



ABORIGINAL ECONOMIC DEVELOPMENT CORPORATIONS

AEDCs function and operate bearing the same risk of loss, opportunity for profit and insolvency as any other private business in Canada

AEDCs are self-financed and rely on cash flow from the businesses to sustain operations.



There are 400+ AEDCs across Canada

Aboriginal communities are increasingly turning to economic development to improve quality of life and build a brighter future for their members and it is through AEDCs that a new era of Aboriginal entrepreneurial business activity is exploding.



The ultimate purpose of an AEDC is to contribute to the well-being of community, generating economic activity and combating underdevelopment

There are a magnitude of issues facing Aboriginal communities – including unemployment, housing and social issues – AEDCs provide a long-term, strategic focus on economic development, which will eventually allow the communities to solve these problems.



AEDCs are key drivers to the \$30 billion Indigenous economy, which is expected to grow to \$100 billion by 2024

AEDCs provide unique revenue streams and stimulate local and regional economies. They are larger than generally assumed; have enough capacity to take on large-scale projects; are active in regional supply chains; and are moving along a growth trajectory.



AEDCs are managing and investing in industrial projects across every major industry in Canada

AEDCs are involved in natural resources, energy, construction, hospitality, travel and tourism, the arts, professional services and information technology.



AEDCs employ 15,000+ Indigenous and non-Indigenous people across Canada

AEDCs are major sources of employment as on average they employ 278 employees.



AEDCs generate significant sources of revenue

63% of AEDCs reported gross sale revenues of over \$1 million dollars, while 13% reported gross sales revenue of over \$30 million. 76% of AEDCs reported a percentage of after-tax revenue being invested back in the community.



Executive Summary

During this unprecedented and challenging time, Canadian Council for Aboriginal Business (“CCAB”) continues to support Governments and business with strong research to help meet the unique needs of Aboriginal businesses in Canada and to ensure that supportive programs and financing are delivered directly to vulnerable Aboriginal businesses. We would like to thank MNP LLP for their gracious contribution by providing their expertise on this matter.

CCAB commends Governments for taking bold action during this economic crisis. However, it has come to light that Aboriginal Economic Development Corporations (“AEDCs”), First Nation partnerships and businesses owned by First Nations, are **excluded** from receiving relief under the Canada Emergency Wage Subsidy (“CEWS”).

The purpose of this document is to explain why AEDCs should be afforded the same ability as other businesses to obtain relief that would sustain their employees as well as support Indigenous peoples and communities during this time of crisis:

- AEDCs function and operate bearing the same risk of loss and opportunity for profit as any other private business in Canada. AEDCs are not structured as extensions of their respective governments, nor are they financially supported by them. Additionally, AEDCs do not own and operate monopolies of essential services (i.e. utilities, transportation, etc.) as municipal and provincial crowns typically do.
- In many cases, First Nations are required, as shareholders in these partnerships, to provide an improved risk rating which is otherwise unobtainable due to provisions in the *Indian Act*. Therefore, denying them programming benefits because their owner is exempt under the *Income Tax Act* is unreasonable.
- AEDCs across Canada are faced with similar pressures of COVID-19 as other private enterprises and are suffering significant income losses, forcing them to reduce operational and labour costs to survive. Of importance, AEDCs are made up of partnerships owned or co-owned by hundreds of First Nations across Canada. These partnerships employ thousands of people and the absence of support for AEDCs represents a significant gap in Canada's COVID-19 Economic Response Plan.
- AEDCs are vital to the Indigenous economy and have served as major enablers for Indigenous communities to influence the overall Canadian corporate environment. They play a key role in supporting economic development and improving the overall quality of life in Indigenous communities across the country.

Indigenous peoples are making significant economic and social progress as well as important contributions to the Canadian economy.

It is essential to maintain and accelerate this momentum by ensuring that their enterprises are not excluded from benefits that are available to other private businesses.

