Written Submission for the Pre-Budget Consultations in Advance of the Upcoming Federal Budget

By: Metis Settlements General Council

List of Recommendations

Recommendation 1: That the Government of Canada provide $50 million a year for three years to MSGC for the Metis Settlements until a new long-term financial sustainability agreement can be reached.

Recommendation 2: That the Government of Canada continue its close collaboration with Indigenous peoples as it assists with COVID-19 recovery efforts.

Introduction

Canada's economic recovery post-COVID cannot be done without its Indigenous peoples. Indigenous community leaders, entrepreneurs, public servants, healthcare professionals, and families must all play a role in building a better, more inclusive, more resilient economy for this generation and the ones to follow. In order to build this new economy, the Government of Canada must continue investing in its Indigenous peoples, including Metis, in order to build them up and provide them with the financial support needed to eventually become self-sufficient and masters of their own destiny.

By way of background, the Metis Settlements General Council (MSGC) is the central governing authority representing all eight self-governing Settlements of Metis people living on land bases. These Settlements, home to 8,000 Metis Canadians, are located across Northern Alberta.

Critically, the MSGC is completely unique in that no other Metis populations in Canada have a land base like ours. Beyond our deep, spiritual connection to the land, our people - through the MSGC - hold fee simple title to 1.25 million acres of land which is equivalent to the size of Prince Edward Island. As the only land-based Metis with self-governing powers enshrined in Alberta law, MSGC is responsible for many functions akin to a municipal government, including citizen wellness, clean water, roads and capital infrastructure, and other essential services.

We appreciate the progress made by the Government of Canada and all parliamentarians in advancing Indigenous reconciliation and the importance placed by all parties on Indigenous issues. In particular, MSGC was pleased of the mention of Metis peoples in the Speech from the Throne last December and is encouraged by the Government's actions to work with Metis people across the country. We believe that the intention of the Government is to advance the priorities and well-being of all Metis - not just those Metis represented nationally by the Métis National Council. For greater clarity, MSGC is not a member of the Métis National Council and is pursuing a separate collegial relationship with the Government of Canada.

The Financial Situation Facing the Metis Settlements

The landmark ruling by the Supreme Court of Canada on *Daniels v. Canada* in 2016 fundamentally reframed the Canada-Metis relationship. As part of this ruling, the Government of Canada now has a fiduciary relationship with Metis peoples, including matters regarding financial sustainability. MSGC's current fiscal relationship is with the Government of Alberta, specifically through the MSGC-Alberta Long-Term Arrangements (LTA), which was agreed to in 2013 and will sunset in 2023.

The LTA is equivalent to approximately $85 million over this period with the final three years of funding through the LTA being reduced by 50%. It is important to note that during this

period, provincial financial support through the LTA was bolstered by MSGC's reserve funds - one of which has since been fully depleted.

As a result of the sunsetting of the LTA and the Daniels decision, the Government of Alberta has made it clear that no future funding will be provided to MSGC to support its financial sustainability. As such, the federal government now has a fiduciary responsibility to support MSGC and its work as a government across its eight Settlements. While negotiations are ongoing between MSGC, Alberta, and Canada, an immediate stop-gap measure is necessary until a long-term financial solution can be determined.

At the same time, our Settlements are confronted with exceptionally difficult economic circumstances in Alberta, including the collapse of the price of oil. The current economic situation has also required us to increase our industrial/linear property taxes over the past two years by an average increase of 130% - 250%, driving companies away while our communities struggle to keep the lights on.

Additionally, due to the oil price decline, approximately 75% of resource development businesses in Metis Settlements have become or will become financially insolvent. The problem is only getting worse; recently Alberta has also placed a production moratorium on oil and gas. This double impact has resulted in very low Metis Settlement participation in the new federal-provincial site rehabilitation program.

While our intent is to always have financial sustainability, we find ourselves with a dwindling economy, depleted revenues from our resource sector, and a province that is financially unable to assist.

To that end, MSGC is requesting $50 million a year for three years for the Metis Settlements so that it can continue providing essential services to its residents while tripartite negotiations are ongoing.

In order to substantiate MSGC's budget request to the federal government, we undertook a significant third-party review of our operations and capital assets to determine the scope of the financial challenges MSGC will face in the near future. Indeed, these financial challenges have only been further compounded by COVID-19 as additional, unanticipated resources needed to be allocated to ensure proper care and preventative measures to mitigate the impact of the pandemic. This included a further budgetary allocation from our reserve funds to provide emergency financial assistance. Further use of these reserve funds could threaten our solvency and the long-term viability of MSGC and the Metis Settlements for future generations.

The $50 million a year for three years will cover key operational and capital expenses until the tripartite negotiations are concluded. Funding will cover the following items among others:

- Community housing

- Infrastructure, public works, and solid waste
- Community health and social welfare
- Environment and climate change adaptation
- Economic development
- Governance and citizen engagement

MSGC's budget request underscores the urgent need for federal funding to ensure that these essential services can continue being delivered to the 8,000 Metis Canadians across the Settlements. As it currently stands, the Settlements and MSGC are projecting critical financial shortfalls within 24 months which could lead to the financial failure and bankruptcy of the Metis Settlements. The federal stop-gap funding being proposed here is imperative given the likelihood of MSGC having to shutter its doors and the Metis people currently living within the Settlements being forced to move from our traditional lands.

As such, MSGC respectfully requests the support of the House of Commons Standing Committee on Finance for the following recommendation:

> ***Recommendation 1: That the Government of Canada provide $50 million a year for three years to MSGC for the Metis Settlements until a new long-term financial sustainability agreement can be reached.***

The Impact of COVID-19 on the Metis Settlements

The Government of Canada has been an important partner for MSGC as it combats and mitigates the effects of COVID-19. The Government's Indigenous Community Support Fund is an important tool that has benefitted MSGC as it acquires Personal Protective Equipment (PPE), ensures healthcare supports are in place, and assists the Settlements in their pandemic response. MSGC would like to commend the Government for its financial assistance on this important challenge and welcomes the close collaboration between MSGC leadership, Indigenous and Northern Affairs Canada, and Indigenous Services Canada. It is MSGC's desire that this close collaboration continue and be a building block toward future joint initiatives.

As MSGC continues to manage the costs associated with COVID-19, the Government should continue to provide financial support to Indigenous people. Additional funding should be allocated to the Indigenous Community Support Fund and be allowed to apply retroactively to costs borne by Indigenous governments and groups, including MSGC. This additional funding will provide MSGC with important financial relief at a time when it must focus on the economic recovery of the Settlements.

As such, the Metis Settlements General Council respectfully requests the support of the House of Commons Standing Committee on Finance for the following recommendation:

> ***Recommendation 2: That the Government of Canada continue its close collaboration***

with Indigenous peoples as it assists with COVID-19 recovery efforts.

Conclusion

MSGC is proud to provide strong Indigenous self-governance for Metis people living across its eight Metis Settlements in northern Alberta. Indigenous self-governance is an important part of reconciliation and will be an equally important part of Canada's economic recovery post-COVID. MSGC's urgent request for $50 million a year for three years is critical to the viability of the General Council and our 8,000 Metis Canadians. This stop-gap measure will provide MSGC with the financial support it needs to further refine its business case and remain operational until the tripartite negotiations are completed with Alberta and Canada. This ask is significant, but so too is the depth of financial challenges MSGC continues to face. There can be no economic recovery on the Settlements post-COVID without an MSGC that is financially viable.

Finally, additional support through the Indigenous Community Support Fund will further help reduce the financial burden of the COVID response within the Settlements. Drawing on reserve funds to pay for PPE, financial supports, and health infrastructure is no longer an option for MSGC and increased funding for the Fund will provide much needed relief for the organization.

MSGC is grateful for the opportunity to submit its recommendations for consideration by this Committee and would welcome the opportunity to appear in front of the Committee at its convenience. MSGC remains committed to working collaboratively with the Government of Canada and all parliamentarians to ensure the long-term financial sustainability of the Settlements.

We thank you for your attention to our submission.