

**Proposal of the Ktunaxa Nation Council
Presented by Chief Sophie Pierre,
Member of the Ktunaxa Nation Economic Sector Council,**

to the

New Relationship Trust Fund

**at the Community Voices Regional Meeting
held at the St. Eugene Resort, Cranbrook, B.C., September 22, 2006**

- I. After many years of denial, the Provincial Government has finally come to the realization that working together with First Nations on a government-to-government relationship based on respect, recognition and accommodation of aboriginal title and rights of First Nations in British Columbia is the right path to follow. With this in mind, we start by recognizing that the New Relationship Trust announced by Premier Gordon Campbell in September of 2005 is a breakthrough in government / aboriginal relations in the history of BC.

- II. \$100 million seems like a large amount, but in fact, with due respect, is not, when taking into consideration the huge task of bridging the gap between the First Nations and mainstream of Canadian Society.

In perspective, \$100 million is about one tenth of what the Government of Canada spends annually in programs for First Nations in BC.

The New Relationship Fund must also be compared to the \$6 billion offer made by the Province to organized labour to stage off unrest and guarantee labour peace until after the Vancouver 2010 Olympic Games.

Further, we also need to put it into perspective with the total current provincial government budget of \$36 billion, this \$100 million represents less than one third of one percent of the total budget of the Government of British Columbia. It is only two percent of the amount of \$5 billion pledged in the Transformative Change Accord agreed to by Canada and the Provinces in the Kelowna Summit of November 2005.

- III. The budget of the Provincial Government for the current fiscal year contains one allocation of approximately \$32.4 million for the Ministry of Aboriginal Relations and Reconciliation, of which \$19.2 million are to cover treaty negotiations, \$5.2 million to cover operating costs of the Ministry itself, leaving only \$8 million for Aboriginal Relations, including the First Citizens Fund.

In dollar amount, the one time budget allocation for the New Relationship Trust represents an amount that is significantly larger than the annual budget for aboriginal programs of the Ministry of Aboriginal Relations and Reconciliation of only \$8 million, and opens the way for an improved relationship between the Government of British Columbia and First Nations.

Nonetheless, the New Relationship Fund is a step in the right direction, since it shows a genuine about-face of the Government of British Columbia in paying more attention in addressing First Nations concerns.

- IV. We recognize two qualities and recommend one key goal of the New Relationship Trust:
 - A. The first quality is that the New Relationship Fund is **flexible** - It is an open invitation to apply funds in areas that First Nations need the most, through the guidance and control of the New Relationship Trust Board of Directors.
 - B. The second quality is that it is an **investment** - an investment in the improvement of the quality of life for First Nations peoples in the province.
 - C. We recommend that a key goal of the New Relationship Fund must be to leave a lasting **legacy** - Since we all hope that its impact will outlive its existence, by which First Nations and British Columbia will continue to accrue benefits for a long time to come.
- V. In terms of the first quality - Its flexibility - it creates an opportunity for First Nations in British Columbia to choose amongst competing needs & interests, a strategic plan to implement it in accordance with a First Nations' driven agenda.
- VI. In terms of possible uses for competing needs, we believe that the New Relationship Fund be kept whole and focused on major undertakings, rather than being divided up into many smaller pieces, amounts & programs, which will render this initiative as another small band-aid in for First Nations in the Province.

The Ktunaxa Nation recognizes and agrees that we need to invest more in capacity building, in the improvement of health conditions, in the needs of children & families, in self-governing structures for First Nations, in the development of physical infrastructure for our communities, and other essential programs.

However, the use of this fund as a whole in one specific area will result in higher returns, than if split up into many smaller programs, trying to address everything and actually not achieving substantive results in any one area.

- VII. Of all competing needs, and considering the investment intention of the Provincial Government, we share the belief with others that the New Relationship Trust Fund be

invested in business & economic development opportunities, because (and without disrespect to any other program), employment, profits and creation of wealth are the best route to prosperity, and by its very nature, prosperity eliminates poverty and the whole range of problems that come with poverty.

- VIII. With respect to the key goal - Its legacy - the New Relationship Fund opens the envelope for expanding and complementing the Fund with other initiatives, that all put together can truly become a lasting legacy similar to the Vancouver 2010 Winter Olympic Games.
- IX. We mentioned earlier that, with due respect for the initiative, \$100 million is not a significant amount of money; which actually will only make a dent in the many challenges that we face.

The Ktunaxa Nation shares with other First Nations the belief that we can actually improve the Fund by extending its timeline to an ongoing investment - not just a one time funding initiative. We recommend that the Government of British Columbia set aside a permanent allocation to BC First Nations of 5% of its annual net gaming revenues. In the fiscal year of 2005-06 the net gaming revenues exceeded \$800 million. This permanent investment would put British Columbia at par with all other provinces in Canada, who have already entered into gaming revenue sharing arrangements with First Nations.

As the fund increases over time, the amount of interest that it earns would be applied to First Nations business investment, in the form of joint venture equity. As the New Relationship Trust Fund grows, we will witness its impact in capacity building, in employment, in profits and reinvestment, and in taxes for First Nation Governments and British Columbia.

- X. We also suggest that the New Relationship Fund should be complemented to include a strategy of tax credits to attract investment to First Nations Communities, and to offset the high cost of investing in skill building initiatives for our youth.

In accordance with this fiscal initiative, business investors would receive a tax credit for equity investments made on reserve through joint ventures with First Nations, and employers would receive a credit in their provincial income tax for hiring aboriginal youth and investing in capacity building, work skills & training, & apprenticeship programs.

We believe that this framework of tax credits for investments in First Nations youth and in businesses operating in First Nations communities is an ideal application for the \$36 million tax credit initiative announced in the last Speech from the Throne of the Government of British Columbia.

As a side note, it is recognized that First Nations youth is the fastest growing segment of this province's population; yet, they remain the most under-utilized human resource with

the highest rate of unemployment.

- V. As we have this discussion today, here at the St. Eugene Resort, we cannot think of a better example of the multiplied effect of business investment in First Nations communities. St. Eugene Resort is a shining example of the joint effort of First Nations, government and private enterprise; but not without its challenges.

Because of the difficulties in attracting investment to reserve lands flowing from an antiquated Indian Act, the stigma by the investment community for investments on reserve, and the huge bureaucracy to overcome, the St. Eugene Resort almost failed. However, with the help of two other First Nations, the Samson Cree Nation from Alberta and the Mnjikaning First Nation from Ontario, the Ktunaxa Nation did not allow it to fail. Today the St. Eugene Resort employs more than 200 people, and attracts business to the East Kootenay Region in excess of \$20 million annually. What better example can we give about the benefits of working together in a joint business venture...

- VI. We submit to you that by building a large equity fund for major projects in which First Nations participate as owners and/or partners will make a difference to our future, to all future generations.

The Ktunaxa Nation believes that the concept of creation of wealth with this Fund, rather than succumbing to the status quo, will take courage and determination, discipline and wisdom; It will in fact take political will & vision. In your capacity as Board of Directors of the New Relationship Trust Fund, we applaud your effort in ensuring optimal return on this important investment.

We all know that legacies flow from a one time event, like the 2010 Winter Olympics in Vancouver and Whistler. Legacies should create permanent positive changes in social and economic behaviour. Therefore, managed and resourced properly, we believe that the New Relationship Fund will be a true legacy for the First Nations in British Columbia.

?Akisqnuk First Nation

Lower Kootenay Band

St. Mary's Band

Tobacco Plains Band