

ASSEMBLY OF FIRST NATIONS
FIRST NATIONS LABOUR MARKET STRATEGY
DRAFT FOR DISCUSSION – NOT FOR DISTRIBUTION
ISSUE PAPER 23 – Administrative Costs

DESCRIPTION:

Agreement holders are frustrated by the arbitrary caps placed on administrative costs, the inclusion of capacity building in this category limiting investments and inconsistency in the application of the concepts and categories

A consistent, easy to understand and professionally recognized approach is necessary to facilitate a new strategy based of respect, flexibility and adaptability

OPTIONS:

At the cabinet stage, the Recommendation to Ministers needs to point out that the principles of flexibility and adaptability, trust and respect mean that rigidities around administrative costs will be addressed and practices that frustrated capacity building dropped

In the post cabinet pre-implementation period, joint work with ESDC and experienced agreement holder staff and accounting professionals should work out a regime based on business planning meaning that plans and budgets are based on the unique agreement holder circumstances and objectives and not on blanket rules.

Capacity building will be an accepted activity and objective

RATIONALE:

While waste is a shared concern, administrative overhead does not equate to waste. Management and administrative capacity are keys to success. Capacity building is an accepted objective. Attempts to address waste through blanket rules undermine strategy objectives and fly in the face of the diversity of agreement holder conditions.

CONSIDERATIONS:

Administrative costs are not a risk or a threat. Excessively high or low costs are risks that would undermine performance

RECOMMENDED OPTION:

DECISION:

DATE AND VERSION:

Draft 1, November 23, 2016