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Financial Benefits of Modern Treaties in British Columbia

2025

BC TREATY
COMMISSION 



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Executive Summary

This report provides an updated assessment of the financial benefits of modern treaties in British Columbia. Building on the approach and findings from six previous reports that assess the impact and benefits of modern treaty settlements in British Columbia (BC), this report uses the financial model developed in the 2016 Deloitte report titled, *Socio-economic Benefits of Modern Treaties in BC* (2016 Report). This report reflects new financial information from treaties settled since 2016, updated population data, and updated assumptions regarding treaty settlement rates.

Since 2016, the policy landscape has evolved with greater alignment to the principles of reconciliation and the *United Nations Declaration on the Rights of Indigenous Peoples* (UN Declaration), and other legislative and policy changes that are reshaping the negotiations process and the fiscal relationship between First Nations, BC, and Canada through the treaties. These changes include:

- » The elimination of treaty negotiation debts.
- » The preservation of Section 87 tax exemptions and Provincial Sales Tax exemptions .
- » The introduction of new frameworks for treaty implementation and fiscal reform.
- » Changes in the policy landscape that reduced barriers to advancing and finalizing treaty negotiations.
- » A new certainty model that clarifies how rights will be exercised, without extinguishing them.
- » Modern treaties are living agreements, meaning that while they are constitutionally protected, they can evolve and adapt through specific treaty arrangements such as periodic renewals and lay a groundwork for partnerships that drive economic development.
- » Updated Financial-Economic Model.

Consistent with the 2016 Report methodology, the core modelling framework leverages two primary financial inputs:

- » **Cash compensation:** representing the negotiated financial transfer to Modern Treaty Nations (MTN) as part of a Treaty Settlement. Compensation may be delivered as lump sums, scheduled installments or one-time funding for specific purposes.
- » **Resource Revenue Sharing (RRS):** representing annual revenue transfers over a fixed time horizon.

These are the principal drivers of financial and economic benefits quantified in the model, and together are assumed to capture the most direct fiscal transfers from the provincial and federal government. The model focuses exclusively on modern treaties, as they share common components, cash transfers and Resource Revenue Sharing (RRS), that can be consistently modelled. It is important to note the model assesses these financial components only and does not contemplate land value due to complexities with measuring diverse land uses and values across Nations. As well, First Nations implementing modern treaties pursue a broad range of economic activities that are uniquely tied to the potential for use of their treaty settlement lands.

Building on this core modelling framework **four treaty settlement scenarios** were developed to understand the net financial benefits. Scenarios three and four have been included to examine the additional benefit derived from Fiscal Financial Agreements (FFA's):

1. **Base scenario:** derived from average capital transfer payments in settled treaties, excluding one-time and ongoing annual funding committed in Fiscal Financial Agreements (FFA's)
2. **Inflation-adjusted scenario:** based on the 2016 model's per-beneficiary cash compensation and RRS amounts, adjusted to 2024 dollars.
3. **Enhanced scenario:** derived from average capital transfer payments in settled treaties and from one-time and ongoing annual funding committed in FFAs.
4. **Most recent treaty scenario:** benchmarked to Kitselas' cash compensation payment per beneficiary from one-time and ongoing annual funding committed in FFAs, as the most recent settlement precedent.

Key Findings

Our financial and economic analysis demonstrates that **modern treaty settlements and other reconciliation agreements are a driver of economic benefits for First Nations, BC, and Canada**. Table 1 suggests the following outcomes across all four scenarios:

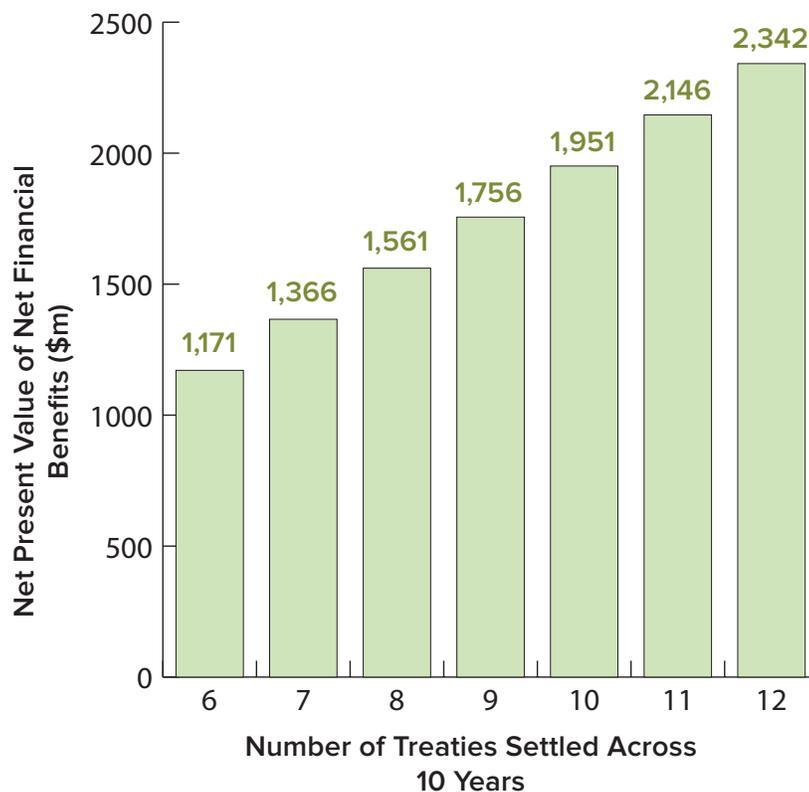
Table 1: Financial Impact of the Treaty Process

Scenario	Treaties Settled	Years to Settle	Cash Compensation (\$m)	Resource Revenue Sharing (\$m)	Total Benefits (\$m)	BC Cost (\$m)	Net Financial Benefit (\$m)	NPV of Net Benefit (\$m)
1. Base	6	10	796	117	913	287	626	598
2. Inflation Adjusted	6	10	778	209	987	334	653	618
3. Enhanced	6	10	1,616	117	1,733	514	1,219	1,171
4. Most Recent Treaty	6	10	2,699	117	2,816	814	2,002	1,927

Key outcomes of our modelling analysis include:

- » The modelling shows **\$1.17 billion Net Present Value (NPV) under the enhanced scenario over the next decade**. The enhanced scenario provides a more complete estimate as it includes an average of capital transfer payments from settled treaties and funding from one-time and ongoing **annual** funding through FFAs.
- » **Settling a larger number of treaties within a shorter timeframe will increase the benefits for First Nations, BC, and Canada** (see Figure 1). Similarly, settling the same number of treaties (i.e., the current assumption is 6 treaties in 10 years) within a shorter period enables benefits to materialize sooner, delivering positive economic benefits earlier.

Figure 1: Impact of Increasing the Number of Treaties Settled Over 10 Years



Our financial-economic modelling outcomes are reinforced by the findings from previous modelling. Beyond the financial benefits shown by the model there are additional benefits from settling treaties including:

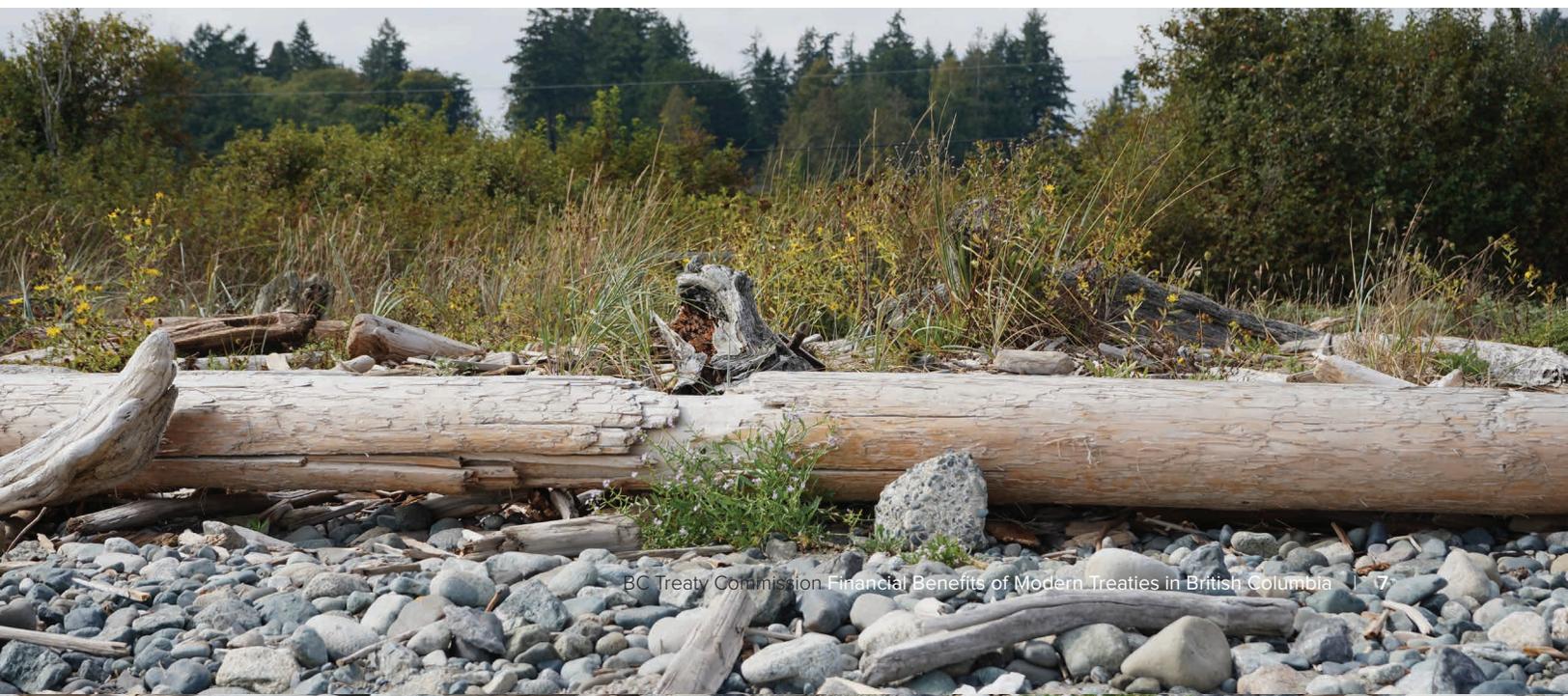
- » The **removal of financial barriers such as negotiation debt and the preservation of tax exemptions further empower Nations** to invest in housing, education, infrastructure, and cultural revitalization. These outcomes foster healthier, more resilient communities and contribute to closing long-standing equity gaps.

- » As referenced in this report, there are a **wide range of economic and general benefits to land**. A more accurate attempt to adequately quantify the benefits of land and its role in modern treaty negotiations will substantially enhance and strengthen the output of future financial modelling and is encouraged to be considered in the future.
- » **Modern treaties are a meaningful driver of reconciliation for First Nations, BC, and Canada**. The Treaty process supports Indigenous self-government, affirms rights to land and resources, and enables MTNs to pursue their own development priorities.
- » Our case study with Tsawwassen First Nation (TFN) shows how treaties can be a **catalyst for a broad range of socio-economic benefits beyond what is measured using the financial benefits model, as TFN has shifted from managing scarcity to building a prosperous, self-determined, and healthy future** where decisions about land, governance, and finance rest entirely in the hands of the MTN. Today, taxation revenue is used to fund local government operations and infrastructure, ensuring services like clean water, well-maintained roads, and essential utilities for members and leaseholders.

Modern treaties bring legal certainty regarding law-making and development authority on treaty settlement lands, enabling the Nation to make long-term plans and establish relationships with strategic partners. Under the *Indian Act* there is often restrictive zoning, jurisdictional overlaps, and service access disputes keeping prime development land idle. With full control under treaty, Nations can move ahead with industrial, commercial, and residential projects designed to generate sustainable revenue.

This legal certainty, and the constitutional protections under Section 35 of the *Constitution Act, 1982*, provides for the economic transformations which deliver benefits well beyond treaty settlement lands - creating mutual economic gains with neighbouring municipalities, while contributing to both provincial and national economies.

In summary, modern treaty settlements represent a mutually beneficial opportunity: they generate measurable financial returns, strengthen communities, and advance reconciliation. Continued commitment to negotiating, concluding, and implementing modern treaties remains central to building a more prosperous and equitable British Columbia and Canada.

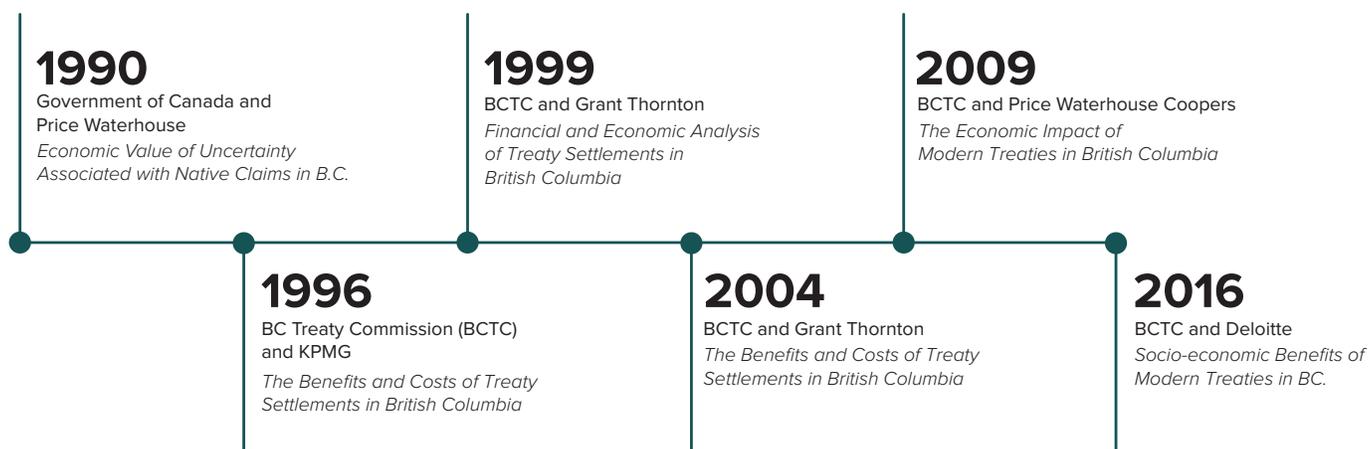


Introduction

Purpose and Scope

This 2025 report updates the financial-economic model created in previous reports, reflecting the most recent context and is informed by the outcomes of modern treaties that have been negotiated over the last 10 years. The analysis utilizes key financial indicators to measure the benefits to First Nations, to British Columbia, and to Canada, now and in the future.

This report builds on a foundation of earlier work starting with the first Government of Canada report commissioned in 1990:



Additionally, this report includes a case study developed with Tsawwassen First Nation (TFN) to provide an in-depth overview of the real socio-economic impacts of a modern treaty beyond what is measured in the financial-economic model.

Background and Historical Context

British Columbia stands apart from much of Canada in its relationship with First Nations and this context is foundational to understanding the significance of the modern treaty negotiations process. Apart from the Douglas Treaties¹ (1850-1854) and Treaty 8² (1899), no other treaties were signed nor implemented in British Columbia until the Nisga'a Final Agreement came into effect on May 11, 2000.

The Nisga'a Treaty settlement was a major turning point in which the Supreme Court of Canada confirmed the Nisga'a Nation had held Aboriginal title prior to colonization.³ To provide a framework for negotiations with First Nations across Canada, the Government of Canada introduced the

1 Note: this pre-dates British Columbia as a British Crown Colony and when British Columbia joined Canada officially in 1871.
2 Note: Treaty 8 spans across parts of what is now British Columbia, Alberta, Saskatchewan and the Northwest Territories.
3 Calder v. British Columbia (Attorney General), [1973] S.C.R. 313 (Supreme Court of Canada)

Comprehensive Claims Policy (1986) and began bi-lateral negotiations with the Nisga'a Nation. The Government of BC did not recognize Aboriginal title until public and government opinions began to change in the 1980's⁴ and the establishment of the BC Ministry of Native Affairs in 1989.

With the land question still outstanding in BC and First Nations calls for a tripartite negotiation process, on December 3, 1990, a task force consisting of members appointed by BC First Nations, the Government of Canada, and the Province of BC was struck to define a scope and process for negotiations in BC and to address the outstanding "land question" through the negotiation of modern treaties. Their work resulted in the creation of the BC Treaty Commission (BCTC) and the blueprint for a six-stage process for negotiating modern treaties. The BCTC opened its doors following the commencement of the *British Columbia Treaty Commission Act* (S.C. 1995, c. 45) and *Treaty Commission Act* (RSBC 1996). With advocacy and facilitation from the BCTC, seven treaties have been settled and are now being implemented within the BC treaty negotiations process in addition to the Nisga'a treaty – see Table 2.

Table 2: The Eight Self-Governing Modern Treaty Nations in BC:⁵

- | | |
|--|---|
| 1. Nisga'a Nation | 5. Toquaht Nation |
| 2. Tsawwassen First Nation | 6. Uchucklesaht Tribe |
| 3. Huu-ay-aht First Nations | 7. Yuułuʔiłʔatḥ (Ucluelet) First Nation |
| 4. Ka:'yu:'k't'h'/Che:k'tles7et'h' First Nations | 8. Tla'amin Nation |

On March 8, 2025, K'ómoks First Nation members voted in favour of their constitution and their treaty.⁶

On April 11, 2025, Kitselas citizens voted in favor of their constitution and their treaty.⁷

What is a Modern Treaty?

A modern treaty is a constitutionally protected agreement that defines a First Nation's rights to land and self-governance and a new relationship with the Government of Canada and BC. Modern treaties are grounded in the recognition of Indigenous rights; do not extinguish the rights, including title, in form or result; and are able to evolve over time based on the co-existence of Crown and Indigenous governments and the ongoing process of reconciling pre-existing Indigenous sovereignty with assumed Crown sovereignty.⁸

4 BC Treaty Commission. "The Report of the British Columbia Task Force." 1991. https://bctreaty.ca/wp-content/uploads/2023/05/BC_Claims_Task_Force_Report_1991.pdf

5 Note: The Yale First Nation Final Agreement was signed in 2011 and became effective on April 1, 2016. However, as of 2024, the treaty is not being implemented due to outstanding governance and community concerns.

6 BC Treaty Commission. "K'ómoks First Nation says YES to a new future under a Modern Treaty." *BC Treaty Commission*. <https://bctreaty.ca/wp-content/uploads/2025/03/Komoks-News-Release-yes-vote-final.pdf>

7 BC Treaty Commission. "Yes to Treaty: Kitselas First Nation ratifies the Treaty with over 85 per cent in favour." *BC Treaty Commission*. https://bctreaty.ca/wp-content/uploads/2025/04/KitselasTreaty_Yes_News_Release_Apr112025-1.pdf

8 BC Treaty Commission. "Modern Treaties." *BC Treaty Commission*. <https://bctreaty.ca/treaties-and-agreements/modern-treaties/>

The Anticipated Benefits of Modern Treaties

Modern treaties recognize First Nations as self-governing with the authority to create and enforce laws related to governance, lands, education, social services, culture, and language to name a few. Once ratified by the First Nation and after ratification and royal assent by both BC and Canada, treaties become constitutionally protected under section 35 of the *Constitution Act*, 1982 and serve to reconcile pre-existing Indigenous sovereignty with the sharing of sovereignty with the Crown.⁹ Modern Treaty Nations (MTN) retain the option to adopt federal or provincial laws if they choose. These agreements confirm MTN full ownership of and jurisdiction over treaty settlement lands and clarify the Nation's rights to access, harvest and manage resources with respect to the lands and resources within the Nation's territory not included in the treaty settlement lands. Many treaties also include provisions for co-management and shared decision-making frameworks for resource development and land-use.

What has Changed Since 2016?

Since 2016, a range of legislative, policy, and fiscal changes have transformed the landscape of Indigenous rights and treaty negotiations in both BC and Canada as a whole. These developments have established new benchmarks for aligning laws with international standards on Indigenous rights and have enhanced government-to-government relationships and fiscal frameworks to ensure that economic benefits from treaties are realized by Indigenous communities, all British Columbians, and Canadians.

Legislative Transformation

Since our last report the governments of Canada and BC enacted legislation to implement the UN Declaration.¹⁰ The UN Declaration is the most comprehensive universal international human rights instrument that specifically addresses the human rights of Indigenous peoples globally. In November 2019, BC became the first province to codify the UN Declaration within provincial law. The *United Nations Declaration on the Rights of Indigenous Peoples Act* (DRIPA) commits BC to aligning its laws with the UN Declaration principles. On June 21, 2021 Canada enacted similar legislation, the *United Nations Declaration on the Rights of Indigenous Peoples Act* (UNDRIP Act)¹¹, which provides a federal framework for implementing the UN Declaration and affirming its application in Canadian law. The two laws are complimentary and ensure both Crown governments implement and interpret modern treaties in a manner consistent with the UN Declaration principles.

BC treaties negotiated since the adoption of UN Declaration implementation legislation by BC and Canada now reference the UN Declaration directly in the text of the treaty. As a result, these newer treaties are grounded in the full, evolving and internally recognized standard for upholding Indigenous rights and are not exclusively dependent on the implementation of the federal and provincial legislation.

9 BC Treaty Commission. "Why Treaties?" *BC Treaty Commission*. <https://bctreaty.ca/negotiations/why-treaties/>

10 United Nations. (n.d). *United Nations Declaration on the Rights of Indigenous Peoples Act*. Retrieved from <https://www.un.org/development/desa/indigenouspeoples/declaration-on-the-rights-of-indigenous-people.html>

11 Government of Canada, Justice Laws Website. *United Nations Declaration on the Rights of Indigenous Peoples Act*. Retrieved from <https://www.laws-lois.justice.gc.ca/eng/acts/u-2.2/page-1.html>

For First Nations with treaties settled prior to 2021, the Acts provide a legislative basis for addressing any gaps between existing treaty provisions and the UN Declaration standards.

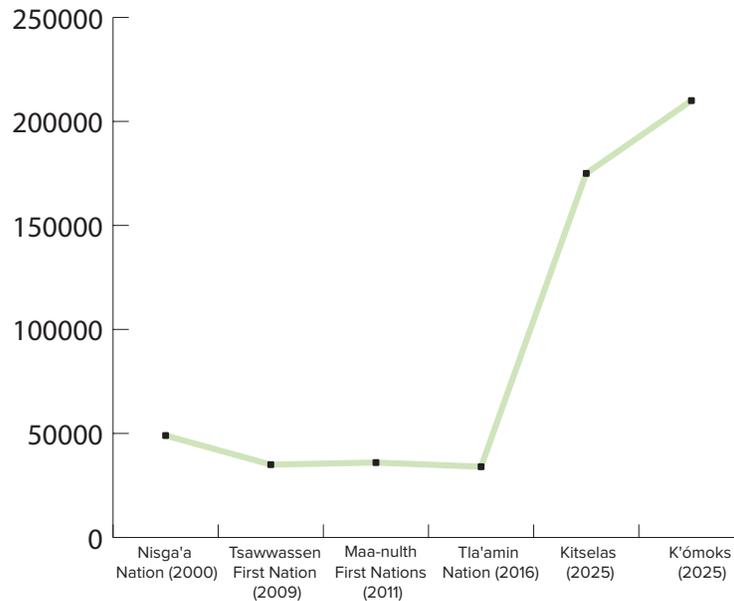
The introduction of UN Declaration legislation in BC and Canada also paved the way for a re-thinking of the concept of certainty. In the past, the Government of Canada required MTNs to “cede, release and surrender” their Aboriginal rights and title in exchange for jurisdiction and law-making authority over treaty settlement lands (which generally consist of a fraction of the First Nations territory). Today, certainty is achieved by clarifying how a MTN will exercise its rights within its territory and how disputes will be addressed. Treaties do not extinguish existing rights, and the Nation’s rights are not surrendered or modified.¹²

Fiscal Framework Transformation

Recent fiscal reforms have reshaped the financial relationship between MTNs, BC and Canada, including through the Federal government’s 2018 shift to 100% non-repayable contribution funding¹³ and the 2019 elimination of all outstanding treaty negotiation loans: BCTC and First Nations have long advocated for these changes as critical to rights recognition, reconciliation, and advancing Indigenous self-government.¹⁴

Recent treaties show a clear trend of increasing capital transfer payments, with both Canada and British Columbia providing larger up-front capital transfer to support Nation-building (see Figure 2).

Figure 2: Capital Transfer Per Beneficiary



12 BC Treaty Commission. Guide to First Nations Ratifications. Retrieved from <https://bctreaty.ca/wp-content/uploads/2025/02/Guide-to-First-Nations-Ratification-2025.pdf>

13 Government of Canada. 2018 Budget Plan. Retrieved from <https://www.budget.canada.ca/2018/docs/plan/toc-tdm-en.html>

14 Government of Canada. 2019 Budget Plan. Retrieved from <https://www.budget.canada.ca/2019/docs/plan/toc-tdm-en.html>

Alongside capital transfers, new Fiscal Financing Agreements (FFAs) are reshaping how ongoing funding for programs and services are structured. These agreements establish a government-to-government fiscal relationship between Canada, BC and the MTNs. Funding levels are determined based on service levels, need and actual cost. Prior to 2017, the FFAs included formulas for reducing ongoing transfer payments from BC and Canada based on the level Own Sources of Revenues (OSR) generated by the self-governing First Nation. This approach was widely criticized as creating a disincentive for self-governing Nations to diversify revenue streams. In 2017, the OSR offset policy was frozen, enabling self-governing Nations to retain and reinvest locally generated revenues towards community infrastructure and long-term community development.

Modern treaties confirm a Nation's authority to collect taxes within treaty settlement lands, such as property taxes or sales taxes, to fund their government services. MTNs also retain tax exemptions under Section 87 of the *Indian Act* for members who were registered or would have been entitled to register as a Status Indian pursuant to the *Indian Act* and are exempt from certain taxes on those TSL lands that were previously designated an Indian Reserve, as well as exemptions on other Indian Reserves in Canada (see for example the text of the Kitselas First Nation treaty).¹⁵ MTNs can choose to enter into agreements with Canada and BC that First Nations under the *Indian Act* cannot, for example: to share tax room, coordinate tax collection, and protect revenues such as revenue from income on capital transfers or land settlement payments from federal and provincial taxes.¹⁶ This ensures tax systems align and provide for more predictable revenue streams.

As result of the “me too” clauses across all the treaties negotiated within the process, all First Nations can benefit from more favorable terms and the new fiscal frameworks described above.¹⁷

Process and Policy Transformation

Since 2016 there have been numerous efforts to improve, streamline, and adjust the treaty negotiations process in British Columbia.

Additional key policy changes since our last report to highlight include:

- » The ‘Multilateral Engagement Process to Improve and Expedite Treaty Negotiations’ initiated between 2016 and 2018 brought together First Nations, BC, and Canada to find opportunities to streamline treaty structures, facilitating the transition towards “core treaties” that prioritize primary agreements with supplementary annexes to follow.¹⁸
- » *The Principals’ Accord on Transforming Treaty Negotiations in British Columbia*, signed in 2018, seeks to revitalize the treaty negotiations process by focusing on recognition and reconciliation of rights and title, nation-building, and government-to-government relationships.¹⁹

15 Government of Canada, Kitselas First Nation, and British Columbia. “Kitselas Treaty.” January 24, 2025. Retrieved from [KitselasTreatyRatificationVersionFeb2025.pdf](#)

16 Government of Canada Website. “Fact Sheet - Taxation by Aboriginal Governments” <https://www.rcaanc-cirnac.gc.ca/eng/1100100016434/1539971764619>

17 BC Treaty Commission. Guide to First Nation Ratifications. Retrieved from <https://bctreaty.ca/wp-content/uploads/2025/02/Guide-to-First-Nations-Ratification-2025.pdf>

18 BC Treaty Commission Website. https://bctreaty.ca/timeline_milestones/multilateral-engagement-process-to-improve-and-expedite-treaty-negotiations-in-british-columbia/

19 Crown-Indigenous Relations and Northern Affairs Canada. “PRINCIPALS’ ACCORD On Transforming Treaty Negotiations in British Columbia” [principals_accord_signed_dec_1_2018.pdf](#)

- » *The Recognition and Reconciliation of Rights (RRR) Policy for treaty negotiations in British Columbia*²⁰ of 2019 is the first co-developed policy between First Nations, BC, and Canada, which fundamentally shifted negotiation mandates for all Parties in the treaty negotiations process, recognizing the inherent rights of Indigenous peoples, and affirming their ownership over lands and resources. This policy commits to supporting new, flexible approaches to reconcile pre-existing Indigenous sovereignty, land claims and rights and applies to all Federal Crown ministries and agencies, and the Province’s Ministry of Indigenous Relations and Reconciliation.
- » The 2023 federal *Collaborative Modern Treaty Implementation Policy*²¹ underscores a commitment to advance the implementation of modern treaties and ensures they are not only signed but effectively implemented, with a focus on enforcement and capacity-building. This policy is meant to strengthen, not to replace, existing arrangements in respect of the implementation of each modern treaty.

The above policy shifts have also created opportunities for the BCTC to support additional types of negotiated agreements beyond modern treaties. The BCTC has facilitated the negotiation of other types of agreements that are positioned to have broad-reaching benefits to First Nations and BC including:

- » The *GíIHLGALGANG “RISING TIDE” Haida Title Lands Agreement, 2024*, which provides for the transfer of land title for Haida Gwaii to the Nation;²² and;
- » The *Land Reconciliation Agreement between Snuneymuxw and the Government of Canada (2024)* which returned 80 hectares of land to the Nation, and a Provincial contribution of \$26 million towards the purchase of the historical *sxwayxum* village site – an additional 2.67 hectare plot of land.²³

These alternative, flexible and distinct approaches suggest that reconciliation may require a variety of legal, policy and negotiation pathways that can be facilitated independently or as part of the treaty negotiations process. Including these alternate arrangements within the modern treaty negotiations toolkit reinforces the effectiveness of the negotiations framework to create a more prosperous and equitable future for all. However, we have not attempted to quantify these agreements or include them in the model as they are unique and do not align with the current model methodology. For a more complete definition of these and other technical terms please refer to the Technical Definitions appendix.

20 Crown-Indigenous Relations and Northern Affairs Canada. “Recognition and Reconciliation of Rights Policy for Treaty Negotiations in British Columbia.” Government of Canada. <https://www.rcaanc-cirnac.gc.ca/eng/1567636002269/1567636037453>

21 Crown-Indigenous Relations and Northern Affairs Canada. “Canada’s Collaborative Modern Treaty Implementation Policy.” *Government of Canada*. <https://www.rcaanc-cirnac.gc.ca/eng/1672771319009/1672771475448>

22 BC Government News. “Haida Nation, B.C. recognize Haida Aboriginal title, a historic first in Canada.” <https://news.gov.bc.ca/releases/2024PREM0020-000560>

23 BC Treaty Commission. “Annual Report 2024.” *BC Treaty Commission*. BCTC-AR-2024-FINAL.pdf

Methodology

This section describes the methodology used to refresh the 2016 Report financial-economic model. This includes what data was used, assumptions, and terms and definitions that directly inform the model.

Model and Data Validation

The 2016 Report model assessed the net financial benefits of modern treaty settlements to both First Nations and BC using financial data and assumptions available up to 2016. The updated model retains the core model and methodology of the earlier analysis but reflects the most recent demographic and fiscal data, up to 2024, to estimate the continued value of settling modern treaties. This data was provided by the BCTC, from the 2024 BCTC Annual Report, and from the Treaties themselves. Table 3 provides detail on data sources used.

Table 3: Treaty Settlement Model Data Sources

Variable	Value	Source
First Nations population in BC (2021)	180,085	Statistics Canada
Members living on Reserve (2021)	50,795	Statistics Canada
First Nations population in BC (2016)	171,441	Statistics Canada
Members living on Reserve (2016)	50,048	Statistics Canada
Population increase on Reserve (2016-2021)	1.5%	Deloitte estimate
Forward-looking analysis time period for this report (Years)	10	BCTC estimate
Total treaties to be settled	6	BCTC estimate
Years until treaties are settled	10	BCTC estimate
Number of beneficiaries assumed for modern treaty calculations	See table 5	BCTC Annual Report 2024 and website, and Deloitte estimate
Cash compensation payment per First Nation beneficiary	See table 5	Deloitte estimate
RRS per beneficiary paid each year for 25 years from the settlement date of the treaty	See table 5	Deloitte estimate
Discount rate for Net Present Value calculation	3.5%	Deloitte estimate

Core Modelling Framework

Building on the 2016 Report methodology, the core modelling framework leverages two primary financial inputs:

- » **Cash compensation:** representing the negotiated financial transfer to First Nations as part of a Treaty Settlement. Compensation may be delivered as lump sums, scheduled installments or one-time funding for specific purposes.
- » **Resource Revenue Sharing (RRS):** representing annual revenue transfers over a fixed time horizon.

These two inputs are the principal drivers of financial and economic benefits quantified in the model, and together are assumed to capture most direct fiscal transfers from the provincial and federal government.

As in 2016, the province's share of these benefits is assumed to be 17% of the total cash compensation and 50% of the RRS payments. These proportions are maintained in the 2025 model as they continue to reflect standard cost-sharing arrangements under the tripartite treaty negotiation framework and remain consistent with historical provincial fiscal commitments.

Consistent with the 2016 Report model, the value of treaty settlement lands is not an input within the framework. First Nations implementing modern treaties pursue a broad range of economic activities that is uniquely tied to the potential for use of their treaty settlement lands. These activities range from commercial real estate, housing, resource development, forestry, tourism, and aquaculture as well as other uses that have significant socio-economic and cultural value such as food, social, and ceremonial (FSC) fisheries, hunting rights, and cultural uses of land and resources. The diversity of land stewardship projects presents challenges to presenting a normalized approach consistent with the model framework.

As is demonstrated in the case study with TFN, land plays a significant role in the economic development opportunities for Nations.

Modelling Assumptions

The model focuses exclusively on modern treaties, as they share the common components of cash compensation and RRS, that can be consistently modelled. Other agreement types that are negotiated with support from BCTC but do not result in a modern treaty (e.g., frameworks, memorandums of understanding, treaty revitalization agreements) are excluded as they differ in structure and financial elements.

Updated Demographic Assumptions

Key updates to the model are informed by the 2021 Census (Statistics Canada) data:

- » The First Nations population in British Columbia in 2021 is recorded at 180,085²⁴, a 4.8% increase from the 2016 baseline of 171,441²⁵.
- » Of this, 125,110 individuals²⁶ were identified as Status Indian (Registered or Treaty) having registered or treaty Indian status in 2021, with approximately 40.6% (50,795 individuals)²⁷ living on reserve; an increase of 1.5% over the 2016 on-reserve population.
- » These updated figures provide a more accurate basis for estimating the number of First Nation beneficiaries per modern treaty and the overall scale of financial and economic benefits.

Treaty Settlement Assumptions

The current model assumes that six treaties will be settled over a 10-year period, resulting in an average settlement pace of 0.6 treaties per year. This reflects a more cautious estimate of progress based on the pace observed over the past two decades.

Cash settlement amounts per beneficiary vary by scenario, reflecting different reference points:

- » *Base scenario*: ~\$85,500, derived from average capital transfer payments (lump sum payments) in settled treaties, excluding one-time and ongoing annual funding committed in FFA²⁸.
- » *Inflation-adjusted scenario*: \$83,600, based on the 2016 Report model's per-beneficiary cash compensation and RRS amounts, adjusted to 2024 dollars.
- » *Enhanced scenario*: ~\$173,700, derived from average capital transfer payments in settled treaties and from one-time and ongoing annual funding committed in FFAs.
- » *Most recent treaty scenario*: \$290,109, benchmarked to Kitselas' cash compensation payment per beneficiary, including ongoing annual funding committed in FFAs, as the most recent settlement precedent.

24 Statistics Canada. "Statistics on Indigenous Peoples, 2021." *Government of Canada*. https://www.statcan.gc.ca/en/subjects-start/indigenous_peoples

25 Statistics Canada. "Aboriginal Population Profile, 2016 Census – British Columbia." *Government of Canada*. https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/abpopprof/details/page.cfm?Lang=E&Geo1=PR&Code1=59&Data=Count&SearchText=British%20Columbia&SearchType=Begins&B1=All&SEX_ID=1&AGE_ID=1&RESGEO_ID=1

26 Statistics Canada. "Focus on Geography Series, 2021 Census – British Columbia." *Government of Canada*. <https://www12.statcan.gc.ca/census-recensement/2021/as-sa/fogs-spg/page.cfm?dguid=2021A000259&lang=E&topic=8>

27 Statistics Canada. "The Daily — Indigenous Population Continues to Grow and Is Much Younger than the Non-Indigenous Population, Although the Pace of Growth Has Slowed." *Government of Canada*. <https://www150.statcan.gc.ca/n1/daily-quotidien/220921/dq220921a-eng.htm>

28 Settled treaties include K'ómoks and Kitselas whose members have ratified their treaties, are awaiting ratification and royal assent by BC and Canada.

Resource Revenue Sharing (RRS) amounts per beneficiary are modelled at \$500 per year for 25 years in the Base, Enhanced, and Most Recent Treaty scenarios, and at \$900 per year for 25 years in the Inflation-adjusted scenario.

These values are applied to the estimated number of beneficiaries per treaty, which is derived from the updated First Nations population figures.

Fiscal Finance Agreement (FFAs) Assumptions

FFA payments were excluded from the base scenario modelling to be consistent with the approach in 2016, which measured the financial impacts of the lump sum payments confirmed within each treaty. For the Enhanced and Most Recent Treaty scenarios, the following types of payments committed in the FFAs were included where available:

- » **One-time payments** to support capacity building and specific uses (e.g., governance start-up, implementation, and economic development); and
- » **Ongoing funding** for government services and programs and treaty implementation activities (e.g., land and resource management, governance & administration, infrastructure maintenance & replacement responsibilities, etc.)

Discounting and Net Present Value Assumptions

To evaluate the net financial benefit to the province, the model applies a real discount rate of 3.5%, consistent with the discount rate used in the 2016 Report. This enables the estimation of the Net Present Value (NPV) of the province's cost outflows and economic returns allowing for comparison and prioritization over time.





Model Approach

It is important to recognize that this report, like its 2016 predecessor, is forward-looking, based on the most recent treaty settlements, and uses a normalized approach to forecast the outcomes of future treaties. That is, the same general benefit structure is applied across all treaties. In practice, the outcomes of individual treaties will vary significantly depending on the specific locations, economic contexts, and characteristics of each First Nation. As such, it is not possible to forecast detailed treaty-by-treaty outcomes over the long term.

Accordingly, the model adopts the inherent assumption that, while the allocation of financial and economic benefits (e.g., land, capital transfers, revenue sharing, resource tenures) will differ from one treaty to another, the overall sum of benefits will be comparable on a per-beneficiary basis. This approach enables a consistent and evidence-based projection of aggregate treaty impacts while acknowledging the diversity of outcomes across First Nations.

Model Validation

The updated assumptions remain grounded in the validated structure of the 2016 Report model and are reinforced by the use of reliable public data sources and treaty implementation experience to date. The adjustments, particularly in settlement pace, population data, and payment benchmarks, reflect empirical trends and preserve the model's relevance for current policy discussions.

The model provides a conservative and evidence-based framework to assess the financial benefits of modern treaty settlements, ensuring alignment with fiscal planning principles and reinforcing the long-term economic rationale for advancing treaty negotiations in British Columbia.

Model Definitions

To provide a better understanding, some of the key financial terms discussed in this report have been defined in this section.

Table 4: Financial Model Definitions

Treaties Settled	The cumulative number of finalized modern treaties with full ratification and implementation underway in British Columbia. This number is used to assess current progress and forecast future developments.
Treaty Settlement Rate	The pace at which modern treaties are completed annually. It is used in economic models to predict timelines, fiscal impacts, and cumulative socioeconomic benefits from treaty implementation.
Total Treaties to be Settled	The estimated number of modern treaties anticipated across British Columbia, accounting for First Nations eligible or currently engaged in negotiation. This number was created, like previous reports, in consultation with the BCTC and other research on the Nations involved in later stages of the treaty negotiations process. This figure provides a ceiling for modelling full treaty implementation scenarios.
Cost to British Columbians	The public cost of treaty negotiation and implementation, including capital transfers, administrative overhead, and policy or program transition costs. It reflects the provincial and federal investments made on behalf of taxpayers.
Cost to First Nations	The economic burdens borne by First Nations throughout the treaty negotiations process, such as costs associated with negotiation, community consultation, opportunity delays, and institutional capacity-building.
Net Financial Benefits to British Columbians	The projected increase in provincial GDP, employment, business activity, and tax revenues stemming from modern treaty implementation, after accounting for government spending. This metric reflects the economic return on public investment.
Net Financial Benefits to First Nations	The economic uplift experienced by First Nations through treaty implementation, including access to lands and resources, increased own-source revenue, improved infrastructure, and long-term wealth generation.
Net Present Value of Benefits	A calculation that discounts the future value of treaty-related financial benefits to today's dollars, enabling a fair comparison of costs and benefits over time. In general, NPV represents all the future cash flows in the value of cash today. It is used to assess the long-term economic impact for both First Nations and the Crown.

Results

In this section, the output of the updated 2025 financial-economic modelling across the four scenarios are provided. This included updates to the modelling assumptions, outputs from four key scenarios, discussion on the impact of pace on benefit realization, and a summary of benefits to the Province and First Nations that will settle treaties within the BC treaty negotiations process.

Updated Financial and Economic Assumptions (2025 Model)

The 2025 model incorporates a revised set of assumptions reflecting the latest trends in treaty settlements, direct input from the BCTC, and changes in beneficiary characteristics. These are summarized in Table 5.

Table 5: Updated 2025 Financial-Economic Model

Component	Update
Treaty settlement rate	The updated model assumes a pace of two treaty settlements every two years , or approximately 6 treaties over a ten-year horizon. This projection is based on modern treaties that are currently in Stage 5 or later in the BC treaty negotiations process, and input directly from BCTC.
Number of treaties settled	
Number of beneficiaries assumed for modern treaty calculations	8,146 ; estimated by averaging the population of 12 First Nations involved in treaty settlements that are in Stage 5 or beyond, then multiplying that average by the number of treaties expected to be settled over a 10-year period.
Cash compensation payment per First Nation beneficiary - Base Scenario	\$85,500
Cash compensation payment per First Nation beneficiary – Enhanced Scenario (Cash compensation + one time payment in FFA + ongoing funding in FFA)	\$173,710
Cash compensation payment per First Nation beneficiary – Inflation-Adjusted Scenario	\$83,600
Cash compensation payment per First Nation beneficiary – Most Recent Treaty Scenario	\$290,109
RRS per First Nation beneficiary	\$504 ; reflective of recent settlements. For the Inflation-Adjusted scenario, the RRS per beneficiary is calculated using the 2016 model’s RRS amount per beneficiary, adjusted for inflation to 2024 dollars, resulting in an estimated value of \$900 per beneficiary.

Findings from the Base Scenario

The Base Scenario models settlement of six modern treaties over the next decade using an approach aligned with the methodology applied in the 2016 Report model. In this scenario, the cash settlement reflects the average per-beneficiary amount derived from capital transfer payments. One-time and ongoing payments from FFA's are excluded to maintain comparability with previous analyses. The average cash compensation per beneficiary is estimated at approximately \$85,500. Based on these parameters, the model estimates total benefits—including both cash compensation and Resource Revenue Sharing (RRS)—at \$913 million, with BC's share of the costs amounting to \$287 million. This produces a net financial benefit of \$626 million and a Net Present Value (NPV) of \$598 million under standard discounting.

Table 6: Financial benefits of Modern Treaties Based on the Base Scenario

Total treaties to be settled	6
Years until these treaties are settled	10
Cash compensation (\$m)	796
Resource revenue sharing	117
Total benefits (cash and RRS only)	913
Less:	
BC share of cash compensation	(220)
BC share of RRS	(66)
Total cost to BC	(287)
Net financial benefits (\$m)	626
Net Present Value of net financial benefits (\$m)	598





Findings from the Inflation-Adjusted Scenario

The Inflation-Adjusted Scenario provides a continuity-based estimate that accounts for the erosion of purchasing power over time; in other words, a dollar in 2016 does not buy the same amount in 2024. While all scenarios incorporate inflation in their calculations, this scenario applies it in a simplified way: we take the 2016 average compensation of \$61,700 per beneficiary and corresponding RRS amounts and adjust them directly to 2024 dollars using inflation indices. This approach does not reflect changes from new treaty settlements in recent years, but instead isolates the effect of inflation on the 2016 benchmark. The resulting average cash compensation per beneficiary is estimated at \$83,600. As shown in Table 8, total projected benefits for this scenario are \$987 million, BC’s share of the costs is \$334 million, and the net financial benefit is \$653 million, with an NPV of \$618 million.

Table 7: Financial benefits of Modern Treaties based on the Inflation-Adjusted Scenario

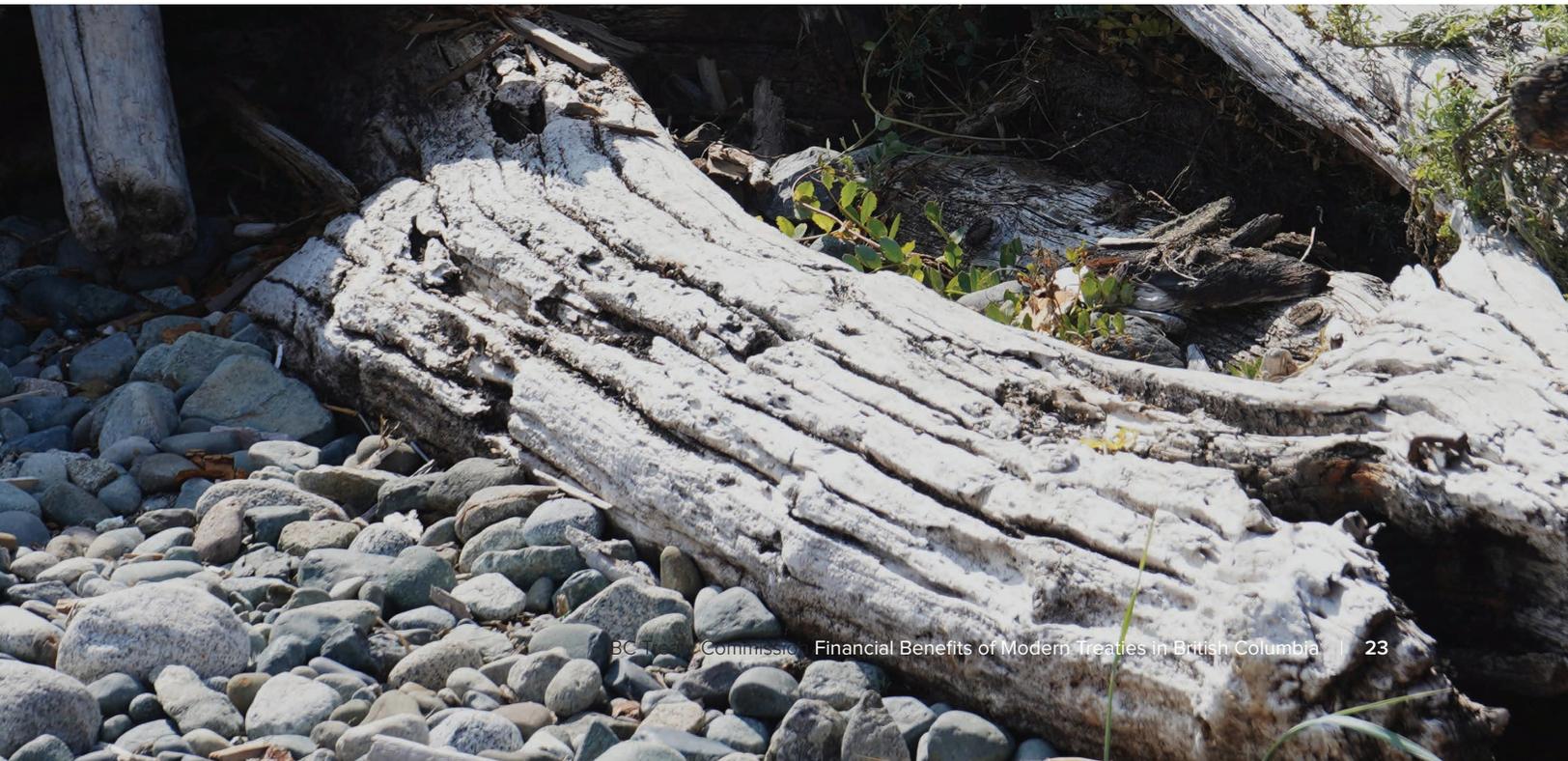
Total treaties to be settled	6
Years until these treaties are settled	10
Cash compensation (\$m)	778
Resource revenue sharing	209
Total benefits (cash and RRS only)	987
Less:	
BC share of cash compensation	(215)
BC share of RRS	(118)
Total cost to BC	(334)
Net financial benefits (\$m)	653
Net Present Value of net financial benefits (\$m)	618

Findings from the Enhanced Scenario

The Enhanced Scenario builds on the Base Scenario by incorporating additional funding streams from the Fiscal Finance Agreements. Unlike the base case, which includes only capital transfers, this scenario adds both ongoing annual funding and one-time payments from the provincial and federal governments, each treated as an out-of-treaty payment. These additions better reflect the full spectrum of financial benefits that communities may receive alongside modern treaty settlements, based on recent negotiation patterns. Under this expanded benefits framework, the model projects total benefits (cash compensations plus RRS) of \$1,733 million, with BC's share of the costs estimated at \$514 million. This results in a net financial benefit of \$1,219 million and NPV of 1,171 million, underscoring the fiscal significance of these additional, out-of-treaty commitments.

Table 8: Financial benefits of Modern Treaties based on the Enhanced Scenario

Total treaties to be settled	6
Years until these treaties are settled	10
Cash compensation (\$m)	1,616
Resource revenue sharing	117
Total benefits (cash and RRS only)	1,733
Less:	
BC share of cash compensation	(448)
BC share of RRS	(66)
Total cost to BC	(514)
Net financial benefits (\$m)	1,219
Net Present Value of net financial benefits (\$m)	1,171



Findings from the Most Recent Treaty Scenario

This scenario anchors its assumptions in the Kitselas First Nation treaty, the most recently concluded modern treaty in BC, using its per-beneficiary compensation figure as the benchmark for forward-looking projections. The Kitselas First Nation agreement reflects the largest settlement to date, with capital transfers, inclusive of both ongoing annual FFA's and one-time payments from the provincial and federal governments, yielding an average cash compensation of approximately \$290,109 per beneficiary.²⁹

Applying this as a benchmark for the settlement of modern treaties, the model estimates total benefits (cash compensations plus RRS) at \$2,816 million, with BC's share of the costs totaling \$814 million (see Table 9). This results in a net financial benefit of \$2,002 million and NPV of \$1,927 million, illustrating the potential fiscal outcomes if future negotiations align with the highest-value precedent.

Table 9: Financial benefits of Modern Treaties based on the Most Recent Treaty Scenario (Kitselas First Nation)

Total treaties to be settled	6
Years until these treaties are settled	10
Cash compensation (\$m)	2,699
Resource revenue sharing	117
Total benefits (cash and RRS only)	2,816
Less:	
BC share of cash compensation	(748)
BC share of RRS	(66)
Total cost to BC	(814)
Net financial benefits (\$m)	2,002
Net Present Value of net financial benefits (\$m)	1,927

As illustrated across all scenarios, treaty settlements will have a net financial benefit to the province and participating First Nations.

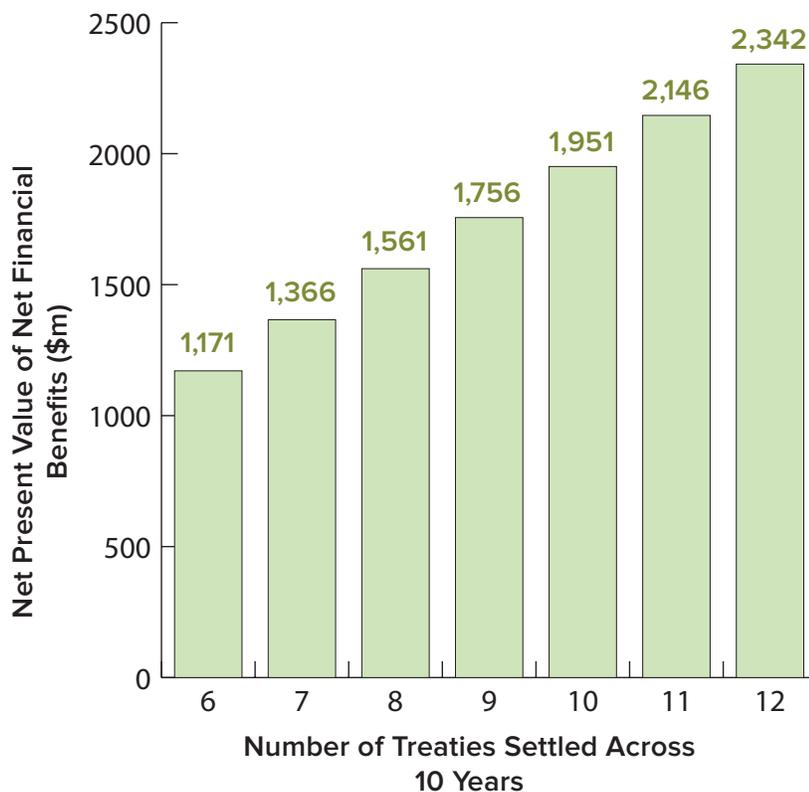
²⁹ Note: This compensation includes one-time funding for governance start-up and implementation, and fisheries; ongoing funding for governance and administration, land and resource management, treaty management, fisheries and infrastructure; continuing funding for education, social development, economic development, housing, infrastructure and fisheries.

Benefits of Increasing the Pace of Negotiations

The benefits identified across all four scenarios can be amplified by accelerating the pace at which treaties are settled. The pace of settlement (i.e., the number of treaties settled over a given timeframe) directly influences the scale of benefits achieved. Given our model assumptions (i.e., settling 6 treaties over 10 years), the sooner treaties can be negotiated and implemented the faster the benefits will materialize, delivering positive economic benefits earlier for First Nations, Canada and BC. The Enhanced Scenario is used below as an illustrative case to show how both the number of treaties and the timeframe for settlement affect the overall benefit.

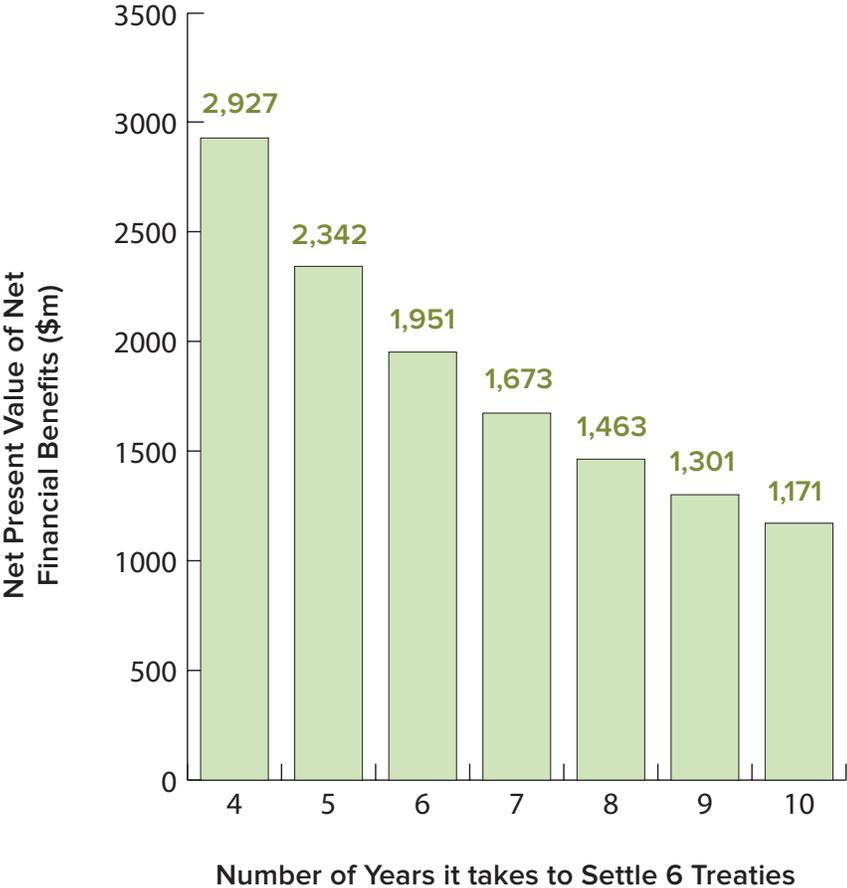
As shown in Figure 3, increasing the number of modern treaties settled within the ten-year period leads to a proportional increase in net financial benefits. For example, raising the total from six to ten treaties increases the NPV of net financial benefits from \$1.17 billion to \$1.95 billion—a gain of nearly 67%.

Figure 3: Impact of Increasing the Number of Treaties Settled Over 10 Years



Shortening the time needed to settle the same six treaties significantly boosts benefits by allowing them to accrue sooner. For instance, completing six settlements within four years increases the NPV of net financial benefits to \$2.93 billion—2.5 times higher than if the same treaties were concluded over ten years.

Figure 4: Impact of Reducing the Timeframe to Settle Six Treaties



This analysis demonstrates a compounding effect: the more treaties successfully negotiated the greater the benefits overall, while faster settlements amplify the impact by bringing those benefits forward in time. It is important to note the scale of benefit varies by population size and pace of settlement, the economic rationale for continued engagement and negotiation remains compelling. These findings reinforce our conclusions from the 2016 Report that timely settlements accelerate the realization of financial and economic benefits.

Case Study:

Tsawwassen First Nation

Situated on the Fraser River delta, Tsawwassen First Nation's treaty settlement lands are located within one of the most valuable real estate markets in Canada. Prior to treaty, however, the development potential of the land was constrained by the *Indian Act*, and a lack of adequate capital investment in community infrastructure. The signing of the Tsawwassen First Nation (TFN) Treaty in 2009 marked a decisive turning point, unlocking that potential and enabling TFN to shift from managing scarcity to building a prosperous, self-determined and healthy future.

Table 10: Tsawwassen First Nation Key Facts



Language and People: The Tsawwassen First Nation are Coast Salish people whose traditional language is **Hən̓q̓əmi̓n̓əm̓**

Population: 532 Members (as of 2024)

Effective Date: Ratified in 2007, came into effect April 3, 2009

Treaty Settlement Lands: The agreement transferred 724 hectares of land to TFN in fee simple, recognized rights across 10,000 km² of traditional territory, first right of refusal to buy up to 278 hectares of Brunswick Point lands

Governance: Control Across All Jurisdictions

Under its treaty agreement, TFN is no longer subject to the restrictive governance structures and regulations imposed by the *Indian Act* that once hampered its development. Instead, TFN now exercises full self-government, combining federal, provincial, and municipal powers under one Nation government. This authority extends to setting laws, regulating land use, collecting taxes, and designing programs that reflect Tsawwassen's own priorities.

Since the *Tsawwassen First Nation Final Agreement* came into effect, TFN has established a governance structure complete with contemporary laws based on traditional principles and complemented by contemporary practices. The First Nation's Constitution, ratified by the Members as part of the treaty, defines a structure that allows Tsawwassen Members to actively participate in policymaking and ensures that governance decisions align with community priorities. The core and elected institutions of government within the TFN structure are:

- » **Tsawwassen Legislature** – Responsible for passing laws, approving budget and overseeing the direction of government.
- » **Executive Council** – Consisting of the Chief and four elected Legislators receiving the highest votes in the General Election, the Executive Council is responsible for the day-to-day administration and execution of laws and policies approved by the Legislature.
- » **Revenues from Canada negotiated in the Fiscal Finance Agreement.**

Their structure also includes several independent governance bodies with specific decision-making powers including:

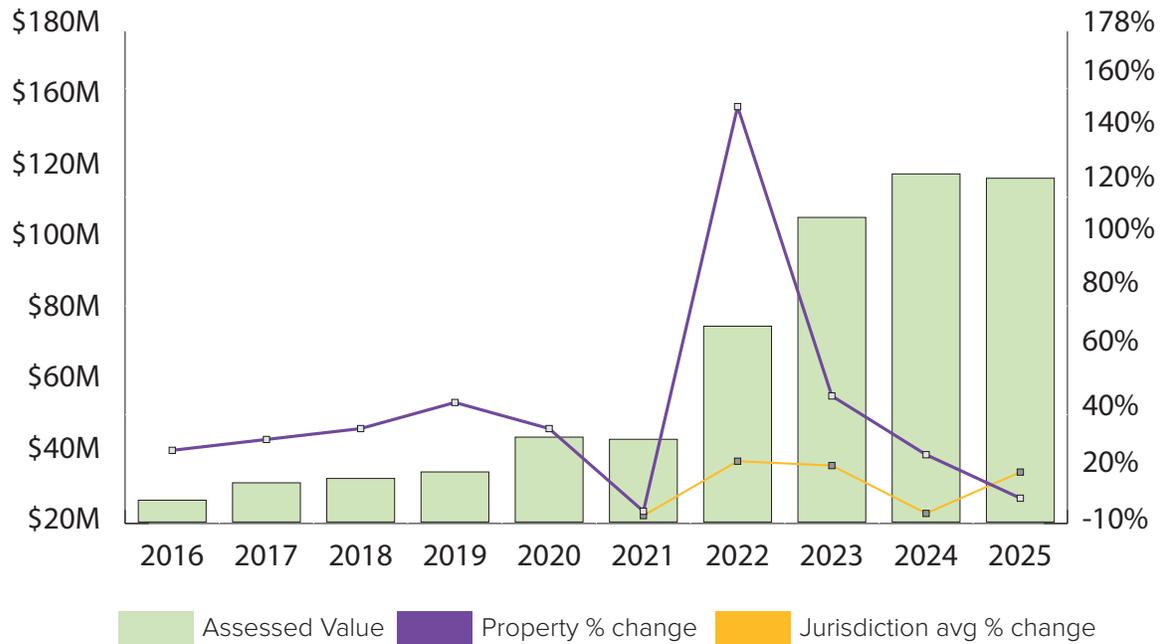
- » **Judicial Council:** interprets TFN laws and resolves disputes.
- » **Property Tax Authority:** manages local taxation and expenditures.
- » **TFN Trust Society:** administers settlement trusts and program funding.

Land: From Locked Potential to Strategic Growth

Prior to treaty, essential services like water and sewer connections for TFN were limited due to capacity constraints in neighbouring municipal systems, blocking large-scale development despite TFN investments in its own infrastructure. Even after building their own water lines, TFN faced federal regulatory hurdles that complicated service expansion. Self-governance removed these roadblocks. One early landmark project was the construction of a \$30 million TFN-owned sewer treatment plant, which not only serves TFN lands but can also support the growth of surrounding municipalities. This cost excludes the cost to the First Nation for sanitary pipes and pump stations.

The TFN Treaty brought legal certainty regarding law-making and development authority on TFN settlement lands, enabling the Nation to make long-term plans and establish relationships with strategic partners. Prior to treaty, restrictive zoning, jurisdictional overlaps, and service access disputes kept prime development land idle. With full control, TFN could move ahead with industrial, commercial, and residential projects designed to generate sustainable revenue.

Figure 5: Property Value and Tsawwassen First Nation Jurisdiction Change (4440 27B Ave Tsawwassen V4M 4G7)³⁰



Strategic land-use planning has been essential to TFN’s economic growth. With a relatively smaller capital transfer compared to more recently settled treaties, TFN took a “start-up” approach, accessing credit and investing capital to build critical infrastructure to attract long-term tenants and developers. As a result, Figure 5 shows one example of commercial and industrial land values within TFN, which have increased nearly tenfold since the effective date, far exceeding initial forecasts. A review of other similar land parcels across TFN’s treaty settlement lands indicate that this trend is consistent, based on BC Assessment data. The development of Tsawwassen Mills and Tsawwassen Commons, a major retail and tourism anchor, were a key catalyst for further industrial, residential, and commercial growth across TFN lands. Leasehold agreements have since become a cornerstone of TFN’s economic model and are helping to battle a provincial housing crisis with more than 5,000 current leaseholders and the potential to reach 10,000–12,000 in the coming years.

³⁰ Note: The **Property percentage change** (purple line) is the relative change of a property’s value over time. This rose significantly from 2021 to 2022, but has since stabilized along with property values. **Jurisdiction average percent change** (orange line) refers to the average percentage change in assessed property values within the broader Municipality of Delta.

Finance: From Poverty Management to Wealth Management

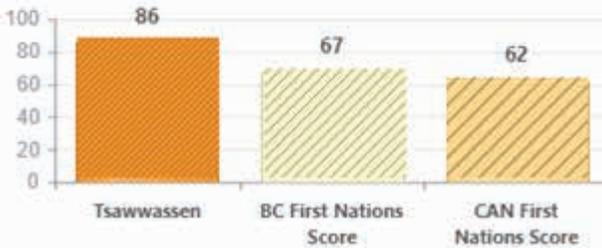
Tsawwassen

CSD 5915802 | First Nations community

Population
2,256

Affiliated with
Tsawwassen First Nation

2021 Community Well-Being score



Component scores



Before TFN's treaty, funding was largely tied to annual federal transfers targeted for specific programs and insufficient to meet long-term needs. The treaty replaced this with a mix of capital transfers, one-time payments, and ongoing FFA's that are more flexible than pre-treaty transfers, enabling the TFN to allocate funding for programs and services according to its own priorities.

In 2017, the Government of Canada froze the OSR claw back, meaning TFN is no longer subject to claw backs for the revenues it generates from taxation, leasehold income, or other ventures. Combined with the federal cancellation of treaty negotiation loan repayments, this has been critical to TFN's ability to invest in the community. These policy changes ensure that dollars earned stay within the Nation, accelerating the growth of its economy and creating more opportunities for strategic investment. While the capital transfer and revenue-sharing streams under the treaty provide important seed funding, they are not what creates lasting economic value. It is the

ability to retain and grow generated revenues that enables TFN to fully leverage its treaty rights into sustainable economic development.

Today, TFN's two main revenue streams include:

- » **Taxation revenue:** which funds local government operations and infrastructure, ensuring services like clean water, well-maintained roads, and utilities for members and leaseholders.
- » **Leasehold revenue:** which is invested into member trusts, building long-term wealth. The legacy trust is slated to grow to over \$500 million in the coming years (approximately \$1 million per member), with dividends paid out while preserving the capital for future generations.
- » **Revenue from government transfers:** As set out in the Fiscal Finance Agreement between the Government of Canada and TFN.

Additional trusts, including a Fisheries Stewardship Trust, Minor Trusts for youth, and a Pension Plan for Elders, help ensure generations of TFN members will financially benefit from the treaty. With full control over taxation, TFN can keep property tax rates competitive while ensuring funds are directed to Nation priorities. This fiscal autonomy allows a deliberate and strategic sequencing of social investments from TFN, starting with youth initiatives, then Elder care, and expanding into broader community services, while keeping taxes affordable for members and supporting a high quality of life. To support planned investments and major capital projects, Tsawwassen First Nation has experienced expenditures exceeding revenues for several years, despite an increase in diverse revenue sources. As the community expands and develops, the demand for public services has grown, sometimes outpacing short-term revenue growth. Although these investments are expected to generate long-term revenue for the Nation, the initial expenditures and associated debt servicing have contributed to the current deficit. Additional factors, such as the lingering impacts of COVID-19, have also played a role.

Socio-economic Impacts: Closing the Gap

The combined effect of governance control, land management, and financial autonomy has been transformative for the health, well-being, and quality of life of many TFN members. **This is reflected in TFN's Community Well-Being Index scores (2021)³¹, which are higher than the averages for First Nations in British Columbia³², First Nations across Canada, and for non-Indigenous people nationwide.** These gains are further supported by strong outcomes across employment and skills development, health and social services, and other socio-economic indicators listed below.³³

Figure 5: Tsawwassen First Nation Community Well-Being Index Scores 2021³⁴

Employment & Skills³⁵: Unemployment rates have dropped sharply, supported by targeted employment and training programs that feed into TFN-owned businesses and joint ventures.

Education: Investments in post-secondary funding and K-12 programming have produced a new generation of role models, with young TFN members pursuing university and professional careers at unprecedented rates. TFN pays the full cost of tuition and living expenses for any member in post-secondary education in Canada.

31 Indigenous Services Canada. "Overview of the Community Well-Being Index, 1981 to 2021." *Government of Canada*. <https://www.sac-isc.gc.ca/eng/1704400297800/1704400348268>

32 Note: TFN's CWB scores may trend higher in part due to high-earning members benefitting from land ownership and business ventures, creating a potential gap between top earners and the average. TFN officials noted the CWB index is skewed by status Indians leasing TFN lands, many of whom bring wealth.

33 Tsawwassen First Nation. *2024 Annual Report*. https://tsawwassenfirstnation.com/pdfs/TFN-About/Information-Centre/Annual-Reports/2023-2024_Annual_Report_FINAL.pdf

34 Indigenous Services Canada. "Community Well-Being Index Map." *Government of Canada*. <https://sac-isc.gc.ca/SAC-ISC/CWB/index-map-en.html>

35 Note: During our interviews TFN officials noted the income score may be inflated by the few TFN Members who are leasing lands on TFN TSL.

Housing: Both market and non-market housing have expanded rapidly, reducing the member housing waitlist to near zero. TFN offers programs that provide lots, pre-construction grants, mortgage guarantees, and ongoing support to assist Members through the home construction process.

Health & Social Services: TFN operates its own medical clinic with a nurse practitioner, doctor, and counselling services, supported by significant investments in substance abuse treatment and rehabilitation. As a wrap-around service model, this integrated approach addresses physical, mental, and social health together, ensuring community members can access comprehensive care in one place. The resources made available through the treaty have enabled TFN to disrupt cycles of intergenerational trauma and address the lasting impacts of colonization, creating a stronger foundation for long-term health and well-being.

Community Infrastructure: New youth and Elder centres, sports field, playground, daycare facilities, and cultural spaces have been built.

Cultural Revitalization: Treaty revenues fund full-time paid language learning and cultural programs aimed at decolonization and restoring pride in Nationhood among TFN members.

Shared Economic Prosperity: Regional, Provincial, and Federal Benefits

TFN's economic transformation delivers benefits well beyond treaty settlement lands, creating mutual economic gains with neighbouring municipalities, while contributing to provincial and national economies.

Regional and Provincial: TFN's sanitary treatment infrastructure and other infrastructure projects have increased service capacity for South Delta, reducing pressure on municipal systems. By investing in its own infrastructure, TFN has offset costs that might otherwise fall to the province. Service agreements and Metro Vancouver membership ensures coordinated planning, while major developments like Tsawwassen Mills and industrial lands create thousands of jobs, many filled by residents of Delta and Vancouver, and boost local contractors through procurement opportunities. TFN had created \$485 million in annual employment income in the region including 11,000 permanent retail and warehouse jobs, and 22,000 person-years of construction related employment.³⁶

In addition, TFN's 10,000+ housing units will significantly contribute to the regional housing stock, addressing critical shortages and alleviating the pressure on local housing markets. By increasing housing availability, more affordable and accessible options are available for residents, playing a pivotal role in addressing the housing crisis in Metro Vancouver. Additionally, TFN's developments have expanded the provincial tax base via sales, fuel, and corporate taxation of businesses operating on treaty settlement lands.

³⁶ Tsawwassen First Nation. *10 Year Celebration Book*. https://tsawwassenfirstnation.com/pdfs/TFN-About/Information-Centre/Other/TFN_10YR_CELEBRATION_BOOK.pdf

Federal: TFN has transitioned from exclusive dependence on federal funding to multiple streams of self-sustaining revenue. Port-adjacent developments driven by TFN have enhanced Canada's trade capacity, supporting national competitiveness.

Looking Ahead

Tsawwassen First Nation is now positioned to provide a living wage for all members through trust dividends, a remarkable achievement within 16 years of treaty implementation. Its success underscores the broad socio-economic benefits of modern treaty agreements when paired with visionary leadership, disciplined fiscal management, and a clear community-driven plan.

To further strengthen this community-driven plan, TFN plans to measure its own socio-economic impact through the introduction of a comprehensive community census program, ensuring that future policy, program and investment decisions are informed by meaningful data.

TFN is in the beginning stages of collaboratively reviewing its treaty with BC and Canada. The Treaty allows for periodic reviews starting 15 years after implementation, allowing the Nation to review provisions of the treaty and make revisions to reflect rising costs and new realities impacting treaty implementation.

For TFN, treaty has meant beginning to move from managing scarcity towards wealth management and creating the groundwork for a prosperous future.



Conclusion

Modern treaties represent new nation-nation, government-to-government relationship based on recognition and are meaningful drivers of reconciliation and economic benefits for First Nations, British Columbians, and Canadians. The financial analysis confirms that modern treaties deliver significant net economic benefits. This model focuses only on two primary financial components of treaties (Cash Components and Resource Revenue-Sharing) and estimates a minimum of \$598 million for modern treaties under the base scenario and \$1.17 billion NPV under the enhanced scenario over the next decade. These reconciliation settlements provide new sources of revenue, enable sustainable community investments, and create a foundation for long-term economic growth.

Critically, the pace of settlement (i.e., the number of treaties settled over a given timeframe) directly influences the scale of benefits achieved. Given our model assumptions (i.e., settling 6 treaties over 10 years), the sooner treaties can be negotiated and implemented the faster the benefits will materialize, delivering positive economic benefits earlier for all parties.

Beyond direct financial benefits, modern treaties advance reconciliation by supporting Indigenous self-government, affirming rights to land and resources, and enabling First Nations to pursue their own community development and wealth generation priorities. The removal of barriers such as negotiation debt and the preservation of tax exemptions further empower Nations to invest in housing, education, infrastructure, and cultural revitalization. These outcomes foster healthier, more resilient communities and contribute to closing long-standing equity gaps.

In the 2016 report *Socio-economic Benefits of Modern Treaties in BC* we recommended developing a common measurement framework that addresses both financial and socio-economic factors by incorporating community-level data collection and analysis. However, there remains an important next step for enabling a common socio-economic measurement framework. A common and sustained approach to measurement developed with and by self-governing First Nations could be of benefit to all First Nations in BC pursuing a treaty or other types of agreements.

In closing, modern treaties provide mutually beneficial opportunities that build a more prosperous and equitable British Columbia and Canada. Modern treaties generate measurable financial returns, strengthen communities, and advance lasting reconciliation. Continued commitment to negotiating, concluding, and implementing modern treaties remains central to addressing the land questions in BC and advances reconciliation.

Appendix

I. Technical Definitions

To support clarity and a common understanding, this appendix offers succinct definitions of key terms used throughout the report. These terms reflect current usage in the treaty negotiations process, implementation practices, and policy frameworks as of 2025.

The definitions below are provided to ensure readers have a shared understanding of the language used to describe modern treaty negotiations processes and outcomes in British Columbia today.

General Definitions

Modern Treaty

A comprehensive agreement negotiated under current federal and provincial policies that defines the rights, responsibilities, lands, and governance authorities of a First Nation. These treaties are enshrined into Canadian law and co-developed in alignment with the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).

Treaty Settlement

A finalized and legally binding agreement between a First Nation, Canada, and the province (in this case, British Columbia) that defines land ownership, governance powers, financial arrangements, and the recognition of First Nations rights. It replaces the jurisdiction imposed by the *Indian Act* and affirms self-determination under modern legislative and legal frameworks.

Beneficiary

An individual recognized as a member of a First Nation who is entitled to receive rights, benefits, or opportunities conferred by a modern treaty or related agreement.

Reconciliation Agreement

A bilateral or tripartite agreement between a First Nation and the Crown that affirms a shared commitment to reconciliation, often recognizing rights or establishing frameworks for self-government, land management, or economic partnerships outside the formal treaty negotiations process.

Incremental Treaty Agreements

Agreements that provide early benefits such as land, funding, or capacity-building before a final treaty is reached. These agreements are meant to build trust and momentum while supporting Nations in developing governance capacity and economic readiness.

Memorandums of Understanding

Memorandums of Understanding or MOUs are agreements that express mutual intentions and establish the foundation for collaboration. They are often used to begin formal discussions or advance working relationships in areas such as governance, land use, or economic development.

Treaty Provisions

Resource Revenue Sharing

An arrangement where First Nations receive a negotiated share of revenues from natural resource development (e.g., forestry, mining) occurring on their traditional territories. This mechanism promotes equity, stewardship, and local economic benefit.

Fiscal Finance Agreements

A fiscal finance agreement is a formal contract that outlines the financial arrangements between government entities and First Nations. It typically includes provisions for funding, service delivery, and periodic renegotiation of payments to ensure that a First Nation can provide necessary programs and services to its citizens.

Cash Compensation

A financial transfer representing the negotiated financial transfer to First Nations as part of a Treaty Settlement. Compensation may be delivered as lump sums, scheduled installments or one-time funding for specific purposes.

Capital Transfers

One-time financial payments from the Crown to a First Nation at or near the signing of a treaty. These transfers support self-government start-up costs, infrastructure investments, and long-term financial planning.



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**BC TREATY
COMMISSION**



310 – 815 WEST HASTINGS STREET, VANCOUVER BC V6C 1B4
T: 604 482 9200 | F: 604 482 9222
TOLL FREE: 1 855 482 9200 | BCTREATY.CA