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Chair

Mr. James Maloney

Standing Committee on Natural Resources

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● (1540)

[*English*]

The Vice-Chair (Mrs. Shannon Stubbs (Lakeland, CPC)): Good afternoon.

Today we will resume the committee's study of international best practices for engaging with indigenous communities regarding major energy projects. It will be our final meeting for this study.

I want to welcome all of the witnesses joining us today. We are again joined by Robert Beamish from Anokasan Capital by video conference, and Raylene Whitford from Canative Energy. Ms. Whitford is joined by her colleague, Chris Karamea Insley. We'll go to each of them for their 10-minute opening round and then follow that with our usual rounds of questions from the parties.

Mr. Beamish, the floor is yours.

Mr. Robert Beamish (Director, Anokasan Capital): Thank you very much for having me back again.

My name is Robert Beamish, and I am the co-founder and director of Anokasan Capital. I'll keep the introduction brief, as I was introduced previously.

We specialize in securing investment from east Asia for projects in indigenous communities in Canada. I'll be speaking about best practices from an international perspective and the perspective of indigenous communities within Canada.

These best practices are quite similar to the ones I mentioned in my previous presentation, but this time I plan to go into a little more detail on their value and why they are what they are.

I will start with the first one, which is to start with understanding. It is so important in relation to engaging with communities to not only allocate time, but also to budget for the understanding and needs-analysis process. If it's in the budget, it can be tracked and it can be delivered, and...finding out if there's alignment between community members and government for certain project developments. The more alignment you have, the more knowledge you can have of a community, and that will only help as the project develops and the negotiations continue to develop.

In a lot of communities there seems to be a process where people and individuals who go through the communities are very transient, coming for a time to learn or volunteer, and then ending up leaving. Over time, it can be an emotionally extractive process when you share your story, your culture, what things mean to you and your way of life and world view, and then people leave. Then more people come, and it's another process of sharing and leaving. This can also happen from the business perspective. In order to be successful, there needs to be that longer-term commitment from all partners.

Understanding goes to more than just project requirements; it's also understanding what the community's development goals are, what their history is, how they want to develop and where they are in that development process.

The next best practice would be communication alignment, and this relates to providing the platform for concerns to be voiced. If one isn't provided, then one will be created. It's about having regular intervals for communication, not only for dispute resolution, but also for an open floor to provide community members with feedback and details on the development of the project.

As different communication styles need different approaches in order to get all of the information out, you need to have set intervals, whether they be bi-weekly or monthly, to discuss the project's development as it relates not only to community members, but also to project leaders and stakeholders. Having these scheduled interviews allows the time for different people to process that information and perform the different types of analysis that they find valid.

For example, there was a geothermal project that was being worked on. It was in line with the values of the community. It was a renewable energy project, and it had education and employment opportunities included. When the project started to go forward, the machinery that was being brought to the community resembled classic oil rig machinery. When community members saw this, they said, “This isn't in line with what we thought we were getting into.” There wasn't a platform to provide information or dispute resolution, so one was created, and there was a process for this. There ended up being a team that went around to educate community members about what the machinery of a renewable energy project looks like, how it would change and what it would look like in terms of phases. They had to add this as an additional stage in their development process in order to ease the social unrest.

If there had been a platform for that open, free flow of information for community members to ask questions and provide feedback, that could have been avoided.

The next point would be cultural alignment. This one relates to the differences in cultures. Our differences can only bring us together once we understand how they separate us. It's about being proactive in understanding the protocols associated with the land, the land's relationship with that community, and what it means not only in terms of protocols and what should be done while on the land but also what it means in terms of the relationship with the land and why.

As well, a very important practice that we implement is a cultural bias awareness practice where we're self-aware of our own cultural biases. We do this because usually we're working with investors from the Asia-Pacific region, specifically China, but also with indigenous communities. We ourselves have our own cultural biases that we come in with. If we're aware of those, we can understand how our cultural biases are affecting how we're trying to do business, how we're going into this situation, how the cultural biases of the different partners at the table may be affected, and how they're going into doing business.

The next point would be the “four Es”, namely, employment, equity, education and the environment. These four Es affect every community in some way, some on a greater scale than others. We're proactively seeking these out in the “understanding” stage—for example, finding out the employment requirements, the expected equity in projects, the environmental concerns and the education for members, whether that be in training or literacy education. Looking for these and looking for ways to tailor these four Es to communities is an excellent way to proceed as a better partner, but likely these four Es are affecting communities in different ways. Whether they're all at the same time or one is greater than the other, integrating these into projects as opposed to leaving them as concessions is a much better way to start building a relationship.

A segue into the next one is information alignment. What gets measured gets delivered. When these Es can be measured, whether they're by literacy tests prior to a project starting, during the project start, during the training being implemented, or after the project or training has been completed, you are able to mark the improvements in literacy or education or as they relate to skills development. If these items are being measured, then they can also be delivered. Project requirements are measured and delivered upon and timelines are measured, but just as project requirements are measured, these social development requirements should be measured as well. Many communities are lacking in information when it comes to this area. It can be difficult to provide policy and create policy around where the community should go next if this information around literacy rates or around environmental contamination is not available. This information that you can provide to a community is value added to the community in their continued development as well.

I know that this is the last meeting on this topic of best practices, but I think it is very important to heed these best practices. A lot of them are not being implemented. There are challenges to implementing these practices, but the challenge that comes with these practices is also the great reward that comes from implementing them. Understanding these communities and understanding the individuals we'll work with on these projects will change how projects can be developed and how relationships can be developed, and it will affect mutual prosperity going forward. As we know from the different meetings that have been held on this topic, there are so many of these practices. I can only think of the ones that have been mentioned during the two presentations that I'm a part of. They will likely take effort, money and time to implement. They will take understanding and sacrifice in order to develop and be useful going forward, but it will be for the mutual benefit of all the people of this generation and the ones that follow.

● (1545)

I do thank you for your time on this. I'm looking forward to your questions.

The Vice-Chair (Mrs. Shannon Stubbs): Thank you, Mr. Beamish. You're right on time. That's better than most of us in the House of Commons on a daily basis.

Now we will go to our next witness.

Ms. Whitford, together, you and your colleague can split your time.

Ms. Raylene Whitford (Director, Canative Energy): Thank you, everybody. It's a pleasure to appear in front of you again.

I'm calling in from Rotorua in New Zealand. I'm here with Chris Karamea Insley, who is one of the advisers to Canative Energy.

I requested to appear again before the standing committee just because this is a topic that I feel very, very strongly about. This is my life's work, and it has been my career to date so far. I'm an indigenous finance professional. I have worked internationally in the energy sector since I began my career. I spent three years in Ecuador working in social development with Ecuadorian indigenous communities that had been impacted by the energy sector.

As for what I'd like to share with you, I'll just touch base on the three points I raised previously and then bring up another two that I think are very important. It's echoed in what I'm seeing here in New Zealand as well.

The first point I brought up was diversification. It's really important that these communities are not completely dependent on income streams generated from the energy industry.

It's also really important that they have a long-term plan in place. At some point, I saw some Ecuadorian communities that were looking into the future, but some are very nearsighted, and it's very difficult to engage with a major capital project if you are looking only at what is right in front of you.

The third point is building capabilities. Last time, I spoke about the education aspect, the literacy, etc.

I think this next point echoes Robert Beamish's point about energy literacy. What is energy literacy? Basically, it's providing the education and the awareness of what the industry is. What do these capital projects look like? What is the terminology being used? What is the machinery that they're going to see coming through their community? This is really important. It's really difficult to engage with something if you don't know what's going to happen, especially in these communities. They're very tightly knit, so they get a lot of their information from their neighbours and their families. Sometimes the messages change. Sometimes they're coloured a bit by people's ontologies, so it's really important that the government promote energy literacy within these communities so they're able to engage effectively.

The last point is the prioritization of youth voices. What I've seen is the polar opposite of what happens in the energy industry. In the energy industry, it's usually the oldest, loudest voice at the table that's prioritized in the boardroom, whereas in the communities that I've seen operating effectively in their space, they're actually bringing children and youth into the room and asking them for their opinion because they are the leaders of the next generation. They're engaging with these individuals with the expectation of empowering them and engaging them in the conversation to be able to move this forward.

With that, I'll hand it over to Chris. He'll tell you a bit more about what's going on in New Zealand.

● (1550)

Mr. Chris Karamea Insley (Advisor, Canative Energy): Thank you, Raylene.

Good afternoon, Madam Chair, and thank you for the opportunity to speak and share some of the experiences from us, as Maori people down in New Zealand.

My background is that I similarly trained in finance and economics in New Zealand, and also in the U.S. My work experience has been largely concentrated in the natural resources area. I've spent a lot of time working in forestry, including in the U.S. and in Canada—in British Columbia—so I have some experience there. Like Raylene, it's been my life's work in terms of driving Maori and, in turn, indigenous development among the likes of Robert, Raylene and others.

What I want to do is sort of share with you, members of the committee, a little bit about New Zealand, a little bit about Maori, and what makes sense for governments of the world to embrace—the challenges and the opportunities, and the opportunities are big.

As a population, we have around six million people, so we're small in New Zealand. Of that, there are around 600,000 Maori people. If you trace back through time, we as Maori people have shared, if you like, the same challenges that we see among the indigenous first nations people of Canada and elsewhere around the world—like Australia—in terms of high unemployment, all the bad things.

I'm going to echo some of the points that Robert and Raylene have made. It makes sense for governments to try to understand how to work collectively together with indigenous people. From the New Zealand experience, around 30 to 40 years ago, a piece of work was done to measure what the economic size of the Maori economy was within New Zealand. They measured it at around about $30 billion—New Zealand dollars—at that point in time. I might add that interest is concentrated in the natural resources: farming, forestry and fishing, and energy to an extent.

That same piece of work was remeasured, redone, in the last 12 months. The Maori economy today is around $50 billion. If you do the numbers, you'll see that the Maori economy is growing at a compound annual growth rate of around 15% to 20% year-on-year, while the rest of the New Zealand economy is growing at around 2% to 3%. That's triggered a lot of activity and thinking within New Zealand governments that the Maori economy has become a cornerstone of the success of the New Zealand economy in terms of some of the things that Maori are doing. It makes sense; that is the point.

In terms of best practice, again I'm going to echo the points that Raylene and Robert have made. From a government policy point of view, if you understand.... I believe from my assessment in Canada, with the kind of natural resources our first nations folks are involved in, there is enormous potential for that to be grown for first nations and for the economy of Canada, if some of the lessons that we've certainly learned along the way might be transferred.

The first point is that it takes time. I know you're challenged by the short-term electoral cycles, which we have in New Zealand too. It's hard to plan long term when you're up against that challenge, but I make the point that it takes time. I'm echoing, again, other points that Raylene has made. To build capability within communities, to build trust within communities, that all takes time.

Invest in young people. Heavily invest in young people and bring them forward, and that's when you'll really start to see the lessons and the potential start to be realized.

I'm really going to make a pause at this point, but I'd also say that whatever you do, it's worth the effort and don't drop the ball in terms of thinking about long-term plans and policy.

I'll pause there.

● (1555)

The Vice-Chair (Mrs. Shannon Stubbs): You do have two minutes, if there are any additional comments you want to add.

Mr. Chris Karamea Insley: Okay, thank you. I will go on from those best practice points to one other point that I think is really important and that we've certainly come to appreciate. It's a point that has been echoed around the world. That is not only to take a long-term view—and when I say “long-term”, I mean potentially generations, not five to ten years; but 30 to 50 years and beyond—but then also to think about policy that is integrative.

What do I mean by that? It's driven and underpinned by realizing the economics that we've all been trained in. There has to be a return on investment for all of the different parties, including government, the private sector, and the local communities. But absolutely, alongside that—and this is the stuff that we've learned in New Zealand that really starts to resonate with indigenous communities—think about how you grow people and about the social drivers. When you're thinking about getting alongside communities, go to them.

We have in New Zealand this thing that we've termed the “aunty test”. It's often the hardest test to pass, when you're in a meeting in the community, because one of the aunties will stand up and say to you, “Yes, we know all of those NPV numbers and those return on investment numbers, but what are you going to do to grow our people? Where are the jobs for our people? ”

You have, then, to tick the economics; you have to tick driving, and I would argue that the social driver is probably one of the pre-eminent drivers; and then also the environmental drivers. There is a fourth one; that's the cultural drivers. Long=term, you need to integrate all of those different value drivers into your thinking and the way you think about policy.

I'll pause there.

● (1600)

The Vice-Chair (Mrs. Shannon Stubbs): Again that's perfect timing. Thank you very much for your testimony.

We'll go to our government colleagues with our first seven-minute round of questions, starting with David.

Mr. David de Burgh Graham (Laurentides—Labelle, Lib.): I'm going to start with Mr. Beamish.

You mentioned an example or a situation in which a project was started and oil rig equipment arrived and the project was not what they were expecting.

Is there a feeling that our projects are being obfuscated or not being explained legitimately in these negotiations with these communities around the world?

Mr. Robert Beamish: That one could be related to exactly what Raylene was talking about, a case in which information could be derived from your neighbour in a close-knit community and not necessarily from the project's negotiations and what was discussed exclusively in the boardroom. That relates to disseminating information from the boardroom to the community's members at the individual level.

I have colleagues who work in that space, and they literally go knocking on the doors of community members to talk about what these ongoing developments will look like and how the project will affect the community—what the machinery will look like, what the different development stages will look like. That goes to educating the entire community, not just the project leads and the people who will be working on the physical project.

Mr. David de Burgh Graham: My next question is for all of you

You have been here before. Is there anything in previous testimony over the course of this study that you wanted to rebut or answer or challenge? This is the last day of witnesses, so if a point has been made that you think is utter wrong, now is a good time to point it out, either of you.

Ms. Raylene Whitford: I'll go first.

I don't think there is anything in any of the evidence I've heard, either in my previous session or in what I've heard through listening online to the other sessions.

What really drove me to connect with the committee is that I feel that sometimes it's difficult to have a purely international view. I know we're meant to be relating to the Canadian context, but it felt, most certainly in our session, that the conversation turned to some legacy issues in Canada and wasn't purely international. I would encourage the committee to keep that international hat on and really look at what's happening around the world.

As well, I really think it's important to acknowledge the youth aspect. What I'm seeing in Ecuador, and what I'm seeing in Canada as well, is the engagement and empowerment of young indigenous people. This is one reason I'm returning to Canada later this year to work. It's really inspiring and it's really great to see this, but it's very risky.

If this generation of youth become disengaged, or disenchanted with the energy industry and the way the government is treating them and operators are engaging with them, they can completely turn the other way and can most definitely stop the projects in their communities. It's really important to understand that their voices are prioritized and respected within these communities and that it not be as hierarchical as what we see in the energy industry.

To me that's one of the polar opposites I see between communities and the way the industry operates: it's the treatment and recognition of the voice of youth.

Mr. David de Burgh Graham: When we're talking about youth and ensuring the engagement of youth, what resonates with the next generation? What brings them to the table to say, “That's a really good idea; we have to work on this”, as opposed to, “My God, that's a horrible thought”?

What are the lines or explanations that work the best to keep them engaged?

Ms. Raylene Whitford: What you see at conferences focused on a specific subject—as I've seen in New Zealand—is that the first session is with the youth, who are encouraged to present their ideas and to lead the conference, in a way. I think that's really important.

For example, in one community I saw in Ecuador, there were two individuals who left the community and went to the city to be educated as lawyers. They were very open to activity in the sector. It was in the mining sector, not oil and gas sector, but these mining projects were still major capital projects with long lives. Over the time I spent in Ecuador, I saw them very quickly disengage, just with the way the government was treating them and the way their voices were very quickly pushed aside. The elders of the community were the only ones who were engaging with them.

It's really important to let the youth feel included and involved, and also to listen to their opinions. What you often see, and least with Robert's and my generation, is that we're more open-minded and more international. We have a valid opinion as well, which could be aligned to the sector.

● (1605)

Mr. Chris Karamea Insley: Could I build on that point, David?

Mr. David de Burgh Graham: Sure.

Mr. Chris Karamea Insley: From a New Zealand perspective, growing our youth has been, in my view, a cornerstone of the kind of economic growth we've seen achieved in New Zealand. What I mean by that is that a lot of our Maori companies and businesses across all of the different sectors offer scholarships every year to our youth. Over the last 15 to 20 years, we've seen a massive wave of highly educated youth going out through the university systems of New Zealand and the world. The point is really that all of those said youth are highly motivated to return home and contribute the knowledge, skill and expertise they have accumulated both through work and through learning around the world. They have a yearning to make a contribution back into their communities.

That raises another challenge when they come back, because you have to create the opening for them to come back to. That means driving concurrently the economic activity. You cradle a new opportunity and you welcome them back in. That's really what starts to accelerate the development, not just for those communities and those families, but for communities and the nation.

Mr. David de Burgh Graham: Thank you. I think my time is well past up. I appreciate that.

The Vice-Chair (Mrs. Shannon Stubbs): Perfect.

For our next seven-minute round, Jamie, you have the floor.

Mr. Jamie Schmale (Haliburton—Kawartha Lakes—Brock, CPC): I appreciate the opportunity to ask our witnesses some questions on this very important study.

To Chris, to continue on that thought, when talking about indigenous youth and engagement and that type of theme, in a lot of cases—and this can even be discussed outside first nation communities—there seems to be a bit of a disconnect between companies requiring certain skills from the newer workers and the younger workers trying to determine whether or not they actually want to get into that trade. Skilled trades come to mind in a lot of cases.

How did New Zealand deal with that? Here in Canada, I think there is an issue.

Mr. Chris Karamea Insley: Yes, Jamie, I'll answer that on two levels.

Firstly, in New Zealand, the Maori community has become highly active politically. For example, of our 122 members of parliament in New Zealand, we have 18 Maori members from across the political spectrum. In my view, we've been very sophisticated about how to leverage, as Maori people, that influence within government towards skills training programs for the particular needs of Maori communities. And we have a lot of those unfolding right now in some of these different sectors.

The second part of the answer is that, within our own Maori businesses, we are actively encouraging our youth to go off and get trained at university and in the trades. I think it has to happen at both levels. It's not just a government responsibility; it's a responsibility of government in partnership with business and with the families and communities.

For me, it really comes back to building that trust with those communities. In my view, the success is not through a government-driven, top-down approach only; it has to come from communities to drive that up.

I trust that makes sense.

Mr. Jamie Schmale: Yes, it does.

Does anyone want to add anything more before I get on to my next topic?

Mr. Beamish.

● (1610)

Mr. Robert Beamish: I think Chris summarized that well.

Mr. Jamie Schmale: Okay, perfect.

This can be open for anybody.

On indigenous consultation, I'll mention a project that some of you are familiar with, the Eagle Spirit pipeline. I note that so far today we've talked about consultation with regard to projects, but what about the legislation that impacts these projects like the Eagle Spirit pipeline that some of you are familiar with? For example, 35 first nations want to build that indigenous-owned Eagle Spirit pipeline corridor from Fort McMurray, Alberta to the northwest B.C. coast near Prince Rupert. These first nations complained bitterly about the failure of consultation on Bill C-48, which will forever ban the export of crude oil off the northwest coast of B.C.

Now, with respect to Bill C-69, the proposed legislation on impact assessments, we are finding out that many of these Canadian companies, like TransCanada—which recently dropped "Canada" from its name—are focusing investments on other international jurisdictions like the U.S. As investment flees, projects are being cancelled and jobs are being lost, and particularly hard hit are those indigenous jobs.

Indian Oil and Gas Canada, which regulates oil production on first nations lands, has a policy of charging a higher royalty for oil produced on reserve lands than the royalties charged on crown land in B.C., Alberta and Saskatchewan.

As investment departs Canada, capital exits indigenous lands first. According to the IOGC itself, new first nations' leases are down 95% over the last four years.

In your opinion, do governments owe a duty to consult on legislation like Bill C-48 and Bill C-69, the no more pipelines bill, that directly affect indigenous interests, or is it only a physical shovels-in-the-ground type of project that requires consultation?

That was a very long preamble.

Ms. Raylene Whitford: If I may start, first of all, in the spirit of the topic of the committee, I'm going to leave aside the Eagle Spirit pipeline specifics and answer your question directly. Should indigenous peoples be consulted in the creation and development of policy as well as when they put shovels in the ground? Absolutely.

I would encourage the committee to consider indigenous communities as an operator would consider their joint venture partner. Indigenous communities need to have the same rights, the same level of opinion and the same engagement as, for example, Shell would have with BP if they were partnering on an asset in the North Sea. Those two joint venture partners have equal voices when it comes to canvassing the government in developing policy and changing the existing policies. Absolutely. It's only at that point that you will begin to build trust with the indigenous communities.

Thank you.

Mr. Jamie Schmale: How much time do I have left?

The Vice-Chair: One minute.

Mr. Jamie Schmale: Okay, so I might have to skip over a few things.

Speaking of these major projects, when there is opposition, has New Zealand or Australia, whichever, had a divide among indigenous groups? If so, were there any takeaways from the results of that divide, and were accommodations made?

How did that nation-to-nation consultation work, or was it tried, with major infrastructure projects?

Mr. Chris Karamea Insley: Jamie, let me give a New Zealand sort of response to that.

Part of the context of the answer is that in New Zealand, in 1804, we signed a treaty that was, if you like, an agreement between the indigenous people of New Zealand and the state at that time. That treaty effectively says that in good faith, both parties will talk to each other about really anything that affects the nation of New Zealand.

Personally, I think it's okay and it's good that we have the treaty there, but that shouldn't be the primary driver. If you stepped back from whether or not you should have a discussion about these issues, we have issues going on in New Zealand that are around oil and gas, and there is a divide. It comes down to how both parties have talked to each other about the matter in the preceding period, and that could be years. If you have a good solid foundation for that discussion to take place, it's more than likely you're going to achieve an outcome that's acceptable to both parties.

As I said, we have the treaty there also, which says that in good faith you should respect each other and have a discussion. Start those discussions early—and we have many, many examples of this in New Zealand—and if you do and you build a strong relationship, you will start to achieve the kind of outcomes that I alluded to earlier on. Local communities win, Maori people win, and the nation wins.

● (1615)

The Vice-Chair (Mrs. Shannon Stubbs): Now, for seven minutes, we go to Richard.

Mr. Richard Cannings (South Okanagan—West Kootenay, NDP): Welcome to you all. Thanks for taking the time to come back to us. I really appreciate it. I'm very jealous, because you're in two of my favourite parts of the world: Medellín and Greater Waikato. I wish I were there—both places at once.

I'm just going to try to pick up on what I think Mr. Schmale was getting at. Mr. Insley, you mentioned in passing the Treaty of Waitangi. I'm just wondering how important those higher level government legal contact relationships are in various countries, or whether you just have to have that relationship and it's all happening down at the community level, the iwi level. You mentioned that that's where the real growth is happening. Are the Waitangi treaty negotiations and implementation an important catalyst for all of that?

Mr. Chris Karamea Insley: Thank you for the acknowledgement of New Zealand, Richard, and for the question. I think it's a great question. The simple answer to your question is that it's “and, and”. The treaty is a catalyst and is always leaned on now in terms discussion between Maori people and the New Zealand government. We all know that it's there and that it's intended to drive a productive discussion between the parties.

But, at the end of the day, I'm sure you and other members of your committee will understand that it can be a lengthy, drawn-out, highly costly legal process if you choose to go down that path. I would strongly encourage the building of the trust fundamentally with the communities and avoid, if at all possible, going down that much more lengthy, costly process.

Part of the experience in having gone through that process is that it can be very damaging to relationships if you lean on that as the principal mechanism to achieve consensus. It can be damaging and that damage can be long-lasting. My encouragement and urging would be.... We know it's there and that has been helpful—I won't say it hasn't been. A lot of the economic growth that the Maori have achieved has been through that process. But increasingly, what we're seeing is a preference to avoid going down that path. But it is an “and, and”.

Mr. Richard Cannings: Just to clarify that, then, you talked about the dramatic growth in the Maori economy, which I'm understanding from what you're saying is based on an acceptance by the broader New Zealand population that this is how things should be done. There's just that integration of the Maori culture into the New Zealand culture. When I've talked to New Zealanders, to me that acceptance seems to be at a very different stage than what we see in Canada. Is that the reason for this growth in the Maori economy?

Mr. Chris Karamea Insley: You're exactly right again. There is that growing acceptance. It's taken time. In my view it's taken 10, 20, 30 years to achieve that kind of acceptance. I will use one other example just to illustrate the point. One of the other things that I've been asked to become involved in, along with a number of other Maori business leaders, is to sit alongside our Ministry of Foreign Affairs and Trade to start to contribute to the development of international trade policy that reflects the particular interests of Maori people, given our size in the New Zealand economy. That acceptance goes further, with what we're now hearing from our government in New Zealand, in that the Maori economy and its culture have become New Zealand's point of difference in trading with other nations, for all of the various products that we will produce from our various parts of the economy.

Again, your point is a very good one. We have reached that point of acceptance by the wider New Zealand community. There is value for all, for the entire nation, by embracing the indigenous community.

● (1620)

Mr. Richard Cannings: Do you want to say something to that?

Ms. Raylene Whitford: I will just add some context for the individuals who haven't had an opportunity to visit New Zealand.

Here the Maori culture is very much integrated into the country. All of the place names are in Maori. There are Maori universities and Maori schools, and this is just a normal thing. This is an accepted thing. Maori is the country's second official language. It's very business as usual, whereas in Canada we're starting to see this resurgence in indigenous pride, renaming of streets, etc., but New Zealand is very much ahead in this respect.

I think that it's not that energy projects need to wait for this to happen; I think it's part and parcel. I think it's going to be a self-propagating entity if you're able to grow the knowledge of the country about and respect for the indigenous culture whilst giving the indigenous communities the opportunity to develop, to go internationally and to participate in these projects. It's going to enable both elements.

Mr. Richard Cannings: I'll stay with you, Ms. Whitford, to go to the other end of the spectrum perhaps, with Ecuador, and talk about the legal context there with the concept of Pachamama. I'm suspecting that hasn't had the same impact that the Treaty of Waitangi has had, and that we're at a very different stage of development there.

Ms. Raylene Whitford: In Ecuador, the indigenous communities have absolutely no rights. They have no mineral rights. They have their settlements and communities, but besides getting government benefit and social insurance, there really is no support for the communities there. It's obviously difficult for them to champion their own development if they don't have the access to these resources and if they don't have the support of the wider government as well.

If you were to place them on a spectrum, I think that Ecuador would be in the very early stages. Canada would be somewhere in the middle, but New Zealand would be 30, 40 or maybe even 50 years ahead of where we are in Canada.

The Vice-Chair (Mrs. Shannon Stubbs): Now we go to our five-minute round.

Hon. Kent Hehr (Calgary Centre, Lib.): Thank you so much to our presenters.

Madam Chair, you're doing an extraordinary job filling in for the regular chair. Thank you so much.

The Vice-Chair (Mrs. Shannon Stubbs): I made a mistake. You get seven minutes.

Voices: Oh, oh!

Hon. Kent Hehr: I am fascinated by this conversation that we've just seen emerge, in particular with Mr. Insley's reference to the point of difference. Your suggestion is that what sets New Zealand apart is in fact the embracing of the Maori, not only in everyday life but in the economic system as a whole.

Can you tell me how that came about in the last 30 years? Then you can tell me how this is a competitive advantage for you today.

Mr. Chris Karamea Insley: It's a very good question. Thank you, Kent.

How did it come about over the last 20 or 30 years?

I really have to hold very firmly to the view that it was through the drive of our leaders and our community, who not only encouraged but also literally forced every one of us to go off and get educated. We were encouraged by our leaders to go off and get educated—not just anywhere but in the best places in the world—and to bring that knowledge back home. It was through that period, that 20 years or so that it took for it to come home.

How is that now creating a competitive advantage? It is—it's creating a competitive advantage for our nation. When our prime minister or any senior delegations from New Zealand travel the world, they take a cultural performing group with them. That group will basically open every major meeting for the leaders of our country. They do that willingly. They see that it adds value, and it's recognized internationally.

Our icon in New Zealand, I guess, is our rugby team, the All Blacks. Our All Blacks stand proudly on the world stage. For those of you who follow rugby, they'll do the haka. The haka really does set us apart, not only on the rugby field but in every arena. All of our children—I have two little grandsons now who are four years old—learn rugby from the time they are born. It's become part of our DNA as a nation. It's in this way that it's promulgated, and it's become part of everything we do.

It's linked back to the point that you make about creating competitive advantage, that we can endure because no one out there has that mix of goods that we have. I think there are real lessons in what we've achieved, and so I think your question is a very good one.

● (1625)

Hon. Kent Hehr: Thank you so much.

I think we have to continue to incorporate many of our indigenous cultures here in Canada. I know we're starting to do that with our federal government, by changing our practices and our ways in going about things.

I would also like to address a question to Ms. Whitford.

I come from the province of Alberta, which is tremendously blessed with natural resources. In fact, over the course of time, we have had an excellent resource economy.

The trouble, as you point out, is how do we get the young people involved? How do we not have intergenerational theft? By that, I mean the spending of all the oil wealth in one generation. Do you know what I'm saying? In our home province, we have largely just said, “The future be damned. We're going to spend it all at once” in terms of those types of issues—low taxes, unlimited spending on health care and education—and then the good times are gone.

How do you see that conversation possibly coming back to indigenous communities and consider, for example, how you can look at aspects of sovereign wealth funds, possibly, and how you can get indigenous ownership that recognizes, in their energy literacy, that once you spend the profits from a barrel of oil, that money is gone for good?

Ms. Raylene Whitford: Thanks, Kent, for your question. I think it's a very valid one.

Again, I'm going to take it out of the province of Alberta and speak with an international voice.

I think we've all seen the power of sovereign wealth funds. If you look at what Norway and a number of countries have done in the energy sector, those funds are most definitely a very astute way of accumulating and growing capital for future generations.

This is something that is quite difficult, I think, for non-indigenous individuals to comprehend. Indigenous communities are inherently long-term. I'm sure the committee has heard of the seven generations a number of times throughout these sessions. Inherently, indigenous communities are looking towards the future, but it's not the near future; it's the long-term future.

I think that providing support, guidance and opportunities for these communities to set up structures whereby they can begin to secure and grow the capital and also opportunities for these future generations will be something they are very interested in.

If you're able to take best practice internationally in the development of these structures, or these funds or trusts, and not give it to them, not parachute it in, but develop it with them, I think that would be a very big win for the federal government.

● (1630)

Hon. Kent Hehr: How do you get more indigenous ownership in these capital projects? Is it building capacity? Is it some other aspect, or is it just education, and continued rigorous hard work building up the community?

Ms. Raylene Whitford: There are a couple of problems. Most definitely education is important—encouraging the youth to travel internationally and to return. It's also important to give them equity stakes—a valued interest. Giving them a seat at the board table, with an equal voice to those of the other members, is incredibly important. Hopefully, this will shift the conversation from, “Okay, we're going to consult, and tick that box,” to, “We have a very qualified, intelligent, experienced, well-established indigenous person at the table, giving his or her point of view. Everybody around the table is listening and acknowledging that point of view.”

The Vice-Chair (Mrs. Shannon Stubbs): Now, for our five-minute round, we'll go to Ted.

Mr. Ted Falk (Provencher, CPC): Thank you to our witnesses, again, for attending this committee. I appreciate the testimony I've heard.

I'd like one point of clarification. Mr. Insley, you talked about the long legal process not being the preferred route in negotiations. Is that in reference to treaties from the past? What were you referencing with that comment?

Mr. Chris Karamea Insley: Yes, Ted, it was particularly in relation to the treaty process, not general litigation. The treaty process, from our experience, can be lengthy. That typically means a process that can take tens of years and have a very high cost. In our experience, it can be quite divisive and damaging to relationships. It was particularly in relation to the treaty, but I don't want to undermine the importance of the treaty as a founding document. It is critically important.

Mr. Ted Falk: Thank you for that clarification. I thought that's what you were saying.

If you don't go down that route in your negotiations, what are the critical components of a negotiation that you do focus on?

Mr. Chris Karamea Insley: I'm going to just underline the previous points we've all made, namely, the need to start the discussion early and that both parties to that discussion be very honest, sincere and transparent. Certainly in our experience in New Zealand, as many of our people have gone off and become highly trained in all of the various fields, whether it's science, finance and banking or any other fields, we have people who are highly sophisticated and increasingly tuned in to best practices around the world.

In going into those negotiations, indigenous people can get a sense very quickly as to the sincerity of the other parties to engage. If the other parties are not alert to that, it can damage the discussion.

Be in it for the long haul, start the discussion early and be transparent in everything. They are guiding principles, I'd say.

Mr. Ted Falk: In these negotiations and in your development agreements, are there particular issues that are always in contention, or obstacles to an agreement? Can you give us some guidance on that?

Mr. Chris Karamea Insley: It's really interesting. Again, I'm thankful for the line of questioning. Often, particularly when you go into a commercial discussion, most of the discussion is around the commercial elements of that negotiation, i.e., the quantum of financial redress. Treaty issues, however, are often not about the amount of financial redress. Often that's actually the last thing that gets discussed. The first thing that gets discussed is a recognition that some issues from the past should be acknowledged. Get those acknowledged first, and then the discussion will shift to addressing a lot of the social issues in the community. Then what happens—and I've been involved in some of these recently—is recognizing within any agreement the need to look after the land and the environment.

Take care of those important drivers, and then you get to the final point, which is agreeing on the financial redress. It's pretty much in that order. It's not the economics first, and all of the other things later.

● (1635)

Mr. Ted Falk: Thank you for that.

Mr. Beamish, I'd like to ask you a question as well. You've raised capital, you said, from eastern Asian markets.

Mr. Robert Beamish: Yes, that's right.

Mr. Ted Falk: What are the things that your investors are looking for?

Mr. Robert Beamish: We target investors who are looking for a social return as well as a financial return. They are socially conscious investors, so not all investors in this market are our target market. We are looking for investors who want to receive more than an ROI, and who want to have social development included in their investment portfolio, which they are actively tracking. Those are the types of investors that we look for and build relationships with.

Mr. Ted Falk: Thank you.

I think I'm out of time.

The Vice-Chair (Mrs. Shannon Stubbs): You are. Thank you.

Everyone's so cooperative.

Now it's back to David for five minutes.

Mr. David de Burgh Graham: Mr. Insley, I want to come back to a question from your opening comments. You talked about the rapid and phenomenal growth of the Maori-based economy in New Zealand. I'd like to learn more about the root causes of that. Where is success? What was the turning point? What lessons can we take from that, more widely?

Mr. Chris Karamea Insley: I think that's a great question.

It's in two parts.

Why is it that the Maori economy is achieving these phenomenal growth rates? First, we have to acknowledge that the treaty settlement process has, if you like, created a pool of development capital available to Maori people that is now being reinvested back into the development of our own businesses, which we own completely. We own fishing companies. We own forestry companies. I was on the board of a highly successful energy company—geothermal energy—and that was stimulated by that initial settlement redress. We've had that pool of development capital made available through that process, but it's not only that.

We have some very talented and smart Maori companies today that are active in a whole range of different fields and have become highly vertically integrated, from the raw material right through to the end product that's being marketed around the world and promoted as being developed by this Maori community.

That all came about through my previous point about growing our young people with the best talent, to bring them back in with all of that talent that they have. It's those two things combined, and there's a third thing I should add, too.

The third thing—actually, there's a fourth thing—is to take a long-term view so that your planning horizon is long. It's not like what we've seen in the past with business per se, where the planning horizon was typically five years. Maori businesses can plan for 100 years. You ride out the ups and downs of prices and all of that kind of volatility.

The last point I'd make that contributes to that phenomenal growth rate is what's inherent within indigenous people, in my view, but certainly within Maori communities, to actually collaborate together and create scale. When you create scale, as you will know, sir, you create leverage. You create leverage in all sorts of ways.

It's a combination of those four factors that are driving these very real, very high, compound annual growth rates.

Mr. David de Burgh Graham: Is the Maori economy leaps and bounds ahead of the non-Maori economy of New Zealand, or is it catching up at a very high rate of speed?

● (1640)

Mr. Chris Karamea Insley: We're still very far behind in terms of absolute numbers, but the point is the compound annual growth rate, and this is certainly what our governments are paying attention to. There are ministers of our government now who are saying that the Maori economy has become the cornerstone of the New Zealand economy because of its growth rate.

Ms. Raylene Whitford: I think that growth rate is 20% to 30% versus 2% to 3% nationally here.

Mr. Chris Karamea Insley: Yes.

Mr. David de Burgh Graham: Without the Maori growth, the national economy would not be growing? Is that what I understand?

Mr. Chris Karamea Insley: That's right. There are really very good reasons, in my view—and certainly it's happening in our country—to pay attention to the interests of the indigenous communities.

Mr. David de Burgh Graham: Could you give a sense of at what point the attitude changed, if it did, to make this happen? Can we identify a moment that this started happening? Was there some change in policy or culture?

Mr. Chris Karamea Insley: There's no one absolute point. I've been asked that question several times in the last few days and weeks. Was there a critical turning point? It's hard to put a finger on it. It happened some time in the last 20 to 30 years, and it was an accumulation of effort and events, but not a single one of these.

If I were to pin something down, sir, I'd bring it all back to education by Maori people of young people.

Mr. David de Burgh Graham: My time is up. Thank you very much.

The Vice-Chair (Mrs. Shannon Stubbs): Now we'll go to Ted for five minutes.

Mr. Ted Falk: Thank you. I get to ask more questions.

You talked about a redress that you had for Maori people as providing some seed capital and funding that allowed them to initially become entrepreneurs, if you want to use that term. Was there anything else that contributed to the success that they are enjoying today?

Mr. Chris Karamea Insley: Ted, again, thank you for the question.

I make the point that the development capital that became available through the treaty process was a hugely important catalyst. Beyond that, I think it's education. I don't want to keep belabouring it, but it is education.

You make the point about Maori people becoming entrepreneurial. We actually have that entrepreneurialism; it's really been part of our DNA for many years. Prior to the wars that we've had in New Zealand, we did have a thriving Maori economy—this is over 100 years ago. Different communities had their own currencies. Different communities back then were trading internationally with shipping companies through the last 100 years or so. My point really is that it has been a part of the DNA of the Maori to trade with each other and internationally.

Ms. Raylene Whitford: If I may just add, it's also in the DNA of North American indigenous people. If you go right back to the fur trade, when we were providing furs to the Hudson's Bay Company, you'll see it is very much in our DNA, as well.

If you could fast-forward a few hundred years, one of the things that's inspiring me to return to Canada is this revival of indigenous entrepreneurship. There are so many people in the country now who.... Ten years ago when I left the country, this wasn't happening, but now you're seeing people creating incredible businesses with new ideas, who are really motivated and really hard-working to do this. It's just about providing them with the tools to be able to do so. I think indigenous people of Canada, New Zealand and Ecuador, whom I have seen, are very willing to put in the hard work, but because we have started a few steps back, it's difficult for us to get ahead.

Mr. Ted Falk: Raylene, you had mentioned in your comments earlier that in Canada we were probably midway to where the Maori people are in New Zealand as regards the development process in being engaged in natural resource development.

If you were speaking to indigenous communities in Canada today, what advice would you give them in engaging in commerce, in industry and in resource development?

● (1645)

Ms. Raylene Whitford: I would first say the exact same thing that I say to the communities in Ecuador, “It's your decision.” They should do what they like, and they have that freedom of choice that is their own.

I would encourage them to explore the opportunities, to understand the life cycle of the industry from start to finish and to engage in these conversations with an open heart and open mind, but also with the knowledge or support of being able to understand what's being spoken about. The language of the industry, the language of oil and gas, especially the language of drilling, is very different, and sometimes if you pitch that against literacy issues, that in itself is very difficult for indigenous communities, let alone non-indigenous communities. It's taking it slow, it's understanding the issues and it's doing their homework. But at the end of the day, it's their decision.

Mr. Chris Karamea Insley: I can offer one really important and related point. You've heard it from Raylene and from me. It is this very close connection that the Maori have with indigenous people of the world, including first nations people. By that I mean that all of the knowledge and everything we have learned, we are putting on the table and sharing with our indigenous family of the world.

All of the lifelong lessons [*Technical difficulty—Editor*].

Mr. David de Burgh Graham: Mr. Beamish, while we're waiting for the others to come back, do you have comments on all the things you've been hearing in the last few minutes? I know we've been focusing a lot on them, but I know you have quite a lot to offer.

Mr. Robert Beamish: I do appreciate that. I also know Chris is an excellent resource. I've sat with him before on panels at conferences. It's not my first time, but it's definitely always [*Inaudible—Editor*] when I'm on the floor with Chris. I do appreciate that as well, but definitely do recognize the knowledge that he's bringing.

There is one point. The last time I was in committee, toward the end I was asked a question about how we could attract investment to Canada from Asia and internationally and how we could raise that awareness. Time ran out when that question was asked the last time. I took that and I wanted to address how that could be done as it relates to indigenous communities and attracting investment for indigenous communities.

What I've seen from previous work I had with the Canadian Chamber of Commerce in Hong Kong and working alongside the Canadian consulate in Hong Kong—which was mainly focused on driving investment from Hong Kong to Canada—was that there was not the awareness of [*Technical difficulty—Editor*] or training for the trade commissioners that were abroad. Speakers, or their own independently organized trade delegations, would be organized from indigenous communities to attract business to those communities, but there wasn't that partnership that Chris mentioned, when political leaders would travel abroad and have a cultural delegation of Maori people alongside them. Commissioners in consulates or in embassies in the Canadian Chamber of Commerce abroad did not have any kind of awareness or sense of what's happening in the Canadian indigenous community.

It was actually the lack of this that spurred the start of our business, Anokasan Capital, in order to spread that awareness and to educate both East Asians about opportunities in indigenous communities and indigenous communities here in Canada about opportunities in East Asia.

● (1650)

Mr. David de Burgh Graham: Thank you for that. I do appreciate the comments. They are helpful.

Chris and Raylene, are you able to hear me again?

Chris, I wanted to build on your answers to Mr. Falk's questions just before you were cut off. The question I wanted to ask is specifically about how you engage with other indigenous communities around the world when you open that door. I'd like to walk through it and learn more about the process that is going on and how that interaction is going to take those best practices the Maori are learning and share them with the rest of the world.

Can you hear me? It doesn't look encouraging.

Mr. David de Burgh Graham: I wanted to build on what Mr. Falk said just before you disappeared. You were talking about sharing your best practices with indigenous communities around the world. I wanted to learn more about what you are up to and how it's working and if you are going through or around governments around the world to get better results. Are the communities working directly together and what kind of results you are seeing?

Mr. Chris Karamea Insley: It's a really good question again—and it's happening. As I said, it's an “and, and”.

First, we are now repeating our interests in and thoughts about the free trade agreements at the invitation of the New Zealand government. That's intended to be an enduring process and contribution to those formal agreements, so that our interests become embedded in o those free trade agreements right from the outset. The chief economist for our New Zealand Ministry of Foreign Affairs used the terms because he understands the compound annual growth rate numbers, and it's such a no-brainer that governments need to engage and help to get those interests embedded into those free trade agreements.

So we're working through that right now and it continues to be an ongoing process.

Second, there is an enormous amount of business-to-business trading and discussion going on between Maori businesses and first nations. We had another colleague in the room with us today, sharing the numerous numbers from a period of 20 years, backwards and forwards, toing and froing. He talked about some of the discussions he's involved in sitting on a board in the mining energy sector. He's involved in another trade with first nations in the agriculture sector.

So it's an “and, and” answer. I underline again that we, as Maori people, value and are sharing all of the lifelong lessons we've learned with indigenous peoples of the world, including first nations.

Ms. Raylene Whitford: If I may just quickly add to that.

I was invited by Chris to begin to learn about how the Maori do things: how they have developed. I gave a lecture yesterday at a university, for example, and the Maori in the room were very interested to hear about first nations, the Métis and the Inuit of Canada. So there definitely is this kind of leaning in that you see in international indigenous communities. But at this point, I don't know.... I've never had government support to do this. From what I've seen, it's all direct engagement. So you get an introduction—somebody else introduces you—and that way, you form this relationship. I would like to see more government support of this international liaising, engagement, discussion, communication among indigenous communities, because all the issues we face are the same. All the issues the Ecuadorean indigenous communities face are the same as Canada's and as the Maori's here in New Zealand.

Mr. David de Burgh Graham: That's great.

I'm out of time, but I want to thank you for sharing your tomorrow morning with us.

● (1655)

The Vice-Chair (Mrs. Shannon Stubbs): And to wrap up for us, Richard, you have for three minutes.

Mr. Richard Cannings: I'd like to get around to my questions for Mr. Beamish.

Mr. Insley talked about the various steps that engagement processes take, dealing with historical issues and moving to social issues, and the land, environmental and finally to financial issues. I'm just wondering how that might match up with your four e's. You talked about employment, equity, environment, education. Is there some order to those four e's that you've experienced when you are engaging with indigenous communities? Is that equity part the last, and the education early on and then the environment?

Mr. Robert Beamish: The order is usually driven by the community and what their priorities are. The environment could come first, depending on the project and the proposed development and the impact this would have; or based on the partnerships they've had in the past, the equity is the first thing that comes up. But that's community driven. We know those four e's are going to be the pillars of the conversation, so we we are transparent that these are areas that we are going to address and let that be driven by our partners in how that conversation develops around those talks.

Mr. Richard Cannings: Just focusing on the education part, we hear a lot about skills training and education at this committee. I'm just wondering how deeply you get into that with your investors and projects. Is the education and skills training component an important part of what your project might provide to communities?

Mr. Robert Beamish: It is. We don't quite take the same method when we go with investors. When we are talking to investors, we would set aside almost a reserve of what would be dedicated to social needs, and that reserve is discussed with partners in the community and outside partners. We don't claim to be social development experts. My background is in finance. I would love to be a finance and social development expert, but I'm just working on the finance piece right now. We're bringing talent that knows this area, that will work with the community, that will engage. These are other indigenous consultants who work in social development, and we work with them to define what kind of budget would be needed to get to these levels that communities want to reach and what we have available as a reserve from our investors in order to finance that. The investors aren't necessarily there on that level negotiating social development, but we work with outside partners to achieve that goal in a way that works for the community.

Mr. Richard Cannings: Okay. Thank you very much. I appreciate it.

The Vice-Chair (Mrs. Shannon Stubbs): Thank you, everyone.

That's it for our final meeting on this study. I want to thank the witnesses for joining us and for your patience with our technical challenges with video conferencing.

I'd also like to thank the interpreters, our technical support people for addressing the technical issues, the clerk for keeping me on track and making me look as if I know what I'm doing and my colleagues for making this job easy for me today.

We don't yet know the date and time of our next meeting, so I'm just going to bang this gavel and adjourn this meeting.