



Implementation Report / 2012–2013

**TSAWWASSEN FIRST NATION
FINAL AGREEMENT**

Information contained in this publication or product may be reproduced, in part or in whole, and by any means, for personal or public non-commercial purposes, without charge or further permission, unless otherwise specified. You are asked to:

- › exercise due diligence in ensuring the accuracy of the materials reproduced;
- › indicate both the complete title of the materials reproduced, as well as the author organizations; and
- › indicate that the reproduction is a copy of an official work that is jointly published by the governments of Canada, British Columbia, and Tsawwassen First Nation, and that the reproduction has not been produced in affiliation with, or with the endorsement of, these three governments.

Commercial reproduction and distribution is prohibited except with written permission from all of the following parties:

- › the Government of Canada's copyright administrator, Public Works and Government Services of Canada (PWGSC) at: 613-996-6886 or droitdauteur.copyright@tpsgc-pwgsc.gc.ca
- › the Government of British Columbia, at www.cio.gov.bc.ca/cio/intellectualproperty/index.page
- › Tsawwassen First Nation at 604-943-2112 or reception@tsawwassenfirstnation.com

English version (Paper)

QS-6318-010-EE-A1

Catalogue: R31-18/2013E

ISSN: 1925-6027

English version (PDF)

QS-6318-010-EE-A1

Catalogue: R31-18/2013E-PDF

ISSN: 1925-6035

© Minister of Aboriginal Affairs and Northern Development Canada, B.C. Ministry of Aboriginal Relations and Reconciliation, and Tsawwassen First Nation, (2014). / Cette publication est aussi disponible en français sous le titre: Première Nation de Tsawwassen Accord Définitif : rapport de mise en oeuvre 2012/2013

Published under the authority of:



TSAWWASSEN FIRST NATION
s̓cəwəθən məsteyəxʷ

Tsawwassen First Nation
Tsawwassen, British Columbia
www.tsawwassenfirstnation.com
604-943-2112



the Province of British Columbia
Victoria, British Columbia
www.gov.bc.ca/arr



the Government of Canada
Ottawa, Ontario
www.aandc-aadnc.gc.ca
1-800-567-9604
TTY only 1-866-553-0554

The Tsawwassen First Nation Final Agreement is British Columbia's first modern urban treaty and the first treaty completed under the British Columbia Treaty Commission. The governments of Canada, British Columbia, and Tsawwassen First Nation are partners in the Tsawwassen First Nation Final Agreement (the Treaty), which comprises a land claim and self-government agreement. The Treaty came into force on the Effective Date of April 3, 2009.

As required under the Final Agreement, the three responsible governments established a committee to provide a forum for the Parties to discuss and facilitate its implementation. This report summarizes the progress made in the fourth year of the Treaty, from April 1, 2012 to March 31, 2013.



respect & opportunity

TSAWWASSEN: LAND FACING THE SEA

A PLACE

Since time immemorial, the Tsawwassen people have used and occupied a large coastal territory rich with fish, wildlife, and other natural resources. Tsawwassen traditional territory ranges across southern sections of what is now British Columbia—starting at the north end of Pitt Lake and following the Pitt River to the Fraser River and into the Strait of Georgia, as far east as New Westminster, south to the international border, and west to the southern Gulf Islands. Tsawwassen is a *Hun'qum'ínum* word that means “Land Facing the Sea.” Tsawwassen First Nation’s home and treaty lands are situated near Roberts Bank on the shore of the Salish Sea.

A PEOPLE

The Tsawwassen people belong to the seafaring Coast Salish. Tsawwassen First Nation includes 455 Members. Approximately half live on Tsawwassen Lands and the rest reside in British Columbia’s Lower Mainland, Whatcom County (Washington), the interior of British Columbia, and elsewhere in North America. The community is young and growing, with 40 percent of Members under the age of 18. Tsawwassen people are proud of their heritage, cultural traditions, and reputation as a welcoming, close-knit community.

A VISION

Prior to the realization of self-government under the Tsawwassen First Nation Final Agreement, Tsawwassen Members developed a strategic plan to set treaty implementation goals for their community and government. That plan is articulated in the following vision statement.

“What We Are Working Toward: Tsawwassen First Nation will be an ideal location to raise a family, and a working model of an environmentally sustainable, self-sufficient, and culturally proud First Nation community. Tsawwassen First Nation Government will, at all times, be oriented towards serving our Membership, and will exercise the self-government powers of the Tsawwassen First Nation Final Agreement.”

TSAWWASSEN FIRST NATION FINAL AGREEMENT

The governments of Canada, British Columbia, and Tsawwassen First Nation (the Parties) entered the British Columbia Treaty Commission negotiation process with several objectives. These objectives included: enabling Tsawwassen First Nation (TFN) to evolve and flourish as a self-governing, self-sufficient, and sustainable community; achieving certainty in respect of land ownership and resource rights; and providing opportunity for Tsawwassen Members to participate more fully in the economic, political, and social life of British Columbia. The Parties sought a treaty that would herald a new government-to-government relationship based on mutual respect and reconciliation.

land & sea

The result is the Tsawwassen First Nation Final Agreement. A historic achievement, the Treaty clarifies legal rights to lands and resources, and self-government for Tsawwassen First Nation. The Treaty provides certainty for residents and investors, benefiting all Canadians. It achieves true reconciliation—proving that a modern society can correct the mistakes of the past, while providing for differences in values and cultures.

A comprehensive land claim and self-government agreement, the Treaty provides for:

- › transfer of over 724 hectares of land (Tsawwassen Lands) previously held by Canada or British Columbia to TFN in fee simple;
- › resolution of TFN's claims to over 10,000 square kilometres for land title and rights to harvest migratory birds, wildlife, and plants;
- › an agreed-upon percentage of the total annual Fraser River sockeye catch and fishing opportunities for crab for non-commercial purposes;
- › establishing, within the Canadian constitution, a democratically-elected TFN Government with the ability to make laws, deliver programs and services, and collect taxes; and
- › tools for a new government-to-government relationship between Canada, British Columbia, and Tsawwassen First Nation.

TREATY IMPLEMENTATION COMMITTEE

The Parties view the Treaty as the start of a new government-to-government relationship. To oversee this relationship, the Treaty established an Implementation Committee consisting of one representative each from the governments of Canada, British Columbia, and TFN. Broadly stated, implementation means undertaking all the activities needed to comply with, or give effect to, all the provisions in the Treaty after its Effective Date. The Implementation Committee assists the Parties in meeting their obligations under the Treaty, attempts to resolve government-to-government issues as they arise, and communicates on implementation activities with agencies that are internal to each government.

During the reporting period (April 1, 2012 to March 31, 2013), the Implementation Committee met three times in person or by teleconference, and engaged in tripartite working groups to address specific issues in depth. The Parties maintained a constructive working relationship while attempting to reconcile differing views, and collaborated on joint initiatives. The following are highlights of those discussions.

Overlap Parcel

Due to technical complications, registration of a small parcel of Tsawwassen Lands (Lot A plan BCP12879) in the BC Land Titles Office (LTO) was not completed by the Effective Date as required by the Treaty. Recognizing these technical complications, the Parties signed a Letter of Understanding in 2009 in which they agreed to work on a process to register land in accordance with applicable Provincial legislation. This "Overlap Parcel" of about 6,000 square metres

fronting the Salish Sea is registered as part of a federal water lot under Transport Canada, and managed by Port Metro Vancouver. The Parties sought legal and technical solutions to complete this outstanding Treaty obligation by registering the property as Tsawwassen Lands in the provincial system, while ensuring the registration process respects the Treaty and applicable laws. During the reporting period, the affected stakeholders of all three Parties agreed to a process to adjust LTO records. For this multi-step process, Canada funded the preparation of three British Columbia *Land Title Act* surveys and two British Columbia *Land Act* surveys. The Parties anticipate that the final steps to register the Overlap Parcel as Tsawwassen Lands will be completed during the 2013-2014 reporting period.

Access to Federal Programs

This issue was first raised in the 2010-2011 reporting period when TFN applied for funding from the federal Professional and Institutional Development (P&ID) program, and was declined. TFN maintains that implementation funding under the federal Fiscal Financing Agreement (FFA) is not ordinarily intended to include funding for professional and institutional development and therefore should not preclude TFN's eligibility for ongoing professional and institutional development funding. TFN maintains that this is consistent with the understanding of Canada's chief negotiator, as communicated in 2009, and sees TFN's unsuccessful P&ID application as a change in Canada's approach from the clear intent of what was negotiated. It is evident that TFN would not have agreed to this approach had it been known that Canada's provision of implementation funding would be read by Canada to preclude TFN from ever being eligible to receive funding for professional development activities.

Canada adheres to the Treaty provision that, "...nothing in this (Final) Agreement affects the ability of Tsawwassen First Nation... to participate in or benefit from federal or provincial programs for registered Indians... in accordance with criteria in effect from time to time" (Chapter 2, clause 36). TFN remains eligible to apply to the P&ID program under the same criteria as other applicants. Canada accepted TFN's application, but declined to provide funding due to P&ID program criteria that consider alternate available funding such as the FFA payments. Canada's view is that the FFA, which is not part of the Final Agreement, affects TFN's P&ID application. Canada does not see any change or deviation from the language of the Treaty and the FFA it negotiated in 2009.

First Nations Fiscal Management Act

The *First Nations Fiscal Management Act* (FNFMA) establishes three independent financial institutions (First Nations Financial Authority, First Nations Financial Management Board, and First Nations Tax Commission) to administer a system of pooled borrowing by First Nations through loans of up to 30 years. This is similar to financing available to provincial municipalities for major infrastructure projects. The FNFMA system was designed for First Nations governed by the *Indian Act*. However, a provision in the FNFMA allows for regulations to adapt the Act as needed, and to enable borrowing by self-governing First Nations as well. TFN began seeking assistance from the three FNFMA institutions in 2009 with entry into the FNFMA system. Canada worked with TFN and the three institutions until 2011, when Canada changed direction on the form of adaptation regulation it preferred, due to Canada's concerns with the form on which the Parties had been collaboratively working. Despite the change in approach, Canada communicated during the reporting period that it continues to support TFN in its desire to access the FNFMA framework.

Own Source Revenue Reporting

The Parties have agreed that TFN should reduce its reliance on federal and provincial transfer payments as TFN becomes more self-sufficient over time. Under the tripartite Own Source Revenue Agreement, TFN reports its own source revenue amounts each fiscal year. During the reporting period, TFN provided Own Source Revenue (OSR) reports to Canada and British Columbia for the fiscal reporting periods of 2009-2010, 2010-2011, and 2011-2012. Canada initiated a review of the information in these three OSR reports. Upon completion, British Columbia will review the reports.

Impacts of *Mclvor v. Canada*

Canada and TFN discussed the impacts of federal Bill C-3, which enables more individuals to register as Status Indians as a result of *Mclvor v. Canada* (2009). TFN is concerned that the increase in the proportion of its Members who have Status may increase the costs of providing government programs to those Members. Under the current Fiscal Financing Agreement (FFA) that expires on March 31, 2015, the Exceptional Circumstances clause says the Parties will discuss unforeseen financial pressures that significantly impair the ability of TFN to meet its obligations under that FFA. During the reporting period, TFN provided Canada with detailed information on membership and programming, and Canada agreed that *Mclvor* was unforeseen. Canada then asked TFN for data which could show that *Mclvor* had created a significant financial pressure on TFN, impairing its ability to deliver the government programs for which TFN has responsibility.

The Implementation Committee is responsible under the Treaty to provide for the preparation of an annual report on implementation. This is the fourth annual report, in both official languages, and it covers activities that took place between April 1, 2012 and March 31, 2013.

For more information, visit:

- › Tsawwassen First Nation Final Agreement (www.tsawwassenfirstnation.com/finalagreement.php)
- › the complete Treaty Implementation Plan (www.tsawwassenfirstnation.com/finalagreement.php)
- › The Government of Canada's Approach to Implementation of the Inherent Right and the Negotiation of Aboriginal Self-Government (www.aadnc-aandc.gc.ca/eng/1100100031843)
- › British Columbia Ministry of Aboriginal Relations and Reconciliation (www.gov.bc.ca/arr/treaty/default.html)
- › British Columbia Treaty Commission (www.bctreaty.net/index.php)



environmentally & culturally sustainable

TSAWWASSEN LANDS

TREATY LANDS

Located just 30 kilometres from both downtown Vancouver and the international border, adjacent to both the Tsawwassen Ferry Terminal and Port Metro Vancouver's Deltaport facility, Tsawwassen Lands are in an enviable position to take advantage of economic opportunities. As the Lower Mainland's population and economy continue to grow, Tsawwassen Members are able to realize benefits from the development of Tsawwassen Lands through the Treaty. At the same time, the Treaty equips Tsawwassen First Nation with the power to ensure that development proceeds in a manner that is both environmentally and culturally sustainable.

LAND REGISTRY

For the sake of consistency with the surrounding system, TFN chose to register Tsawwassen Lands in the BC Land Title Office (LTO). The LTO is based on the Torrens system of land registry, which provides certainty and security of title to interest holders. Registration in the LTO improves TFN's system of land tenure, provides investor confidence, and assists TFN in managing its land affairs. Provincial legislation was amended to accommodate the registration of First Nations treaty lands and interests in the LTO, including the registration of TFN fee simple title, and to ensure the integrity of TFN's unique Aboriginal interest in and relationship to its land base.

TFN LAND USE PLANNING

The Tsawwassen First Nation Lands and Planning Department develops and administers land use planning and regulation on Tsawwassen Lands. This includes assisting with registering land interests; implementing and enforcing land related acts, regulations, and bylaws; issuing permits; and undertaking other municipal-like functions. TFN's Land Use Plan (www.tsawwassenfirstnation.com/TFN_Land_Use_Plan.pdf), and Industrial Land Use Master Plan, help guide land use on Tsawwassen Lands.

During the reporting period, TFN's Lands and Planning Department:

- › finalized TFN's Lands Policies and Procedures manual;
- › conducted monthly and/or regular workshops to educate TFN Members and applicants on development and subdivision;
- › prepared annual soil fee review reports (processed 5 soil permits in accordance with policy);
- › continued its annual English Bluffs Monitoring/Drainage Plan (\$10,000 in geotechnical analysis complete);
- › completed Stahaken leaseholder Pilot View Enhancement Project;

treaty lands

- › completed rental house renovations and entered into long-term leases with tenants (to be implemented in Agricultural Plan 2013);
- › completed Agricultural Strategy (Phase 1 and 2 reports complete);
- › completed Invasive Plant Plan and began eradication (\$35,655 spent on eradication);
- › completed inventory of houses, identified necessary renovations, and developed a capital plan for renovations in line with projected revenue;
- › consolidated agricultural leases and extended terms to between three and five years (all agricultural house leases renewed);
- › developed a plan for affordable rental housing units on Falcon Way;
- › trained new property management assistant to administer all TFN properties;
- › issued two preliminary layout approvals (the first stage of a subdivision approval process) and received two offers to purchase/land swap;
- › issued one works and services agreement to allow building on TFN Land.

PROVISION OF LOCAL SERVICES

TFN works with Canada, British Columbia, Metro Vancouver, and the Corporation of Delta to provide services on Tsawwassen Lands. This includes the provision of regional services, such as water and sewer, and local services, including police, parks, and drainage. Some of these services are provided as a result of TFN's membership in Metro Vancouver, some are provided through a series of service contracts with the Corporation of Delta, and others are provided directly by TFN.

After the Effective Date, it was agreed that the Delta Police Department deliver general duty policing service to the Tsawwassen First Nation. In addition, an enhanced police service agreement was entered into between Canada, British Columbia, the Corporation of Delta, the Delta Police Board, and TFN. Under this agreement, one Delta police position provides a dedicated service to Tsawwassen First Nation, focusing on community policing and developing the relationship between the TFN community, the police department, and the wider community. This position is cost shared between British Columbia and Canada (48%-52%). During the reporting period, British Columbia contributed \$74,740.

DEVELOPMENT REVIEW & CONSULTATION

The Treaty empowers TFN to evaluate all proposed developments on Tsawwassen Lands. In collaboration with TFN, British Columbia manages a custom process for development applications within Tsawwassen Lands. The Treaty also requires Canada and British Columbia to consult TFN on any proposed federal or provincial projects, respectively, that may adversely affect Tsawwassen Lands, residents of Tsawwassen Lands, or TFN Treaty rights. During the reporting period, the Parties consulted on the following projects.

- › Canada's Environmental Assessment Agency (CEAA) and British Columbia's Environmental Assessment Office (EAO) met with TFN regarding the Burnco Aggregate Mine—specifically, to discuss potential impacts from barging aggregate on the Fraser River to Burnco's processing site. Since this meeting, CEAA and EAO have decided to not include the Fraser River routes into the environmental assessment because these routes are already in use and the perceived potential for impacts is considered to be low. As a result, no further consultations regarding the Burnco project are anticipated with TFN unless new information dictates a reconsideration of this approach. The CEAA declined TFN's request for funding to participate in the assessment for the mine.
- › The *Canadian Environmental Assessment Act* was amended. The federal Minister designated the Vancouver Airport Fuel Delivery project as one of the few screening-level environmental assessments that would be continued under the 1992 version of the Act. British Columbia and Port Metro Vancouver conducted a coordinated assessment for the project according to the British Columbia *Environmental Assessment Act* and *Canadian Environmental Assessment Act, 1992*. This was done in accordance with the Canada-British Columbia Agreement for Environmental Assessment Cooperation and the Canada Port Authority Environmental Assessment Regulations. British Columbia provided TFN \$3,000 of funding to participate in the environmental assessment.
- › Environmental assessments had previously been initiated for two projects: Fraser Wharves Ltd. Vehicle Storage Facility Expansion (assessment started in 2009) and the CN Rail Ewen Branch Extension (assessment started in 2008). These assessments were no longer required when *CEAA 2012* came into force in July, 2012. TFN was sent a letter informing them the environmental assessments had been terminated.
- › Parks Canada consulted TFN on a screening environmental assessment for fire management, and an environmental assessment for a fire management plan for the Gulf Islands National Park Reserve. Comments provided by TFN were considered as part of both assessments.
- › With the implementation of the *Canadian Environmental Assessment Act (2012)*, a *Canadian Environmental Assessment Act (1994)* review was terminated on the Tsawwassen Commons & Tsawwassen Mills Projects. As these were not considered Designated Projects, no *CEAA 2012* review was undertaken.
- › In 2010, a *CEAA 1994* review commenced on TFN Industrial Lands and was completed prior to the implementation of *CEAA 2012*. Discussions between the Canadian Wildlife Service and TFN are ongoing, based on commitments from the CEAA Screening Decision Statement.

ARCHAEOLOGICAL PERMITS

British Columbia provided TFN with 46 archaeological permit applications in which TFN was identified as having an interest. These applications were usually associated with resource management activities such as the identification, assessment, and management of development-related impacts to archaeological sites protected under the *Heritage Conservation Act*. TFN provided comments on these applications regarding their wishes pertaining to human remains and the potential engagement of community members.



culture, history & sustenance

NATURAL RESOURCES

For countless generations, Tsawwassen people have respected and protected the gifts of the land and sea. Increasing development and urbanization, however, have impacted the natural environment in Tsawwassen First Nation's traditional territory. Through the Tsawwassen First Nation Final Agreement, TFN exercises its rights to this natural bounty and manages these resources cooperatively with federal and provincial regulatory agencies.

TFN NATURAL RESOURCES DEPARTMENT

The Natural Resources Department of Tsawwassen Government administers the Treaty agreement between TFN, British Columbia, and Canada on catch limits for crab, salmon, eulachon, other fisheries, and aquatic plants. In concert with the Joint Fisheries Committee, the department organizes, monitors, and enforces TFN activities and regulations in relation to the harvest and conservation of fish, wildlife, migratory birds and plants; reviews development proposals from proponents and referred from other governments ("referrals"); and, where possible, negotiates Impact Benefit Agreements. In addition, the department:

- › implements the Tsawwassen Fisheries Plan;
- › manages departmental staff (catch monitors, enforcement officers, etc.) to implement a fisheries program that complies with the terms and conditions of the Treaty and TFN's *Fisheries, Wildlife, Migratory Birds and Renewable Resources Act*;
- › manages consultations for referrals relating to proposed projects on Tsawwassen Lands;
- › compiles fisheries data and reports to the Department of Fisheries and Oceans (DFO) through the Joint Fisheries Committee;
- › leads TFN participation in environmental assessments undertaken by other governments;
- › has overall responsibility for archaeology and heritage.

FISHERIES MANAGEMENT

For Tsawwassen First Nation, participation in the management of the fishery is vital for cultural as well as economic reasons. Subject to conservation measures, TFN encourages its Members to exercise their rights to fish, hunt, and gather. Under the Treaty, TFN issues licences that clearly show which Members have been designated by TFN to fish for the food, social, or ceremonial needs of the community. Designated Members must carry these licences when harvesting or transporting fish for domestic purposes. Designated fishing vessels must clearly display the TFN identification decal. This documentation helps fisheries regulatory staff of all Parties to respect the TFN Fishing Right.

Prior to the Treaty, TFN harvested under its Aboriginal right to fish. The Treaty provided greater certainty regarding

natural resources

defined fishing areas and allocations for certain species. For all five Pacific salmon species, the Treaty includes a commitment for the Parties to adjust for the differences between allocated amounts in the Treaty (calculated through formulas based on the annual Canadian Total Allowable Catch), and the actual catch amounts. These “underages” and “overages” are tracked from year to year. The Parties adjust TFN allocations each season to compensate and bring actual harvested amounts in line with the Treaty allocations.

After the Effective Date, the Treaty obligates Canada to issue Harvest Documents for TFN to exercise its Fishing Right, guided by a Tsawwassen Annual Fishing Plan and recommendations of the Joint Fisheries Committee (JFC). During the reporting period, the seat for Canada’s representative on the JFC was vacant, but the duties of the position were carried out by an Area Director of DFO.

British Columbia participates with TFN on the Joint Fisheries and Joint Technical (Fisheries) Committees. During the reporting period, TFN assisted British Columbia’s Fish and Wildlife Branch by providing valuable data on the by-catch of white sturgeon and steelhead in both its Commercial fishery, and Food, Social, and Ceremonial fishery.

Food, Social, & Ceremonial (FSC) Fishery

During the reporting period, Canada provided TFN with fishing opportunities to meet domestic needs, including species for which no predetermined catch limit was set (see FSC Fisheries chart). DFO issued Harvest Documents to TFN that set out terms and conditions to fish for salmon, crab, eulachon, shrimp, and prawns for domestic needs. DFO did not issue a Harvest Document for TFN domestic harvest of groundfish (rockfish, lingcod, halibut, dogfish, and sole).

A total of 3,141 fish were distributed to TFN Members under the Community Food Fish program. Fourteen Members were compensated for the fish they contributed for distribution to the community.

FSC Fisheries Harvest since Effective Date				
Species	Harvest Total			
	2009	2010	2011	2012
sockeye	1,132	15,226	9,995	6,649
chinook	995	338	583	440
pink	72	2	84	2
coho	57	3	43	22
chum	1,320	2,019	2,414	2,577
eulachon	49 lbs.	50 lbs.	39.3 lbs.	0
Dungeness crab	24,712	21,588	20,327	24,441
red rock crab	0	2	0	0

TFN harvested its full treaty allocations for sockeye and chum salmon in 2012. DFO did not issue TFN a Harvest Document to fish for pink salmon as 2012 was an “off-cycle” year for Fraser River pinks. Treaty allocations for chinook and coho salmon were not harvested due to DFO restrictions on TFN fisheries. DFO approved a portion of the total TFN chinook salmon allocation not harvested in 2012 as an underage to be carried forward due to DFO management uncertainty. This uncertainty resulted in the TFN chinook salmon fishery being limited to fewer hours than required for TFN to harvest their full allocation of chinook salmon. The management uncertainty defined for Fraser chinook salmon in the Fisheries Operational Guidelines (FOG) document is 20% of the annual TFN chinook salmon allocation. TFN accepted the underage of 125 (20% of TFN’s annual allocation of 625 chinook salmon) versus the full underage (185; see TFN Post-Season Fisheries Report, 2012).

In 2012, the Parties agreed during the post-season to an underage of 125 chinook salmon, applying management uncertainty as the rationale. Underages were not identified for sockeye due to the Canadian Commercial Total Allowable Catch downgrade after the last TFN sockeye-directed fishery. The hatchery coho allocation was not achieved due to ongoing conservation constraints limiting TFN’s ability to conduct a targeted coho fishery, but this was not considered an underage.

DFO issued four crab licences to TFN, and TFN harvested 24,441 Dungeness crab for domestic consumption between January 1, 2012, and December 31, 2012. Tsawwassen Fisheries uses a plumbed tank to hold live crab pending distribution, as recommended by the JFC, to verify and record distribution of crab to TFN Members and other First Nations communities for domestic consumption.

Eulachon has been designated as endangered by the national Committee on the Status of Endangered Wildlife in Canada (COSEWIC). In 2012, TFN ceremonial fisheries for Fraser River eulachon were limited because of over-harvesting upstream of the Port Mann Bridge. DFO made the decision to rescind the TFN eulachon licence after other Lower Fraser First Nation groups exceeded their eulachon harvest limits in 2012. DFO proposed the transfer of 100 pounds of the excess eulachon harvested by these other First Nations to TFN and Musqueam Indian Band. TFN declined the offer. Further, TFN requested that DFO acknowledge in writing that accepting fish (of any species) harvested by others is not to be considered a precedent for how fisheries FSC allocations may be delivered in the future.

TFN did not access its Intertidal Bivalve Fishing Area. TFN continued consultations with the Hul’qumintum Treaty Group and other First Nations where their traditional territories overlap the non-exclusive TFN bivalve harvest area.

During the reporting period, TFN was up to date on all catch reporting requirements. Details are available in the Tsawwassen Post-Season Fisheries Report (2012). http://www.tsawwassenfirstnation.com/nat_resources.php.

Commercial Fishery

On the Effective Date, the Parties entered into a 25-year Harvest Agreement, which sets out commercial allocations of Fraser River sockeye, chum, and pink salmon, as well as crab licence conditions in the lower Strait of Georgia and Boundary Bay. The agreement has requirements comparable to those governing general commercial fisheries.

During 2011, TFN had a commercial allocation of 64,780 pink salmon; 7,262 sockeye salmon; and 4,220 chum salmon. In 2012, although no commercial fisheries were permitted for Fraser sockeye or pink salmon, TFN had a commercial allocation of 12,029 chum salmon and 11,397 were harvested. In 2012, TFN submitted to DFO and British Columbia a proposal for a Selective Commercial chum fishery using tangle nets and weedlines to minimize impacts on steelhead and coho salmon. This proposal was approved and TFN harvested 225 using this method, but catch efficiencies in the TFN fishing area were low and the bulk of the TFN commercial chum allocation had to be transferred upriver to be harvested in the Stó:lō chum beach seine fishery. TFN raised a concern that it does not have enough fishing time to reach its allocation of chum salmon. Fishing time for the commercial chum sector is limited due to concerns for steelhead, a species of significant conservation concern that could be inadvertently caught during the chum fishery. TFN shares concerns about the conservation of all fisheries within its traditional territory, but has contested concerns regarding steelhead on the basis that there was no steelhead by-catch reported during TFN commercial fisheries for chum salmon in either 2011 or 2012. British Columbia and Canada want TFN’s chum fishery to succeed, and look forward to future Joint Technical (Fisheries) Committee discussions to find solutions that address the concerns of all Parties.

Commercial Fisheries Harvest since Effective Date				
Species	Harvest Total			
	2009	2010	2011	2012
sockeye	---	98,315	5,337	---
chum	3,416	---	2,243	11,397
pink	---	---	45,098	---

Fisheries Enforcement

On the Effective Date, Canada and TFN entered into an agreement to facilitate cooperation on enforcement of both federal and Tsawwassen laws for Tsawwassen domestic fisheries. While the agreement does not cover prosecution, it aims to clarify the activities of enforcement officers of both Parties. These activities include education, issuing warnings and tickets, using restorative justice, seizing gear and catch, collecting fines, and making arrests for fisheries offences.

During the reporting period, 69 vehicular patrols were undertaken. Twenty-four infractions were noted and handled in accordance with TFN regulations.

FISHERIES INVESTMENTS

In 2006, Canada committed to provide \$1.5 million for TFN to acquire commercial crab fishing licences from willing sellers, thereby increasing TFN participation in commercial crab fisheries. Canada fulfilled this commitment through two payments, one in 2009 and a second payment in 2011 for the balance.

During the reporting period, TFN requested Canada to allow the immediate transfer of a commercial crab licence, if purchased by TFN from other areas, to crab fishing Area I adjacent to TFN Lands. Canada was not able to agree because established industry practice allows area re-selection only once every three years in a transparent process. This allows for all licence holders to make informed business decisions based on known competitors in a given area for a three-year period. The TFN Harvest Agreement states that TFN will have comparable requirements as the General Commercial Crab Fishery.

RESOURCE MANAGEMENT

As the need arises, TFN collaborates with Canada and British Columbia in the management of other fisheries, wildlife, migratory birds, renewable resources, and plants. TFN prepares harvesting plans, consults with appropriate federal or provincial agencies, and then seeks approval of these plans. Resource use by Tsawwassen Members continues to evolve as rights are now clarified under the Treaty.

During the reporting period, TFN continued to establish a regime for licencing Members who wish to exercise their resource gathering rights under the Treaty. TFN drafted a list of plants that were traditionally harvested in Burns Bog and two Members were licensed to harvest those plants. British Columbia consulted with TFN prior to issuing seven marine plant harvesting licences to third parties in the Tsawwassen Territory, specifically Boundary Bay and the waters surrounding the southern Gulf Islands.

TFN also works to ensure Members are able to safely exercise Treaty hunting rights within Traditional Territory. During the reporting period, TFN completed draft hunting regulations for TFN Lands and nine Members took the Canadian Firearms Safety Course.

NATIONAL PARKS

During the reporting period, Parks Canada liaised with TFN and other local First Nations on archaeological human remains that had been discovered in Gulf Islands National Park Reserve (GINPR). Parks Canada also engaged with TFN and other local First Nations on the transfer of human remains held by Simon Fraser University in Burnaby to a Pender Canal site.

Parks Canada and TFN concluded negotiations on an agreement for cooperation in the planning and management of GINPR. Once signed, the agreement will take the place of consultation contemplated by paragraph 12.34 in the Treaty. The Parties anticipate signing of the agreement in the 2013-2014 reporting period.

For renewable resource harvesting in GINPR, Parks Canada met with TFN to discuss terms and conditions. Efforts to develop terms and conditions continue. Parks Canada also participated in marine harvesting discussions taking place through the TFN Joint Technical (Fisheries) Committee, with particular attention to shellfish harvesting in GINPR.

Canada and British Columbia are undertaking a feasibility assessment for a proposed National Marine Conservation Area Reserve in the southern Strait of Georgia. During the reporting period, Parks Canada consulted TFN and other local First Nations as part of the ongoing assessment. Parks Canada also consulted with TFN on the acquisition of lands to be added to GINPR.

PROVINCIAL PARKS

The Treaty ensures Tsawwassen Members the right to gather plants for food, social, or ceremonial purposes in areas set out in Appendix M-2, according to an approved gathering plan issued by British Columbia. The Treaty stipulates that any gathering plan that includes provincial Crown land within Burns Bog be consistent with the Burns Bog Management Agreement. During the reporting period, British Columbia and TFN reached agreement on gathering plans for Pinecone Burke Provincial Park and Golden Ears Provincial Park. The Treaty provides for the right of Tsawwassen Members to gather plants, to be exercised in these two provincial parks in accordance with an approved gathering plan. These plans are in place for a five-year term.



policies, procedures & protection

GOVERNANCE

The self-government provisions of the Treaty have transformed how Tsawwassen First Nation is governed. A Strategic Plan, and annual service plans and reports, help guide the evolution and management of Tsawwassen self-government. Under the Treaty, Tsawwassen First Nation has designed a government that ensures democracy, transparency, and accountability to Tsawwassen Members, and protections for Non-Members living on Tsawwassen Lands. Tsawwassen First Nation has the following governing bodies.

Tsawwassen Legislature: 12 elected Tsawwassen Members plus an elected Chief. The Legislature discusses and makes laws, and approves an annual budget. During the reporting period, the Legislature held its Fall Session November 7 - 21, 2012 and Spring Session February 14 - March 14, 2013. The Legislature passed the following legislation:

- › *Land Management Amendment Act;*
- › *Enforcement Technical Amendment Act;*
- › *2013-2014 Appropriations Act;*
- › *Service Plan and Appropriations Act.*

Updated on a regular basis, a full list of Tsawwassen laws and regulations is available to the public on TFN's website, www.tsawwassenfirstnation.com.

British Columbia and TFN worked to develop a more efficient mechanism for reporting Tsawwassen laws to the Province, in compliance with the Treaty.

Executive Council: the Chief and the four Tsawwassen Members elected to the Tsawwassen Legislature with the highest number of votes. The Executive Council is the Tsawwassen Government that establishes policy and strategic direction. Summaries of those meetings can be found in the Quarterly Issues of Council's Corner and the 2012-2013 TFN Annual Report.

Advisory Council: established under the Tsawwassen Constitution, this council has six Tsawwassen Members elected by all Tsawwassen Members present at the Annual General Meeting. The Advisory Council ensures that proposed laws, regulations, and other actions of government are considered by the Tsawwassen Membership before being passed or approved by the Legislature.

Judicial Council: a mix of Tsawwassen Members and Non-Members with significant legal and judicial experience. The Judicial Council hears challenges to Tsawwassen laws, resolves disputes between Members and elected officials, makes recommendations on sentencing of Members where requested by the courts, and other duties assigned by Executive Council.

During the reporting period, the Tsawwassen First Nation held an election for TFN's second Legislature. Two appeals to the election were heard by TFN's Judicial Council; one was upheld. Another election was called for (and held in) April, 2013.

g o v e r n a n c e

Consultation Committee: a group of Non-Member leaseholders on Tsawwassen Lands. The committee is established by the Executive Council to consult on issues that significantly and directly affect leaseholder interests, such as regulatory structures and economic development plans.

Property Tax Authority: a committee of Executive Council Members and Non-Member ratepayers, responsible for approving tax rates and expenditures in respect of residential property taxes.

TSAWWASSEN GOVERNMENT SERVICES

The Treaty revolutionized the structure of TFN government. New governing bodies were created under the Tsawwassen Constitution. Instead of operating under the *Indian Act*, TFN rearranged its financial structure to ensure accountability to Tsawwassen Members for revenue and spending decisions made by the elected Tsawwassen Government. A new Tsawwassen Government Services Department was created to work effectively with Canada and British Columbia on the Implementation Committee to apply treaty provisions and meet obligations. Tsawwassen Government Services supports the day-to-day operations of Tsawwassen Government, liaises with other levels of government and First Nations organizations, and is responsible for keeping Tsawwassen Members and the general public informed about Tsawwassen Government activities.

In addition to the treaty activities previously noted, during the reporting period Tsawwassen Government:

- › consulted Members on a number of implementation issues, regulatory and policy changes, and land development proposals;
- › held an Annual General Meeting which 80 Members attended;
- › continued to develop a Financial Plan to assist in the evaluation of economic development proposals;
- › reviewed all committee and board agendas for Metro Vancouver and Translink, providing comments and policy advice;
- › prepared the TFN 2011-2012 Annual Report;
- › assisted British Columbia with the development of a map of TFN territory, highlighting place names;
- › led the British Columbia Assembly of First Nations' response to Canada's Fiscal Harmonization Proposal;
- › hosted several First Nations groups (including In-SHUCK-ch, Sliammon, Tla-o-qui-aht, and Gwitschin) interested in learning more about the implementation of TFN's Treaty.

QUALITY OF LIFE SURVEY

TFN is developing a survey tool, in collaboration with the University of British Columbia, to measure TFN's quality of life and community well-being post-Treaty. During the reporting period, the Quality of Life survey tool was finalized and administration of the survey was completed. Results were collected and UBC researchers analyzed data to develop the first report.

LEGAL SERVICES

During the reporting period, TFN Legal Services Department was dissolved. Programs and services offered under this department will either be reallocated to other departments, or no longer offered. Budget amendments may be required to reallocate funds and any amendments made will be reported to the Legislature and the community in accordance with Tsawwassen Law.

ENFORCEMENT OF TFN LAWS & REGULATIONS

Under the Treaty, TFN has the power to provide for the enforcement of TFN laws and regulations. During the reporting period, TFN:

- › consulted leaseholders to identify infractions;
- › developed hired, trained, and equipped an enforcement officer;
- › developed regulations to support the role of enforcement officer, including consolidating and organizing TFN ticket processes;
- › developed and launched a communications process, including information booklet;
- › interacted with federal, provincial, and municipal partners on program development.

PROVINCIAL LEGISLATION

Under the Treaty, British Columbia is required to provide written notice to TFN of the proposed introduction of, or changes to, provincial legislation or regulation that may affect Tsawwassen Government law-making, except in circumstances of emergency or confidentiality. During the reporting period, British Columbia notified TFN regarding Bill 36, the *School Amendment Act* and consulted TFN on the *Tla'amin Final Agreement Act*. British Columbia also brought into force by regulation the amended section 12 of the *Tsawwassen First Nation Final Agreement Act*. Section 12 provides for a revised process respecting how the TFN Tax Treatment Agreement is given effect and how it may be amended.

RISK MANAGEMENT

In order to minimize strategic risk, TFN works to ensure that appropriate due diligence is undertaken in advance of the making of decisions—especially decisions involving land development. Strong legal and research analysis on major decisions is a general aspect of this category of risk management. TFN has developed a risk management framework to evaluate industrial land development proposals. This framework, built with support from the TFN Economic Development Corporation and Partnerships BC, continues to guide TFN's decision-making.



strong community involvement

PROGRAMS & SERVICES

The Treaty enables Tsawwassen Government to assume responsibility for delivering agreed-upon government programs and services previously provided by Canada or British Columbia. At the same time, Tsawwassen First Nation remains eligible for government programs and services for which it has not assumed responsibility through the Fiscal Financing Agreement (FFA). Tsawwassen Members, the Tsawwassen Government, or Tsawwassen Public Institutions on behalf of Tsawwassen Members may apply for funding from such programs, subject to program eligibility criteria. In some instances, TFN has broadened programs or eligibility beyond the requirements in the FFA.

HEALTH & SOCIAL SERVICES

TFN's Health and Social Services Department, with the assistance of British Columbia through the Fraser Health Authority, works to support the health and well-being of Tsawwassen Members. In pursuit of this goal, the department delivers the following programs and services:

- › Community Health Program (offering prenatal, drug, and alcohol counseling);
- › Adult Care Program (assisting Members with functional limitations to maintain their independence);
- › Home Care Services (providing nursing and in-home care attendants);
- › Elders' Program (providing social and recreational activities).

To help strengthen and support Tsawwassen families, TFN provides the Family Empowerment program, which offers:

- › counseling services to families with a goal of reducing the number of contacts between British Columbia's Ministry of Children and Family Development and Tsawwassen children;
- › drug and alcohol prevention services, one-to-one parenting services, group activities for youth, and family violence prevention services;
- › Aboriginal Family Resources on the Go (AFROG), a mobile family services program (funded by British Columbia);
- › the Family Support program, which provides assistance to children who are in care of the provincial government and their families.

TFN provides social assistance to TFN Members and Aboriginal people living on Tsawwassen Lands. On the Effective Date, the provision of service by TFN to non-Aboriginals ceased. Non-Aboriginals living on Tsawwassen Lands now access social assistance from provincial offices.

programs & services

Social assistance program components cover basic needs, guardian financial assistance, shelter, and National Child Benefit reinvestment. Funding for social assistance is provided through the federal block funding negotiated under the Treaty. The new funding model and the transfer of jurisdiction from Canada to TFN provides increased flexibility in the use of this funding. British Columbia's Ministry of Social Development and Social Innovation staff have built a positive relationship with TFN's Health and Social Services Department.

The TFN Health and Social Services Department is also responsible for the Cultural Purposes Fund. This fund is used to advance the Hun'qum'i'num language, TFN history, traditions, symbols, storytelling, song, and dance, and to help Members engage in other practices of Tsawwassen culture.

During the reporting period TFN's Health & Social Services Department:

- › assisted Members with various health issues such as Health Canada forms, dental requests, prescription costs, physiotherapy, and nutrition;
- › provided Members with transportation to and from health care appointments;
- › worked together with various health providers, including Fraser Health Authority, to connect Members with appropriate medical services;
- › worked with Fraser Health and First Nations Health Authority to draft a comprehensive list of medical, dental, prescription, and equipment providers that bill directly to the National Indian Health Board program to better serve TFN Members;
- › liaised with provincial health care providers as well as bringing health services (high-quality dentistry and optician services) to TFN;
- › provided short-term loans for necessary medical procedures;
- › held diabetic workshop for ten participants;
- › held a mammography clinic attended by eight participants;
- › continued to develop a comprehensive, ongoing drug and alcohol strategy (in partnership with neighbouring services providers);
- › provided care for elders, including lunch (twice a week), monthly outings, and necessary homemaking and personal care services.

SOCIAL HOUSING

TFN maintains and operates a Social Housing program on Tsawwassen Lands that provides low-cost housing, rent-to-own, and rental housing options to Members. The goal of the program is to manage 20 TFN-owned social housing units and to ensure that these homes are safe and comfortable places in which to live. During the reporting period, TFN:

- › repaired and maintained housing units as required, and funded the replacement reserve;
- › provided insurance coverage on the physical structure of the housing units;
- › opened one new housing unit;
- › reviewed the program, guidelines, policy, and rent calculations, which resulted in some adjustments;
- › transferred several TFN Social Housing Units out of the Social Housing program as they were paid off by Members.

CHILD & FAMILY SERVICES

On the Effective Date, Tsawwassen Government passed the *Tsawwassen Child and Families Act*, which delegates all protective duties regarding children and families to British Columbia. During the reporting period, British Columbia and TFN continued work on the Ministry of Children and Family Development/TFN operational protocol that will formalize how these governments will work together to support the use of TFN child welfare legislation. TFN and British Columbia report the working relationship remains positive without the formalized agreement.

During the reporting period, TFN and British Columbia worked together to:

- › provide parenting support (counseling and parental guidance);
- › provide supported visitation for children in care with their families;
- › expose children in care to TFN language and culture;
- › provide advocacy and representation at apprehensions, court hearings, etc.

EDUCATION & SKILLS DEVELOPMENT

TFN's Education and Skills Development Department delivers the following programs and services:

- › Smuyuq'wa' Lelum Early Childhood Development Centre (infant/toddler program, preschool, and group daycare program);
- › support programs for K-12 education;
- › administration of a Local Education Agreement for the delivery of K-12 education by Delta School District;
- › post-secondary funding for Tsawwassen Members;
- › HeadStart (outreach services to parents with children aged 0-6);
- › Youth Program (offering outings such as fieldtrips, activities which encourage sportsmanship and teamwork, computer access for educational purposes, and counseling).

During the reporting period, seven Members were enrolled in early childhood programs, 35 students were enrolled in kindergarten, primary, and secondary programs, and ten were enrolled in post-secondary programs. TFN's Education and Skills Development Department:

- › provided Instructional Services Support for school supplies and fees and other school fees for students (grades 6 & 7), and monthly school allowance (91 TFN students, both resident and non-resident, received funding for school supplies and school fees);
- › provided student grants to 25 TFN children and youth;
- › continued a homework program for elementary and high school students;
- › hired a tutor to provide one-to-one sessions for students throughout the summer (focusing on writing and reading comprehension);
- › initiated an after-school book club for girls (grades 4 to 7);
- › continued to participate in the Delta District Aboriginal Development Table, planning curriculum and focusing on multiple ways for the district to elevate success for Aboriginal students;
- › provided post-secondary funding for ten students (9 full-time, 1 part-time).

CULTURAL PROGRAMMING

TFN offers cultural programming to encourage use of the Hun'qum'i'num language, cultural transfer opportunities, and traditional knowledge sharing. In addition, a Standing Committee on Language and Culture encourages, monitors, and supports Tsawwassen Government's efforts to make its systems culturally relevant.

During the reporting period, TFN:

- › held a beading workshop for community members to bead feathers for the Chief, Executive Council, and Legislature members for the opening of the Legislature;
- › organized a jam-making workshop for youth using the berries they had harvested from Westham Island;
- › provided Hun'qum'i'num vocabulary for use throughout the youth centre;
- › organized an etching workshop with elders;
- › organized fieldtrips to the Squamish Lil'wat Cultural Centre and a cedar-stripping trip to Squamish.

PUBLIC WORKS

Upon achieving self-government, TFN chose local government processes similar to a municipal government. These functions include land use planning, public works and infrastructure, environmental management, and economic development.

TFN's Public Works, Water and Sewer, and Facilities Departments are responsible for ensuring the community is a safe, clean, and hospitable place to live, and that it has appropriate and reliable infrastructure in place. The main focus of the department is:

- › public safety, road maintenance, street lighting, snow removal, garbage collection, and recycling;
- › grounds and lawn maintenance, including drainage ditches, fire hydrants, vehicles and other equipment;
- › community and staff event set-up, cleanup, and security;
- › maintaining a safe and clean water supply and operation of the sewage treatment plant;
- › repair, maintenance, and inspection of TFN public buildings to ensure TFN's capital assets are protected;
- › maintenance of social housing and other TFN-owned buildings.

During the reporting period, the following activities were undertaken to meet department goals:

- › trained staff in Level 1 water distribution for Metro Vancouver's water and sanitary sewer maintenance;
- › held two community cleanups and enhanced recycling efforts with blue box program;
- › developed regular grass cutting schedule for TFN boulevards, islands, etc.;
- › trained staff in maintenance of trees, shrubs, grass and existing/new parks, playgrounds, and industrial area (work deferred to the next reporting period);
- › completed an inventory of all TFN Member houses;
- › continued regular, ongoing delivery of public works, landscaping, water, and sewer services to Tsawwassen Lands.

INFRASTRUCTURE

TFN has identified the need for significant infrastructure upgrades in order to service economic growth and achieve self-sufficiency. A legacy of underinvestment, and the relatively rural nature of TFN's Treaty Settlement Lands, have resulted in a significant infrastructure deficit. If TFN's vision of generating revenue through land development is to be achieved, this deficit must be addressed.

TFN has worked to keep British Columbia and Canada informed about the infrastructure required to service both the Industrial and Commercial development projects. TFN's infrastructure needs include the provision of road, water, and sewer services sufficient to accommodate a growing, thriving community.

TFN requires approval from British Columbia to proceed with the TFN Commercial Lands Development Project as the project will require access to Highway 17 as well as improvements to Highway 17 to accommodate increased traffic volumes generated by the development. During the reporting period, as part of the approval process, TFN prepared a Transportation Impact Assessment to determine what transportation improvements were required to accommodate the anticipated traffic demands.

British Columbia is supportive of the TFN Commercial Lands Development Project, and Ministry of Transportation and Infrastructure staff continue to work with TFN and the developer to finalize a development agreement for the Highway 17 improvements.

During the reporting period, British Columbia also granted approval under the *Dike Maintenance Act* for the installation of a water main tie-in and a sanitary tie-in within the Tsawwassen Sea Dike Right of Way. The pipes will connect to the existing mains to provide service to a new development.

TFN applied for and received registration under the provincial Municipal Wastewater Regulation for a new wastewater treatment plant. Once built, the new facility will replace the existing facility, and will comply with all provincial environmental standards. The new facility incorporates a number of innovative features including enhanced vegetation and waterfowl habitat.

ECONOMIC DEVELOPMENT

TFN Economic Development Corporation (TEDC) is wholly owned by Tsawwassen First Nation and plays a leadership role in the creation of a sustainable economy for TFN by providing jobs, business opportunities, and revenues to TFN, and by contributing to an enhanced quality of life for Tsawwassen Members. During the reporting period, TEDC finalized agreements on rents and Member benefits with Ivanhoe Cambridge and Property Development Group, TFN's partners in the development of a major commercial district on Tsawwassen Lands. TEDC also secured preliminary agreements on rent and Member benefits with three development partners that will develop 28 hectares of TFN's industrial lands. Member support for all of TEDC's initiatives has been very strong—an important endorsement of TFN Government's plans to proceed with their economic development projects.



financially responsible

FINANCE

Through the Tsawwassen First Nation Final Agreement, Canada, British Columbia, and Tsawwassen First Nation have established an ongoing government-to-government relationship. The Parties report that Tsawwassen Government was managed in a financially responsible manner during its fourth year of post-treaty operation.

FINANCE & ADMINISTRATION

TFN's Finance Department provides the following services:

- › budgeting (annual and 3-year budgets) in connection with other departments and the Finance and Audit Committee;
- › annual audit of TFN financial statements;
- › accounts payable and payroll;
- › contract administration;
- › collection of revenues;
- › tax administration;
- › maintenance and enforcement of the *Financial Administration Act* and regulations, financial policy, and procedures;
- › ensuring TFN's staff are supported with technology, meeting and office space, reception support, and other office requirements necessary for an efficient administration.

During the reporting period, TFN managed the nation's financial accounts in accordance with its legal standards and obligations, and achieved an unqualified audit for the fiscal year. All legal standards and obligations were met. The Finance and Audit Committee met quarterly to ensure that operations maintained alignment with budgets.

CAPITAL TRANSFER & FISCAL RELATIONS

Canada and TFN are obliged to make various one-time and ongoing scheduled payments to each other as Treaty settlement costs. These include a capital transfer from Canada to TFN, and negotiation loan repayments from TFN to Canada. The Treaty provides for TFN a capital transfer of \$13.9 million, less outstanding loans of \$5.6 million taken to negotiate the Treaty. The capital transfer and negotiation loan repayments are paid in ten annual installments that started on the Effective Date. During the reporting period, the fifth installments of both the capital transfer payments and negotiation loan repayments were paid on time.

finance

FISCAL FINANCING AGREEMENT

The Treaty requires the Parties to negotiate, and attempt to reach agreement on, a Fiscal Financing Agreement (FFA) describing the financial relationship among the Parties. The FFA sets out funding amounts from Canada and British Columbia to TFN for supporting agreed-upon government programs and services, and for supporting Treaty implementation activities. The current FFA will expire on March 31, 2015, and the Parties have initiated discussions for the re-negotiation process.

Under the current FFA, Canada agreed to pay TFN \$14.6 million as an income-generating fund managed by TFN, to support ongoing TFN Government activities related to fisheries, parks, migratory birds, and other functions for managing TFN Lands. Canada has completed the last of three payments totaling \$14.6 million for this one-time funding.

Canada also contributes approximately \$2.8 million each year for federally-supported government programs and services including education, social development, health, and physical works. The payment is made annually on April 1, and is approximately the same level of funding as provided to TFN pre-treaty under the *Indian Act*. However, post-treaty, TFN has budgetary discretion on how to spend the funds, and reporting requirements have been reduced to a minimum. TFN provides statistical information to ensure there are no data gaps in the records of federal and provincial agencies that generally administer government programs and services outside of Tsawwassen Lands.

Under the FFA, British Columbia pays \$100,000 annually for the provision of a Local Government Programs and Services Liaison Officer. All federal and provincial transfers were completed on time.

OWN SOURCE REVENUE AGREEMENT

On the Effective Date, the Parties entered into a 20-year Own Source Revenue Agreement (OSRA), which calculates the contribution TFN will make from its own source revenue for the agreed-upon programs and services in the FFA. As part of the transition to self-government, Canada and British Columbia agreed that TFN's contribution for the first five years will be zero, after which contributions will increase over a defined period. The intent of the OSRA is to decrease TFN's reliance on financial transfers from Canada and British Columbia as TFN becomes more self-sufficient over time.

INVESTMENT & BORROWING RISK

During the reporting period, Tsawwassen Government managed its long-term investment risk in partnership with Greystone Financial Management, and within an established risk profile. TFN continued to investigate low-cost borrowing alternatives, including pooled borrowing under the *First Nations Financial Management Act* as discussed previously (see description under Treaty Implementation Committee on page 4).

TAXATION

The Treaty provides for the Parties, either together or separately, to negotiate on Tsawwassen Government taxation powers. During the reporting period, exploratory discussions were initiated between Canada and TFN on potential arrangements for a First Nation Goods and Services Tax.

The Treaty stipulates that the Parties enter into a Tax Treatment Agreement, which sets out a number of technical tax treatment rules and is given force and effect under federal and provincial settlement legislation. On Effective Date, the Parties entered into a Tax Treatment Agreement for a term of at least 15 years. During the reporting period, tripartite work was initiated on updates to the Tsawwassen Tax Treatment Agreement to reflect changes in federal and provincial tax legislation.

During the reporting period, *Indian Act* tax exemptions continued to be available for Tsawwassen Members through transitional measures in the Treaty. Transitional exemption measures with respect to transaction taxes expire on May 1, 2017, and transitional exemption measures with respect to all other taxes expire on January 1, 2022. Finance Canada also continued its consideration of TFN's earlier proposal for measures to address the impact of the end of the *Indian Act* tax exemption on payments to status Indian members under the Tsawwassen Government pension plan.

The Tax Treatment Agreement also commits British Columbia to refund Social Service Tax (generally known as PST) paid by Tsawwassen Government bodies while performing government functions on Tsawwassen Lands. During the reporting period, TFN and British Columbia executed a Consumption Tax Payment Agreement (CTPA)—a revenue-sharing agreement that effectively results in the refund of BC-HST paid by Tsawwassen First Nation and Tsawwassen Economic Development Corporation on purchases made for the governance of Tsawwassen Lands for the period July, 2010 through March, 2013. The first CTPA payment was made during the reporting period. The Tsawwassen First Nation Tax Treatment Agreement, signed on the Effective Date, contemplated only the old Social Service Tax. An amended TTA, to be signed in the next reporting period, will incorporate refunds of the new Provincial Sales Tax.

Tsawwassen Government collects property taxes from taxable occupiers on Tsawwassen Lands. These taxes go towards the provision of local government services, including policing, fire protection services, dike maintenance, and animal control. During the period when Members are exempt from property taxation, Tsawwassen property tax rates are tied to Delta's rates.

PROPERTY TAX AUTHORITY

A body established under the Tsawwassen *First Nation Property Taxation Act*, TFN's Property Tax Authority is comprised of members of Executive Council and Non-Member ratepayers, and is responsible for approving the tax rates and expenditures in respect of residential property taxation in every tax year. It is also responsible for approving residential exemptions and grants.

During the reporting period, TFN's Legislature passed a Resolution to Request that Executive Council Amend the *Members' Guarantees Act* (Tsawwassen) to include a Treaty Benefit Offset in recognition of the removal of the Sales and Property Tax exemptions, subject to available revenues.

TSAWWASSEN FIRST NATION

AUDIT INFORMATION

FOR THE YEAR ENDED MARCH 31, 2013

OPERATIONAL BUDGETS

Each year, the Tsawwassen Legislature provides each of the individual departments of TFN Government with the authority to spend resources on approved programs and services. During the reporting period, Tsawwassen staff were successful in managing the delivery of programs and services within their approved budgets.

CAPITAL BUDGETS

TFN planned a number of capital expenditures during the reporting period. Many of the items were from the 2008-2013 Strategic Plan and others were steps towards the vision set out in TFN's Land Use Plan (2009). Other initiatives were based on offsite works to support development projects, including increased road, water, sewer, and drainage networks. Developers are required to pay all on- and off-site costs associated with the growth of the community. Projects not related to development remain TFN's financial responsibility.

When considering capital expenditures, TFN considers not only the immediate community benefit, but also that these expenditures are, in many cases, a necessary step towards achieving the community vision set out in the Land Use Plan. The Treaty provided TFN with an asset base, but for a variety of reasons, that base lacked the necessary physical infrastructure to support both Member-driven and TFN-driven development.

The following projects began or were underway during the reporting period:

- › planning initiatives, including the development of a maintenance management plan, capital reinvestment plan, and comprehensive sustainability plan;
- › community facilities upgrades, including Public Works yard, treatment plant, Longhouse, community smoke house, Falcon Way playground, and Sports Field;
- › Member housing renovation;
- › street lighting upgrades on Tsawwassen Drive North and 41B North;
- › water main capacity increase;
- › sanitary sewage upgrade, including industrial land pump station upgrade and renovation of sewer treatment plant;
- › dike upgrade study and drainage utility study;
- › capital loan interest payments on loans related to recent capital works;
- › capital replacement reserve build-up to fund future replacement of capital assets as they age and become obsolete.

Note: The tables on the following pages show the consolidated statement of financial activity and the consolidated schedule of capital assets, both of which are taken from the 2012-2013 audit. Taken together, these tables show a complete picture of TFN's operational expenditures, activities relating to TFN's capital asset base, and activity relating to various treaty funds. Full copies of the audit are available upon request.



Deloitte LLP
2800 - 1055 Dunsmuir Street
4 Bentall Centre
P.O. Box 49279
Vancouver BC V7X 1P4
Canada

Tel: 604-669-4466
Fax: 778-374-0496
www.deloitte.ca

Independent Auditor's Report

To the Executive Council of the Tsawwassen Government

We have audited the accompanying consolidated financial statements of Tsawwassen Government, which comprise the consolidated statement of financial position as at March 31, 2013, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and the notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Membre de / Member of Deloitte Touche Tohmatsu

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Tsawwassen Government as at March 31, 2013, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants
July 30, 2013
Vancouver, British Columbia

TSAWWASSEN GOVERNMENT
CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE
YEAR ENDED MARCH 31, 2013

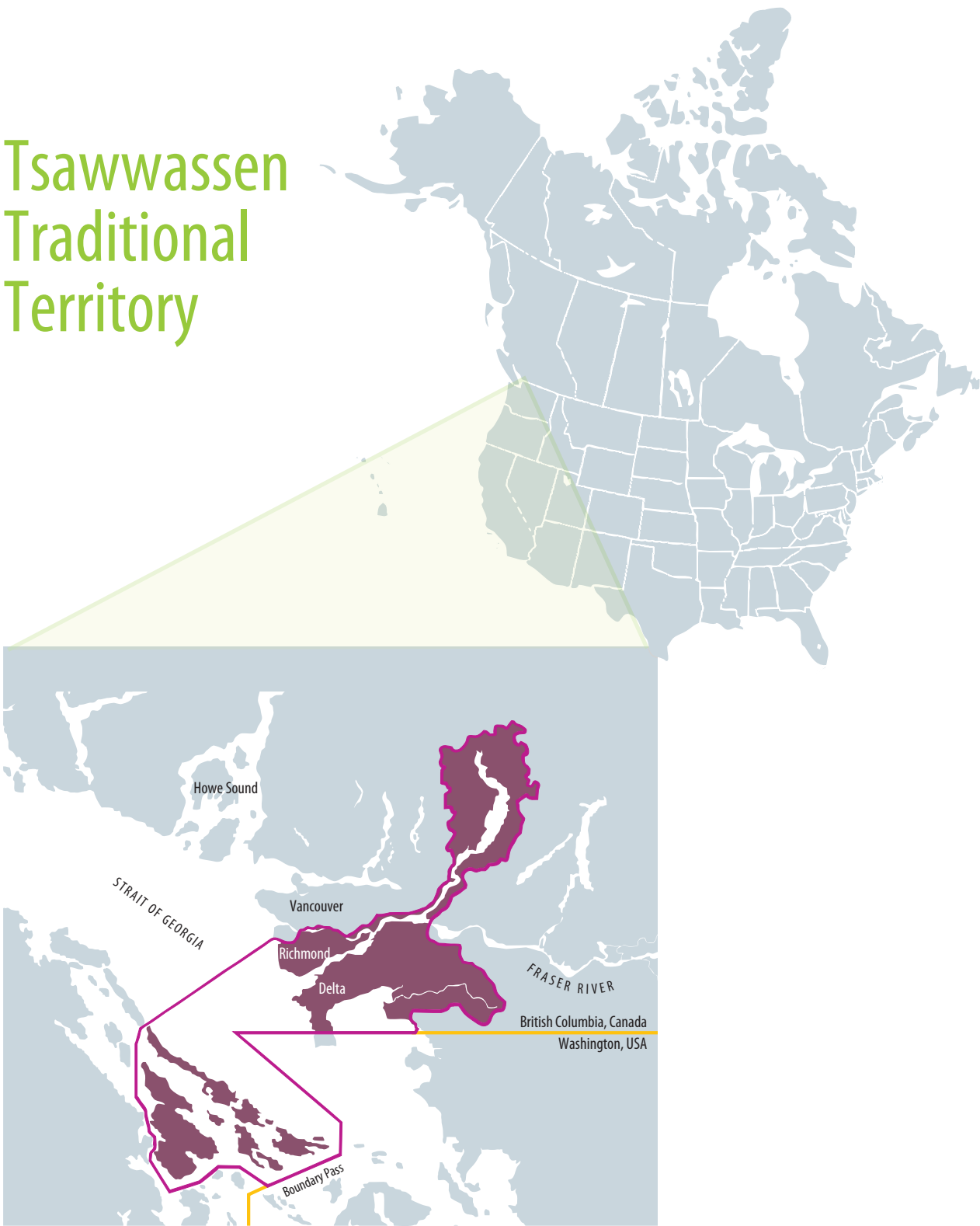
SCHEDULE 2

	General Fund	Tangible Capital Assets Reserve	Local Revenue Fund	Members Business Development Fund	Cultural Purposes Fund	Commercial Fish Fund	Commercial Crab Fund	Reconciliation Fund	Implementation Fund	2012 Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUES										
Aboriginal Affairs and Northern Development Canada -										
Block	2,847,233	268,049	-	-	-	-	-	-	-	3,115,282
Contributions	85,000	-	-	-	-	-	-	-	-	85,000
Investment income	1,078,750	5,002	-	3,592	-	-	1,619	2,233	-	1,091,196
Property taxes	-	-	577,553	-	-	-	-	-	-	577,553
Other	503,698	-	-	-	-	-	-	-	-	503,698
Permit and registry fees	364,444	-	-	-	-	-	-	-	-	364,444
Province of British Columbia	317,218	-	-	-	-	-	-	-	-	317,218
Lease and rental	307,927	-	-	-	-	-	-	-	-	307,927
Vancouver Port Authority	263,000	-	-	-	-	-	-	-	-	263,000
Interest on Final Agreement receivable	252,271	-	-	-	-	-	-	-	-	252,271
Economic Development	258,719	-	-	-	-	-	-	-	-	258,719
Share of business enterprise income (Note 7)	209,809	-	-	-	-	-	-	-	-	209,809
Housing program	106,372	-	-	-	-	-	-	-	-	106,372
Utilities	77,101	-	-	-	-	-	-	-	-	77,101
First Nations Employment Society	13,128	-	-	-	-	-	-	-	-	13,128
	6,684,670	273,051	577,553	3,592	-	-	1,619	2,233	-	7,542,718
EXPENSES (NOTE 15)										
Administration	3,070,268	-	-	13,870	-	-	-	-	-	3,084,138
Lands and municipal	2,993,641	-	-	-	-	-	-	-	-	2,993,641
Amortization	1,322,031	-	-	-	-	-	-	-	-	1,322,031
Community services -										
Education	1,041,536	-	-	-	-	-	-	-	-	1,041,536
Social development	539,566	-	-	-	-	-	-	-	-	539,566
Health	272,594	-	-	-	-	-	-	-	-	272,594
Economic development	822,174	-	-	-	-	-	-	-	-	822,174
Share of business enterprise loss (Note 7)	720,955	-	-	-	-	-	-	-	-	720,955
Taxation	-	-	343,466	-	-	-	-	-	-	343,466
Distribution	252,029	-	-	-	-	-	-	-	-	252,029
Housing program	114,716	-	-	-	-	-	-	-	-	114,716
Interest on final agreement debt payable	110,029	-	-	-	-	-	-	-	-	110,029
	11,259,599	-	343,466	13,870	-	-	-	-	-	11,616,935
(Deficiency) excess of revenues over expenses	(4,574,929)	273,051	234,087	(10,278)	-	-	1,619	2,233	-	(4,074,217)
Interfund transfers	3,816,142	-	(234,087)	-	-	-	-	-	-	-
Transfer of funds to Treaty Settlement (596,668)	-	-	-	-	-	-	-	-	(3,582,055)	-
Accumulated surplus, beginning of year	11,377,598	288,167,150	-	813,808	975,582	1,096,723	1,738,500	232,652	9,609,747	314,001,760
Accumulated surplus, end of year	10,022,143	288,440,201	-	803,530	975,582	1,096,723	1,730,119	234,885	6,027,692	309,330,875

SCHEDULE 3

	General Fund	Tangible Capital Assets Reserve	Local Revenue Fund	Economic Development Fund	Members Business Development Fund	Cultural Purposes Fund	Commercial Fish Fund	Commercial Crab Fund	Reconciliation Fund	Implementation Fund	2011 Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUES											
Aboriginal Affairs and Northern Development Canada--											
Implementation Fund	-	-	-	-	-	-	-	-	-	5,023,198	5,023,198
Block	2,752,819	259,160	-	-	-	-	-	-	-	-	3,011,979
Commercial Crab Fund	-	-	-	-	-	-	-	1,091,194	-	-	1,091,194
Contributions	328,876	-	-	-	-	-	-	-	-	-	328,876
Province of British Columbia	1,974,927	-	-	-	-	-	-	-	-	-	1,974,927
Vancouver Port Authority	-	-	-	-	811,738	-	-	-	-	-	811,738
Investment income	40,413	8,324	-	-	4,057	-	-	-	2,194	-	54,988
Property taxes	-	-	674,715	-	-	-	-	-	-	-	674,715
Other	1,012,589	-	-	-	-	-	-	157,540	-	-	1,170,129
Permit and registry fees	367,471	-	-	-	-	-	-	-	-	-	367,471
Share of business enterprise income (Note 7)	354,378	-	-	-	-	-	-	-	-	-	354,378
Lease and rental	311,015	-	-	-	-	-	-	-	-	-	311,015
Interest on Final Agreement receivable	288,809	-	-	-	-	-	-	-	-	-	288,809
Economic Development	161,630	-	-	-	-	-	-	-	-	-	161,630
Housing program	129,395	-	-	-	-	-	-	-	-	-	129,395
Utilities	77,289	-	-	-	-	-	-	-	-	-	77,289
First Nations Employment Society	20,024	-	-	-	-	-	-	-	-	-	20,024
	7,819,635	267,484	674,715	-	815,795	-	-	1,248,734	2,194	-	15,851,755
EXPENSES (NOTE 15)											
Lands and municipal	2,886,788	-	-	-	-	-	-	-	-	-	2,886,788
Administration	2,695,009	-	-	-	1,987	-	-	-	-	-	2,696,996
Amortization	1,257,722	-	-	-	-	-	-	-	-	-	1,257,722
Community services -											
Education	1,035,281	-	-	-	-	-	-	-	-	-	1,035,281
Social development	418,154	-	-	-	-	-	-	-	-	-	418,154
Health	311,964	-	-	-	-	-	-	-	-	-	311,964
Economic development	898,451	-	-	-	-	-	-	-	-	-	898,451
Taxation	-	-	424,280	-	-	-	-	-	-	-	424,280
Distribution	262,500	-	-	-	-	-	-	-	-	-	262,500
Interest on final agreement debt payable	125,653	-	-	-	-	-	-	-	-	-	125,653
Housing program	106,952	-	-	-	-	-	-	-	-	-	106,952
	9,998,474	-	424,280	-	1,987	-	-	-	-	-	10,424,741
	(2,178,839)	267,484	250,435	-	813,808	-	-	1,248,734	2,194	5,023,198	5,437,014
(Deficiency) excess of revenues over expenses	(596,668)	-	-	-	-	-	-	-	-	-	(596,668)
Transfer of funds to Treaty Settlement											
Interfund transfers	2,582,067	443,476	(250,435)	(440,108)	-	(125,000)	-	-	-	(2,210,000)	-
Accumulated surplus, beginning of year	11,571,038	287,456,190	-	440,108	-	1,100,582	1,096,723	479,766	230,458	6,796,549	309,171,414
Accumulated surplus, end of year	11,377,598	288,167,150	-	-	813,808	975,582	1,096,723	1,728,500	232,652	9,609,747	314,001,760

Tsawwassen Traditional Territory



*These maps are representational (not to scale) and are for general information purposes only.

Tsawwassen Lands







