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**National Aboriginal  
Economic Development Board**  
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The Honourable Bernard Valcourt  
Minister of Aboriginal Affairs and Northern Development  
10 Wellington Street, 21st Floor  
Gatineau, QC K1A 0H4

Dear Minister Valcourt:

The National Aboriginal Economic Development Board, at your direction, has undertaken a significant body of work on Additions to Reserve and their economic impacts. On behalf of the Board, I am writing to convey the highlights of this work, as well as targeted recommendations which, in the considered opinion of the Board, are necessary to achieve a faster and better Additions to Reserve process that will result in economic growth and benefit for First Nations and nearby municipalities.

Additions to Reserve are an important way for First Nations to address historic and unjust loss of reserve and treaty land, to accommodate growing populations, and to pursue strategic economic development opportunities. The Senate Standing Committee on Aboriginal Peoples in its report “Additions to Reserve: Expediting the Process” (November 2012) stated that “access to land and natural resources is one of the most critical issues facing First Nations today”; the Board wholeheartedly agrees. The historic alienation of land from First Nations continues to be one of the most significant factors contributing to the economic marginalization of First Nations.

The potential for Additions to Reserve to address this issue and to leverage economic development opportunities is significant. The Board commissioned

.....2

studies on the economics of Additions to Reserve and the results were clear. On a per acre basis, Additions to Reserve are generating 35.9 jobs, and \$285,000 per annum in spending benefit but the benefits don't just accrue to the First Nation they flow to neighbouring, non-First Nations communities and citizens. In fact, fiscal and economic benefits flow to the entire region due to investment on reserve. In one example, the combined benefits of 6 communities included 7,000 jobs (more than half to non-reserve residents) and \$77 million in off reserve spending benefits. The bottom line: when investment occurs on reserve the whole region benefits.

Notwithstanding the potential Additions to Reserve offer in addressing barriers to First Nations economic development, and indeed to economic development in general, inefficiencies in the Additions to Reserve process continue to severely restrict its utility.

The Board's study found that it takes on average 4.2 years to finalize an Addition to Reserve. By comparison, a municipal boundary extension takes about 6 months to 1 year to complete. While complexities inherent to the inter-jurisdictional nature of the process exist, they do not provide a justification for a process that is 4 to 8 times longer.

The opportunity costs of this delay are significant. Currently, there are 117 applications for an Addition to Reserve, accounting for 22,000 acres of urban land, under review by the Government of Canada. The estimated total opportunity cost for these lands includes approximately: 2.7 to 6.2 million person years of employment, \$21.7 to \$49.2 billion in spending related economic benefit, \$859 million to \$2 billion in property tax, revenue for First Nations governments, \$2.2 to \$5

billion in employment related fiscal benefit for municipal governments, and significant own source revenues forgone by First Nation governments including tax, leasing and other revenue from First Nation businesses. All of these economic benefits which could be realized, but are not due to delays and inefficiencies in the ATR process.

While concerns exist on the part of municipalities that Additions to Reserve may reduce municipal tax bases, Additions to Reserve offer other economic benefits to municipalities. Servicing agreements and joint infrastructure are two significant avenues for mutually profitable partnership. Municipalities can develop a revenue stream in providing service to a nearby First Nation and may be able to avoid costly infrastructure investment by purchasing services from First Nations. This type of sharing is common between municipal neighbours but has yet to become the norm between First Nations and municipalities – in large part because misconceptions about the nature and impact of a nearby reserve drains political will to move forward in an expedient way.

There is significant potential for economic benefit should municipalities chose to move forward in the spirit of true partnership. The City of Vancouver, for example, has demonstrated its willingness to develop a new relationship with First Nations by undertaking significant steps in building a foundation of collaboration. In 2014, Mayor Gregor Robertson declared a 'Year of Reconciliation' to build new relationships with First Nations. In a historic motion adopted unanimously in 2014, the City of Vancouver officially acknowledged that the city sits on un-ceded Musqueam, Squamish and Tsleil-Waututh First Nations land. The time is right for

municipalities to move forward in partnership with First Nations and achieve economic benefits for everyone. In addition, our studies show that the idea of First Nations as a drain on the local economy is outdated and inaccurate. In fact, there are numerous examples of successful urban First Nations which are the key economic drivers in their region. For example, the Community of Membertou employs over 700 people, more than half of them non-Aboriginal, and is recognized as an economic force in Sydney, Halifax, and beyond. Westbank First Nation has also become an economic powerhouse in the Central Okanagan. The band has contributed \$80 million of annual fiscal revenue to the federal and provincial governments through the generation of sales tax, personal income tax and corporate tax on Westbank First Nation Lands, \$500 million annually to the local economy, and is now one of the largest employers in the region.

With this in mind, the Board believes that the Government of Canada should act immediately to address critical issues affecting the efficiency and effectiveness of the Additions to Reserve process. First Nations have been labouring under an almost intractably slow process for too long – the benefits of Additions to Reserve are too significant and the need is too great – the time to make critical improvements to the process is now.

As such, the Board calls upon the Government of Canada to act upon its levers for change in three key areas to improve the Additions to Reserve process.

*First*, the Government of Canada must support the development of effective partnerships with municipalities. Clear policy tools must be developed to support First

Nations in negotiating with municipalities including, but not limited to, a dispute resolution mechanism. In addition, provinces and municipalities must be made aware of the economic and fiscal benefits of urban reserves. The Board calls upon the Government of Canada, in its bilateral actions with provinces to help dispel misconceptions, and create incentives for provinces and municipalities to engage meaningfully with First Nations.

*Second*, an efficient process must be achieved. The Additions to Reserve process is overly complex. While some efficiencies have been recently implemented by the Department, further improvements are required. Examples include: the need for a Governor-in -Council approval of an Addition to Reserve, an approval which would more appropriately rest with the Minister; a need to add a policy mechanism to allow for pre-designation of land; and a mechanism to avoid requiring the remediation of converted land beyond what is necessary for the intended land use.

In addition, protracted timeframes must be ameliorated through mandatory service standards that ensure accountability and prompt service to First Nations. Many parts of the Government of Canada now provide the Canadian public with effective service including clearly articulated service standards and yet the Department of Aboriginal Affairs and Northern Development Canada has not achieved this best practice. First Nations must be able to work within a process with clearly bounded timelines rather than being further hampered by a lack of accountability on the part of the federal department that is mandated to provide service to them.

*Third*, First Nations must be supported in their capacity to undertake Additions to Reserve. A First Nations led and run organization should be funded to provide resources and support on, inter alia, the development of services agreements and tools to promote expedited economic development on land slated for reserve status.

*Most importantly*, the time is right for an amended policy on Additions to Reserve – a faster and better process will support First Nations in building their land base, growing economic prosperity, and developing partnerships with other levels of government. An improved Addition to Reserve process is a win-win for everyone – growing First Nations' land base can generate jobs and revenues at a time when Canada is working to build its economy.

Activating new pieces of land for economic development will benefit all Canadians – Aboriginal and non-Aboriginal alike. But we need your support in providing the right conditions to do this. First Nations cannot labour with a process that is 4 to 8 times slower than the standard enjoyed by other levels of government.

On behalf of the Board, I trust that you will consider our advice on this issue. The Board and I would be happy to meet with you at your convenience to discuss this issue further.

Sincerely,

A handwritten signature in black ink, appearing to read "Clarence Louie". The signature is fluid and cursive, with the first name "Clarence" written in a larger, more prominent script than the last name "Louie".

Chief Clarence Louie  
Chairperson  
National Aboriginal Economic Development Board