

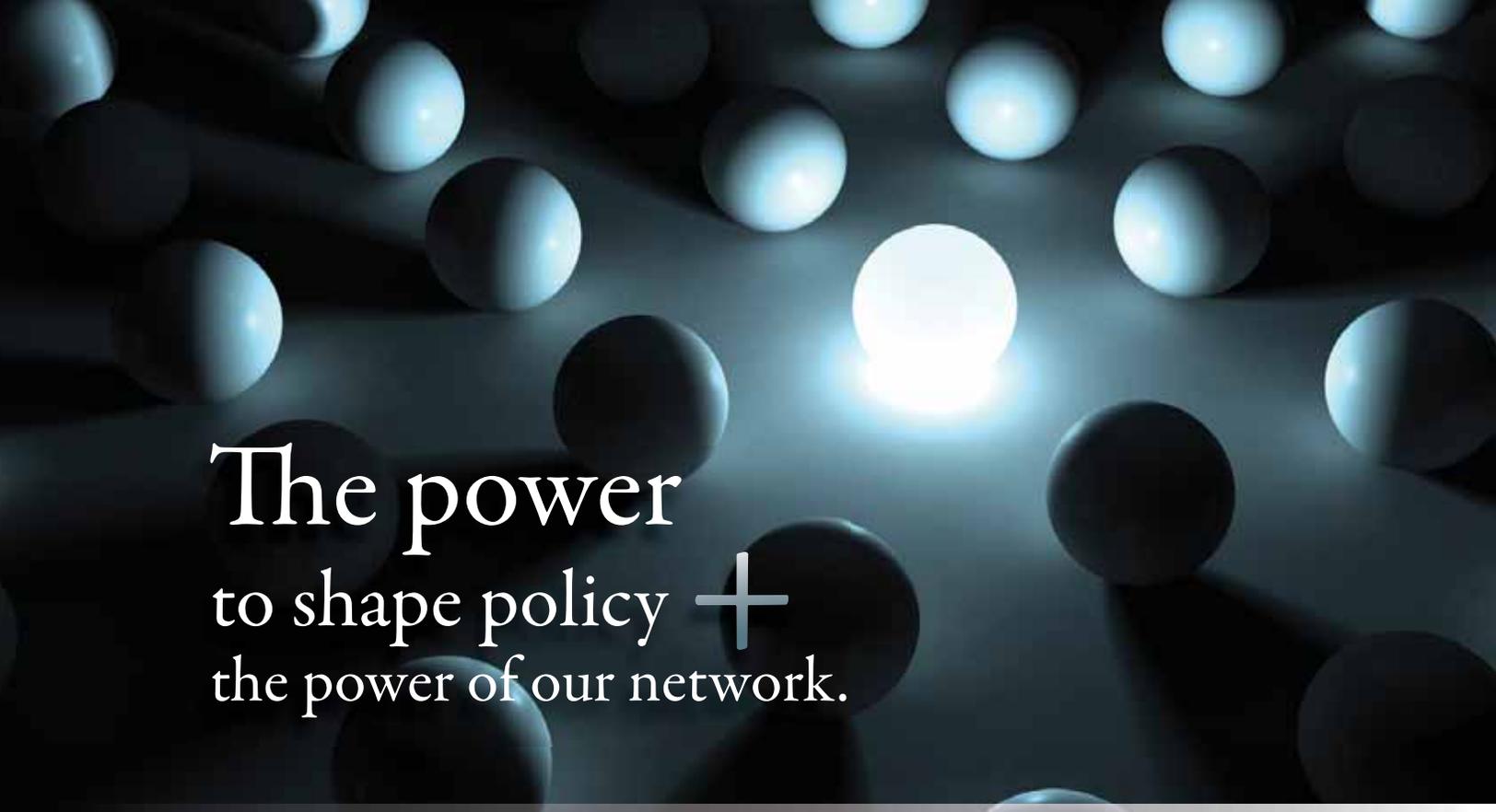
Ready for Business: Canada's Aboriginal and Non-Aboriginal Businesses as Equal Partners

December 2010



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Introduction

Canada's businesses recognize the importance of Aboriginal peoples¹ economic development interests to their success. Over the past three years, delegates representing the 420 chambers of commerce and boards of trade belonging to the Canadian Chamber of Commerce have adopted policies they believe will provide additional economic development options to Canada's Aboriginal peoples.

Improving Aboriginal peoples' economic development potential is desirable not only for them, but also for Canada's mainstream businesses and our nation's economy. Canada's Aboriginal peoples are young and their numbers are growing quickly compared to other Canadians. Demographic statistics in Canada's First Nations² peoples demonstrate this reality. According to the 2006 Census, the median age of First Nations peoples was 25, compared to 40 for other Canadians. Between the 1996 and 2006 Censuses, Canada's First Nations population grew by 29 per cent, compared to eight per cent growth in the rest of the population.³

The 2006 Census also showed that this growth is occurring against a backdrop of incomes and living conditions that lag behind those of other Canadians. The 2006 Census reported that the median annual income of First Nations peoples was \$14,517 (in 2005) versus \$25,955 for other Canadians. First Nations peoples living on reserves had a lower median annual income (\$11,224) compared to those living off-reserve (\$17,464). Thirty per cent of First Nations peoples spent 30 per cent or more of their household income on shelter, compared to 21 per cent of the rest of Canadians. Five times as many First Nations peoples lived in crowded⁴ homes (15 per cent) compared to other Canadians (three per cent), with the highest rates (26 per cent) reported by those living on reserve. First Nations peoples living on reserve also reported the highest numbers of homes in need of major repair (44 per cent), compared to seven per cent for the rest of Canadians⁵.

While the root causes of the disparities in income and living conditions between Aboriginal peoples and the rest of Canadians vary from region to region, clearly there is an opportunity for improvement through offering Aboriginal peoples more tools and additional options to become full economic partners with the rest of Canada. Opportunities that Canadian Chamber members support the federal government pursuing include:

- making more options available to First Nations to address land management/development uncertainty on their reserves,
- addressing confusion regarding the roles of various levels of government in negotiating commercial transactions,
- improving the educational success of Aboriginal peoples and their representation in our labour force, and
- working with mainstream and Aboriginal businesses to ensure they have tools to help them work together as effectively as possible.

1 The Canadian Constitution recognizes three groups of Aboriginal peoples—Indians, Métis and Inuit.

2 First Nations is a term that came into common usage in the 1970s to replace the word "Indian". Although the term First Nation is widely used, no legal definition of it exists. Among its uses, the term "First Nations peoples" refers to the Indian peoples in Canada, both Status and non-Status. Some Indian peoples have also adopted the term "First Nation" to replace the word "band" in the name of their community. (Source: Indian and Northern Affairs Canada, <http://www.ainc-inac.gc.ca/al/ldc/ccl/tra-eng.asp>. Accessed July 8, 2010.)

3 Gionet, Linda. *First Nations people: Selected findings of the 2006 Census*. Statistics Canada. Catalogue no. 11-008.

4 *Ibid.*, defined as more than one person per room not counting bathroom, halls, vestibules and rooms used solely for business purposes.

5 *Ibid.*

In a country that is looking for land for commercial development—be it for natural resources, industrial facilities, housing, tourism or recreation—and facing a ballooning shortage of skilled workers, Canadian businesses are looking more and more to partnerships with Aboriginal peoples.

In its February 2008 response to the *Final Report of the Standing Senate Committee on Aboriginal Peoples, Sharing Canada's Prosperity—A Hand Up, Not A Handout*, the federal government stated, “The time has come to make Aboriginal peoples full and meaningful partners in the Canadian economy, both for the good of Aboriginal people and for the good of the country as a whole, for the economic success of Aboriginal Canadians benefits all Canadians.”

The federal government has the opportunity to demonstrate that it continues to stand behind these words. The government has taken significant steps to give First Nations more options to leverage their lands for economic development and to improve all Aboriginal Canadians' educational success and workforce participation. Canadian Chamber members feel the federal government could do more to give Canada's Aboriginal peoples additional options and resources from which to draw upon to take their place as equal economic partners.



First Nations land management: What is and what could be

“First Nations communities, by virtue of the Indian Act, are impeded from developing their economies and attracting investment ... as a result of the Act, market forces do not operate properly on Indian lands, thus substantially raising the costs of doing business on reserve. Efforts to modernize outdated and restrictive processes should be supported, expanded and adequately funded.”

(Sharing Canada’s Prosperity—A Hand Up, Not A Handout. Final Report of the Special Study on the Involvement of Aboriginal Communities and Businesses in Economic Development Activities in Canada. Senate Committee on Aboriginal People. March 20, 2007.)

Many First Nations have large land holdings, but are capital poor. It might surprise many Canadians that First Nations do not own their reserve lands. Yet, this is the case. Underlying ownership of reserve lands rests with the Crown/federal government.

Many of the property rights options available to First Nations today can work well for those wanting to take more control over their economic development and generate wealth for their communities by leveraging the inherent wealth of their lands. Canadian Chamber members believe, however, that there are additional options that could be made available to First Nations.

“We want our kids to grow up knowing what other Canadians take for granted—employment opportunities, good health care, a stable income, decent housing, reliable public services... As a founding people of Canada, why haven’t we had these things like everyone else? ... We are as innovative, entrepreneurial, and public minded as other Canadians. I have concluded that there is one root cause. We don’t own our own land. Our land is held in trust by another government.”

(C.T. (Manny) Jules, former Chief of the Kamloops Indian Band and Chief Commissioner of the First Nations Tax Commission)

There are three primary First Nations property rights options provided for in the *Indian Act*⁶.

Customary or traditional rights recognize traditional family and/or individual control over sections of land and are the most common system of property rights on First Nations reserves. They are a creation of band council resolutions. While a band member can build on, make improvements to, and sell (to another band member) a parcel of land allotted to him or her, there is no security of tenure. The band chief and council have authority over all reserve lands and can evict a band member any time for any reason.⁷

Certificates of Possession are authorized under the *Indian Act* and are considered legal proof of a band member’s possession of a piece of land on a reserve. They can only be issued to or exchanged between band members and are protected under the *Indian Act* against seizure. As a result, their usefulness as collateral or equity and for business development purposes is limited. These limitations also result in parcels of land held under Certificates of Possession being de-valued relative to comparable off-reserve properties.⁸

⁶ The *Indian Act*, enacted in 1876, sets out certain federal government obligations, and regulates the management of Indian reserve lands. The act has been amended several times and is administered by the Minister of Indian Affairs and Northern Development. (Source: Assembly of First Nations. www.afn.ca. Accessed July 8, 2010.)

⁷ Flanagan, Tom, Alcantara, Christopher, Le Dressay, André. (2010). *Beyond the Indian Act, Restoring Aboriginal Property Rights*. McGill-Queen’s University Press.

⁸ Ibid.

Lease agreements enable First Nations to enter into long-term contracts for the use of reserve lands. They can be negotiated with non-band members and are recognized in a court of law. However, although there are short- and long-term leases and leases granted on behalf of a Certificate of Possession holder, all leases are temporary. This contributes to uncertainty, high transaction costs and undervaluing of reserve lands relative to off-reserve properties.

More options for First Nations

Over the last few decades, First Nations have advocated—and received—more economic development options than those provided under the *Indian Act*.

The *First Nations Land Management Act (FNLMA)*, which came into force in 1999, resulted from the desire of several First Nations to get out from under the land management constraints of the *Indian Act*. The *FNLMA* puts into law the *Framework Agreement on First Nations Land Management*, negotiated during the 1990s between the federal government and 13 First Nations.

First Nations that choose to opt into the *FNLMA* are no longer subject to the sections of the *Indian Act* addressing land and resources. They develop their own land codes and negotiate a funding agreement with Indian and Northern Affairs Canada (for example to pay for developing their land codes) which are subject to support from the community. Many of these land codes address the regulatory gaps between non-reserve and reserve lands, including environmental assessments, natural resource revenue, community consultation, matrimonial rights and amending the land code itself.⁹ Once the land code is ratified, which takes an average of more than 1,000 days due to government and band processes,¹⁰ First Nations can pursue economic development initiatives much more quickly. Of the more than 630¹¹ First Nations communities in Canada, 31 are operational under the *FNLMA*.¹²

The *First Nations Commercial and Industrial Development Act (FNCIDA)*, which came into force in 2006, was also the product of negotiations between the federal government and First Nations wanting to create more economic development opportunities on their reserves. While not specifically directed to land management, the *FNCIDA* gives First Nations the option to provide investors with more certainty by harmonizing regulations (for example those governing labour and the environment) on their reserves with those of the relevant province for parcels of land designated for major commercial and industrial projects.

The *Federal Framework for Aboriginal Economic Development*, announced by the federal government in 2009, commits \$200 million over four years to remove barriers to economic development for Aboriginal peoples including promoting “...entrepreneurship, Aboriginal human capital, and the forging of new and effective partnerships between Aboriginal entrepreneurs, communities, Corporate Canada and other levels of government.”¹³

One of the *Framework's* initiatives is the *First Nations Certainty of Land Title Act*, which received royal assent on June 30, 2010. The *First Nations Certainty of Land Title Act* focuses on commercial real estate development on reserves and provides a legislative means for a First Nation to register parcels of land designated for commercial real estate development under the same land title or registry system of the province in which the reserve is located.

⁹ Ibid., and Indian and Northern Affairs Canada.

¹⁰ Ibid.

¹¹ www.afn.ca. Accessed July 27, 2010.

¹² Indian and Northern Affairs Canada.

¹³ Letter from Hon. Chuck Strahl, Minister of Indian Affairs and Northern Development and Federal Interlocutor for Métis and Non-Status Indians, to Hon. Perrin Beatty, President and CEO, Canadian Chamber of Commerce, Aug. 18, 2009.

“This is not enough.”

According to C.T. (Manny) Jules, “These initiatives have been successful. They have allowed some First Nations to attract investment and raise the value of their lands. There are businesses on our land and large residential developments. There are job and business opportunities... However, this is not enough... It still costs more to get a development started on our lands. We still cannot raise capital the way other governments can. Our people cannot take out mortgages or obtain a business loan as easily as other people.”¹⁴ Why? Limited forms of on-reserve property rights leave First Nations communities at a disadvantage in their ability to leverage land for home ownership and business development. Also, some of these options are not backed by federal government resources to assist First Nations. The *FNLMA*, for example, does not provide for an agency capable of offering technical assistance to First Nations. As a result, First Nations’ property rights regimes often differ from reserve to reserve, creating uncertainty and relatively high transaction costs.

This means that, despite several federal government initiatives giving First Nations more options to leverage their lands for economic development, many First Nations/non-First Nations business relationships continue to be frustrated by:

- barriers to finding and raising capital for economic development for small- and large-scale projects,
- restrictions on granting security for leaseholders of reserve lands that are being developed for commercial development purposes, and
- costs and delays stemming from the need for federal government approval for leasing arrangements, and the uncertainty created by the lack of clarity regarding regulatory oversight and requirements.

Moving beyond lengthy and expensive one-off negotiations

“Without the capacity and means to develop and use their lands and resources sustainably for their economic benefit, the opportunities for First Nations to improve their quality of life and approach the standard of health and well-being enjoyed by other communities in Canada are severely restricted.”

(Report of the Auditor General of Canada to the House of Commons. Chapter 6: Land Management and Environmental Protection on Reserves. Fall 2009.)

The Whispering Pines First Nation in British Columbia has been interested in developing more than 200 acres of its reserve for real estate and recreation purposes. It found that the current land registry system under the *Indian Act* makes this an expensive and lengthy process, with it taking up to 180 days to process a land transfer. They also estimate that up to one-third of all prospective home purchasers are not interested in living on First Nations land because it is leasehold and not fee simple; i.e., not available for outright purchase. They believe that allowing First Nations to own their own land outright would increase land values for Certificate of Possession holders at the Whispering Pines First Nation by at least 50 per cent. This land value appreciation could be leveraged by the Whispering Pines First Nation members as equity for further business development as well as the creation of the wealth and jobs for the reserve that would come with it.¹⁵

¹⁴ Jules, Clarence T. (Manny). *First Nations Property Ownership Initiative, A First Nations-Led Legislative Proposal*. Kamloops, British Columbia. March 2010.

¹⁵ André Le Dressay, Director, Fiscal Realities Economists Ltd., Kamloops, British Columbia.

The First Nations Tax Commission, which was created by the Department of Indian Affairs and Northern Development to improve economic development resources available to First Nations, has proposed the *First Nations Property Ownership Act (FNPOA)* which would give First Nations the choice of opting out of the reserve land system under the *Indian Act* and assuming fee simple¹⁶ ownership of their reserves.

The First Nations Tax Commission looks to the Nisga'a Nation's *Landholding Transition Act* (passed by the legislative body of Nisga'a Lisims government in October 2009) as a model of how a First Nation could make fee simple land ownership available to those who wish it.

The journey that led the Nisga'a Nation to passing its *Act* was decades long and cost millions of dollars. In 2000, the *Nisga'a Final Agreement*, the product of decades of negotiations with the federal government, came into effect. The *Agreement* marked the end of the *Indian Act's* governance of many aspects of the Nisga'a people's lives, as well as their land. Under the *Landholding Transition Act*, Nisga'a citizens can choose to assume fee simple ownership of their residential properties and use them as security for a mortgage, bequeath them, transfer them and/or sell them as they see fit. Legislation giving all First Nations the option to assume fee simple title of their lands would allow them to do what the Nisga'a Nation has done without the time and expense of having to enter into one-off negotiations with the federal government. And it is not just First Nations making this argument. A 2009 PriceWaterhouseCoopers study concluded that certainty of Aboriginal land rights and title would attract additional investment not only from Canadian businesses but from foreign investors as well.¹⁷

The legislation envisioned by the First Nations Tax Commission would offer First Nations the option of establishing a property rights structure similar to the rest of Canada. It would give band members the right to grant individual property rights so that their residents could purchase their homes, build equity and leverage property for business development. The economic benefits would be significant. The First Nations Tax Commission estimates that if 68 First Nations in British Columbia, alone, took advantage of such legislation, the benefits from increased property values, employment opportunities and increased revenue potential would be more than \$4 billion.

Clearly there is an opportunity for the federal government to meet the pent-up demand of those First Nations that believe they could improve the living conditions and job opportunities for their people—and make their relationships with non-First Nations businesses more productive—by assuming fee simple title to their reserve lands.

Recommendation

That the federal government work with the First Nations Tax Commission, interested First Nations communities, the provinces and other stakeholders to develop a voluntary legal framework and support structure to enable First Nations to have access to full, unrestricted fee simple ownership of their reserve lands.

¹⁶ Fee simple title can be conveyed, transferred or assigned without restriction. Source: Brian Madigan, LL.B. OntarioRealestateSource.com. Accessed May 3, 2010.

¹⁷ PriceWaterhouseCoopers for the BC Treaty Commission. *Financial and Economic Impacts of Treaty Settlements in BC*. November 2009.

Another dimension of uncertainty: Unsettled specific land claims

Claims regarding the administration of land and other First Nations assets, as well as the fulfillment of treaties, are called Specific Claims. Left unresolved, they cause confusion and add cost, time and frustration to commercial relationships between First Nations and non-First Nations businesses.

An example is a 2007 dispute over a parcel of land that Six Nations claims as its own that the City of Brantford sold to a construction products manufacturer. The dispute ended with the company relocating elsewhere and taking 200 jobs with it. The firm also sued the City for \$10 million, alleging that the municipality was aware that there were potential claims on the land before the company had agreed to the purchase.

The federal government's *Justice at Last: Specific Claims Action Plan* was launched in 2007 to reform the claims process by making it impartial, fair, more transparent and faster. Another objective of the *Action Plan* was to "create certainty for all Canadians."¹⁸ The *Action Plan* led to the *Specific Claims Tribunal Act (2008)* which puts a three-year time limit on the assessment and negotiation of specific claims after which a First Nation may seek a final, binding decision on the validity of the claim and the amount of compensation from the Specific Claims Tribunal. The *Action Plan* also saw the creation of a special program fund in 2008 of \$2.5 billion over 10 years to finance the settlement of specific land claims. While the Specific Claims Tribunal is a widely-respected process, its powers are limited. For example, the Tribunal does not have the mandate to decide on claims valued at \$150 million or more (which applies to most of the Six Nations' claims), return disputed lands to First Nations or resolve issues regarding resource revenues under treaty.

As of mid-October 2010, there were 388 outstanding land-related specific claims across Canada.¹⁹ Clearly, there is much work to do to remove this element of uncertainty and potential acrimony between First Nations and non-First Nations governments, peoples and businesses.



Recommendation

That the federal government—within its current funding envelope—work with First Nations to resolve all outstanding specific land claims by 2020. When finances permit, the government should provide additional funds to establish an independent claims resolution mechanism to address all specific land claims valued at \$150 million or more and/or involving changes in land title.

¹⁸ Indian and Northern Affairs Canada. *Specific Claims-Progress Report*. <http://www.ainc-inac.gc.ca/al/ldc/spc/prp/index-eng.asp>. Accessed June 28, 2010.

¹⁹ Land-related claims encompass many issues and can range from substantive territorial claims to issues regarding rail, etc. rights of way. Source: Indian and Northern Affairs Canada.

Jurisdictional chaos

Canadian Chamber members who regularly do business with Aboriginal peoples also say that “jurisdictional chaos” amongst various levels of government, and confusion regarding their respective governance roles, is a major frustration for them and their Aboriginal partners. When combined with the uncertainty, higher cost and additional time associated with ventures involving reserve or traditional lands, it can become overwhelming stopping some negotiations in their tracks.

The rights of Aboriginal peoples and First Nations treaties are protected by the *Constitution Act* (section 35) and the courts have imposed the obligation on the federal, provincial and territorial governments to consult with Aboriginal peoples regarding any major projects on their reserves or traditional lands that would affect their rights and title. While government has the legal responsibility for consultation, several companies’ experiences have been that government has—to a great extent—offloaded this role to businesses getting involved at differing stages of the process. This causes confusion and frustration. While government has, in many cases, deferred the heavy lifting in negotiations to those who will be doing business together, it retains the right to veto agreements deemed to be unacceptable.

The federal government has yet to finalize its *Interim Guidelines on Aboriginal Consultation and Accommodation*. As a result, Aboriginal and non-Aboriginal businesses are uncertain regarding the division of federal and provincial responsibilities and the degree to which each should be involved and when. This can result in businesses having to go through duplicate consultation processes, which add costs and delay projects. While the legal duty to consult rests with the provincial, territorial and federal governments, there is a feeling in the business community that the bulk of the work involved with the duty to consult has been delegated to industry with sometimes frustrating results.

Newalta, one of Canada’s largest waste management and environmental services companies, continues to increase its business with First Nations across Canada. Its dealings with First Nations communities have highlighted the need to ensure that regional nuances associated with the requirements of the federal government are understood and addressed. The challenge can be even more complex and difficult if, as is the case for environmental assessments, multiple levels of government are involved and approaches vary from region to region. This leads to frustration, delays and added costs. In Newalta’s view, the federal government has an opportunity to help Aboriginal and Non-Aboriginal partners work together more effectively by clearly stating its commitment to and role in the negotiation process and by working with provincial and municipal governments to do the same. Clear, consistent engagement by all levels of government would go a long way to getting business deals and economic development moving more quickly.

It is not just large, mainstream businesses that are frustrated by this jurisdictional conundrum. On June 20, 2010, CBC Radio's *The Sunday Edition* held a forum in Winnipeg called *Canada and the Aboriginal People ... Can We Finally Get it Right?* During the forum, the owner of a reserve-based small business voiced her frustration with the federal, provincial and band jurisdictional balls she must juggle. She said she believes in economic development and that, while some would advise her to move off-reserve, this is a path she does not want to pursue. Could she benefit from some clarity and cooperation? Definitely.

Recommendations

That the federal government:

- Increase efforts to work with provincial, territorial and municipal governments to agree upon—and clearly communicate—their respective legal and regulatory jurisdictions on reserves or traditional lands.
- In those areas where it is mandated to play a role in negotiations between Aboriginal and non-Aboriginal commercial interests, take the necessary steps to ensure the business process flows efficiently, transparently and without unnecessary interruption.

Full partnership requires improving educational and labour force outcomes for Aboriginal peoples

Equal economic partnership brings more to an Aboriginal community than money. It brings employment, better housing, health care and infrastructure. Being able to employ workers who live near a project benefits the non-Aboriginal business through reduced transportation costs, on-site housing expenses, etc.

Full economic partnership—and a healthy economic future for Canada—depends upon an educated, skilled workforce for all businesses. Canada faces a skills shortage primarily as a result of an aging population and a shrinking number of people of prime working age (15 to 64 years).²⁰ In Ontario alone, “... the projected shortfall in the availability of workers is shown to rise to at least 200,000 and to as high as 1.8 million by 2031, depending on our levels of population growth. Even in the midst of a recession, we have to understand that a labour shortage looms.”²¹



And while much focus is placed upon attracting immigrants to fill our need for skilled workers, we cannot rely solely upon this strategy. In his May 5, 2010 presentation to the Senate Committee on Social Affairs, Science and Technology, Paul Davidson, President of the Association of Universities and Colleges of Canada, said, “The global competition for highly qualified personnel will grow, making it increasingly difficult to maintain the growth in highly educated immigrants to Canada. Therefore, to meet the future employment market demand of the Canadian economy we will need to be more self-sufficient.”

Over the next decade, 400,000 Aboriginal Canadians will reach working age.²² The key to success in the workforce is an education, particularly a post-secondary education. “The future prosperity of our economy will largely be determined by improvements to its overall productivity performance and its ability to shift the allocation of productive resources to higher value-added goods and services. Such an economic transition will raise the educational requirements of the new jobs being created.”²³ Canada’s Aboriginal peoples continue to be under-represented in post-secondary achievement statistics. Again, data for Canada’s First Nations peoples demonstrate this fact. According to the 2006 Census, 42 per cent of First Nations peoples had completed some level of post-secondary education²⁴ compared to 61 per cent of the rest of Canadians. Improving these outcomes will not only enhance Aboriginal peoples’ standards of living, but also their capacity to work with non-Aboriginal businesses as full partners. At a broader level, Canada stands to benefit from a highly-skilled, home-grown workforce.

20 Miner, Rick. *People without Jobs, Jobs without People: Ontario’s Labour Market Future*. Miner Management Consultants. February 2010.

21 Ibid.

22 Association of Universities and Colleges of Canada. *Building a Competitive Advantage for Canada, Pre-budget submission to: The Honourable James Flaherty, Minister of Finance, November 18, 2009*.

23 TD Bank Financial Group. *TD Economics Special Report. Post-Secondary Education is a Smart Route to a Brighter Future for Canadians*. May 17, 2010.

24 Educational attainment above the level of secondary (high school) completion. This includes apprenticeship or trades certificate; college or CEGEP diploma; university certificate or diploma below bachelor level; university degree at bachelor’s degree and above. Gionet, Linda. *First Nations people: Selected findings of the 2006 Census*. Statistics Canada, Catalogue no. 11-008.

The Difference Education Makes

- Only half of First Nations youth complete high school, **but when** First Nations youth complete high school, they are twice as likely to be employed.
- Only eight per cent of Aboriginal people have a university degree, compared to 23 per cent of the Canadian population, **but when** First Nations youth are able to complete a university degree, they triple their earning potential.

(Assembly of First Nations. *It's Our Time: A Call to Action on Education*. www.afn.ca.)

The responsibility and funding for the lifelong learning of First Nations peoples living on reserves rests with the federal government. This includes early childhood education, elementary and secondary school as well as post-secondary learning.

The federal government provides funding to First Nations bands for their administration. While First Nations are required by Indian and Northern Affairs Canada to deliver a curriculum equivalent to that of the province in which they are located—by provincially-certified teachers—the funding provided to First Nations is considerably less per student than what provinces provide to the students for which they are directly responsible. According to the Assembly of First Nations, “The funding approach is outdated, unstable and is not based on the actual number of students in the classroom. On average, First Nations schools receive at least \$2,000 less per child which accounts for the lack of learning materials. It is also difficult to retain qualified teachers in First Nations schools because they earn some of the lowest salaries among teachers in Canada.”²⁵

A significant source of concern with respect to the education gap is the current Band Operated Funding Formula (BOFF). The current BOFF was developed in 1988 and was originally designed to apply to all First Nations schools in Canada. The BOFF provides funding based on multiplying the number of students by a tuition rate. This amount is expected to fund teachers’ salaries, books and supplies, instructional materials and core curriculum requirements. The terms and conditions of Indian and Northern Affairs Canada’s funding agreements with First Nations specify that First Nations schools must deliver provincial curricula with provincially-certified teachers. However, in her 2004 report, the Auditor General of Canada concluded: “At present, the Department does not know whether the funding provided to First Nations is sufficient to meet the education standards it has set and whether the results achieved, overall and by the different delivery mechanisms, are in line with the resources provided.”²⁶

With a lack of sufficient funding, it is next to impossible for First Nations to provide an education to their peoples that is not only deemed provincially-equivalent but is culturally relevant and provides the opportunity for students to learn in their own languages. It also makes it very difficult to attract educators equipped to teach the mathematics and sciences essential for post-secondary education and employment.

²⁵ Assembly of First Nations. *It's Our Time: A Call to Action on Education*. www.afn.ca. Accessed July 2, 2010.

²⁶ Report of the Auditor General of Canada to the House of Commons, Chapter 5: Indian and Northern Affairs Canada Education Program and Post-Secondary Student Support. November 2004.

And the challenge to make post-secondary education more accessible to First Nations peoples, in terms of location, cost and cultural relevance is just as formidable.

Indian and Northern Affairs Canada funds the following programs to assist First Nations and Inuit²⁷ students with their post-secondary studies:

- The Post-Secondary Student Support Program (PSSSP) is available to eligible registered status Indian and Inuit students enrolled in a post-secondary certificate, diploma or degree program and offers financial assistance with tuition, travel and living expenses.
- The University and College Entrance Preparation Program (UCEPP) is for students preparing themselves to meet the entrance requirements for post-secondary institutions. Like the PSSSP, it assists with the costs of tuition, travel and living.
- The Indian Studies Support Program (ISSP) provides First Nations organizations and post-secondary institutions with funds to create and administer university and college-level courses specifically for registered Indian and Inuit students.

These programs have their challenges. For example, increases in PSSSP funding have been capped at two per cent annually since 1996, while Canada's First Nations population is growing at 29 per cent per year²⁸. According to the Assembly of First Nations, this means that approximately 3,000 eligible students are denied access to post-secondary education each year. "These are the youth and adults who have succeeded in acquiring their secondary pre-requisites, who are ready to acquire the advanced skills needed for employment, and be role models for others. Instead they languish and de-skill as they wait, and their lack of access to post-secondary education discourages others from following in their footsteps."²⁹ In 2008-09, the PSSSP funded approximately 22,000 students, down from a high of 27,000 in 1997-98.³⁰

27 Métis students are not eligible for direct funding under these programs. They are eligible for scholarships including those offered by federally-supported foundations and available to all Aboriginal peoples through the National Aboriginal Achievement Foundation. Source: Office of the Federal Interlocutor for Métis and Non-Status Indians.

28 Gionet, Linda. *First Nations people: Selected findings of the 2006 Census*. Statistics Canada. Catalogue no. 11-008.

29 Association of Canadian Community Colleges. *Colleges, Institutes and Communities, Partners in Rural Sustainability: Submission to the Standing Senate Committee on Social Affairs, Science and Technology*. March 2010.

30 Helin, Calvin., Snow, David. MacDonald-Laurier Institute for Public Policy. *True North. Free to Learn: Giving Aboriginal Youth Control Over Their Post-Secondary Education*. March 2010.

Reaching out to Aboriginal students

Post-secondary institutions know that Canada’s demographic realities “... demand that every individual with the capacity to contribute must have access to advanced skills, and subsequently, employment.”³¹ And with Aboriginal enrolment rates far below their proportion of the population, many institutions—mainstream and Aboriginal—are reaching out to Aboriginal peoples to provide the education and training they need to contribute to the economic and social development of not only their communities but all of Canada.

In the 2006 Census, 1.2 per cent of the population of Durham Region (northeast of Toronto) reported they identified with at least one Aboriginal group. However, when applying to university, less than one per cent of students at the University of Ontario Institute of Technology (UOIT) in Oshawa identified themselves as being Aboriginal.³² Once on campus, however, more than twice as many students self-identified as a person of Aboriginal ancestry through internal surveys. This suggests that students may hesitate to identify themselves as Aboriginal during the application process out of concern that it might affect their chances of being accepted.

Wanting to increase its percentage of Aboriginal students and their degree completion rates, UOIT, with funding from the Ontario Ministry of Training, Colleges and Universities:

- targets Aboriginal students in its recruitment activities throughout Ontario, including visiting secondary schools, visiting First Nations bands, hosting on-campus Aboriginal events and participating in community events across Ontario,
- is establishing an Aboriginal Student Success Centre that will operate online and at an on-campus location with a focus on student services, transition to university, academic support services, Aboriginal health, wellness and career services,
- makes Aboriginal counselling, including personal, cultural, social and career counselling, available to students,
- offers work study programs on campus,
- offers distance education through *UOIT Online*,
- includes the development of Aboriginal curriculum content in programs offered by the Faculties of Health Science, Education, Social Sciences and Humanities,
- plans to conduct a review of its admissions policies to promote access for Aboriginal peoples, and
- will examine and improve methods used to identify and track students to increase reporting reliability.

³¹ Association of Canadian Community Colleges. *Colleges, Institutes and Communities, Partners in Rural Sustainability: Submission to the Standing Senate Committee on Social Affairs, Science and Technology*. March 2010

³² University of Ontario Institute of Technology. May 2010.

Recommendations

That the federal government:

- Review the funding formula for education in First Nations communities to ensure parity with the provincial financing model in each of the provinces where First Nations schools are expected to adhere to the provincial curricula, recognizing that First Nations schools must keep pace as curricula are updated. Any revised funding model must be public, comprehensive and equitable in its construction and application to ensure that the education needs of all First Nations communities are met.
- Review the funding formula and structure for Aboriginal education programs to ensure all qualified Aboriginal (First Nations, Inuit and Métis) students have access to adequate financial resources for post-secondary education.
- Consider restructuring the Post Secondary Student Support Program (PSSSP) to ensure those First Nations students who should receive funding do.
- Work with representatives from colleges, universities, Aboriginal communities and employers who have experience in K-12 education projects to develop best practices that could be immediately implemented to tackle the challenges associated with lower post-secondary participation rates amongst Aboriginal peoples.
- Work with the provinces and territories to improve the connections between all Aboriginal Canadians and education/training resources and employers, focusing on electronic communications for those living in remote locations.



It's up to business as well

True partnerships, be they in business or other endeavours, are based upon the underlying sentiment that all involved feel they are benefiting from the relationship and know what each expects from the other. It is also the cornerstone of long-term success.

This means that both Aboriginal and non-Aboriginal businesses need to dig deeper into their relationship-building and become familiar with the laws and regulations that govern each other as well as with the norms of doing business that apply to each. For example, mainstream businesses need to consider the importance of community consultation to their Aboriginal partners and factor this into their planning.

For small- and medium-sized businesses, the cornerstone of our economy and the source for most employment opportunities, accomplishing this can be a challenge given their limited resources and that many Aboriginal, and the majority of First Nations, peoples live outside urban centres.³³ This means that it can be more difficult for Aboriginal peoples to obtain the education and skills training they need, let alone connect to prospective employers.

Recommendations

That the federal government:

- Work with the Canadian business community, First Nations governments and Aboriginal organizations to develop more tools to allow them to familiarize themselves with each others' business practices, governments, agencies, laws and regulations.
- Work with First Nations, First Nations educational institutions and Aboriginal organizations to develop and promote educational materials targeted to small- and medium-sized businesses (SMEs).

³³ Gionet, Linda. *First Nations people: Selected findings of the 2006 Census*, Statistics Canada. Catalogue no. 11-008.

Conclusion

The relationships amongst Canada's Aboriginal peoples and businesses, the federal, provincial, territorial, and municipal governments and non-Aboriginal peoples and businesses are longstanding and complex. All have much to gain—today and long into the future—from unleashing the full economic potential of First Nations lands and Aboriginal peoples.

Canada's businesses recognize the importance of productive partnerships with Aboriginal peoples to their—and the nation's—success. This is not philanthropy; it is good business. It is also good economic and social policy for a country facing a chronic shortage of skilled workers, and is possible with the right mix of legislative, regulatory and policy tools.

The Canadian Chamber of Commerce urges the federal government to ensure its policies acknowledge Aboriginal peoples' tremendous economic potential by:

- providing legislative options for First Nations who wish to fully leverage the economic value of their lands by assuming fee simple ownership,
- resolving all outstanding specific land claims by 2020 within the current funding envelope,
- clarifying governments' roles in commercial transactions and becoming engaged in the process as early as possible to remove some of the uncertainty overshadowing commercial negotiations between Aboriginal and non-Aboriginal businesses,
- taking measures to improve the educational and workforce outcomes of Aboriginal peoples, and
- working with the Aboriginal and non-Aboriginal business communities to develop tools they can use to make their partnerships as productive for them—and all Canadians—as possible.

“Across the country, Aboriginal people, businesses and communities are taking their place in the national and global economy. Through innovation, imagination and an indefatigable entrepreneurial spirit, Aboriginal people are contributing not only to the well-being and economic futures of their communities, but to national prosperity as well. They are ready to contribute more and do even better. So must we.”

Sharing Canada's Prosperity—A Hand Up, Not A Handout. Final Report of the Special Study on the Involvement of Aboriginal Communities and Businesses in Economic Development Activities in Canada. Senate Committee on Aboriginal People. March 20, 2007.

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