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Chair

Mr. Leon Benoit

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● (0845)

[*English*]

The Chair (Mr. Leon Benoit (Vegreville—Wainwright, CPC)): Good morning, everyone.

We're here to continue our study on resource development in northern Canada. We have with us today three groups of witnesses. As an individual we have Ginger Gibson MacDonald, adjunct professor, Norman B. Keevil Institute of Mining Engineering, University of British Columbia; and from the Government of Nunavut, we have the Honourable Peter Taptuna, Minister of Economic Development and Transportation, and Robert Long, Deputy Minister of Economic Development and Transportation.

Welcome.

Finally, by video conference from Yellowknife, Northwest Territories, from the Government of the Northwest Territories we have the Honourable Michael Miltenberger, Minister of Environment and Natural Resources.

Welcome to you, Minister.

We'll have the presentations in the order listed on the agenda, starting with Ginger Gibson MacDonald from the University of British Columbia. Go ahead, please, with your presentation of up to ten minutes.

Dr. Ginger MacDonald (Adjunct Professor, Norman B. Keevil Institute of Mining Engineering, University of British Columbia, As an Individual): Thank you.

I'd like to acknowledge the aboriginal custodians and owners of the land where we speak today.

Thank you for asking me to present to you today. I am honoured to do so.

In looking at this question that the committee is facing on resource extraction, the question I ask is, how can we extract minerals and metals in a way that supports a strong and independent north? In thinking about socio-economic issues, which is the topic you asked us to reflect on, I've reflected on what it takes to use the extractive economy to retain, build, and in some cases rebuild resilient northern families, communities, and culture groups.

I am going to tell you a little bit about myself so you have some context for my comments. My background is in mining engineering. I have a PhD in mining engineering, but my background is in social sciences. I have a master's degree and an undergraduate degree in social science, and I work for aboriginal governments.

I generally work in the north, and I generally work across and around the table with senior and junior mining companies, such as De Beers, Rio Tinto, and BHP Billiton. I've worked and lived in northern communities. My PhD is from working in the diamond mines in the Northwest Territories. I work primarily for one aboriginal government, the Tlicho government, which governs an area that is about the size of New Brunswick.

On the question of how we can extract metals and minerals in a way that supports a strong and independent north—in other words, how can natural resources be harnessed to northern social, economic, and rural well-being—I have five themes I want to reflect on this morning.

The first two themes are captured by the phrase of the late Dene chief Jimmy Bruneau, who said that Tlicho people need to be strong like two people. Let me tell you what I mean by that. First of all, it's rewarding the loyal northern workforce and allowing them to become who they might be—a miner, for example, and strong, like the non-aboriginal person.

The national AFN chief, Shawn Atleo, recently said that the government cannot afford to alienate a major source of labour who live on top of Canada's ample natural resources. The northern aboriginal population, and the aboriginal population in particular, could fill as many as 400,000 of the one million jobs that are expected to be vacant in Canada by 2025.

In the north we see higher incomes and lower levels of income support due to the extractive economy, mining in particular. No one questions the benefits that have been accrued; they're well celebrated in the north.

We also see high levels of income inequality that come with the higher incomes. The higher incomes are not necessarily shared in the same way that we see country foods being shared, for example. We see increased debt loads and problems in money management in the north. The downsides associated with income creation and the gaps between haves and have-nots rarely have the level of examination that the incomes themselves do.

The aboriginal workforce in the north is filling up to 30% of the jobs in mining. The value of this workforce in the north is that they are loyal. Aboriginal workers are not going to move to other areas. They're not moving to other countries. They're born and bred in the north, and once they're educated they return to the north.

I argue that these people need to be rewarded with education in the areas they want to be educated in, not just haul-truck drivers. They need to be rewarded with training so they can be the apprentices, the journeymen in their communities after the mines are gone. They need to be rewarded with higher recruitment and retention, and with advancement. That's something we haven't seen in the aboriginal population, in the north in particular. We also need to see aboriginal workers being rewarded with workplaces that celebrate their cultural traditions and support their families and communities. It's about loss prevention and stabilizing remote communities.

My second theme is about the other economy that coexists with the resource economy. I argue that we need to maintain treaty obligations by protecting water and animals so that families can continue to eat a renewable resource, which is the country food, and protect their right to be strong like two people, both aboriginal people and non-aboriginal people.

Let me tell you what I mean by this. In the treaties across the country, aboriginal people were promised that they could continue to pursue their way of life. In the north this means that the caribou, as one example, cannot have their habitat degraded to the point that they are unable to persist in the area. Therefore mining and the impacts it can come with, and the associated developments such as roads, cannot impact on the habitat of this key country food species.

● (0850)

Consider that in many parts of the north, up to 70% of households get more than half the food they eat from the land. So they're dependent on caribou, on fish, and on country foods. It's a renewable food source, and it's been there since time immemorial.

Country foods are shared widely in northern indigenous families. They protect elders and vulnerable people from poverty, and they reinforce culture. When people are out there on the land practising their way of life, they're also speaking their language. They have a strong identity, which protects them from all sorts of social ills.

In a nutshell, what I'm talking about is people being able to stay who they are—harvesters connected to the land. At the same time, they're able to be what they might be—miners, income providers, and strong and capable tradespeople. In a nutshell, they become strong like two people, as they're both hunters and miners, aboriginal and non-aboriginal.

The loss of country foods in the north presents a real cost to governments. When communities turn to store-bought food in remote northern communities, there are rarely affordable nutritious options. This often means that people turn to cheap and high-calorie diets, which has led us to our current epidemic of type 2 diabetes, obesity, and other health impacts.

Mining, therefore, and the development that comes with it, cannot impact on the habitat of key country food species.

My third theme is building and repairing housing for these families so that people can be harvesters and miners at the same time. Workers need housing that's reliable, adequate, affordable, and healthy. Right now, in one region where I work, more than 50% of the houses are in need of repair, and 37% of these are reported to need major repairs. More than 50% of these northern homes have more than six people living in them, which means that there are multiple generations housed under one roof. And more than 51% of them are living with mould and mildew.

Housing is tightly linked to health status. Where you have these kinds of conditions, you also have chronic respiratory infections and other debilitating health outcomes.

Almost every mine in the north has a two-on, two-off schedule. That means that people are in the mine for two weeks, away from their families, and back at home for a two-week work shift. It's a great shift for harvesters, because they can be on the land for two weeks. But workers need to be able to leave their families knowing that the plumbing, the lighting, and the heating is all going to work while they're away and that their children are not going to be unsafe while they're away.

In homes where there are addictions issues and where there are multiple generations living under the same roof, people are not always guaranteed the safety of their children when they're away. They cannot have peace of mind at work, and they need it. People ought not to be choosing between a good job and a strong family. A healthy and productive northern workforce is based on families that are well housed there.

Fourth, I've spoken to you about the two economies of the north that coexist: the bush economy, or the harvest economy, and the mining economy. The bush economy is a recognized and strong economy. It's dependent on a strong and able regulatory system, which is currently under attack, in large part due to an obsession with timelines.

The regulatory system in authority in the north has been shown in audits, in peer views, and in internal reviews to be functional and strong. Agency boards and tribunals are put in place there for a good reason. In their absence, there's usually a lawsuit.

Industry itself has created the spectre of timing, and it largely has itself to blame. Many companies are using the public regulatory system to raise funds on the stock market. They boost their stocks by issuing press releases about what moment of the environmental assessment or what stage of regulatory approval they are in. Their appetite is for good news. We notice this particularly for small, junior mining companies. This often sends them into the regulatory system years before they're ready to properly present their projects. They waste our time, and then they complain that they feel held up in the legitimate process that has been designed to promote the public interest.

I'm aware of at least one junior mining company that has been in front of you complaining about aboriginal governments that are incapable of governing themselves. They have been saying that these aboriginal governments are at fault for what they perceive as their being too long in the regulatory system.

I think these companies are equally or more to blame for their cavalier and self-centred abuse of a properly constituted and hard-fought-for environmental assessment system. We spend hundreds of thousands to millions of dollars of public funds to review fictional mines that often, during the assessments themselves, have no concrete proposals for roads or power to bring metals and minerals to the south.

● (0855)

I recommend that you consider this thought in itself: that companies submit proper and adequate descriptions of projects with proper sequencing, so that mines do not precede infrastructure and waste the time of aboriginal governments and regulatory authorities, or worse, lead to the type of ill-planned developments that have pockmarked the north with contaminated sites whose financial legacies fall on the shoulders of all Canadians and whose environmental and socio-cultural legacies fall on the shoulders of the indigenous people whose lands and waters have been contaminated.

My final theme, on what does it take to promote socio-economic development with the extraction of mineral resources, is give northern institutions the time to finish their growth. In reviewing the minutes of previous sessions I see a theme from developers, in particular on the topic of governance. Developers want certainty of land tenure. They need settled claims in the north.

Where there are settled land claims there are also strong and independent governments emerging. Their governance is often unrecognizable to developers because it doesn't look like anything they're used to from the south. In the absence of something they recognize, developers come to Ottawa and label what they see, unkindly, as lack of capacity, lack of sophistication, or lack of acumen. It is anything but.

There are strong and independent forms of governance emerging in the north based in co-management models so that the land and water boards and the renewable resource boards there are growing technical competence and an ability of a generation of young indigenous scientists and young non-aboriginal scientists who are strong like two people. Governments are managing million-dollar budgets with strong technical competence. There are lands departments and evolving land use plans. There are strong indigenous governments passing laws and enacting legislation.

If anything, the north is currently in a state of unfinished governance where the institutions are emergent so we need to carry on with the vision that has been established in the comprehensive land claim agreements, the creation of an integrated system of regulation and management, building systems that are by the north, in the north, and for the north.

I want to thank you and I want to acknowledge my colleagues who are going to be presenting this morning as well, as they are all from these strong independent northern governments.

Thank you for your time.

● (0900)

The Chair: Thank you, Dr. MacDonald, for your presentation.

We go now to the Honourable Peter Taptuna from the Government of Nunavut, who is Minister of Economic Development and Transportation.

Please go ahead with your presentation, Minister.

Hon. Peter Taptuna (Minister of Economic Development and Transportation, Government of Nunavut): Thank you, Mr. Chairman, and good morning.

On behalf of the Government of Nunavut, I would like to express my appreciation for this opportunity to share our experience with the members of the standing committee.

The map we have distributed shows what most experts and industry observers believe is the potential mining development in Nunavut in this decade. About half a dozen major projects are currently at various stages of environmental review. Of course the largest is the Mary River project, which, if completed, will transform the economy of Nunavut. In addition, there are another half dozen advanced projects. To round out the picture, there are 90 early exploration projects.

Currently, Nunavut's mining sector represents at least a quarter of our economy. Its rapid growth explains why Nunavut's economic growth was the highest in Canada for both 2010 and 2011, achieving 11.4% and 7.7%, respectively.

Nunavut ranks fourth in Canada in terms of mining exploration investment. Considering that our population is just over 33,000, this level of exploration activity is economically significant for Nunavut. And if even a small number of exploration projects go on to be developed as mines, they will represent a tremendous opportunity for employment and economic development in Nunavut.

This development also has an impact on the rest of Canada. By our own estimates, 80% of the economic benefits of mining in Nunavut accrue to other Canadian jurisdictions.

To briefly reiterate a point that was mentioned in earlier meetings of this committee, it is important for both governments to maintain a steadfast commitment to geoscience funding as a foundational investment in the future of the mining industry.

A territory as vast as Nunavut holds many mineral deposits, but because of the distance from modern infrastructure there is comparatively little geoscience data and these deposits remain largely undiscovered. Only through modern science can these opportunities be identified. These are the deposits we will need to sustain the industry 30 years from now, long after Canada has devolved control and administration of crown lands and resources to the Nunavut government, an objective shared by both the Government of Canada and Nunavut.

The first five years of the federal geo-mapping for energy and minerals program, or GEM, have been very successful. But this type of research is ongoing, and a long-term commitment is needed, with a great deal of prospective ground to cover. We urge the Government of Canada to extend the geo-mapping of energy and minerals program to another productive five-year term.

Returning to the socio-economic impacts of resource development, the basic consideration for Nunavut is local employment. Over the next decade, several thousand Nunavut residents will have the opportunity to gain employment in the mining industry, if they are prepared to take advantage of the opportunities.

In Nunavut, education is challenging. Specialized industrial training is essential. The three territories have determined that we have similar needs in terms of training. Jointly, we have now produced a northern mine training strategy that will respond to the imminent expansion of the mining industry we all believe is coming.

We hope the federal government will continue to lead in providing the needed funding to develop our human resources and prepare for new employment. We believe the return on investment in training is excellent. With increased access to training and employment, Nunavummiut and Nunavut will become more self-reliant.

To date we have been generally satisfied with the work and professionalism of our resident regulatory agencies and related bodies. But with the increase in project applications we can predict, we must ensure that our agencies have the human and financial resources they will need. There is always a challenge in attracting and keeping skilled professionals in the north, where we believe they must be in order to see the full picture.

I encourage the committee to support the introduction into Parliament and passing of the Nunavut Planning and Project Assessment Act, developed by the Government of Canada in close consultation with the Government of Nunavut and Nunavut Tunngavik Incorporated. This will provide even more certainty in our regulatory process.

● (0905)

The mining industry requires predictability and certainty of tenure and access in order for companies to commit to long-term investment. Any lack of consistency of approach between various levels of government or owner groups can undermine the industry's commitment. A coordinated approach is preferable, and a reliable and impartial dispute resolution mechanism must be in place, like our Surface Rights Tribunal.

A final constraint to development that should be mentioned is the lack of strategic transportation infrastructure in Nunavut. Natural resource development should not be viewed as the only reason for the federal government to recognize the importance of Nunavut's infrastructure; let's say that's just one of several good reasons.

The lack of infrastructure in Nunavut affects the viability of mining projects and can needlessly delay projects. This applies to different parts of a mine's life cycle. Two advanced projects that could become mines this decade are the Meliadine gold project near Rankin Inlet and the Chidliak diamond project near Iqaluit. Both highlight the need for marine infrastructure in these communities. Mining projects also face limitations due to Nunavut's gravel runways and other airport infrastructure.

Through the points I have touched on today, geoscience, training, the regulatory and tenure system, and infrastructure, I hope I have communicated the fragility of this important sector of the Nunavut economy. These issues have a direct bearing on whether we will realize the anticipated growth of the mining sector and of Nunavut's economy. In some areas, these issues have already caused jobs losses instead of job gains and economic contraction instead of growth. However, we remain optimistic that these challenges can be managed through our own diligence and the continued support and engagement of the federal government. I would like to commend the Government of Canada for demonstrating that engagement through the recent appointment of the federal devolution negotiator.

In closing, I would like to thank the committee for this opportunity to express the Government of Nunavut's perspective on the current state of natural resources in Nunavut.

Thank you, Mr. Chairman.

The Chair: Thank you very much, Minister, for your presentation.

We will go to the final presenter now, from the Government of the Northwest Territories, the Honourable Michael Miltenberger, Minister of Environment and Natural Resources.

Welcome to you, sir. Go ahead with your presentation.

Hon. Michael Miltenberger (Minister of Environment and Natural Resources, Government of the Northwest Territories): Good morning.

If I weren't sitting so far away in Yellowknife, I'd feel somewhat underdressed compared to the rest of you folks, but I'll carry on regardless.

The Northwest Territories is a land of enormous wealth—wealth that is seen in the land as it now exists—with enormous portions of boreal forest and water, and ecosystems that are without parallel anywhere in the world. It's also enormously wealthy with the resources that are under the land: the diamonds, the oil, the gas, and the rare metals.

The challenge for us—and for all of us—is sustainable development. Our legislative assembly has a vision of strong individuals, families, and communities sharing the benefits and responsibilities of a unified, environmentally sustainable, and prosperous NWT. How do we do this?

We have a lot of things under way that are going to help us as northerners to do the right things. Most importantly, we are one of two jurisdictions left in this country that do not have control over land, water, and resource development—ourselves and Nunavut. We are very close to signing a devolution agreement that will finally give us the final piece, the final levers that we need as northerners to manage land, water, and resource development so that decisions in the north are made by northerners, for northerners, and in the best interests of northerners.

As well, that ties into regulatory reform. Devolution is going to be one of the biggest parts of regulatory reform, because it's going to mean that we can make decisions in the north without having to go to Ottawa and wait for months and sometimes years for bureaucrats and politicians in Ottawa to make decisions that should be—and soon will be—made in the north.

At the same time, the federal government has embarked upon their own process of regulatory reform that—as you can see after listening to Dr. MacDonald—has had a strong response from a lot of the aboriginal governments. We're going to have to balance out the approach going forward, but for us, the key is devolution.

In terms of resource development, we are challenged by some significant factors. One of the big ones is energy, including the cost to run a business and to do business in the north in mines in remote locations, where you have to import diesel fuel. In some cases it's $1.50 to $1.60 a litre for fuel.

It's the same challenge that we have in our small communities in providing electricity. We in the Northwest Territories are intent on coming forward with an energy plan that's going to see us do hydro interconnects in the north and south Slave, the Slave geological province, so we can have transmission lines that allow us to move the hydro that we do have available in the Snare and the Talston systems, transmission lines so we'll be able to link them together and can in fact do some expansions and be in a position to provide energy at reasonable costs to some of the proponents for some of the mines, such as the Avalon Rare Metals, Tamerlane, and NICO mines. The long term, of course, would be for the future development, where the diamond mines currently reside.

We also want to come forward with a solar plan that's going to allow us to help lower the costs in the small communities by putting solar to a target of about 10% penetration. Also, in the far north around Inuvik, we want to sort out the problems related to the depletion of the current natural gas wells and what the opportunities are there.

We are making what are for us very substantial investments in biomass, geothermal, solar, and wind. We see these as critical developments that are going to allow us to in fact have a sustainable cost of living in the north and a cost of doing business so that businesses can come in and run their businesses in an environmentally sustainable way that's affordable.

One of the big corporate examples I can point to is the Diavik mine, one of the diamond mines north of Yellowknife. They're installing some very big wind turbines that are going to help cut their costs by up to 30%. It's a $24-million investment that will be repaid in about five years from the savings they're going to generate. They've done thorough testing to make sure they're making the right decision.

● (0910)

Our challenge is the fiscal constraint we have to operate under. Right now we have a borrowing limit of $800 million. We have over the last number of years, like every other government, worked through the recession and taken advantage of stimulus funding. We have accrued a debt of about $656 million, which means we have about $144 million of borrowing room between our borrowing limit and what we have currently in debt.

We have the grid interconnects I was talking about. That's a $750,000 ticket item. We know that up north we want to invest in the Tuktoyaktuk-Inuvik highway. That initially started out at about $200 million. That project, with some help from the federal government, is now going to be much closer, in our estimation, to $300 million.

Inuvik is going to be one of two sites in the entire world that does remote sensing, and we want to put a fibre optic line down the valley so that we can have Inuvik provide that remote-sensing service. But they need to be able to have access to that information right away; we need to have a fibre optic line down the valley. That's a project that will open up the whole territory. It has a price tag of about $80 million.

So those are just a couple of the fiscal constraints we have, good projects that would benefit Canada and the Northwest Territories, but we are limited because of our fiscal limitations.

As we go forward we are very concerned about the balance of resource development and environment. We are open for business. We want to do it in a sustainable way. We want to invest heavily in infrastructure, not only the energy infrastructure, but roads as well, so that we can get the roads to resources that former Prime Minister Diefenbaker talked about. The time is now. We have some huge oil play in the Sahtu region that's going to require some investment. We want to do that in a planned way. We want to work with the communities to make sure that we look at their costs with alternative energy. We want to work with the mines to look at what other alternative energies are there, besides just relying on the incredibly expensive diesel.

To do all this properly.... I want to get back and conclude with the need to have the devolution agreement signed and have a strong post-devolution deal, an arrangement with Ottawa. Then northerners in the Northwest Territories will finally be able to truly chart their own course to the future.

Thank you.

● (0915)

The Chair: Thank you very much, Minister, for your presentation.

We go now to questions and comments from members of the committee.

I'll start with Mike Allen, for up to seven minutes, please. Go ahead, sir.

Mr. Mike Allen (Tobique—Mactaquac, CPC): Thank you very much, Chair.

Thank you to our witnesses for being here today. They were very good presentations.

I'd like to start with Minister Taptuna and Minister Miltenberger.

Minister Taptuna, you talked in your presentation about how to date you've been generally satisfied with the work and professionalism of the resident regulatory agencies and related bodies. When you say generally, what have been maybe one or two good things you've seen, and maybe a couple of areas that you see as opportunities for improvement?

Specifically, you talked a little about the human financial services that would be needed to build capacity as you go forward. Are there other things you're concerned about with respect to the review board going forward?

Hon. Peter Taptuna: Absolutely, and thank you for that question.

The Nunavut Impact Review Board is legislated under the Nunavut land claims agreement, and for the most part it's been a small organization since 1999. The expansion and growth in exploration activity has grown in tremendous proportions, and the application process has been slowed down because of the lack of resources within these regulatory bodies, including the Nunavut Planning Commission and the Nunavut Water Board.

The reason is that under the Nunavut land claims agreement, it's a regulatory body that regulates all projects such as these. It's one of the greater things that we've seen in the land claims agreement. But the manpower, the lack of resources going into these entities, has limited their output with the growth of all the development that's happening up north.

Mr. Mike Allen: Mr. Miltenberger, do you see similar issues with the regulatory agencies and bodies?

Hon. Michael Miltenberger: Some things can be done that will have an almost immediate impact. For example, in the Northwest Territories we don't even have the authority to appoint our own members to the regulatory boards. It's all done through Ottawa. And there are times when simple things like quorum tie up the processes and the boards getting decisions made, for months on end. There's a need to clarify policy areas where there's greyness or overlap. Money has finally been put into the funding for the processes that are there—for example, the cumulative impact.

The federal government itself has come forward with a plan that's going to see some amalgamation of boards. We'll have to work through that one as well, because clearly there's some concern on the aboriginal government's side, but the big piece for us in terms of regulatory reform, as I indicated in my comments, is going to be devolution. You just have to look to the Yukon and how things improved over there in terms of timeliness and responsiveness and an ability for a quick, thorough turnaround on decisions. We anticipate the same type of benefit once devolution is signed.

Thank you.

Mr. Mike Allen: I want to ask you about the devolution issue as well.

You've expressed some concern, and I wonder if you have any concerns about the federal government lacking capacity to keep up with the number of projects. Or do you sense that with the proper devolution, any overlap can be eliminated and we would have a good review process going forward?

● (0920)

Hon. Michael Miltenberger: I think the intent by all parties is to have a good review process to avoid duplication. One of the issues we're struggling with, of course, as all governments are, is the deficit reduction exercises that are under way and the paring back of budgets and programs across government to meet fiscal targets. The concern, of course, on the environmental and regulatory side is that we need to have those processes properly funded so there is no delay due to lack of resources. That has already reared its head up here, and it's a concern we want to make sure we can avoid in our discussions and negotiations with the federal government.

Mr. Mike Allen: Mr. Taptuna.

Hon. Peter Taptuna: Thank you.

Our chief negotiator has already initiated communications with NTI, Nunavut Tunngavik Incorporated, and the federal counterpart. We intend to press for the negotiations to continue and the sessions to begin. Our goal is to start negotiations for the agreement in principle with Canada and NTI.

One of the things I also want to note has to do with the regulatory processes. I mentioned in my presentation that we're looking for support in passing the Nunavut Planning and Project Assessment Act through the House. It's a legislative obligation under article 10 of the Nunavut land claims agreement. This act also includes timelines for decisions and increased consultation with industry and others. For the most part it will clarify roles and responsibilities of these boards and will help fulfill Canada's obligation under the Nunavut land claims agreement.

As we know from past experience, negotiations on devolution agreements take a long time, and we know from our neighbouring jurisdictions that it does take time. But with the right people in place, Nunavut would expect to see progress on devolution.

Mr. Mike Allen: I have a final question for all three of you about the education side of this.

Mr. Taptuna, you said specialized industrial training is essential. And Ms. MacDonald, you talked a little about the importance of a loyal northern workforce and the tremendous opportunities that can be developed for our northern workforce. The comment was that we have now produced a northern mine strategy that will respond to the imminent expansion, and all three territories have determined similar needs.

What do you think the proper approach to industrial training would be? We've had testimony before, which suggested the traditional classroom type of structure that we're used to in the southern provinces is not necessarily conducive to education in the north. What have you thought about in terms of that industrial training and how that needs to shake out?

The Chair: Mr. Taptuna, go ahead, please.

Hon. Peter Taptuna: Thank you.

With the three territories we have cooperated on the northern minerals workforce development strategy, which I mentioned in my presentation. We're looking for a lot of economic growth and trained people in the north.

We're expecting within the next decade that there could be 5,000 jobs created through mining industry growth alone in the north. Of course we're convinced that with federal support on a pan-territorial mining training strategy it's going to be a wise investment. It puts back a lot of economic activity within the territory and also the rest of Canada.

One of the things we looked at in the past was that usually we have more success in training on the job, and in Nunavut we've done that with tremendous success. As we mentioned, in the classroom setting it's always pretty difficult, but with training on the job we've come to the realization that it's one of the best ways of training our people who lack academic education to begin with.

The Chair: Thank you, Mr. Allen.

We'll go to Mr. Bevington for up to seven minutes, please.

Mr. Dennis Bevington (Western Arctic, NDP): Thank you, Mr. Chair.

Thank you to the witnesses who have shown up here today.

And to Mr. Miltenberger in Yellowknife, I appreciate you coming in by teleconference. I think that's saved the government a few dollars, and it should be the way of the future.

The government in the budget implementation bill has now put in the federal cabinet the ability to set the conditions for borrowing for the three territories by regulation, so this is something they can do and have to do yet.

When it comes to projects you've talked about, Mr. Miltenberger, in terms of the investment in public utility infrastructure, in energy projects that have a return, these won't fit if the self-financing loans are included in the regulations under the borrowing cap. Is this something that you see as important to the north to give us flexibility with borrowing, to allow these types of loans to be outside of the more traditional government investment in schools, in roads, in bridges, which don't have a rate of return?

● (0925)

Hon. Michael Miltenberger: Do I just carry on, Mr. Chair?

The Chair: Yes. Go ahead please, Mr. Miltenberger.

Hon. Michael Miltenberger: Thank you, Mr. Chairman.

What we are intent on doing here by this fall is laying out, for example, our energy plan, which is going to capture the initiatives that I discussed this morning in terms of the energy infrastructure, the grid interconnects, the solar strategy, dealing with Inuvik and some of those broad issues that are very critical to the economy. We're going to look for partners to do that, because we know we don't have the opportunity or the capacity to do it on our own.

As well, once we have our thinking clearly laid out, then, yes, the intention is going to be to talk to the federal government about ways whereby they can assist us. Right now a lot of the constraints are accounting decisions, for example, as the member indicated, in terms of having the self-financing parts of our debt going against our borrowing limit.

So those are areas where we see the value of further discussion with Finance Canada. We did agree to the $800 million borrowing limit, but clearly, as we lay out our plan for the future—which I think is very ambitious, but has to be done—we need to have the ability to talk once again about some of these areas.

Mr. Dennis Bevington: Mr. Taptuna, you haven't really talked a lot about energy, but I know that when Nunavut Power was in front of us they said there was some real need for large-scale investment in hydroelectric facilities in Nunavut, especially near Iqaluit. Is that part of your government's plan?

Hon. Peter Taptuna: Thank you.

As my colleague from the NWT indicated, in Nunavut the high cost of diesel-generated power and the ageing power infrastructure we have up there in the 26 communities is a high cost to the government and a high cost to the communities.

One of the things we're looking at in discussions on the potential Manitoba-Kivalliq road is, in the future, putting a power grid up through there, whether it's right through the road system or through that area. It would bring in more economic activity, whether it's mining or other economic things, especially in commodity trading. Manitoba gains about $300 million a year in trade from the Kivalliq region alone. That's critical infrastructure we're looking at.

For the most part, when we talk about generating hydro power, it's on the radar. But at this time it's unattainable due to the cost of infrastructure. We're looking at some of these alternative ways of getting to that point. Devolution is one of them. It would give us an advantage in getting revenue. Another example is Newfoundland and Labrador, where the Muskrat Falls project is supposed to be ongoing. With devolution, that will give us more opportunities.

Mr. Dennis Bevington: I might say that devolution without the fiscal capacity is very limited. Without every province in this country having the capacity within itself to invest in its own territory.... This is something I think we've had a discussion about.

Dr. MacDonald, I found your presentation on the socio-economic impacts of the recent diamond mine development in the Northwest Territories very accurate and very complete.

With respect to the regulatory system, we did a research paper that looked at what people in the Northwest Territories said about the regulatory system. We found that no one was coming out and saying that we needed to consolidate the boards. That wasn't an issue. In fact, most people who spoke up on this, throughout the whole territory, including the territorial government the one time they spoke on their position, said that they don't need to consolidate the boards and that it's not a good idea. Is that your understanding of what the general situation is in the Northwest Territories?

● (0930)

Dr. Ginger MacDonald: Thank you for the question, Mr. Bevington.

That's my understanding. The boards that do exist, which have grown out of the land claims authorities, have strong technical expertise. They bring in people who are harvesters. People who know the land are on these community-based or government-based boards. The boards are elected or appointed by the aboriginal authority and by the GNWT. And co-management is working. They're making solid decisions. They have excellent scientific backup and excellent indigenous backup on both scientific knowledge and indigenous science.

The appetite for making a super-board, or one board, is simply not there in the north. I think it may well quash the expertise that exists and that has grown up very strongly in the area. I see the boards on their own. Each has grown up on its own and is very much a regional board that is managing specific and particular issues in that region. Each is building excellent aboriginal capacity and non-aboriginal capacity to manage the issues.

Where are they going? They've built policies. They've managed to work together. They've managed to coordinate among themselves and have designed excellent and leading policy that other countries are looking to for northern capacity and northern governance.

The Chair: Thank you, Mr. Bevington.

We go now to Mr. McGuinty, for up to seven minutes. Go ahead, please.

Mr. David McGuinty (Ottawa South, Lib.): Thank you, Chair.

Good morning, everyone.

Can I turn to you, Dr. MacDonald, for a second? You made some comments about companies and their responsibility with respect to environmental assessment processes. I didn't completely understand what you were saying about companies driving up stock prices. I guess they are sort of whipping the market into a bit of a frenzy and are putting a lot of pressure on the EA process. I didn't quite follow what you said afterwards. Can you help us, from your experience, understand what you meant by that?

Dr. Ginger MacDonald: Certainly, and thank you for the question.

Junior mining companies are dependent on capital that's raised through the stock markets. In order to access them, they have to have a series of press releases that raise good news. These are generated through good news that emerges in any form. Currently, I find that many of the mining companies that don't have secure access to capital through banking, which maybe have a project that isn't so far along, use the process of regulatory environmental assessment to generate good news.

So they enter it too early. That generates press releases. They continue to have a steady stream of press releases that continue to generate good news, and they put the pressure on the regulatory system to be timely, to push forward even though they're not ready to describe their project accurately, because they're not far enough along in their own planning for the issues that were raised here—power, transportation, access to the deposit, the description of the deposit itself, and the way they're going to get at the deposit.

So that puts pressure on everybody around them to respond and to move in a system where we're not responding to good information. Right now I'm dealing with an example in which a company can't give strong answers on critical issues with respect to water quality or critical issues with respect to closure, because they simply entered way too early and they haven't gotten far enough along and they don't have enough information on the nature of the deposit or on the nature of the rock they're dealing with to give us good answers. As a result, there they are in the regulatory system, and they'll have their certificate before they have an accurate description of their project.

● (0935)

Mr. David McGuinty: So they whip the market into a frenzy to raise the capital. They put inordinate pressure on the regulatory body. The regulatory body responds by saying okay, let's go, and the companies are not prepared to actually comply, which leads to delays, right? Is that what you're saying?

Dr. Ginger MacDonald: Yes.

Mr. David McGuinty: Is this a frequent occurrence?

Dr. Ginger MacDonald: With junior mining companies, it is, absolutely.

Mr. David McGuinty: Can you name the case we're talking about now?

Dr. Ginger MacDonald: Well, one of them's been in front of you. Fortune Minerals has been in front of you and they have a case in which they're not able to describe those two issues—water quality and closure. It's absolutely clear that they don't have the answers on those areas. We're dealing with them in an environmental assessment this minute.

Mr. David McGuinty: You mentioned there were well-established studies and evidence to suggest that a lot of the delays were in fact proponent-caused. I think you mentioned that it was a little strange for you to see a government or just the dialogue fixating on timelines when a lot of the evidence seemed to suggest that, again, these delays were proponent-led.

Do you have any evidence or research you can forward to this committee so we can rely on it?

Dr. Ginger MacDonald: I'll send the reports that have been done in NWT. There's the NWT audit, which has a line on that.

Also, the Mackenzie Valley Environmental Impact Review Board had an external peer review, which suggested, along the same lines Mr. Bevington was suggesting, that the system is working just fine and that any delays have been associated with either the developer or have been delays at the back end associated with having everything being done in the north and then sitting on a desk in Ottawa. So there are those kinds of things.

Mr. David McGuinty: Let me jump ahead to another subject.

You did a guide in 2010 on the IBA community toolkit, which I commend you for. It's a fantastic piece of work. Let me ask you, though, in terms of the mature, 21st-century approach to doing deals with aboriginal peoples, would you agree that it's time for project proponents to begin a lot of dialogue and negotiation on the basis of the premise that equity participation will be forthcoming?

Dr. Ginger MacDonald: That's a great question.

Equity participation is something we're seeing in some deals. I recently published a paper on the five different financial models associated with these kinds of agreements—impact and benefit agreements—and equity participation is one of them.

It depends. Equity participation comes with risks, and sometimes an aboriginal government cannot enter into those risks. If you need a secure stream of funding to support urgent needs, such as dealing with housing or youth suicide, for example, which is a key issue, you need secure funding that's there dependably each year. Equity participation cannot guarantee that, because of the risks. So it depends on what the government needs. I think mature governments are looking at agreements, assessing what their funding stream is, the dependability of their funding stream, and then turning to the agreement possibilities and selecting the adequate one. But certainly we are seeing equity participation as an option these days.

Mr. David McGuinty: Do I have another minute, Mr. Chair?

The Chair: You have a minute and a half, Mr. McGuinty.

Mr. David McGuinty: Thank you very much.

Mr. Miltenberger, recently, and repeatedly, the Premier of Alberta has called for an energy strategy for the country. The Prime Minister's response has been, and I quote, “I don't know what she's talking about.”

Your territory has pursued, or you're coming forward with, an energy plan. You talked about hydro interconnected links. You talked about solar. You talked about natural gas wells and the role there. You talked about biomass, hydro, and wind.

The territory, I assume, participated in the energy ministers meeting about a year ago in Alberta—which we've heard neither hide nor hair of since. Do you think there's a real opportunity for Canada to come together, between provinces and territories, with the federal government, to actually have an adult conversation about energy?

The Chair: Minister Miltenberger.

Hon. Michael Miltenberger: Thank you.

We're of the opinion that there is a need for two things. There's a need for a national energy strategy, which has been articulated a number of times. At the same time, you can't look at energy separate from water. There's a need for a national water strategy as well.

As you look across the country and you look at all the pressing issues, those two are enormously linked. The premiers have sat a number of times now, and they've all had the same opinion about energy. I've been making the case, and I've been environment minister now going on seven or eight years, about the need for a national water strategy.

So I think there is a role for the provinces, territories, and the federal government to come around the national table to plan collectively.

● (0940)

The Chair: Just before we get to the second round, the first five-minute round, I do want to say that I'd like to leave 10 or 15 minutes at the end of the meeting to talk about the potential for travel in the fall and the report and things like that. That's just in the eventuality that we don't meet on Thursday as planned.

Starting the five-minute round, Mr. Anderson, go ahead, please.

Mr. David Anderson (Cypress Hills—Grasslands, CPC): Thank you, Mr. Chair.

I'd just like to ask you, Minister Miltenberger, is corporate manipulation of the regulatory process a major concern of your government? This is something new that we've heard this morning, and I'm just wondering about that.

Hon. Michael Miltenberger: The concern for our government, of course, is tied to devolution and timeliness. We know that where we see the constraints, we recognize that the federal government is moving on regulatory reform. We see, as I've indicated, regulatory reform as being tied to devolution. Once northerners can have control, and the decisions are made in the north... If you look to how it worked in the Yukon, that issue has been resolved satisfactorily.

I'm not that familiar with the issue raised by Dr. MacDonald.

Mr. David Anderson: I want to go back to something Mr. Allen had talked a little bit about—namely, the specifics of educational training and bringing folks into the workforce who perhaps haven't had the educational opportunities that some of the rest of us have had.

Minister Taptuna addressed it a bit from his perspective, and I'm wondering if the other two of you who Mr. Allen had asked would just talk for a minute or two about how you see that playing out in your part of the world; how you think we can bring 400,000 possible job opportunities to folks who need to receive the education and training in order to participate in those; and how you see your territory carrying that out.

Then, Ms. MacDonald, how do you see that taking place in the north? This has been a recurring theme of our conversations as well.

The Chair: Minister Miltenberger.

Hon. Michael Miltenberger: Thank you, Mr. Chairman.

Very quickly, in the Northwest Territories we are very focused on first trying to get children to stay in school and to graduate. We have as well, with industry over the years, developed very productive working relationships with the government and with the colleges to look at training—apprenticeship training, pre-employment training, mine processing training. The diamond mines have just gone underground. We're working with them to set up training for developing the skills for underground mining.

It's that type of relationship, the partnering in and sharing of resources, we're really focused on. Most of the communities in the areas all have people working in the mines in one form or another, but it is tied to the skills development piece.

The other big issue, of course, is to deal with some of the challenging issues Dr. MacDonald talked about earlier. In some of the communities there are alcohol and drug issues that in some cases limit a person's ability to take part in that type of work.

Thank you.

The Chair: Dr. MacDonald, go ahead.

Dr. Ginger MacDonald: The social side of work is something that's quite neglected, so the barriers Mr. Miltenberger is referring to, such as money-management skills, the social side, the family side—managing your family, being away for two weeks—are pretty complex. Getting to a mine and managing all of your money and all of your family issues at a mine site when you have very limited numeracy and literacy....

Mr. David Anderson: Where should that be done?

Dr. Ginger MacDonald: Right now, most of that northern mine strategy is being developed by the mines and by the territories. The aboriginal governments, the people who bear the cost of social issues and tend to manage it at a community basis, are not at the table and not talking to these issues. So the barriers—money, work, addictions—have to happen at the local level.

Mr. David Anderson: So they have the responsibility at the community level?

Dr. Ginger MacDonald: They do, for all of the social side of work. In order to work you have to be drug- and alcohol-free, you need to be employable. That burden falls on community governments or on communities. The communities need to be able to articulate the barriers and then build the programming on a community basis, and it's very tough, really hard. Most of the training is happening in Yellowknife, in the major centres, and bringing people out of the communities and out of their social support networks dooms them to fail at times.

The other side of it, though, is where we have targets in impact and benefit agreements. They hold the companies' feet to the fire so that there are aboriginal apprentices. Right now it's much easier to bring somebody in from the south. We need to force the question of apprenticeships and advancement as being critical issues so that there is the appetite in the companies to get really creative about their training and their education.

● (0945)

Mr. David Anderson: We've talked about at what age or what level those companies should be starting to insert their resources. We've come to the conclusion it needs to be long ahead of graduation from high school.

Dr. Ginger MacDonald: It's good to have it early. Right now we're seeing a very strange dynamic that is echoed worldwide, where a lot of young men are leaving because of the high-paying jobs. In the high school I'm most familiar with, the second-highest population to graduate is older women. Young men below the age of 18 are the third population to graduate from Chief Jimmy Bruneau High School in Behchoko, just outside of Yellowknife. That is an education dynamic that's being magnified by the diamond mines, because they're pulling that cadre of young men out of the high school.

So education...absolutely—giving them information earlier on, and also encouraging a diversity of options.

Mr. David Anderson: Can I ask you a question?

The young men who are going out of the community into the diamond mines are getting training on-site. Do you see that as a negative thing or a positive thing?

Dr. Ginger MacDonald: It's a positive thing, but having grade 12 is absolutely fundamental to future success.

The Chair: Thank you, Mr. Anderson.

Mr. Daniel, up to five minutes, please. Go ahead.

Mr. Joe Daniel (Don Valley East, CPC): Thank you, Mr. Chair.

Thank you, witnesses.

I'll follow up a little bit on the education theme, since I have an education background.

You talked in your first point about the lack of advancement. Can you explain that a bit more, and can you talk about what's hindering these advancements for the local community? Clearly, taking supervisory and senior roles in the industries is a good point for the indigenous people.

Dr. Ginger MacDonald: Thank you for the question.

Education is clearly one of the issues. There are barriers to advancement that are based in people's confidence and their literacy and numeracy abilities. But they're deeper than that. Unless there are people who are being advanced, there are no role models. People need to see people advancing in order that they can then feel that they can succeed themselves. There's a lot of favouritism in the northern mines so that southern people are favouring non-aboriginal people who are putting themselves forward. They're self-seeking, self-promoting, and they put themselves forward; therefore, they get leap-frogged over somebody who is in a haul truck who's not putting himself forward and self-promoting.

There are a lot of endemic workplace barriers that are about culture and sometimes about racism that are stopping people from moving up, in addition to the role model factor. We simply haven't seen it. Ekati has been operating for a long time. Diavik's been at it for a long time. We don't see senior-level management in those companies.

Mr. Joe Daniel: Okay.

Are they being educated to take on those roles? In other words, are you seeing indigenous people going in and getting their MBAs, getting qualified so that they can actually take those roles?

Dr. Ginger MacDonald: Absolutely.

One of the wonderful things about the mines having impact and benefit agreements is that there are dollars that are free to apply to things like education. For example, the Tlicho Nation has $800,000 yearly that they allocate to scholarships for people who are pursuing their education in the south. Those people are then becoming lawyers, or all sorts of different careers are opening up to them. The possibility for them to start to be promoted if they choose to be in mining is certainly there.

Mr. Joe Daniel: Thank you.

To the other folks, we've talked about the northern territories having pretty high growth rates—11.4%, 7.4% growth. Is this something that's actually a hindrance in terms of the development of your communities?

The Chair: Mr. Taptuna, go ahead.

Hon. Peter Taptuna: Thank you for that question.

It's one of the envies of the other jurisdictions. You want your GDP to grow, of course.

The lack of education is always a struggle within our territory. One of the things we're trying to do is promote more on the parenting side. As you know, parents have to be involved in education and what not.

Mr. Chairman, if I could, I'd like my deputy minister to supplement my answer.

The Chair: Go ahead, please, Mr. Long.

● (0950)

Mr. Robert Long (Deputy Minister, Department of Economic Development and Transportation, Government of Nunavut): Thank you, Mr. Chair.

I think some of what I want to say will reinforce what Dr. MacDonald has mentioned.

Because we have gone from a situation where we only have one mine operating to a whole number coming into production and going through the regulatory process at this point, we're looking at how best to put our people to work.

The first issue obviously is literacy and numeracy, which we're attacking on two different fronts. We want more kids to graduate from high school. The mining companies are beginning to become involved with the school system. We're encouraging teachers to identify mining as a real opportunity for the future. When I say "mining", I mean that in the broadest sense. Obviously there are people operating machinery. There are also people cooking and making beds and repairing equipment and all that sort of thing.

The school system is beginning to address this. Literacy and numeracy is a major initiative that we're undertaking. With some thanks to CanNor, the northern agency, our college system will be enhancing their literacy and numeracy programs in every community in Nunavut. We have our central campuses, but we also have a learning centre in each community for the college.

The second point is the technical skills. The minister mentioned the idea of hands-on learning as opposed to academic learning for that process. They're now through the door because they have the grade 12 to get there, and we're working enthusiastically through our mine training strategy to make that part happen.

We also recognized early on with our first new operating mine that retention is a big problem. That opens up the whole spectrum of the transition from a low income to a higher income, and the 14 days in and 14 days out, all of the issues around not being at home. We are trying within our mining strategy to identify the job orientation and training issues around that, so it becomes a significant part of the training.

It really has to happen in all three areas in order for us to succeed.

The Chair: Thank you, Mr. Daniel.

We go now to Mr. Julian, for about six minutes.

Mr. Peter Julian (Burnaby—New Westminster, NDP): Thanks to all our witnesses.

Mr. Miltenberger, it's very good to speak with you again.

I'd like to start off by asking you and Dr. MacDonald a question. You both spoke very eloquently about the importance of getting balance around sustainability, ensuring that while we are looking to mining operations we're not destroying an already existing economy and existing practices in the north.

There's been a lot of controversy around Bill C-38 and the elimination of environmental assessments. The Commissioner of the Environment stated before the finance subcommittee dealing with that portion of Bill C-38 that we will be moving federally from between 4,000 and 6,000 environmental assessments down to just a handful annually.

I'm wondering if you could both respond on that. Does it worry you that we're virtually eliminating environmental assessments at the federal level, including for many mining projects? What does that mean to achieving that balance you've both spoken so eloquently about maintaining?

I'll start with you, Mr. Miltenberger.

The Chair: Go ahead, Mr. Miltenberger.

Hon. Michael Miltenberger: We are concerned to see what the impacts are going to be of those decisions. In the north, we're working hard to make sure that we maintain our ability to be as thorough as we have to be to provide reassurance and comfort to all parties, but the full implications and impact of all the recent decisions have yet to be felt.

We've registered our concern about changes to the Fisheries Act. We're working on the regulatory reform. We're working on devolution. We're working on transborder negotiations with Alberta for water. We are in a whole host of areas, working on ways to manage the interface between resource development sustainability and protecting the environment. We are watching with great interest all the changes that have been proposed.

● (0955)

Mr. Peter Julian: Thank you for that.

On the Fisheries Act, is that what the NWT has provided as something you could provide to the committee as well, the changes to the Fisheries Act?

Hon. Michael Miltenberger: We have written to the minister just to seek clarification. When we first heard about the changes, issues were raised by officials, by our own experts, so the Fisheries Act combined with the streamlining and efficiencies. We're all in favour of being efficient and being timely. We just want to be reassured that thoroughness is not going to be sacrificed and that we can in fact do the job that our constituents expect of us.

Mr. Peter Julian: Thank you.

Dr. MacDonald.

Dr. Ginger MacDonald: Thank you.

I think the one thing that none of us want to see across Canada is legacy mines. We already have many of them that spot the north and all of Canada. We pay a lot for these. Giant Mine is a really good example right now, which is costing the federal government millions of dollars to manage 237,000 tonnes of arsenic that's tied up because of irresponsible mining practices and not proper technological solutions to mining that's going on. We don't want that. Let's put that out there.

The reason we don't have that in modern mining is because of the power of the well-asked question. The well-asked question in environmental assessment comes from scientists, from NRCAN, from the Department of Fisheries and Oceans, from Environment Canada, from all of the excellent scientists who are hired by and working in the federal government who ask the developer the well-asked question. When they pose that question to them, the developer then goes and looks at what they're proposing and performs the analysis they need to do and the technical work they need to do in order to prove to the federal government that they are not going to pose a risk to the environment and that they will take care of and put enough money aside to take care of any concerns or any environmental impacts that are going to be there.

So yes, we're very worried about what's going to happen with environmental assessment being gutted, because those people who ask the well-asked question will no longer be in the room. They won't be able to say what's going to happen with water, water quality. They won't be able to ask about technologies.

I just sat through excellent technical hearings in Yellowknife for three days. And yes, that was a period of time, but without that time together, the developer would not have been pushed forward to make big changes to their process so that they could protect water quality, be protective of caribou, and be protective of people of the north. Those technical sessions are absolutely fundamental to pushing good ideas forward and rejecting ideas that are not going to be protective.

I believe very strongly as an academic and as a person who works in the trenches and communities that environmental assessment is absolutely critical to good projects moving forward. That's what we want to see. We want to see good projects move forward. We want to see bad projects changed or rejected.

The Chair: Short question, Mr. Julian?

Mr. Peter Julian: Yes.

I just wanted to come back to the issue you raised around sub-standard housing in the north. This has been a repeated theme: that infrastructure is not being invested in, housing is not being invested in by the federal government, even though the federal government is profiting from the resources being taken out of these communities.

How important is it that the federal government invest in housing across the north?

Dr. Ginger MacDonald: I think housing is absolutely fundamental. And as the minister suggested, transportation is important, because in one of the aboriginal communities I work with, putting $800,000 into a winter road lowered the cost of living for citizens by 30% this year. There are really big impacts from investing well in winter roads, and that's a federal and a territorial responsibility.

But housing is also a responsibility. If people cannot be in a secure house, they can't get off to work. I know many families who are living in houses where, because of the effects and the legacy of colonization, there are addiction issues and social trauma. They can't leave their home for fear of what will happen to their children.

They can't leave their home because they don't have another home to go to. There is no housing. The housing they're in is inadequate. You go into a house, you see grandkids, kids, aunts, uncles, lots of people housed in a place. How could you, as a responsible adult and a parent, leave your child in that situation when you have no other choice? They outmigrate if they can or they choose not to work, and that's the unfortunate position they're in when housing is inadequate and substandard, which it is in northern regions, as you've identified.

● (1000)

The Chair: Thank you, Mr. Julian.

We go now to Mr. Trost for up to five minutes.

Mr. Brad Trost (Saskatoon—Humboldt, CPC): Thank you, Mr. Chair.

I very much appreciated the testimony, but sometimes it gets to be a little abstract. I'm going to ask about personal experiences and items learned. I'm going to start with Mr. Taptuna and go from there.

You worked over the years in the mineral resource industry. I'm looking through your bio here. You were part of oil and gas, and you've seen the development in your territory: the Meadowbank project. Based on your personal experiences and observations, what do you think has been done right? What do you think has been done wrong? If you were going to give some very quick summations of lessons learned, you're looking at Baker Lake, you're looking at the development of the mine, what has been done right when it comes to human resources, working with jobs and people and developing Baker, and what's been done wrong?

I'd like some really basic recommendations based on your personal experiences from someone who's lived in the north and seen the development of the town, talking and working with the local MLA, people, etc.

The Chair: Minister Taptuna, go ahead.

Hon. Peter Taptuna: Thank you very much. It's an excellent question.

You're absolutely right. I spent 13 years in oil well drilling in the Beaufort Sea, ten of those offshore. I spent seven years at the Lupin gold mine, both underground and on the surface.

A lot of things were done right at the Meadowbank site. There was a lot of training. For the community of Baker Lake, where there are very few economic opportunities, employment, wage employment, and what not, it tremendously assisted a lot of families who are from Baker Lake.

As you know, economic activity is one of the fundamental things that gives wellness in the community for a family. We all understand that.

Housing situations get to a desperate point in Nunavut. A little over 60% of our young people go to school hungry. Without any economic activity, it's very difficult to get out of that rut. As economic development and transportation minister, I see some of these economic developments encouraging our younger people in the smaller communities to stay in school. In the past, there was very little encouragement for some of these young folks to stay in school because nothing was happening at the end of the line.

With more economic activity, it's encouraging to see some of these kids talking about more activity out there, and some of my colleagues indicated that to live out on the land and become a socially responsible family person, you have to be employed. There are no two ways about it. When you want to talk about country food harvesting, you can't go get it unless you're employed.

Equipment costs money: snow machines, ATVs, boats, outboards. Without that, you're going nowhere. Families are starting to understand that. So as economic development minister, I am trying to promote more economic activity, which provides opportunities for families to get out of these ruts.

Mr. Brad Trost: So the best thing they did in Baker Lake was what? And if they could do it again, they would do what differently?

Hon. Peter Taptuna: I think there should be a little more emphasis on basic life skills training. That's one of the things we enthusiastically try to promote. When I talk about basic life skills training, I mean how to manage your family life, your bank account, and other various things that keep a family moving forward without having to fall back on income support and other various things that take self-esteem away from these young families.

Mr. Brad Trost: And the best thing they did was...?

Hon. Peter Taptuna: I'd have to say training. After they were trained, 265 Baker Lake folks went to work there. At any given time there are about 400 Inuit workers at the site indirectly, some through contracting, others through other companies that contract to the mine. So what was a "has-been" community of Baker Lake has become one of the more economically better off communities. You see that in the wellness of the family members.

Of course there are some additional social ills that happen with that, but there is an opportunity to get out of the rut, and without that nobody's going anywhere.

● (1005)

Mr. Brad Trost: Thank you.

The Chair: Thank you, Mr. Trost.

We go now to Mr. Nicholls for up to five minutes. Go ahead, please.

Mr. Jamie Nicholls (Vaudreuil-Soulanges, NDP): Thank you, Mr. Chairman.

I would like to thank all the witnesses for making themselves available today.

Ms. MacDonald, looking at your biography, I see you are somewhat of an expert on effective public consultation in Canada's north and on the roles of companies, governments, and communities. You are also an expert on the development of resources and on how to harness all those actors to best benefit people in the north.

Do you believe that the current practices of public consultation are sufficient and respond to the needs and the concerns of aboriginals in northern communities?

The Chair: Dr. MacDonald, go ahead.

Dr. Ginger MacDonald: Thank you for that question.

I don't have a legal background in this area. I've been a party to and a part of consultation efforts over the years. In terms of environmental assessments and layers of regulations, there is an environmental review followed by water licensing and permitting. The process sometimes becomes overly technical for a public consultation, but with the aid of technical expertise combined with public and traditional knowledge and indigenous science, somewhere within a period of six months to two years people are able to understand and grasp and move forward on a proposed development.

So consultation happens during that period, and when an aboriginal government steps up and really takes that responsibility on themselves as well, we see really good efforts at consultation and really excellent efforts by companies and by governments.

I think currently the status in the north is that there's fairly good consultation on critical issues, but a couple of things are required. First of all, intervenor funding is required, and that only comes to aboriginal governments if there's a certain kind of process invoked, which is environmental impact review.

For example, Gahcho Kué, proposed by De Beers, has environmental impact review funding, and aboriginal governments have access to funding. Environmental assessment, a lower threshold of review, has no funding, so you're on your own.

If you manage to negotiate an agreement with the developer to get funding, then you have adequate funding to hire technical expertise to crunch through information and make sense of it.

There are so many diverse parties in the north that often the funding gets split into so many different fractions that it's not enough to make a big impact. It's hard to get all of the authorities to work together to actually engage and work with one or two experts, rather than 15 or 20, which often happens.

The consultation that happens when there's intervenor funding and adequate time can be quite good.

Mr. Jamie Nicholls: With the proposed changes in legislation currently in Bill C-38, do you think that limiting the consultation process to an arbitrary 24 months will improve or weaken trust in the federal government's approval process?

Dr. Ginger MacDonald: The jury's out. My fear is that it will weaken it, especially because it's coming from on high and because it's an arbitrary limit on what needs to happen.

As I've articulated, I think that real questions, the good questions, come in once something's well described. So it needs to be well described so that people can actually tackle it and pull it apart and make sense of it and ask the right question. If the right question's not asked, then we end up with legacy mines.

Mr. Jamie Nicholls: I share some of the same concerns. In particular, you mentioned country foods, such as caribou. We look at section 35 of the Constitution Act, the duty to consult, and the court cases that have come down from that section, such as R. v. Sparrow or R. v. Van der Peet, for instance, that found an inherent right based on past cultural practice.

I'd assume that harvesting country food from caribou has always been a cultural practice in the north. What I'm concerned about in section 35 and the inherent right is that it breaks the tradition of the crown being the first step in relations with first nations, and it passes it to the cabinet. With consolidation of power in the federal cabinet for the approval of development projects, wouldn't you agree with me that this will have a negative effect on the trust of residents? Maybe it will put in jeopardy the faith people in the north have in the public consultation process.

● (1010)

The Chair: Give a very brief answer, Dr. MacDonald.

Dr. Ginger MacDonald: It's already had that impact. The trust is being broken.

I think you're also pointing to something that hasn't been raised here today, and that is cumulative effects. The pace and scale of northern resource development could be quite fast and furious. The project proponents are simply not able to look, themselves, adequately at the cumulative effects of development on, for example, the Bathurst caribou herd. When they can't do that, it's left to the government. It should be in the public interest to think about these things. Section 35 requires that caribou, the way of life of the people, be protected. If we can't look at those kinds of issues through the federal government, we're not going to be able to look at them through any other mechanism.

The Chair: Thank you, Mr. Nicholls.

Mr. Anderson, go ahead, please, for five minutes.

Mr. David Anderson: Thank you, Mr. Chair.

I want to come back to the discussion Mr. Trost led into about opportunities. Really, I think the solution, and I think we've heard it time and again here, is having the economic opportunities that are being developed.

Small business is really the heart and soul of the Canadian economy. Can you tell me what your governments are doing to actually encourage the development of private businesses? It seems to me that in the communities, it starts off with some educational opportunities. You get some training. Some folks go to work for the big companies. Then out of that, you also see some other small things developing that give people pride of ownership from developing their own businesses. What are your governments doing to try to encourage that to develop?

If you have a comment as well, Dr. MacDonald, that would be great.

The Chair: Minister Taptuna, you could start.

Hon. Peter Taptuna: Thank you very much.

Yes, within our department we have a fair number of programs to assist the start-up of small businesses and to assist existing small businesses through various programs within our department.

For development, mostly on Inuit-owned land in Nunavut, the development that's happening is—

Mr. David Anderson: Can I ask you if it is management you're working on? Are you providing funding? What are the programs geared towards?

Hon. Peter Taptuna: It's both for assistance in management and to encourage the growth of small businesses.

With the development happening on Inuit-owned land, of course through our land claims there are negotiations with the proponent and the regional Inuit associations. There are the Inuit impact and benefits agreements. It's an obligation under the land claim that the entities and the proponent negotiate an agreeable impact and benefits agreement. It could include a number of things. As a government, we're not privy to that information.

Mr. David Anderson: Can you tell me how that works, then, specifically with small businesses? The companies are obligated to do what so that at the other end you have generated a number of local businesses? How does that process work?

Hon. Peter Taptuna: We have within our government a couple of corporations: the Nunavut Development Corporation and the Nunavut Business Credit Corporation. We work in conjunction with other lending agencies, such as the First Nations Bank and Atuqtuarvik Corporation, which was formed under the land claims agreement. One of the things we're trying to promote is more activity in these small businesses, and not only in the major centres. We're trying to focus, through our Nunavut Development Corporation, on the smaller communities. It's usually through arts and crafts industries. Just recently, within the last two years, we've been trying to get the end result, the outcome of all the funding we put out.

Again, our main focus on smaller businesses is for the smaller communities.

Mr. David Anderson: Okay.

Minister, the Northwest Territories is in a bit of a different situation in terms of development. Do you have any comments on that, on the development of small businesses in your territory?

The Chair: Go ahead, Minister Miltenberger.

Hon. Michael Miltenberger: Thank you, Mr. Chairman.

Similar to our colleagues from Nunavut, the government itself has funding programs, high-risk capital that they put on the table, and they work with people to do business plans. We have business development officers in the communities. We work on the arts and crafts side.

We also have the benefit of four settled claims that have significant amounts of money to invest with the Inuvialuit, Gwich'in, Sahtu, and Tlicho. As Dr. MacDonald could probably attest to, the Tlicho have had as well very good impact-benefit agreements with the diamond mines. They've had, I think, some very significant success in developing local businesses in conjunction with the mines as part of their relationship with the mines.

Across the board we have those available. We do try to focus opportunities as much as possible on the small communities, which have a limited economic base. Once again, as Dr. MacDonald pointed out, we are concerned about the out-migration, the migration out of communities.

That's where our focus lies.

● (1015)

Mr. David Anderson: How much of your focus is on teaching management skills? That's a challenge for all of us who have small businesses.

Hon. Michael Miltenberger: With regard to basic business skills, it is a challenge for not only businesses but in fact just for the running of communities. It's a challenge to find people with the administrative skills to do the work at the hamlet level, at the community level, to manage the money there. That, along with trying to support small business development in communities, is a challenge we work on with both the college and our departments of ITI and municipal and community affairs.

Mr. David Anderson: Ms. MacDonald, did you have anything to add to that?

Dr. Ginger MacDonald: I have just one reflection, although I think it's been well said by my two colleagues.

The impact and benefit agreements have been absolutely fundamental to aboriginal business in the north. Those agreements in themselves require the secure unbundling of contracts so that things aren't so big that you can't possibly bid on them. There's access to capital through government programs. The guarantee, through the agreements, of contracts such as site services have been fundamental to businesses of the north, and have grown them.

It's because of those negotiated contractual agreements that northern businesses have been able to really break in. Now, for example, the Tlicho businesses have diversified to the south. You see business economy diversifying past the mining economy, which is absolutely central to a legacy, a good legacy, for business.

Mr. David Anderson: I come from a small rural town with a cyclical economy, so I understand that as well.

Dr. Ginger MacDonald: Yes.

The Chair: Thank you, Mr. Anderson.

Ms. Liu, you have up to five minutes.

Ms. Laurin Liu (Rivière-des-Mille-Îles, NDP): Thanks to our witnesses—great questions and answers so far.

My colleague Mr. Daniel touched on this in his line of questioning. It concerns the rhythm of development in the north.

Dr. MacDonald, do you think northern development is proceeding too quickly, not quickly enough, or just at the right pace?

Dr. Ginger MacDonald: Thank you for the question.

We certainly can't meet the workforce needs of the north with northern labour.

A lot is forthcoming in the Northwest Territories if there's transportation, if a lot of other factors fall into place. But mines that are proposed and moving forward are setting very low targets for northern labour. If we want taxation to stay in the north and if we want.... The best thing for a family, as my colleague said, is to have a job where they have that income. It's absolutely essential to lots of different elements of a good life, and if they can't secure a job because there's simply not enough labour any more to support that, then we're not doing very well for the northern economy.

Lots of people are still unemployed in the north. There are very high levels of unemployment. We still haven't tackled the barriers to those people working. Criminal records and pardons are a big barrier in the north. People don't know they have access to pardons or are simply unable to get rid of the past, barriers of addictions, social traumas that are in place. We haven't tackled the issues associated with families well enough.

I want to mention one program of the Tlicho government I'm aware of, which I've been involved with for the last two years and that I think is absolutely innovative and fundamental and changing the way we can educate people so they can be in the workforce. It's called the Tlicho Imbe program.

The Tlicho government allocates $2.3 million now, and has done so for two years, for any student in the south getting educated in non-aboriginal ways of life: doctor, lawyer, whatever it is they're pursuing, engineering, undergraduate work, even some of them coming from high school. Those people are then hired by the Tlicho government to be on the land for the entire summer. Their job is to be in their community, learning from their elders, learning their culture, language, and way of life.

Last week they were in Behchoko for a full week of immersion. Not a word of English was spoken in the full week. No one was allowed to speak English, only Tlicho. And at the same time we've gone to all the CEOs of the mines and said come on in, teach us about water quality monitoring while these youngsters are in the community. So they're learning how to set net, how to harvest, how to be out on the land, but they're also learning about water quality monitoring. It's a great way for people to be strong like two people.

I think that's the way forward for training. Rather than trying to turn everybody into a miner, remember that Canada has very different ways of learning and that we need to honour, respect, and grow those so we're not forcing people into a one-mode economy.

● (1020)

Ms. Laurin Liu: There is no doubt that linguistic and cultural rights have been a recurring theme throughout testimony in this committee, so thank you for mentioning that point.

Let's move back to the experience with producing the IBA community tool kit. Could you name some factors that lead to success in negotiations, and what are some examples of negotiations that have gone well, in your opinion?

Dr. Ginger MacDonald: Impact and benefit agreements are what lead to success, a strong unified community and strong unified regions where land claim authorities or aboriginal authorities are not battling to the lowest common denominator. So unity is a very important explanatory factor. If there is unity, there tend to be strong deals.

I think there also needs to be strong policy or government backup, and to date we have not seen this. So it's been a private contractual deal where the government's basically left out of it, which is a good thing, but there have been soft policy hammers through the years that have encouraged these things. Minister Irwin was fundamental during the Ekati years.

What kinds of great negotiations have we seen out there? They're negotiations that have led to agreements like the agreements in Voisey Bay, where the aboriginal authorities now have excellent agreements that provide untied revenues each year so they can pursue their aboriginal self-government goals.

Ms. Laurin Liu: I'll just stop you there so you can respond to my last question. What can the federal government be doing better to ensure the enforcement of these agreements and to better support aboriginal communities on their side?

Dr. Ginger MacDonald: There's very little to do with enforcement. The federal government has no role in their enforcement because they are private contractual agreements.

In terms of where the federal government is, in aboriginal governments we're trying to tie IBAs to environmental assessment. We try to build mitigations into impact and benefit agreements, and with the gutting of the environmental assessment I believe this will need to be critical for aboriginal governments to maintain any semblance of their rights.

I think they're going to need to push forward in these areas on the impact and benefit agreements, because the gutting of mitigation and the gutting of protective measures is about to move forward with Bill C-38, I think. I think there's going to be a role for these agreements to do things that governments don't even imagine they could do.

The Chair: Thank you, Ms. Liu.

To Mr. Calkins for five minutes.

Mr. Blaine Calkins (Wetaskiwin, CPC): Thank you, Mr. Chair.

Thank you to our witnesses for being here.

I'm going to direct my first question to Mr. Miltenberger.

First of all, I'm going to say, sir, it has been too long since I've been to the territories. When I was in university I was a fishing guide on Great Bear Lake at a little place called Arctic Circle Lodge, which is adjacent to the mine at Port Radium, which is where the uranium was extracted, I think, for some of the items that were used a long time ago, dating back to the Second World War. I certainly appreciate from that experience some of the difficulties in trying to operate in that northern environment. Everything is done by float planes, it seems. Thankfully there's a lot of water.

I remember my very first de Havilland Beaver trip from Yellowknife to Great Bear Lake. The engine quit about 20 minutes away from our destination, and as I looked out the window I noticed that there were lots of places to land, so I didn't feel all that bad.

With the vastness of the resources in the territories that I had seen, I think we're only beginning to discover what's available with the geo-mapping and everything the federal government's investing in. I know as an Albertan the value of having natural resources transferred to the provinces in 1930.

In your devolution agreement, how much is modelled on the Yukon experience? Can you tell me where you're at? What can you tell this committee about the difference between what you're trying to strive for and what the Yukon has in place? What are the commonalities and what are the differences? Could you give us a signal about how that process is going?

● (1025)

The Chair: Mr. Miltenberger, go ahead, please.

Hon. Michael Miltenberger: Thank you.

The devolution negotiations are proceeding apace. We're targeting to have a deal by the end of this calendar year.

We've negotiated on a comparative basis improvements to what the Yukon did. They set the initial bar in terms of the A-base money, the resource revenue sharing agreements, and now they are of course watching with great interest to see what we finally sign on. The AIP, the agreement in principle, lays out most of the key elements. From what we understand, the Yukon has already indicated that they will be expecting to reap the same benefits that we negotiate because of that process, and we've built off what they negotiated.

On the A-base side, we've negotiated an AIP of about $65 million for taking over the positions and programs. On the resource revenue sharing side, we've agreed to a formula and a cap that would give us this year, if we had it signed, about $60 million in added resource revenue sharing dollars that we would share with the aboriginal governments, 25% to them and 75% to the public government.

This is probably our top political priority for this government.

Mr. Blaine Calkins: I thank you for that. I think in your opening remarks you did stress how important this was for the territories.

I know as an Albertan—and I don't mean to keep harping on this—having the ability for us to make decisions in Alberta about how our resources are going to be extracted, setting our tax rates, having those agreements respected in cooperation with the federal government, where there is cooperation and where there is a shared jurisdiction and being able to make decisions by Albertans for Albertans, must be the same goal that you're trying to achieve in the Northwest Territories, decisions made by the folks there for the people who live there, to their benefit.

Can you give us some kind of indication of where this is going to go once the agreement is in place?

Hon. Michael Miltenberger: I appreciate your comments. Yes, we're one of two jurisdictions that don't have those authorities. Every other Canadian jurisdiction, like Alberta, for example, as you've indicated, couldn't even imagine today not having that authority.

It's absolutely critical for us to be able to map out the way forward, how we want to go, where we want to go, and how we want to get there. We have relationships with the aboriginal governments. We want to map out our economic future and our environmental future, and we need to have that done in the north by northerners. We need to have Ottawa hand over those authorities. They have plenty of other business to occupy themselves. We are well ready to take over those responsibilities.

Mr. Blaine Calkins: Thank you very much.

Mr. Taptuna, I believe in your comments you said something about how the prospective opportunities would result in up to 5,000 jobs just in Nunavut itself. Did I hear you say that correctly in one of your responses?

I also think I heard you say that the total population in Nunavut is just over 30,000 right now, 33,000 or 34,000. Did I hear that correctly?

Hon. Peter Taptuna: Yes, for the new jobs, and the population is just over 33,000.

Mr. Blaine Calkins: That is an absolutely astounding number of new potential job opportunities. Those are direct jobs in the territory, right? I'm not talking about the spinoff jobs in the rest of Canada—those are direct jobs in the territory. Is that correct?

Hon. Peter Taptuna: Absolutely. With our growing population, within four years we need 2,500 new jobs. That's just to stay in tune with our growing population. In ten years we need about that amount —5,000.

Mr. Blaine Calkins: So you don't actually foresee a massive labour shortage, as long you have the training and all of the mechanisms that get that already available workforce there to the actual job and that also get them over the barriers Ms. MacDonald has talked about. You don't actually see a labour shortage issue in Nunavut?

Hon. Peter Taptuna: We do see that. Just like every other jurisdiction, we do have that problem with the lack of skilled labour. We foresee that coming, and we want to try to keep in pace. We want to educate and train our people for some of these skilled semi-professional and even professional jobs that come with development.

● (1030)

The Chair: Thank you, Mr. Calkins.

Thank you to all of our witnesses for your testimony today and for your answers to questions. You've certainly provided information that will be helpful to this committee in writing our report. I thank you very much for that.

With us as an individual we have had Dr. Ginger MacDonald, adjunct professor, Norman B. Keevil Institute of Mining Engineering, University of British Columbia. From the Government of Nunavut, we have had the Honourable Peter Taptuna, Minister of Economic Development and Transportation. From the Government of Northwest Territories, we have had the Honourable Michael Miltenberger, Minister of Environment and Natural Resources.

Again, thanks very much to all of you for coming and for giving us this information.

I will suspend the meeting now. If the witnesses and anyone else at the back who isn't entitled to stay for an in camera meeting could leave, we'll go into a short in camera meeting on future business of the committee.

[*Proceedings continue in camera*]

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