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• (1530)

[English]

The Vice-Chair (Mr. Jamie Schmale (Haliburton—Kawartha Lakes—Brock, CPC)): Good afternoon. I call this meeting to order.

Welcome to the 61st meeting of the Standing Committee on Indigenous and Northern Affairs. We recognize that we meet on the unceded territory of the Algonquin and Anishinabe peoples.

Our meeting today will be in a hybrid format, according to the order adopted in the House on Thursday, June 23, 2022. Members may be present in person or on Zoom. The proceedings will then be published on the House of Commons website. Just as a note, the webcast will show the person who is speaking and not the entire committee.

For those participating remotely, I would like to outline a few rules to follow.

You may speak in the official language of your choice. Interpretation services are available for this meeting in French, English and Inuktitut. You have the choice at the bottom of your screen of floor, English or French audio. Please select your language now. If interpretation is lost, please inform me immediately and we will ensure that interpretation is properly restored before resuming the proceedings.

For members participating in person, proceed as you would normally do when the whole committee is meeting. Before speaking, please wait until I recognize you by name. If you are on the video conference screen, please click on the microphone icon to unmute yourself. For those in the room, your microphone will be controlled as normal by the proceedings and verification officer. Please address all comments through the chair. When speaking, please speak slowly—not like I'm doing right now—and clearly, and when you're not speaking your mike should be on mute.

With regard to a speaking list, the committee clerk and I will do the best we can to maintain a consolidated order of speaking for all members, whether they are participating remotely or in person.

We now move on to the committee. With the motion adopted by the committee on April 19, 2023, the committee is now commencing its study of the subject matter of Bill C-45, an act to amend the First Nations Fiscal Management Act.

Today we welcome our witnesses. We have Harold Calla and Grant Christoff, executive chair and general counsel respectively, from the First Nations Financial Management Board. We have Al-

lan Claxton and Jason Calla, development board chair and technical team, from First Nations Infrastructure Institute. We have Manny Jules and Marie Potvin, commissioner and legal counsel respectively, from the First Nations Tax Commission; and Ernie Daniels, president and CEO of the First Nations Finance Authority.

Thank you everyone for being here today. We look forward to your testimony.

Since we have Harold and Grant up first, we will start with them.

Please, you have five minutes.

Mr. Harold Calla (Executive Chair, First Nations Financial Management Board): Thank you for the opportunity to be here today.

As you said, my name is Harold Calla. I'm the executive chair of the First Nations Financial Management Board and a member of the Squamish nation. For those who don't know, I've been the executive chair of the First Nations Financial Management Board since its inception some 15 years ago. Prior to that, I spent many years championing the passage of the First Nations Fiscal Management Act. It took three attempts. I hope today's amendments to the act have a much speedier passage and are through the House and the Senate by the end of June.

These amendments build on the achievements of Canada's most successful piece of indigenous-led legislation. A huge part of this success lies in the FMA's optionality for first nations that choose, on an individual basis by band council resolution, to be scheduled to the act. There are no financial enticements to do so, just an individual nation's desire to have good financial management that is recognized to meet international standards, to be able to borrow from the First Nations Finance Authority or to levy local revenues to fund first nations government services.

With the passage of these amendments, nations will be able to choose expert advice and support for building and maintaining infrastructure. The optionality of this legislation also provides evidence of its success. Nearly 350 first nations have chosen, one by one, to be scheduled to the FMA. That is over 60% of the first nations that are part of the Indian Act.

The vast majority of these first nations work with the First Nations Financial Management Board. Like the other FMA institutions, the FMB is indigenous-led, accountable to a board that is primarily indigenous and has a staff that is mostly indigenous. We are an indigenous-driven solution that supports communities in getting the results an Ottawa-driven approach never could.

The FMA is a success and we need to build on it. That is what these amendments are about today. For the FMB, the amendments will enable us to work with modern-day treaties and tribal councils, something communities have been asking for for years. The amendments will mean we can build on the statistical work we have been doing so that chiefs and councils have better facts to inform their decision-making. The amendments bring some of our operations into the modern day, such as allowing us to hold our AGM virtually, when appropriate.

The FMB supports nations in developing financial administration laws to enshrine transparency and good governance. We provide capacity support so nations can bring their laws into practice. We award financial performance certifications to qualified first nations that meet the standards, so they can borrow from the FNFA. When we award a financial management system certification, first nations can use this to show to their community and business partners that their financial practices meet high standards internationally—standards most municipalities in Canada actually don't meet.

Over the years, our functions at FMB have grown in response to nations' needs. We lead the way in providing the capacity supports first nations need to get out and stay out of third party management. We provide opinions on whether or not first nations have met standards for the eligibility of 10-year grants. We did the research on the size of the first nations economy, which allowed necessary supports to be distributed to first nations government owned businesses during the pandemic. We are now piloting a program to provide backup supports, such as bookkeeping for rural and remote communities that have trouble attracting and retaining staff.

The nations that work with the FMB enjoy both improved economic development and greater trust in their communities. Our records and research show that first nations that have achieved their FMS certification have seen their own-source revenue grow significantly and enjoy higher community well-being index scores.

Before I end my comments, I want to note that first nations were heavily engaged in the consultation on these amendments to the act. Every single first nation currently scheduled to the act was contacted by FMB staff and invited to an across-the-country town hall on the amendments. The responses we heard at the town hall were overwhelmingly positive.

• (1535)

In particular, there was tremendous support for the centrepiece of these amendments, the creation of a First Nations Infrastructure Institute.

We did the same thing for modern-day treaties and tribal councils. These amendments will allow us to work with them.

In short, indigenous institutions are providing solutions and support to first nations that the current federal system never could.

More and more first nations are choosing to work with these institutions. Nations are asking us to do more, and we are prepared to respond.

Pass these amendments so that we can continue down the path of options that actually work for nations.

Thank you.

The Vice-Chair (Mr. Jamie Schmale): Thank you very much, Mr. Calla, for that testimony.

Next up we'll go to the First Nations Infrastructure Institute, Allan Claxton and Jason Calla.

You have five minutes, please.

Mr. Allan Claxton (Development Board Chair, First Nations Infrastructure Institute): Mr. Chair and members of the committee, good afternoon.

My name is Allan Claxton. I am chair of the First Nations Infrastructure Institute's development board. I was formerly chief of my nation for 20 years. I'm on council now, and I have been on council for 10 years. I've spent a lot of my life in politics, working for my nation.

High-quality public infrastructure is important for the health and sustainability of our communities. As I said earlier, I've been involved in my community for over 30 years. I have seen and understand the challenges to develop infrastructure projects. We just completed a couple last year, including a modern bighouse, with a state-of-the-art kitchen attached to it. We also upgraded a road with paving, sidewalks and lighting. We are proud of that, but we still have many more infrastructure needs in our community, like all the other first nations in the country.

Community infrastructure is more than a collection of buildings and the roads that connect them. These are places of learning, belonging, sustainment and healing.

The problems with the current first nation infrastructure systems are well known. Infrastructure on reserves takes too long to develop, costs too much to build and does not last long enough because it's not built up to the proper standards. This contributes to a series of poor health, social and economic outcomes.

We are proposing to establish the First Nations Infrastructure Institute—otherwise known as FNII—to tackle these problems. We are proposing to establish the First Nations Infrastructure Institute to join the FNFA, FNTC and the FMB, the three institutions created by the FMA.

FNII has been designed to build on the successes of the FMA model. It will also be optional to all first nations.

The first nations and indigenous organizations that choose to work with FNII will be able to use standardized best practices to plan, procure, own and manage their infrastructure projects. We know that infrastructure needs are great. We have been talking to first nations across the country about their proposed projects.

Jason and I have been doing a lot of travelling to a lot of communities across the country. We know that there are many projects that nations have in mind, including water and wastewater systems, roads, internet connectivity, recreation centres and health centres. That's just the tip of the iceberg.

These projects support and serve both members who live on our lands and non-members who may be residents living or working on our lands. That's a good example of my community. We have 10 trailer parks and two RV parks in my community. We know that development of these projects will benefit not only our community but the regional economy as well.

We believe that working with FNII will support first nations and indigenous groups in advancing their projects. Our goal is to assist nations to develop infrastructure in a better and more sustainable way than the current approach.

I thank you for the opportunity to present these amendments. We are asking for your support to move ahead with the proposed amendments to the First Nations Fiscal Management Act in Bill C-45.

Hych'ka Siem. Thank you very much.

• (1540)

The Vice-Chair (Mr. Jamie Schmale): Thank you very much for your presentation.

Next up we can go to Marie Potvin and Manny Jules.

You have five minutes.

Mr. Clarence T. (Manny) Jules (Chief Commissioner, First Nations Tax Commission): Members of the committee, good afternoon.

My name is Manny Jules. I am the chief commissioner of the First Nations Tax Commission. It is one of the three institutions created by the First Nations Fiscal Management Act, better known as the FMA. I was also chief of my community, the Kamloops Indian Band, from the years 1984 to 2000.

Thank you for this opportunity to appear before this committee and to speak in support of Bill C-45.

Canadian history has shown that practical proposals to increase our self-determination and to implement economic reconciliation move slowly unless we design and lead the changes.

The proposals are optional. First nation institutions support their implementation. I know this first-hand, as I've spent most of my adult life working on proposals to renew the fiscal means for our self-determination. These include the Kamloops amendment to the Indian Act in 1988, which gave first nations the ability to generate wealth from lands leased on designated lands; the creation of the First Nations Gazette in 1997, which supports the legal voice of first nations; the first nations sales tax in 1998; and the passage of

the FMA in the year 2005. In each case, I worked to ensure that we had all-party support.

Twenty years ago, in June of 2003, I appeared before this committee in support of the original FMA. I spoke about how the FMA gave us hope for a better future by giving us more fiscal powers, by supporting faster implementation of our jurisdictions and by raising our credit rating. Since that time, I am proud to say we have turned that hope into trust, and we have delivered on that promise.

The FMA first nations have realized billions of dollars in investment, and the assessed value of reserve lands now exceeds \$15 billion. Thousands of FMA laws have been passed, and 150 first nation administrators have graduated from the Tulo Centre of Indigenous Economics.

Perhaps more importantly, with the success of the FMA, we have created a formula to speed up the process of self-determination and of economic reconciliation: pass federal legislation to open up the jurisdictional space for interested first nations; occupy that space with our own laws, if first nations are interested, to fully respect their right to self-determination; and support first nations who opt in with first nation institutions, standards and accredited training to increase the benefits.

Bill C-45 is the next step in this process, and it reflects what we have heard from the FMA first nations. We need our own infrastructure institute. We need to expand our fiscal powers. We need to take control of our fiscal information, and we need to expand our capacity to support within the Tulo Centre of Indigenous Economics.

These amendments reflect what the FMA institutions told this committee in 2022 as part of your study on barriers to economic development. They were also recommendations in the committee's report to the House of Commons.

The FMA is the most successful first nation-led legislation in Canadian history, with more than half of all first nations using this act. We now know that with these improvements the number is only going to grow. We have moved beyond simply recognizing first nation rights to implementing first nation jurisdiction.

Working together, with the support of all parties in Parliament, the FMA institutions and first nations have provided an optional legislative path to complete one part of the unfinished business of Canada: to find a place for first nation governments in the federation and in the economy.

Our work will continue down that legislative path, for example with the development of a first nations resource charge to ensure we benefit from resource revenues derived from our lands. Another example would be the creation of a first nations assessment authority, which would provide an accessible and reliable institution for the valuation of first nation lands.

All-party support for these amendments will demonstrate Canada's commitment to our self-determination and to economic reconciliation.

● (1545)

I believe that the legislation is the continuation of what my father, Chief Clarence Jules, started in 1965. His words then still resonate today: We must be able to move at the speed of business.

Your support for these amendments demonstrates that my ancestors were right when they wrote in a letter to the prime minister, Sir Wilfrid Laurier, in 1910, that by working together we can make each other “great and good”.

Thank you very much.

The Vice-Chair (Mr. Jamie Schmale): Thank you very much for that presentation.

We now go to Ernie Daniels, president and CEO of the First Nations Finance Authority, for five minutes.

Mr. Ernie Daniels (President and Chief Executive Officer, First Nations Finance Authority): Thank you, Chair.

My name is Ernie Daniels and I am the president and CEO of the First Nations Finance Authority. I am a member of the Salt River First Nation in the Northwest Territories.

I'd like to thank Leane Walsh and her team at CIRNAC, the First Nations Tax Commission and the First Nations Fiscal Management Board for working collaboratively on these amendments to the First Nations Fiscal Management Act, or FMA, over the last several years.

The First Nations Finance Authority, or FNFA, is a non-profit organization whose mandate is to provide financing, investment and advisory services to those first nation governments across Canada that voluntarily schedule to the FMA.

The FNFA board is elected annually from the member first nations. The FMA received royal assent in 2005 with all-party support, and the FNFA has been providing services to first nations governments across Canada ever since.

To date, 342 first nations have been scheduled to the FMA, and FNFA has loaned over \$1.8 billion in financing to its membership of 151 first nations through nine provinces and the Northwest Territories. This has resulted in the creation of over 20,000 jobs and an economic output of \$4 billion, which demonstrates that we are stronger together.

However, certain economic and social needs of our member communities can only be met through amendments to our act.

The FNFA strongly supports Bill C-45 in principle. It brings significant positive change that will lead to enhanced opportunities for

first nations and indigenous governments across Canada. For example, the financing secured by other revenues regulations will be incorporated directly into the FMA. Bringing the provisions about other revenues directly into the FMA will result in a comprehensive FMA that is much easier to follow.

Another example is that the definition of “borrowing member” is expanded in anticipation of eligibility being expanded to indigenous governments and non-profit organizations through other regulations that will still be required. These important entities provide essential economic and social services to first nations.

The proposed amendments will have significant positive impacts for first nations.

Thank you and *mahsi cho* for your time and consideration.

● (1550)

The Vice-Chair (Mr. Jamie Schmale): Thank you very much for your testimony today.

We begin now with a round of questioning, starting with a six-minute round.

With the Conservative Party, we have Gary Vidal, who gets six minutes.

Mr. Gary Vidal (Desnethé—Missinippi—Churchill River, CPC): Thank you, Chair.

Thank you, everybody, for being here today and for the work that you've been doing with your own respective organizations to move this legislation forward.

I think everybody agrees that there are very good components to this legislation and that it's going to make a big difference in the lives of people across the country.

Mr. Daniels, I want to start with you for a minute.

You and I started having a conversation about the concept of monetization way back in 2021. I know that seems like forever ago with COVID and all that stuff in between, but we started the conversation back in 2021. We talked about all kinds of things, like how the multiplier effect of leveraging could create upfront investments to really work at closing the infrastructure gap. We talked about the fact that inflation didn't allow the increase in capital grants that are provided at, say, a 2% per year increase to keep up with inflation. We talked about own-source revenue definitions and how the expansion of those could actually lead to more opportunity to leverage some of those revenues to attack that infrastructure deficit.

Today, in one of the presentations, it was already mentioned about the report on barriers to end indigenous economic development and how this committee unanimously endorsed the idea of testing this concept out with a pilot project of some kind.

Could you expand on that just a little bit? Just take a couple of minutes and talk about how this concept of monetization is really a huge opportunity to close that infrastructure gap in indigenous communities.

Mr. Ernie Daniels: Thank you for that question, Mr. Vidal.

We really believe that the monetization of government transfers, be it a new source of funding or an existing source of funding, will really be a big game-changer when it comes to closing this infrastructure gap. I actually became aware of a report that was done just recently by AFN and CIRNAC together that indicated this infrastructure gap is at \$349.2 billion. That's a staggering number. There's no way this government, which is funding infrastructure right now, will be able to do that in the next few years without an innovative solution. I really believe that the concept of leveraging means we can build more today than tomorrow with tomorrow's inflated dollars. Inflation does really eat away at funding amounts that are static.

In the recent budget we requested a budget ask of \$200 million to start the monetization project, and \$200 million annually over a 20-year period would create in excess of 12,000 homes, for sure. That makes a big difference on our reserves. Also, on replacing diesel generators, the idea of monetizing existing expenditures on diesel would almost be cost-neutral to replacing the diesel generators that exist in our communities right now.

Those are a few examples. We didn't get the budget ask. We will continue to do that. I'm sure at some point in time that monetization will happen, but I just don't know when. The concept is sound. It works. Every other government does that.

• (1555)

Mr. Gary Vidal: I'm sorry, but I don't mean to cut you off. I'm going to run out of time, and I want to sneak one more question in for you, Mr. Daniels. I'll come back to the other members in a later round.

In those conversations you and I had, you also talked to me about the fact that in the regulations, the Minister of Indigenous Services could have undertaken a pilot project without a change. We didn't need this legislation for that to happen—the provision in regulations was already there.

I know this conversation has been happening since at least 2020. It's identified actually in the departmental plans of CIRNAC starting in 2020. It's there in 2021, and again in 2022. We've been talking about this for three years, and now it's finally coming to fruition here, which is good news—don't get me wrong.

Can you maybe speak to how the lost time of three years is impacting the ability to close that gap, based on the rise of inflation and some of those challenges we face? If we had started three years ago, we could have built lots more homes, if I'm understanding your approach here. Would you agree?

Mr. Ernie Daniels: Yes, I would agree with that. The concept of time and money is that it only goes one way. The value of your dollar goes down every single year.

Mr. Gary Vidal: Very specifically, what kinds of challenges does that create for the communities, for the people on the ground? Can you speak to the challenge that this lost opportunity has created in the last several years?

Mr. Ernie Daniels: The challenge is that the social problems still exist. Overcrowding in homes creates a multitude of problems.

The social problems are still there and will still continue. The population growth in our communities is growing faster than the Canadian average, so that problem is not going to go away. We need better air ventilation in our schools for our schoolkids. We need proper water, more water, rather than all the boil advisory notices we get every year. It's those types of issues that will be dealt with. It will create employment. It will create an economic impact that I strongly believe Canada as a whole will benefit from, not only the first nations.

The Vice-Chair (Mr. Jamie Schmale): Thank you very much, Mr. Daniels and Mr. Vidal. That was six minutes.

We go next to the Liberal Party and Michael McLeod for six minutes.

Mr. Michael McLeod (Northwest Territories, Lib.): Thank you, Mr. Chair. I just want to say you're doing a very good job.

The Vice-Chair (Mr. Jamie Schmale): Thank you. It's seven minutes for you.

Voices: Oh, oh!

Mr. Michael McLeod: Thank you to all the presenters for being here and for the work they've done on this issue.

My question is for Ernie Daniels. Ernie and I go way back. He's from the Northwest Territories. I wanted to hear his view on how important the FNFMA, in this proposed legislation, is to reconciliation. How does it fit with the whole concept of economic reconciliation?

Mr. Ernie Daniels: Thank you for that question. It's a really good question.

I think it fits, because all the amendments that are part of Bill C-45 have a direct impact on first nations communities, especially services to communities. We would hope that infrastructure, especially with the First Nations Infrastructure Institute coming on, will help communities to plan and build the proper infrastructure they need and with the costs associated with that. That definitely will be a benefit, for sure. The more infrastructure we can get into our communities, like health services and health and community centres, those things will benefit our communities.

In terms of reconciliation, I think it's empowering our communities to do things on their own terms and on their own time. I believe that's the whole benefit of the FNFA. It's a voluntary process as well. I strongly believe that when first nations are in control of when they do their assets, when they do their economic development and when they choose to do certain things, such as developing a property tax system, all those things are, to me, true reconciliation.

Thank you.

• (1600)

Mr. Michael McLeod: Earlier, I saw the work that happened on the Salt River First Nation reserve and the beautiful building there. Every community in the Northwest Territories and every nation wants one now. It's modern and really nice. Of course, the reality is that we don't have a reserve in every community. We have only two small reserves in the Northwest Territories.

How do we work this piece of legislation or the system to include modern treaty holders and self-governing nations who are looking at significant investment in the area of infrastructure over the next while?

Mr. Ernie Daniels: That's a good question again.

There was availability in part of the existing legislation to develop a regulation for self-governing first nations. This work is actually going on right now. I think we're getting closer to having that completed. That regulation, I believe, is in section 141. It's really close to being finalized.

The other thing, especially for the Northwest Territories, is that these sets of amendments right now actually are looking at expanding eligibility. This would be for not-for-profit organizations that are providing services to first nations. Up in the Northwest Territories, we do have a few not-for-profit development corporations that are doing economic work in our communities. I could see that the amendments and the regulations that would need to be done shortly afterwards would do that.

As it exists right now, a number of communities in the Northwest Territories have actually expressed interest in the act and the work we do under the act. As a matter of fact, this morning I have an invitation to go and speak in the Northwest Territories about how more communities in the Northwest Territories and more first nation bands can get involved in becoming part of this work under the FMA and actually end up financing different projects.

I think there is a benefit. It's happening slowly. Hopefully, these sets of amendments will lead to more involvement and more economic activity from the first nations in the Northwest Territories.

Mr. Michael McLeod: I have one last question. You've stated that this is optional legislation. We both know that there are some parts of the country that still can't take part, which is being worked on. Could you point to some reasons that first nations in the south who can opt in are choosing not to opt in? Would there be any reasons that stand out?

Mr. Ernie Daniels: That's a good question. Believe it or not, in this day and age, with this legislation getting royal assent in 2005, there are still some first nations that are not aware of what we do under the act. Other than that, there are first nations that feel they don't have the revenues or the wherewithal to join this act. Once they find out, and once they see that other similar first nations have actually gone in and have actually borrowed, the interest happens. A few of them, some nations, like to work on their own. Some are just learning about it, and some are actually seeing the benefits of joining and want to join now.

It's going to take some time. We have 342 scheduled to the act, which is a high number. It's really a good number in itself. If you

grouped 342 municipalities together to take advantage of an act like this, they would gladly do so.

I think we would like to see more first nations join, of course, but from my knowledge, from what I hear, those are some of the reasons why.

• (1605)

Mr. Jamie Schmale: Thank you very much, Mr. Daniels and Mr. McLeod, for your questions and your answers.

We go next to the Bloc Québécois and Madam Gill for six minutes, please.

[*Translation*]

Mrs. Marilène Gill (Manicouagan, BQ): Thank you, Mr. Chair.

I'd also like to thank all the witnesses who are with us today. We're having very interesting discussions on a number of fronts.

Many of those present worked on the early version of Bill C-45. I invite them to share their comments and answers with us, if they wish.

Mr. Daniels, you talked about one of the major amendments to the First Nations Fiscal Management Act, the expansion of the meaning of "borrowing member". I'd like to know why that meaning was limited in the first place. Was it simply because the act was new? Also, while Bill C-45 will broaden that meaning, do you think it's broad enough or could it be broadened even further?

[*English*]

Mr. Ernie Daniels: I believe there will be an opportunity to open up more to other indigenous groups, such as Inuit and Métis. I think that's the next logical step in this. Right now, I do believe that getting the not-for-profit organizations that are providing services to communities will definitely be beneficial. For example, in B.C., the First Nations Health Authority would like to undertake an infrastructure program. They may be already doing that, but there's a need for health centres all across the province. I can see that being the same for other provinces in the country as well.

In some cases, another possible group that could access, or be eligible later on, would be first nations collaborating together on a single project, operating from a not-for-profit basis, of course. I'd like to see that myself. I think that the first nation groups were the first groups that actually started working on legislation like this. It started in B.C., and Harold or Manny could probably answer that a bit better than I can because I came in later. I came in in 2011, and they were there from the start.

[*Translation*]

Mrs. Marilène Gill: Indeed, this includes Inuit and possibly Métis. Similarly, why was no consideration given to including other indigenous groups in the definition of "borrowing member"? Perhaps they were, but I wasn't involved in the initial discussions. Why is this definition not further broadened through Bill C-45?

• (1610)

[English]

Mr. Ernie Daniels: That's very good question again. I think that when we start amendments, it takes a lot of time and effort to get things moving forward.

We would like to see the eligibility expanded to Inuit and Métis, but we have to work with our counterparts at the federal government, which is CIRNAC in this case. Sometimes amendments go forward that they want to support. Also, they could have reasons why we're not working on Métis and Inuit right now.

Like I say, I am positive that will be forthcoming. I'm sure about that.

I will leave my comments at that.

[Translation]

Mrs. Marilène Gill: I know we're running out of time, so this may be my last question. It may overlap with previous questions.

I'd like to know whether expanding the definition of "borrowing member" would put pressure on the First Nations Finance Authority itself, since it could force it to expand its service delivery. At the same time, it obviously increases the possibility of different groups and different nations borrowing funds.

Would that put pressure on the authority itself, or will you receive additional funding to help you in your mission? Furthermore, could there be increased competition so that the pie would be shared among more people rather than among the members of the same group, as was the case before? This isn't an opinion; I'm really asking in good faith.

[English]

Mr. Ernie Daniels: Thank you for that question.

First of all, the act is a voluntary act. Those organizations would request to work under the act.

With regard to competition or more lending groups, I would imagine you're talking about sharing the pie. I always go back to letting the choice be with the first nations or the entity that's borrowing to see what type of financing would be most suitable for them. I think there is a lot to go around.

With first nations, we mentioned a \$349.2-billion infrastructure gap. I can imagine that gap is pretty big for Inuit and Métis as well. I was at a conference a few weeks ago, and I heard that the Inuit infrastructure gap is about \$60 billion.

The Vice-Chair (Mr. Jamie Schmale): I'm going to have to stop you there, Mr. Daniels.

I'm sorry, Madam Gill. I appreciate the questions, but we have run a bit over time.

Certainly, Ernie, you're in the hot seat today.

Next up is Lori Idlout from the NDP for six minutes.

Ms. Lori Idlout (Nunavut, NDP): [*Member spoke in Inuktitut, interpreted as follows:*]

Thank you, Mr. Chair.

Thank you to all of the witnesses for your testimonies. Your testimonies are very important.

First of all, to each of the witnesses, can you share your thoughts on Bill C-45? It is simultaneously being created and the federal government is codeveloping this act with you. I'd like to understand a bit more about the process. Was it good for you? Was it satisfactory for you?

The other question I would like to ask you is whether you would want to make further amendments to the content of the Bill C-45.

Each of you can respond.

• (1615)

The Chair (Mrs. Jenica Atwin (Fredericton, Lib.)): That's for whomever would like to start.

Mr. Harold Calla: It's Harold. If I may, I will start.

I look at the legislation as a living piece of legislation. It's always going to be amended to reflect the current circumstances of the day. We've been working on these particular amendments for quite some time. Did we get everything we wanted? We never get everything we want, Lori, but we got a lot of what we wanted. We're happy with what we got and want to see it come into place. We understand and respect that there is a commitment for ongoing dialogue on how you might improve this legislation, expand its scope and reach all corners of the indigenous community in Canada. We look forward to those opportunities.

I think what we've proven is that the concept we developed works. We now have this number of first nations participating. There's a lot of money being collected in local revenues now, through the tax commission. Ernie talks about \$1.8 billion. All of these things have made a dramatic impact in communities, in terms of community infrastructure and the buildings they have.

We've now realized, through the process, that we need to expand the reach to first nations organizations, non-profits and tribal councils, because that's what they wanted. We identified—to get the bill moving and started—that it would be Indian Act bands. We agreed to that. However, we now understand the demand is much more significant than that, and we're prepared to respond to that.

Yes, we want to be welcomed back at some point, hopefully, in the near future to consider further amendments to this act, as the circumstances demand, but we're happy with what we have today.

Thank you.

The Chair: Go ahead, Mr. Claxton or Mr. Calla.

Mr. Jason Calla (Technical Team, First Nations Infrastructure Institute): Good afternoon, everyone.

In terms of the amendments with respect to the First Nations Infrastructure Institute, it was a good constructive process. We appreciated the working relationship we developed with the people at CIRNAC to develop the amendments. We are fortunate to have a development board led by Allan Claxton and other leaders from across Canada who provided leadership and guidance to the amendments based on their years of experience in leadership and administration with projects in indigenous communities. When we got a chance to see the draft legislation, we had a good technical team discussion to review it and propose some refinements. No substantive issues were missing.

Again, it's a new initiative. I'm sure that, as we work with the legislation, we'll find ways over time to improve it, but we were happy to report that the substantive things we were hoping for are in the bill, and we have no further changes proposed.

Thank you.

Mr. Clarence T. (Manny) Jules: Thank you very much.

I think that, when we first started doing our work, it was a question of developing trust, not only with first nations, but ultimately with the federal government that we had the wherewithal to be able to have the knowledge to create legislation out of nothing.

When I first started doing this work in the 1980s, it was thought that the taxation amendments only applied to a small number of communities, and through the second phase—I would call it—in 2005, we had to develop trust amongst first nations right across the country. This led to a heated debate at the Assembly of First Nations conference, and we've overcome those debates internally with first nations.

Now we are ready to expand the catch, if you will, to include Inuit and Métis, and those are critically important for the future, because it's my belief that, without all indigenous people working together, none of us will be free of colonialism.

When I think about the Métis in particular, there's one individual who worked for me a while ago, Garry Ladouceur. He was instrumental in creating the Metis Settlements Act in Alberta, and that's one particular piece of work that we monitor as a tax commission, because what happens in those communities has an impact on first nation communities.

Also, in embracing the Métis, we're embracing the history of this country in all of its complexity. When you look to the far north and the Inuit, there are a lot of issues that I feel we could have been involved in such as the jet fuel contamination of the water systems and the like.

In my meeting with you, Lori, we talked about the names and thought about our common history of being notified that your name is now a number. As I told you at that meeting, my number is 6880032401.

There's a lot in common that we have to overcome collectively as indigenous people in this country, and what that brings us is the strength to be able to overcome all of the hurdles that are going to face us in the future. Indeed, when we start to deal with those areas, it means that our place in this country and in this federation will be strengthened.

• (1620)

The Chair: Thank you, Mr. Jules

Thank you, Ms. Idlout.

We'll now move to our second round, and we'll begin with Mr. Schmale for five minutes.

Mr. Jamie Schmale: Thank you very much, Chair. It's good to have you back.

I appreciate the testimony we're hearing from everyone today and their words about this piece of legislation.

I'd like to pick up on something and maybe direct this question to Harold Calla, or I can open it to the field as well.

Ernie Daniels was talking earlier about the ability to use monetization to finance and build a whole bunch of infrastructure. It could be a whole range, including houses, for example, which we all know are deeply important to every community, indigenous and non-indigenous, at the moment.

In addition to the housing piece of this puzzle, what about the economic reconciliation that has to be included in this conversation in order to set the stage for that growth to maintain and grow that housing and also the community? How important is economic reconciliation?

Mr. Harold Calla: I think that housing can play a major role in economic reconciliation, but it has to become more than a program. It has to become a business activity. If you're going to own a home, you generally have to care for it and pay for it, and that's difficult to do if you don't have an economy in your community.

Part of the strategy here is to look at how we create the infrastructure, how we create the housing and the other supply chain issues that are involved in a housing portfolio to support the capacity development of our individuals and train them in the trades so they will have employment. I think that's a critical piece of what we need. Sometimes we just look at the house, the stick frame construction, and say that's what housing is. Well, it's the supply chain that delivers that stick frame that really needs to be looked at. We need to participate in that whole value chain so that there can be permanent employment.

Eventually, one would like to think that you're going to build all the houses, so I think we need to be in a position where we are looking at these things from the perspective of their economic value and how you maintain that. The infrastructure is a big piece, obviously, but it is about gaining meaningful employment on a long-term basis to be able to maintain the homes in good standing.

Mr. Jamie Schmale: That way, you can see the ability to move away from program funding and start to build an economy, which is done on the local level and outwards from there.

Mr. Harold Calla: It's very much so. If program funding was going to work, it would have worked by now.

Mr. Jamie Schmale: Thank you very much.

Mr. Jules, *taksis* is one of the first things you brought up to me when we met not too long ago: taxes. Give me your thoughts on that. Perhaps you can tell us about the significance of this being in the legislation.

Mr. Clarence T. (Manny) Jules: A lot of first nations and other Canadians don't recognize or know their history. Taxes were a fundamental part of indigenous culture, going back many millennia. As a matter of fact, our cultures wouldn't have survived on this land without the concept of taxes.

Taksis is the Chinook spelling of "taxation". It's a concept we understood, a concept we practised and a concept that will now be enshrined in Canadian legislation, if this particular piece of legislation is passed—Bill C-45. It was a Chinook trade language spoken in the Pacific northwest, from Alaska to northern California. It is a very important concept because it educates our people. We had these concepts that were part of our cultural milieu. It also signifies to Canada that taxation is something we're not afraid of dealing with.

Taxation is a fundamental governmental power that has its roots in the Matsqui court decision. It's one of the very first court decisions I was involved in, going to the Supreme Court of Canada. When you talk about fundamental governmental power, everybody just refers to taxation in its spelling as it is now.

When we introduce the concept of *taksis*, it's going to fundamentally change how we view taxation in this country, and in particular how my people—how Secwépemc and indigenous people across the country—think about taxation. It isn't a foreign concept. These are concepts we had as part of our world view. It's how we financed our infrastructure, how we financed our culture and how we financed international trade among the indigenous populations of the Americas.

• (1625)

The Chair: That's your time. Thank you very much, Mr. Schmale.

Mr. Jamie Schmale: I gave myself an extra minute.

Voices: Oh, oh!

The Chair: We'll move to Mr. Weiler for five minutes.

Mr. Patrick Weiler (West Vancouver—Sunshine Coast—Sea to Sky Country, Lib.): Thank you, Madam Chair.

I'd like to thank the witnesses for being here today, for coming to Ottawa for the introduction of this bill and also for their previous testimony on our first study—on barriers to economic development for indigenous peoples.

I want to start with a question that has been brought up in different ways by some of my other colleagues. Obviously, it's incredible that almost 350 communities have signed up for this, but there are quite a few that have not. In speaking to some accountants, one concern I heard raised is that there may not necessarily be the capacity in some of the much smaller indigenous communities.

I was wondering whether you, perhaps, Mr. Calla, could speak to that, and whether some of the changes in this bill, in particular—you mentioned the non-profits that work with a number of first nations—might help address some of those issues.

Mr. Harold Calla: Thank you for that question.

We are undertaking a pilot project at the moment, which we're calling "support services". It will address those issues, because what we experience, particularly in the default management program that has become so successful, is many northern or remote communities having difficulty attracting and retaining staff. They just can't do it. You can't do it 634 times, either. You have to create a mechanism where you create the accountability and transparency that will be required.

We now have an initial pilot project with some first nations communities to road-test this concept of a shared services platform, where the back-office functions are taken care of. It's not making decisions for them, but rather allowing for the competency that comes from being able to hire professional staff who may be centrally located. What we've learned through the pandemic is that you don't have to work in any specific location. I think that has greatly helped us in our view of what we'll be able to accomplish with this program: providing functions that can't be filled in some communities because of their locations.

These are very important first steps for us to do. I give the government credit. They didn't wait for this legislation to have us start this pilot project. We're starting it now and it will hopefully grow into a much larger non-profit.

Mr. Patrick Weiler: That's fantastic. Thank you very much for sharing that.

Mr. Clarence T. (Manny) Jules: Could I interject for a second?

Mr. Patrick Weiler: Please do.

Mr. Clarence T. (Manny) Jules: We created the Tulo Centre of Indigenous Economics, which has trained over 150 tax administrators. The reason we created that institution was to transfer our working knowledge as quickly as possible from the institutions to the communities, who are really the implementers of their own jurisdiction. A lot of them are very small communities. By working together with standardized rules and regulations, it makes it easier for communities across the country to work together.

As a matter of fact, this week in my home community we have administrators meeting now to be certified. We're creating ultimately a doctoral program with Thompson Rivers University and are reaching out and working with the University of Canterbury on South Island in New Zealand.

• (1630)

Mr. Patrick Weiler: That's very exciting. Thank you very much for sharing that.

My next question is for you, Mr. Claxton. I'm really excited about the prospect of this new infrastructure institute being formed. In your opening, you mentioned the problems the existing system has with being slow, costing too much and leading to projects down the road that are poorly built. I'm hoping that you could maybe speak a little bit more to how this particular institute could address that, not just the building of infrastructure but perhaps the ongoing maintenance of it as well.

Mr. Allan Claxton: Yes. I'll give you a couple of examples of what we've been doing with our pilot projects. We've gone into two communities with our team.

I'll go in there as a former chief and get introduced to the community. We'll find out what their infrastructure needs are and we'll bring the proper people in to, first of all, get them shovel-ready. Secondly, our mandate is to build their capacity so that it keeps getting higher. As their capacity builds, the need for FNII goes the other way.

Maybe Jason could elaborate on this a bit more.

Mr. Jason Calla: It's a great question.

I think one of the ideas about FNII is that it's similar, in a sense, to the other organizations. It's about standards and best practices. Instead of financial management or taxation, in this case it's about infrastructure. What are the best practices for developing a business case for a project? We are starting to think about those. We know that there's the standard-making power in the amendments, but we've already started to think about what those standards would be based on best practices that we've seen off reserve in Canada and internationally in indigenous projects as well. We're thinking about the strategic case for the project and really linking it back: Why are you doing the project? How is it linked to the comprehensive community plan that a community may have? It's really about tying it back to those objectives so that it's what the community actually wants, which is not always the case for projects.

It's also thinking about the technical case for the project and thinking through the technical options for the project, the commercial case and the procurement approach, which can allocate risks to the appropriate parties in the process. That can help with the timeliness and with addressing cost issues and change orders. It's thinking about the financial case. Of course, being a part of the fiscal management act, we see a great value there for communities in bringing more tools out of the FMA tool box to bear on a project and really thinking about the life-cycle approach. We know that this is a challenge with the current approach. There are often not the appropriate resources for operation and maintenance through the entire life cycle. We'd like to see that whole life-cycle costing, again, using the tools—local revenues, fees, development cost charges, monetized transfers and, last but not least, certainly the management case—and appropriate training and local participation.

All of those things together, we think, will help bring a better way of bringing projects forward. They'll get done more quickly. They'll bring value for money, and we'll get projects that last for their full life cycle.

The Chair: Thank you, Mr. Weiler.

[*Translation*]

Go ahead, Mrs. Gill. You now have two and a half minutes.

Mrs. Marilène Gill: Thank you, Madam Chair.

My questions this time will focus on the legislation and its application and, of course, on the expansion of legislative authority. I don't know which witness will be able to answer my questions, but I invite anyone who wants to do so to chime in.

How and to what extent do you want to expand the legislative authority? Can you give us some examples? One of the things we talked about was service delivery.

[*English*]

The Chair: Would anyone like to respond?

Mr. Jules.

Mr. Clarence T. (Manny) Jules: It goes back to your earlier question about how we could expand this to include Métis and Inuit.

Right now our focus is on first nation communities, but it isn't a stretch to be able to expand that to include other communities, as I mentioned in my presentation.

One of the things you asked for is enforcement. That's a big issue for all of our institutions that are operating, not only the FMA but also the Lands Advisory Board. This issue came to the forefront during the early days of COVID, when first nations wanted to exert their jurisdiction to isolate themselves and they found that they didn't have the jurisdiction to be able to do that because of limitations either as a band council or as a community.

One of the things we started to look at a long time ago, and it's of particular interest to all of us, is the court of competent jurisdiction to deal with first nation issues. That's critically important as we begin to move forward.

You would naturally think that the Federal Court would be the court we would, obviously, be looking towards, but I started to look at that and the complexity in terms of the amendments that are required, and it takes more than just one institution to be able to deal with it. When you look at the provincial courts, they're limited. A lot of their precedents are either municipal or outside of the first nations or indigenous purview.

Ultimately, we have to study the issue of enforcement. When you look at the populations of indigenous people in the prisons, it's obvious that you have to take economic reconciliation seriously. The root causes of those are all social policy issues. The federal government, for many years, has looked at us simply as a social policy issue and that has to change fundamentally.

When we talk about economic reconciliation—

• (1635)

The Chair: I'm sorry, Mr. Jules, but that's your time.

Mr. Clarence T. (Manny) Jules: —it truly means fiscal powers.

[*Translation*]

Mrs. Marilène Gill: I'm out of time.

The Chair: You are, Mrs. Gill. Thank you.

[*English*]

Madam Idlout, you have two and a half minutes.

Ms. Lori Idlout: [*Member spoke in Inuktitut, interpreted as follows:*]

Thank you.

I have a short question.

For the purpose of thinking into the future, what kinds of recommendations would you have to ensure that regulations don't create barriers to supporting the work that you are doing and to ensure that there is continuity in the work that you are doing? What other recommendations would you have?

Mr. Harold Calla: It's Harold.

Grant, I'm assuming that you're in the room. I'm going to punt this one to you.

Mr. Grant Christoff (General Counsel, First Nations Financial Management Board): Thank you for punting that one to me.

Thank you for the opportunity to speak in this room.

With respect to the development of regulations, we do have to develop regulations in support of broadening the definition of "borrowing members". As Ernie mentioned previously, that work is under way. I hope that work will be completed as well as the regulations in support of supporting the non-profit organizations that we talked about here. The legislative basis is created through these amendments. Regulatory work is required to support full access to the FMA.

I'll just note for the committee here that we have the ability to work with these organizations now. We can issue compliance opinions, but what we are talking about is financial performance certification and financial management system certification, so a lot more work.

I'm not sure if that responds to your question, though, Lori.

Ms. Lori Idlout: [*Member spoke in Inuktitut, interpreted as follows:*]

On the work that you are going to be doing, and in terms of recommendations, can you identify any recommendations in order to ensure that the work you are doing does not go to waste? For the regulations that will be created, I just don't want to create or see any barriers. Bill C-45 is one bill that's really a pleasure to hear about, but this is in order to avoid barriers in the regulations.

• (1640)

Mr. Clarence T. (Manny) Jules: Perhaps I could comment.

My dad talked about moving at the speed of business, and that means being able to move very quickly. There is one thing that is critically important for parliamentarians to recognize. When we deal with Parliament, from start to finish, on a legislative agenda... In 2016, we first introduced the concept of the infrastructure insti-

tute, and it has taken us seven years to get to this stage. If we're truly going to move on an economic reconciliation agenda, that process has to speed up considerably.

When we deal with changes that are necessary for the operation of our institutions, there are going to be areas where we're going to need legislative change in the future. We would ask parliamentarians and, in particular, this committee to be cognizant of that, to work with us, because we have the track record. Dealing with first nation communities, we've built up a lot of trust. We know that we can deliver, but we have to be able to speed up any legislative initiatives as required—and there are going to be many. I mentioned a couple of them during my presentation.

Mr. Ernie Daniels: If I could add—

The Chair: I'm sorry, Mr. Daniels, but you have to wait for another time for the question.

We'll move on. We have five minutes for Mr. Zimmer.

Take it away.

Mr. Bob Zimmer (Prince George—Peace River—Northern Rockies, CPC): Thank you, Madam Chair.

Thanks to our witnesses.

I have a very specific question for you, Chief and Councillor Claxton. I'm looking at the portfolio of what you currently do as a councillor, not to mention what you've done in the past. It's culture, language, elders, finance, personnel, health, education and social development, fisheries, maintenance and public works, the First Nations Finance Authority and the list goes on down to the RCMP. The reason I bring that up for the audience who might be watching today is that I want to bring this into the context of somebody who's on the ground and who has seen what hasn't worked in the past and what needs to be done to make it better.

I have many first nations in my riding up in Prince George—Peace River—Northern Rockies, and I can attest that we have gone before to different ministers of first nations, only to ask and get very little in terms of a response to specific questions. It's very difficult.

Seeing how unresponsive it can be sometimes, just from your own perspective, you've talked about what potential changes this is going to have to infrastructure and first nation communities. As a person who's on the ground, what's going to be different going forward if these amendments pass?

Mr. Allan Claxton: As a chief, I bought into the fiscal management tools. I was one of the earlier bands to implement property tax, and that brings own-source revenues to the first nation.

Then I was on a plane to Ottawa to talk to Health Canada. They said, "Chief, what do you want?" I said that we needed a health facility. They said, "Okay, if you include a gymnasium, then we'll move you from way up here to number one." I quickly shook their hands and—

Mr. Michael McLeod: I have a point of order, Madam Chair.

The witness is speaking too far away from his mike. I can't make out what he's saying.

The Chair: Sure. Thank you very much for flagging that.

Mr. Allan Claxton: I shook their hands and accepted the deal, but then on the plane coming home, I was thinking about how I was going to pay for this gymnasium. I got a hold of Manny, and he referred me to Fiscal Realities and brought in the team. We worked on our own sales tax to take over the GST, so that gymnasium's almost paid off now.

We also just now implemented the property transfer tax. I believe you have to be part of the fiscal team, but you also have to use the tools that are available at your fingertips. If you don't use them, it's just like not using your muscles.

You have to establish good relationships with your members and also the neighbours who live in your community, because it involves everybody in the community.

• (1645)

Mr. Bob Zimmer: What I see as the difference is that it puts you in a position to be in the driver's seat. You're able to decide what infrastructure you want to do. You can go to the community, and it can decide what.... I think someone on the panel mentioned that the community decides what infrastructure you want to build in your own communities as opposed to the previous, where I'd say it's hat in hand, asking if the minister would be so nice as to do what you wish the minister to do.

It's life-changing for first nations communities. I applaud Manny and Harold and many of you who are sitting here today for your tireless work on this.

Manny, you mentioned in 2003.... I was here in 2011, hearing Harold and the pitch saying how good this is going to be for first nations communities. I applaud you that you've gotten it this far. It just needs to get a little further.

Jason, since I have the chance to ask you a question.... We talked about this in previous committees, about economic reconciliation. We've heard it a few times today. I know, from speaking to Harold and others, how important it is to first nations communities. It's a very key pillar to reconciliation.

Can you speak to that for the next couple of minutes, about how important economic reconciliation is to first nations communities?

Mr. Jason Calla: That's a great question.

Thinking back to when the bill was first passed, it was thought there was maybe a handful of communities that really had an ability to generate their own revenue. We really see communities all across the country with opportunities to assert their jurisdiction over their lands to attract investment and to develop projects that can support employment opportunities in their communities, but also to generate the revenue they can use for infrastructure projects that many of their membership say they would like to see in their communities, whether it's a rec centre, multi-purpose facility, a health centre or a school.

I think the ability to have more control over your life—to self-determine, to identify projects that are important for the community—is really part of economic reconciliation.

These amendments certainly put more tools in the tool box for communities to determine the paths they're going to go down. I think it's really important for economic reconciliation to see these amendments move ahead.

The Chair: Thank you very much.

We'll now move to Mr. Battiste for five minutes.

Mr. Jaime Battiste (Sydney—Victoria, Lib.): Thank you, Madam Chair.

I want to start off by thanking all the members who are here presenting today.

As a first nation who lives in a first nations community, you're doing a lot of the hard work that is allowing us to view things in a different way and to make progress in the way first nations want to do it, in a self-determining, optional way.

I frequently go to powwows where I'll see a popular shirt that says "Burn sage, sweetgrass and the Indian Act". It's popular out there, but I don't think a lot of communities know that there is the ability to move away from the Indian Act.

What we're trying to do, in a lot of ways, is move away from the Indian Act. There are some participating communities that have decided to do this optionally. Can you explain which parts of this proposed legislation would change that and give your quick pitch—as part of this board—to the communities out there that are listening as to why they should be doing this for their communities?

I'll start off with Manny and then maybe turn it to Ernie.

Mr. Clarence T. (Manny) Jules: The simple answer is that it makes decision-making easier at the local level. It corresponds with what their hopes and aspirations are. You can have the right of self-determination, but if you don't have the fiscal means to be able to do it, that hampers your vision. What the institutions do is make it easier to make that leap. It isn't just a leap of faith anymore. We've created the institutional support to be able to do that.

Mr. Ernie Daniels: The legislation itself is meant to work around the Indian Act in particular.

For me, that's really key because it allows the first nation.... Mr. Zimmer mentioned that it puts you in the driver's seat. I think that's the really empowering thing about the act and the amendments that are going forward. It does put that decision-making in the first nations' hands so that they determine when they are going to do things on their own time as long as they have the revenues to support these kinds of things.

Revenue sharing has to be another part of the equation from the federal government that needs to be discussed at some point in time. I think that's really important.

Thank you.

• (1650)

Mr. Jaime Battiste: Manny, you said in your closing statement that what your father passed down to you was that we must be able to move at the speed of business. Can you expand on that and why that is important for first nations communities?

Mr. Clarence T. (Manny) Jules: I learned a lot from my dad. I was mentored by him. When I was about 11 years old, he was chief of my community, and I wondered what he did that was so important that people would want to visit him and talk to him about it.

It was because of his vision that he created Mount Paul Industrial Park, which is still our economic engine in our community. It was at that time, during the 1968 consultations to amend the Indian Act, when he coined the phrase “move at the speed of business”.

He said that we had to sometimes wait two years to get a lease done in Ottawa. We wanted to be able to have the lease, but somebody in Ottawa says, “No, you can't have the land.” He said that's why we have to be able to have this local decision-making. The monies that are raised in our community should stay within our community. Even to this day, for every dollar we raise in terms of taxation, the federal and provincial governments get seven.

Those ultimately mean that the system has to change and that we have to be able to move at the speed of business, because if we don't, that opportunity is gone. As one other chief told me a long time ago, opportunity knocks softly.

The Chair: Thank you, Mr. Battiste.

Before I move on to our third round, I will remind committee members to be as succinct in their questions as possible so that we can get those fulsome answers. I hate cutting off our witnesses. Also, if you could direct your question to someone, it certainly makes it a lot easier.

We will go to our third round now.

We're going to have Mr. Morrison, whose name I will not forget, and Mr. Vidal to split the time for five minutes.

Mr. Rob Morrison (Kootenay—Columbia, CPC): Thank you, Chair.

I'm really interested. I would like maybe a few people to answer if they want to. We were talking about moving at the speed of business. We talked about how it has been seven years to get to this point, but what I'm understanding by listening to some of what you have had to do in the meantime—and that's really talking about your pilot projects, about your transfer of knowledge quickly and about shared services because of our remote communities—is that you have taken it upon yourselves to try to go out and figure out what works best and learn from that. That's what I think the best thing is: when you can learn. You then can say, this worked really well, but that didn't work at all so we're going to stop and not do that again.

You're really ready to go when Bill C-45 is signed off on, and it's because of some of the work you have done historically in trying to get there. Really, what I would like to hear are some of your stories of what you've done, the challenges you've had and how you have moved this forward, because I think a real-life story means so much more than some communication on a piece of paper.

I will open that up.

Mr. Harold Calla: If I might, I want to talk about those communities that were in default management. Many of them were in third party management for as long as 20 or 25 years. They got involved

with the financial management board. We entered into a pilot program with the department.

We had some pilot project firms or communities that got themselves certified by the financial management board. They regained their confidence. They weren't losing the money that they were losing previously to a third party manager. They were investing in their communities. One of those communities I think is now eligible to borrow from the First Nations Finance Authority.

More importantly, what it did is that it allowed that community to regain the dignity and respect it needed to have for itself. I think that's because we weren't punitive in our approach. We went in there to help. We requested and the government agreed that they would not be disqualified for discretionary funding, that the third party management fees would be paid from somewhere else and that all of those people would report to a first nation institution called the First Nation Financial Management Board, and not the department. Those were big steps that I think really helped to bring communities along and to have in sight a line to opportunity.

One of the biggest challenges we face is that everything we do probably requires a change in policy or procedure somewhere in government. We can do all of these things, but if we're not prepared to change the core of the problem, then it's really handicapping us. We will recover some of those things, but I think we have to realize that we're looking at systemic change going forward.

• (1655)

Mr. Ernie Daniels: I could give you an example. It was finding a way to get seven communities together to invest into one of the major projects and one of the major organizations in North America, which was Clearwater seafood. Having the capital and having the ability for the institutions to work together so that would allow seven communities to buy 50% of this major investment, I think, is a true success.

It is economic development, as well as really helping the communities be in a better position of managing wealth rather than managing poverty.

Mr. Gary Vidal: Thank you.

I'll make my question very quick. I'll come back to Mr. Daniels again.

One reason I'm interested in the amendments is the change in the definition of a “borrowing member”, as Mr. Daniels talked about. He referred to the ability for tribal councils to now be involved in this process. The Meadow Lake Tribal Council had an interest in borrowing from the FNFA to fund the development of a new OSB mill that would have created like 500 jobs in my riding over the last couple of years. That opportunity has not been granted because of the limitations of the act.

Mr. Daniels, could you talk quickly about that change of “borrowing member” and how the facilitation or utilization by tribal councils would be very significant to the investments in economic opportunities in communities?

Mr. Ernie Daniels: I think this portion of the amendment will have a definite positive impact on tribal councils coming together to do economic ventures.

I think the flip side of it is that the FNFA has access to the capital markets where we can get really cost-effective financing, which really makes a difference when the communities are looking at economic development projects, in terms of making a profit. I think that's really key.

Based on the experience of working with the Clearwater example that I gave earlier, I think this allows us to work with a group of first nations together. Of course, we have to go through the regulation process to get that in place, as well as some of the standards that FMB will have to develop in terms of getting not-for-profits and tribal councils in.

I think it's going to be a major difference for these tribal councils as they look at and pursue economic activity.

The Chair: Thank you very much.

We'll move on to Ms. Dzerowicz for five minutes.

Ms. Julie Dzerowicz (Davenport, Lib.): Thank you so much. Thank you for welcoming me here today.

I come from downtown Toronto and it's my first time on this committee, so it's a real pleasure to listen to everyone. I think this is a really important conversation.

I have three questions.

You know, first nations in Canada are always the first to be impacted by climate change. How does this bill—this fiscal management act—allow first nations to adapt and make better decisions around how to prepare for climate change?

• (1700)

Mr. Jason Calla: That's a great question.

One of the studies that was referenced earlier, which was done by the AFN measuring the infrastructure gap, actually did a lot of good work around thinking about climate adaptation. Of course, in British Columbia we've seen really awful impacts in the communities from flooding and forest fires.

Thinking about it again, it sounds a bit boring to come back to the planning assumptions, but I think that in the planning assumptions of the project and the development of the business case, having more local knowledge and local control over setting those assumptions and plans in place to take into account climate adaptation strategies is part of what's possible under the proposed amendments, certainly if nations wanted to be working on projects with FNII. That's certainly something we've thought about.

In the couple of pilot projects we were talking about—one with a community in Ontario, which was Kettle and Stony Point, and one with the community in Atlantic Canada, which was Paqtnkek Mi'kmaw Nation—we have water and wastewater systems. Think-

ing about the environmental constraints and about the planning issues that go into it, to the extent that you can take more control of those things locally, we think that's a good thing.

Mr. Clarence T. (Manny) Jules: To add, we had, as Jason was saying, about 50°C temperatures. My uncle's family had their entire homes all burnt down in Lytton. When we start talking about the infrastructure institute, that's going to mean that we're going to have to adapt. We're going to have to have fire-hardened communities. In the last couple of years, since my community was just about evacuated, we've had six fires within our reserve lands.

None of the provincial fire folks could come on to the reserve because they were busy fighting other fires. Capacity development is going to be important so that we will have fire-ready institutions to help them. Some of the communities in the interior, as a result of the atmospheric rain, were just about completely flooded out, losing most of their land. They have little bits of land left. We're going to be able to play an important role in helping rebuild communities, helping them prepare for climate change as it happens and develop because we'll have our own institutional capacity to develop new strategies that are first nations'.

One of the things that I've been saying quite a bit lately is that the world needs indigenous knowledge now.

Ms. Julie Dzerowicz: I was going to mention that.

The Chair: Mr. Daniels would like to respond as well.

Mr. Ernie Daniels: This is not part of the legislation, but this is an example of what the institutions can do. We're working on an insurance project, because, with climate change, all of those insurance costs are going up. They're going to go up all across the board right across all countries, all nations, everything. We're trying to find a more economical way to insure our assets, to insure our businesses and to insure our homes across our nation. That's one of the things that we're working on. I thought I would add that in.

Ms. Julie Dzerowicz: The only thing I would mention is that I sit on the finance committee, and one of the things we were talking about a while back was flood mapping. The reality is that there are certain parts of this country, certain segments, where you're just not going to want to rebuild in certain places because it doesn't make any sense, and then, when you do, you get into the resiliency.

I think it was you, Mr. Jules, who made a comment about sharing information, and that the world needs us to be able to access indigenous knowledge. You're absolutely right. I do think we need to do that, and I think the data collection will be very important as well.

Thank you.

The Chair: Thank you.

[*Translation*]

Mrs. Gill, you have two and a half minutes.

Mrs. Marilène Gill: Thank you, Madam Chair.

Mr. Jules, you weren't able to finish your answer earlier, because I mistakenly thought I had six minutes. I'd like to continue the discussion on expanding legislative authority. You were cut off when you were about to talk about enforcement. How does the bill go further than before?

• (1705)

[*English*]

Mr. Clarence T. (Manny) Jules: What we wanted to be able to do through these particular amendments, which also set the stage for other institutional development into the future, is to clarify that first nations do have the jurisdiction of enforcement and are able to follow, in our case, tax arrears off reserve lands. It's a very complex area of enforcement. It's one that this bill helps to bring clarity to, but much work needs to be done in this area because it isn't just us and the FMA. It also impacts the first nations lands management and, indeed, even to the extent where it's difficult for provincial governments to move child care from provincial jurisdiction to first nation jurisdiction with some other legislation that was passed. It's a multi-faceted area.

The Chair: You have one minute.

[*Translation*]

Mrs. Marilène Gill: In that case, I'll ask one last question.

Earlier, someone—I think it was Mr. Daniels, but I'm not sure—told us about the legislative changes requested by borrowing members. There are currently 348 first nations listed in the schedule to the First Nations Fiscal Management Act, which is huge. In fact, that represents more than half of them.

Have any requests, comments or suggestions been received from first nations not yet listed in this schedule?

I don't know who is best to answer my question, Madam Chair. I'd just like someone to answer it.

[*English*]

The Chair: Give a short answer, Mr. Daniels, if you'd like. You have about 30 seconds, but you can add it to another question if you'd like.

Mr. Ernie Daniels: I think it's a process for a first nation to go through the different parts of the legislation as they work their way through the different institutions to do the different works they want to do. For the FNFA, of the 342 that have scheduled, we have 151 first nations that are borrowing members with us right now. If we had all the first nations joining all at once, it would be a matter of capacity to deal with all of these nations. That's one part of the answer.

The other one is that first nations want to know more sometimes. It takes some effort when you start to talk with a first nation and go through the process, because this is an entirely new way of doing business, if you will, in terms of trying to get, in our case, to the point of getting financing for a specific project. I must say that all the institutions here provide excellent service to the first nations that want to join, and even those that do not.

I know FMB does the 10-year grant process. First nations are getting used to it in most cases, and some are ready to jump into it. For those that will be coming, it will be a matter of time, because they will start to see the benefits the other first nations are enjoying right now.

Thank you.

[*Translation*]

The Chair: Thank you, Mrs. Gill.

[*English*]

A voice: I'll further add, very quickly—

The Chair: You'll have to wait for the next question slot. I'm so sorry.

We'll go to Madam Idlout for two and a half minutes.

Ms. Lori Idlout: [*Member spoke in Inuktitut, interpreted as follows:*]

Thank you.

I apologize for forgetting, but I believe this is directed to Ernie and Allan. I don't believe these two witnesses answered or provided their responses to the same question I asked prior.

Thinking into the future, what recommendations might you have to ensure that regulations don't create barriers to supporting the work you do in order to have continuity?

• (1710)

Mr. Ernie Daniels: One of the things I've noticed during the latest work on amendments to the act is that the capacity on the federal government side really needs to be there. We have to make sure that it continues going forward. We're building up our capacity on our side, and we need to make sure that it's still there on the federal side. That capacity on the federal side is what I see.

I think also allowing us to start discussions on the different regulations for expanding to the different indigenous groups as well.... If we can start that work now, a longer runway is more beneficial than a shorter runway.

Mr. Grant Christoff: If I could add to that, I would just say a quicker pace of legislative and regulatory development.... Echoing what Ernie just said, we need increased collaboration with our federal counterparts. I would also say we need to be more collaborative in all of our legislative initiatives, again echoing what Ernie said.

The Chair: There are 30 seconds left, if anyone else would like to add anything. All right.

We'll move on to Mr. Vidal for five minutes.

Mr. Gary Vidal: Thank you, Chair.

Mr. Daniels, I want to follow up where we were kind of cut off in the last round about this idea of the increased definition of “borrowing members”. We talked about tribal councils.

Another specific example I have in northwest Saskatchewan is the Pelican Lake First Nation. I think you're aware of the situation with the Pelican Lake First Nation, which has about 1,700 members in northwest Saskatchewan. They're working with Pinehouse, which is a Métis community in northwest Saskatchewan with a population of about 1,000 people.

In those two communities, there is a volume of electricity available that is about a third of the national average. They're proposing to build a couple of biomass facilities. They have the fuel. They have the sources. They have the arrangements with SaskPower where they could proceed with this, but they are looking for the opportunity to get funding through your organization.

However, we have a Métis community and a first nation, which I don't think fits the definition of any of this yet. I'm just wondering if you have some thoughts on where this might have to go. Where could we go with this at some point that would allow this kind of arrangement? It would have all kinds of positive benefits like replacing the unreliable diesel generators and solving the shortage of available electricity for communities like this in a riding like mine.

Take some time and just explain how we could get there based on your understanding of the act and where we might have to go.

Mr. Ernie Daniels: Thank you for that question.

I'm very well aware of those communities and of the issues that they face.

I think with the regulations that are being developed, in regard to the not-for-profit organizations, if it's limited to first nations then we have a problem. However, I think there might be some openness to “indigenous” as a definition. If we can keep that in mind when we're working on the regulations that would really help. Other than that, we'll have to continue working to expand the definition to include Métis.

We can keep that in mind for the regulations, keeping it as “indigenous” rather than strictly “first nation”.

Mr. Gary Vidal: Thank you, Mr. Daniels.

I'm going to pass my time to Mr. Schmale to finish off.

Mr. Jamie Schmale: Thank you very much, Mr. Vidal. Again, I appreciate the opportunity to jump in on this discussion.

Mr. Jules, just to finish up where we left off the last time, we were talking about *taksis*. We were talking about the benefits the communities themselves could have when they have the ability to raise revenue. We're talking about keeping taxes low while we do that, of course.

A voice: [*Inaudible—Editor*]

Mr. Jamie Schmale: I would love to hear that.

I want to go on to how to get projects done quickly, how to do that. There have been discussions throughout this two-hour period about that. You can do that by allowing communities to make deci-

sions that are best for them based on the circumstances they're dealing with on the ground.

I'm open to whoever wants to talk about this. What would be the benefits that you would have when decisions were not made in boardrooms or in office towers here in Ottawa about communities where people may or may not have been? How we can get more velocity in those tax dollars to get projects actually built and done for the requirements of those on the ground, rather than trying to discuss what gets approved and what doesn't here in Ottawa?

Basically, I just want someone to elaborate on getting things done quickly rather than getting program funding. Who wants to talk about that?

• (1715)

Mr. Clarence T. (Manny) Jules: I will put in my two bits.

One of the concepts that I've been advocating for, and it's something that's been percolating under this thinking cap for quite a while, is a first nations resource charge. Canada is at a crossroads. It needs all kinds of metals to be able to function in today's marketplace. It needs critical minerals. Joe Biden was up recently to talk about critical minerals.

What's hindering that is first nations jurisdiction. We need to recognize first nations jurisdiction so that they can partake in resource development and extraction in a way that hasn't happened in the past. In order to do that, first nations have to be part and parcel of the deal with the environmental issues, and also be able to benefit from those developments. Right now that isn't happening. We see that happening over and over again with any resource development. The money either comes here to Ottawa, or it goes to Victoria or Fredericton or some other place around the world.

If we don't have the jurisdiction, and if we don't benefit from the resource development in this country, we won't be able to ever catch up to the infrastructure backlog. In order for this to happen, we need to be able to have a clear signal from the federal government that it's prepared to cede federal tax room to first nations. At the same time, the provincial governments have to do likewise.

If that doesn't happen, we're not going to be able to have food security and energy security in this country in our lifetimes. First nations are now at the forefront of those struggles, because it's the land that we're trying to take care of.

It's even about water rights. One of the issues that I've been dealing with in the Prairies is the flooding situation that this young lady was talking about earlier on. You have a situation where the Red River flows north. Where does it flood? It bypasses Winnipeg and all the other communities. It floods the first nation communities. When you talk about hydro development, who does it impact more than anybody else in this country but first nations?

First nations have to be an integral part of energy strategies. The federal government has to be cognizant of the fact that there isn't going to be any resource development without first nations being intimately involved.

The Chair: Thank you very much.

We'll have Mr. Battiste close out our third round.

You have five minutes.

Mr. Jaime Battiste: Thank you.

I'm inspired by your whole notion of moving at the speed of business. Unfortunately, we move at the speed of government, but every so often we have legislation where we have all parties on side and we see a piece of legislation where it seems that there's consensus and a lot of people are on board. We have various mechanisms within the House of Commons where we can speed up legislation when we have unanimous consent from all parties in the House of Commons.

If we could do that for this, do you believe that the legislation that's there right now has satisfied your organizations to the point where you'd like to see its passage sped up through a unanimous consent motion, if we can get that?

Mr. Clarence T. (Manny) Jules: Absolutely. All of the parliamentarians would answer our prayers and answer the prayers of the communities that we work with and serve. We want this legislation to be passed as quickly as possible so that we can get on to the *tak-sis* but also the task of building new and better infrastructure. Let us do the work. You pass the legislation as quickly as possible—and unanimously, because it is our belief that this should happen with all-party support in the interests of this country.

• (1720)

Mr. Jaime Battiste: I'm wondering if any of the leaders would object to that.

Is there consensus that what Manny has just said is reflective of the wishes of the organizations?

Mr. Harold Calla: Yes. He's described exactly what we're all looking for. It has taken five years to get to this point. It took three times for this legislation to be introduced originally to get it passed.

We can't wait with that time frame anymore. These are non-partisan issues. They should get everyone's support. The state of the indigenous community in this country is something that we should all be wanting to improve as quickly as possible.

Mr. Ernie Daniels: Agreed here. We would like to see this fast-tracked, if that is possible. It allows us to get on with other things. We have to start looking at other amendments down the road as well, as was mentioned here today, so I think getting this done quickly would be really beneficial to all first nations.

Mr. Allan Claxton: FNII has probably moved quicker than all of the other institutions, because these folks paved the way for us. We have a clear path, a clear road, and we're excited about it. We want to become a new institution as early as possible. Infrastructure needs in our communities are insurmountable right now, and some communities don't even have safe drinking water. That's a vital part of living. We want to get going, and we're looking for this support.

Hych'ka Siem. Thank you very much.

Mr. Jaime Battiste: Thank you. I have no further questions.

Leave it with us. We'll start the discussions on how we can try to speed this up.

The Chair: Excellent. With that, it's been an illuminating two hours.

Thank you so much to our witnesses. It was incredible testimony.

I'm always so proud of this committee, and it is an honour to be your chair.

We will do all we can to ensure that we see this pass quickly through the House.

I will adjourn. Thank you very much.

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