



The Mining Association of Canada | L'association minière du Canada

## The Mining Association of Canada's Position Statement on Government Resource Revenue Sharing between the Crown and Aboriginal Communities

### PREAMBLE

*Whereas Canada is a resource rich country and its mining industry contributes greatly to its economic strength, including \$57 billion to Canada's gross domestic product in 2014;*

*Whereas the current and future development of mineral and metal resources offers great opportunities to Aboriginal communities;*

*Whereas the Mining Association of Canada (MAC) and its members recognize that building respectful and sustainable relationships with local Aboriginal communities is essential to successful and responsible mining project development and operations;*

*Whereas the two hundred and sixty five currently active agreements between mining companies and Aboriginal communities across Canada, numerous joint ventures, collaborative planning efforts, and extensive training and employment initiatives demonstrate the ongoing development of progressive relationships between mining companies and Aboriginal communities;*

*Whereas Section 35 (1) of the Constitution Act (1982), Section 35 (1) protects Aboriginal and treaty rights of Aboriginal peoples in Canada;*

*Whereas the Assembly of First Nations and Aboriginal Affairs and Northern Development Canada Working Group on Natural Resource Development Report Advancing Positive, Impactful Change (February 2015) calls for a national approach to government resource revenue sharing to ensure that the benefits flowing to individual First Nations are more consistent in nature across Canada;*

*Whereas governments have the authority to set royalty and tax rates at levels deemed appropriate in their jurisdictions, some provinces and territories have adopted varied models of resource revenue sharing in an effort to build new relationships with First Nations founded on mutual respect, recognition and reconciliation, and to support Aboriginal people's participation in regional economic development projects and social progress;*

*Whereas MAC and its members welcome greater participation of Aboriginal people, communities, businesses and governments in the mining sector.*

## **GUIDING PRINCIPLES**

MAC is supportive of a principled, open and transparent approach to government resource revenue sharing between the Crown and Aboriginal communities.

Government resource revenue sharing is understood as a sharing of resource royalties paid by industry to governments with Aboriginal communities. It is not an additional tax or royalty imposed on the industry.

## **POSITION STATEMENT**

MAC believes that:

- Government resource revenue sharing provides Aboriginal communities with greater opportunities to participate in the mineral exploration and mining industry and could significantly contribute to the elimination of socio-economic disparities between Aboriginal and non-Aboriginal Canadians;
- Government resource revenue sharing, by enhancing and clarifying Aboriginal benefits, can result in increased certainty for commercial access to land and resource development;
- Government resource revenue sharing may provide an important basis for the accommodation of Aboriginal communities' interests;
- Government resource revenue sharing should primarily benefit those Aboriginal communities affected by the specific resource development with residual benefits accruing to other Aboriginal communities in the region;
- Government resource revenue sharing should derive from a collaboratively developed formula with government and Aboriginal communities and should be applicable to new mines and to new major expansions of an existing development;
- The mining industry is willing to share its global experience with government resource revenue sharing with federal, provincial, territorial and Aboriginal governments;
- Government resource revenue sharing should consider, including but not limited to, the following: the economic impact of the project, the strength of claim of individual communities and the number of Aboriginal communities asserting rights in the development zone, the population of the impacted Aboriginal community(ies), the future development potential of the area and the degree of impact on specific communities; and
- Government resource revenue sharing is distinct from the conclusion of mutually acceptable impact benefits or other types of cooperation agreements signed between Aboriginal communities and project proponents.

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