmental impacts. Consideration requires adequate time and capacity; both of which have been reduced by federal program cuts and changes to legislation under Bill C-38. Since free prior informed consent is the foundation for successful economic partnerships, and since strong relationships require accountability and transparency, the direction of Canada's fiscal policy and legislative agenda may significantly impede First Nation's ability to enter mutually-beneficial partnerships in the resources sector. AFN strongly advocates for a path of action that provides First Nations with jurisdictional space to pursue their own initiatives related to productivity and economic growth. The priority must be on education and investments to create First Nation education systems that serve the needs and goals of First Nations, as well as benefiting the Canadian economy. First and foremost, the critical need for sustainable, predictable and adequate funding for First Nation education must be met. Enhancement of educational opportunities for First Nation citizens through partnerships and initiatives, such as mentorship, co-op programs will increase productivity in Canada. With over 50% of the First Nations population under the age of 25, many are currently entering the labour market; this rapidly-growing workforce demonstrates the potential when it comes to enhancing productivity and addressing the gaps created by the aging population within the current labour market. Demographics indicate that the 10 million aging workers who are retiring will likely increase health care and other social program costs. The government needs to action the 2009 Federal Framework for Aboriginal Economic Development – which represents a whole-of-government economic approach to leverage partnerships to achieve sustainable economic development with a particular emphasis on building capacity for a fully trained workforce.

5. Other Challenges

With some Canadian individuals, businesses and communities facing particular challenges at this time, in your view, who is facing the most challenges, what are the challenges that are being faced and what specific federal actions are needed to address these challenges?

First Nation citizens continue to experience stark disparities with respect to quality of life indicators and community well-being. These challenges are a direct result of historical and ongoing processes of dispossession, displacement, and colonialism. The systemic discrimination faced by First Nation citizens manifests in a myriad of ways, including unacceptably high rates of poverty, barriers to economic and educational opportunities, and high rates of violence experienced by Indigenous women and girls. These are complex challenges that require a holistic and principled approach founded in the original relationship, that furthers the implementation of Treaties, and recognition of and sustained support for the restoration of First Nation jurisdiction, nationhood, and prosperity. First Nation governments seek a fair and transparent fiscal transfers, reflective of the original Nation-to-Nation relationship. First Nation women continue to face specific challenges in Canada and the safety and security of First Nation citizens must be a top priority for all governments. First Nation governments require the funding necessary to implement programs and services (such as health services, shelter and housing services, child care) to keep our citizens safe, especially First Nation women whose socio-economic status has often made them particularly vulnerable to victimization and criminalization. Improving general health and wellness of First Nations will have great potential to improve prosperity and economic prospects. Canada has a

fiduciary responsibility to uphold the health of First Nations peoples, regardless of where they reside. Solutions abound in addressing the jurisdictional gaps and inequities through engaging tripartite stakeholders (federal, provincial and First Nations governments) for a collaborative First Nations-controlled health care system, as exemplified by the British Columbia process; and by ensuring that the Government of Canada respects and meet its obligations to First Nations with regard to health and inclusion in the 2004 Health Accord renewal, and further include a parallel commitment for a First Nations Health Transfer. In addition, the government needs provide continued support for critical healing and mental health supports, such those through the Truth and Reconciliation Commission (TRC) and community-based healing programs through the Aboriginal Healing Foundation.