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# **Standing Committee on Aboriginal Affairs and Northern Development**

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**EVIDENCE**

**Tuesday, November 24, 2009**

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**Chair**

**Mr. Bruce Stanton**



## Standing Committee on Aboriginal Affairs and Northern Development

Tuesday, November 24, 2009

•(0835)

[English]

**The Chair (Mr. Bruce Stanton (Simcoe North, CPC)):** Good morning, members, witnesses, and guests.

We're delighted to be here in Iqaluit—the place of many fish, I understand. This is a great opportunity for us. We are the members of the Standing Committee on Aboriginal Affairs and Northern Development. This is the third stop for us in a series of three stops that we have made in each of the territorial capitals in the course of our consideration for advancing the economic development of Canada's north.

This is what we call a comprehensive study. We don't expect to be finished our work until early 2010, but members felt quite strongly, and I share their sentiments, about ensuring that we include stops in each of the territories at the front end of our study. Of course, the consideration of advancing economic development is not just about advancing development for its sake, but rather so it can engender the kinds of positive outcomes in quality of life for people who are the northerners of Canada. We're delighted to be here, as I said.

I'll say a little bit about the format this morning. Some of you may have been in front of standing committees in the past. What we generally do is open with a five-minute presentation from each of the four organizations that are present. When you're presenting and when you're talking with us, since we are doing simultaneous interpretation in the course of our discussions here today, try to keep the pace of your presentation a little bit slower than you normally talk, and that will be a good pace. Don't worry too much about meeting the five minutes. We'll give you a little bit of latitude there. Then after the presentations we'll go into comments from members.

Now I understand also—I'm not sure if he's here—we do have an interpreter here who will interpret Inuktitut, so this is available. If you wish to speak in Inuktitut, we will have the translation properly done for members.

I'm going to say up front, by the way, that I'm going to do my very best to get the pronunciations of the names of all the witnesses here today. Not being proficient in Inuktitut, we'll do our best.

I'd like to lead off by welcoming the mayor of the wonderful municipality of Iqaluit, Ms. Elisapee Sheutiapik.

Mayor, I'm delighted to be here. Please lead off with the first presentation.

**Ms. Elisapee Sheutiapik (Mayor, Municipality of Iqaluit):** *Ullaakut.* Thank you very much.

I am quite honoured to be here this morning, and I look forward to hearing the rest of the presentations. I have been in front of a standing committee before, but it's good to know you're going to be a little bit lenient, because I know the last time I did a presentation it was shortened.

Welcome to our great city. I'm sure you'll walk away with some great information.

I just got back from Ottawa yesterday, actually. The Federation of Canadian Municipalities just held their advocacy days, and we had a meeting under the northern forum. We met with Minister Strahl and had some great insight. Actually, that was why there were two pieces passed out this morning. One piece of advice he gave us was that although this committee is quite keen on reading material, he's kind of like me, he likes one-pagers. So one is in depth, which I will be reading, and a lot of the material comes from previous... And then there's a one-pager, with Minister Strahl in mind.

Thank you once again for allowing me to speak this morning.

•(0840)

**The Chair:** If you want, Mayor Sheutiapik, you can go ahead with your presentation. We'll do each of them one after the other, and then we'll go to questions after that.

So please go ahead, and it's all yours. Thank you.

**Ms. Elisapee Sheutiapik:** *Qujannamiik.*

Mr. Chair, members of the standing committee, thank you for giving the Nunavut Association of Municipalities, NAM, the opportunity to appear before you.

I am Elisapee Sheutiapik, Mayor of Iqaluit, and I am also the president of the Nunavut Association of Municipalities.

You've asked representatives from around Nunavut to appear before you to contribute their vision of how Nunavut communities could be strengthened by identifying barriers to economic development and coming up with solutions to bring down these barriers.

NAM is a member of the Federation of Canadian Municipalities and serves the interests of 25 municipalities of Nunavut, 24 of which are not tax-based communities.

Nunavut's population is 34,000, and approximately 85% are Inuit. People of Nunavut refer to themselves as Nunavummiut, the people of Nunavut. Nunavut's footprint makes up one-fifth of Canada's land mass, and the mining industry rates it 10th among the 64 most resource-rich regions in the world.

Today, NAM and its members are prepared to participate proactively with the rest of Canada in attaining the government's vision of prosperity. NAM has proposed a strategic sustainable development plan for community governments, which they have endorsed and have directed us to proceed with.

To proceed, however, we need some key decisions by the federal government that recognize the unique challenges facing the communities of Nunavut.

In NAM's submission to the Expert Panel on Equalization and Territorial Formula Financing, we pointed out that the expenditure needs gap in the territorial formula financing is not just a measure in accounting ledgers; it can also be measured in inadequate housing, poor health, low education, and inadequate infrastructure.

The expert panel's report cited many examples of how Nunavut is even more challenged by conditions associated with poverty than are its sister territories and that an adjustment to the TFF is not sufficient to address gaps in programs, services, and infrastructure in Nunavut.

It concluded that:

Without urgent concerted action to improve housing, health, education, and quality of life for people living in Nunavut, particularly Inuit people, there is little hope that things will change for the better. The Panel urges the Government of Nunavut, the Government of Canada, Inuit leaders, and a wide range of organizations, groups and agencies to come together to address these issues before the situation gets even worse.

While Nunavut is resource-rich, its people and communities will not receive significant benefits from their resource wealth under the current federal fiscal regime. All the public resource revenues from the Northwest Territories' and Nunavut's resources flow directly to the federal government.

Canada's public accounts show that during the last five years the federal government took \$830 million in resource wealth out of the north, over and above federal taxes. In 2004 and 2005 alone, it took half a billion dollars.

The expert panel spoke to this issue as well, saying:

The potential for resource developments in the territories is perhaps the best opportunity they have to achieve their dreams of self-sufficiency and self-reliance. Provinces with rich natural resources are able to benefit from those resources. The same principle of net fiscal benefit should apply to the territories.

Nunavut cannot afford to let its resources be taken without fair compensation. Moreover, it is NAM's position that the communities of Nunavut need a direct and fair share of revenues. International development agencies refer to a common phenomenon called the "resource curse". It is the paradox that natural resources can generate enormous wealth, yet communities in resource-rich regions have poor economic growth; inadequate investment in health, education, and sanitation; and poor social conditions.

• (0845)

The resource curse is integral to northern resource development history. Profits go to outside investors, business goes to outside service and suppliers, wages go to outside labour, public revenues go to central governments, and the vast majority of local people are barred from participation by poor education, poor infrastructure, and inadequate services.

Interestingly, one group that recognizes the curse and is proposing means to eliminate it is within the mining industry. The International Council on Mining and Metals, of which the Mining Association of Canada is a member, has taken an initiative on sustainable community development in mining regions. Its chair, who is also the chief executive officer of Newmont Mining, recently said that "central governments have failed to use tax revenues from mining companies effectively to fund basic public services and empower local governments".

The need to strengthen local governance in mining underlines the importance of a partnership approach. The local agencies are the best means of improving the services and facilities available to affected communities, but they cannot be expected suddenly to have the capacity to plan and implement large community development programs. Host national governments must take the lead in supporting these bodies and be assisted by international donor organizations and companies. The companies can also help by planning their own projects, infrastructure, and social investment as part of the regional development plan. This can raise the chances that prosperity will flow to the whole region and also avoid a cycle of local dependency on the companies' social programs.

Some will say that Nunavut receives more in transfer payments than the federal government receives in resource revenues. It is true that the transfer payments are very large, but it is also true that despite the federal government's 40-year mandate for economic development in the north, there is not a developed economy in Nunavut. Resources and the resource wealth have both left Nunavut, leaving a depleted resource base and no public or private wealth to invest in a diversified, sustainable economy.

What the federal government transfers do provide, instead of a sustainable economy, is a standard of dependency and poverty for many and funds to employ others to provide the poor and themselves with public services.

In conclusion, NAM and its community members are prepared to participate proactively with the rest of Canada in obtaining a vision of prosperity, but the communities in Nunavut need federal financial support to reach the first rung on the ladder to prosperity. To that end, we need informed decisions on the next budget that address the critical service and facility gaps in Nunavut communities; fairly share Nunavut's resource revenues with Nunavut through its territorial and local governments; and provide financial support for ongoing community economic development plans and implementation leading to sustainable Nunavut communities.

*Qujannamiik.*

I'm short-winded, but as I stated, I tried to shorten it with another one-pager. Once again, thank you for allowing me to come this morning.

**The Chair:** Thank you very much, Mayor Sheutiapik.

We're delighted again to be here, and thank you for your remarks.

For the benefit of members, there was a brief of those remarks submitted. It was not in both official languages, so we'll get that translated and circulated to all the committee members.

Now we'll go to Mr. Robert Long, who is the Deputy Minister of the Department of Economic Development and Transportation of the Government of Nunavut.

Mr. Long, go ahead.

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

Unfortunately, the minister, the Honourable Peter Taptuna, is not available. He ran into weather problems on his trip here from Yellowknife yesterday, so he hasn't arrived. Unfortunately, we didn't find that out until about 4:30 yesterday afternoon, so we have not had time to change the speech or have it retranslated. With your permission, I'll read his speech.

On behalf of the Government of Nunavut, welcome to our land and to our capital city. We're honoured by your presence here, and because you have chosen to come here, to listen and to learn, you've earned our respect and high regard. I know your time here with us, though brief, will be illuminating and will bring you new perspectives, not only on who we are here in Nunavut, about our dreams and our hopes for the future, but on who you are, as our fellow Canadians.

Today you're in one of the most exciting and dynamic parts of the country. You're in a place where the future of this country will be defined. It may feel to you that you've travelled a long way and that you're far from home, but I want to say to you that here in Nunavut you *are* at home. You're in a place where your future will be determined, just as it will be determined for those of us for whom this land is the home of our ancestors, and as it will be for our children and our children's children.

This is my basic message to you today. If Canadians are to fulfill their northern destiny, then Canadians must ensure that it is possible for Nunavummiut—those of us who make this part of Canada our home—to maintain a high and sustainable quality of life. If we

cannot achieve this, I'm concerned not only for the future of Nunavut but for the future of this country.

I'm proud to say that Kugluktuk, the community on the Arctic Ocean on the far west of Nunavut, where I live, is where my children live, as do their children, but I fear this situation will have to change because the cost of living in our community is too high and the ability of my grandchildren to live as other Canadians do is becoming increasingly difficult. So they will make a choice between a poorer standard of living in their community here in Nunavut and a higher standard of living they can have by moving to southern Canada. When young people leave, it puts our communities at risk. This is not good for Nunavut, and it's at a time when climate change, northern sovereignty, and national security are issues for all Canadians. This is not good for Canada.

It is our people, and in particular our dynamic young people, who represent Canada's strongest claim to sovereignty in the Arctic. They cannot leave. They must be able to find a livelihood here.

So what is it that Canada can do? There's not enough time allowed to us this morning to provide even a list of what needs to be done. Let me sum it up in this way. For more than 140 years, Ottawa has built Canada from east to west. Now Ottawa must build north. It is the destiny of all Canadians to take full possession of all this land has to offer, but the old models of development will not work. This land is vast, but it's not empty. You have partners here, fellow Canadians who have shared this land for thousands of years. When we created Nunavut just 10 years ago, Inuit made a clear statement that we are ready to take responsibility for the development of the north on behalf of all Canadians. We know that if we can create here a high and sustainable quality of life for ourselves, this is also the key to securing a high and sustainable quality of life for all Canadians, whether they live in the east, the west, or the north.

How, then, should development proceed, and what is the federal government role to be? First, the old pattern of excluding Inuit from decisions that impact on our well-being and our way of life must end forever. Ottawa must come to the negotiating table and devolve control of this land and its resources to the Canadians who live here, as has been done in every province.

● (0850)

If you withhold this from us and continue to try to control development in the north from Ottawa, our people cannot fulfill our historic role as stewards of the land and its resources. Our purpose here is jeopardized and our ability to stand and build the Canadian north is cut off at the knees. In time, my grandchildren may lose patience and leave.

Second, we need the tools for development that all Canadians have had. I will mention two of them.

Earlier this year I visited Labrador and saw three of the excellent marine facilities in a province where there are 370 ports and small craft harbours. In Nunavut, as you see here in Iqaluit, there are none.

The federal government's commitment to the construction of a small craft harbour in Pangnirtung is a very welcome investment, but this is just one in a land where all 25 communities depend on access to the sea and its resources, and for whom marine supply is the most cost-effective link to the rest of Canada. The absence here of not only marine facilities but of adequate federal investments in roads, airports, and other basic economic infrastructure—investments that have been made in every other region of Canada—slows the growth of our economy and makes life here for some prohibitively expensive.

The other tool for development I want to highlight is education. We must improve the education outcome for our children. For this to happen, as Thomas Berger pointed out four years ago, we need a strong partnership in Ottawa.

I'm only 53 years old, but I'm able to draw on the education I received on the land where my family lived and hunted year-round until I was nine years old. Forty years ago, Inuit were moved by the Government of Canada into permanent settlements, and our vital connection to the land and the way of life that was learned on the land was forever compromised. Now, to move ahead, our children need an education system that is equal to what is available elsewhere in the country, and it must be delivered in the context provided by Inuit language and culture. We can all see the École des Trois-Soleils here in Iqaluit. We know the federal government can be an effective partner in education development.

Devolution, infrastructure development, and education: all Canadians must be partners in these vital endeavours here in Nunavut. The future of this country depends on it.

Thank you for listening. I hope your time here brings you a greater understanding of our common future.

• (0855)

**The Chair:** Thank you very much, Mr. Long.

Now we'll go to our next representative, Mr. Simeonie Akpialialuk. We're delighted to have you here. Simeonie is representing the municipality of Pangnirtung. Please go ahead with your presentation. Thank you very much.

**Mr. Simeonie Akpialialuk (Economic Development Officer, Pangnirtung):** *Qujannamiik.*

My name is Simeonie Akpialialuk. I'm from the hamlet of Pangnirtung, representing the municipality. I've been involved in business in different capacities for well over 20 years—from fisheries, to tourism, to small business, and for the last eight years as an economic development officer.

I've seen many people come and go, many programs developed and changed. The names change, but the barriers stay the same. Number one is the lack of infrastructure for businesses in the communities. We just don't have buildings, and the economic development programs that exist don't cover capital costs for starting up a business. Most people don't have the equity to buy a building

and develop a business from there. That has been the number one barrier in my community—having no buildings to work out of.

Second, we don't have a lot of education and training. One of the things any business needs to endure and survive and succeed is training, especially in accounting and bookkeeping. That's where we're lacking in these communities. Even if people have the skills, they don't usually have the time to run the business and do the books themselves.

Third, one of the biggest deterrents has been energy costs. When we looked at our community as a whole, we saw that energy costs take up 30% to 40% of the total cost of running any building or business. That's way too high with the programs we have. We're hoping to see alternative energy programs developed in the north, especially in my community where we have high tides. We also have strong winds and a lot of daylight for solar panel energy.

These are the areas that we would like to see developed for the north. Right now we know it's way too costly to pursue these areas, as they haven't been developed in the north yet.

Another concern of ours is public housing policy. Most Inuit are in public housing, and they aren't allowed to run a business out of public housing. So that's another barrier. Along with this, the rents here in Nunavut have been a real deterrent to businesses. Once they start making more money, their rents go up; they skyrocket. You pay a minimal amount of rent while you're on welfare, but if you start a business or become employed, your rent goes right up to over \$1,000 a month. So that's a real deterrent.

Another problem is the lack of recognition of the traditional economy in the business development programs. The support for local fishermen is either very restricted or altogether lacking. We don't have programs for hunters, other than a lottery that's given out by Nunavut Tunngavik Incorporated. Anybody can go into that, and it's not necessarily hunters who access the hunter support program. And we don't have any support for harvesters or gatherers who gather things like plants, berries, clams, and sea crustaceans. We haven't seen any programs in this area, because it hasn't been recognized as a legitimate part of the economy.

• (0900)

Lastly, one of the things that we've really been seeing is that the policies, regulations, and law surrounding business are designed for the south. They are not designed for the north at all. We import these regulations from the south and they don't fit the economy here in the north. For example, we can't harvest seafood without inspection agencies, which are very expensive to run and we don't have the capacity up here. Nor is there continuity in files that we deal with in different agencies here in the north. Whenever there's a turnover, the file gets lost. For the people in the communities who work with different agencies, right across the board, whenever there's a turnover we have to start from the beginning again with the new person because there is no sharing of these files. That has been a real deterrent in terms of trying to progress, because every year we have to do the same thing over and over.

In this area the biggest culprit has been the Department of Fisheries and Oceans, where every time there's a turnover we just don't see any continuity in developing fisheries in that area. We've had a lot of difficulties dealing with them. Most unilingual people don't understand business concepts or the regulations. So a lot of times we spend quite a bit of time with unilingual clients, teaching them what business is and what the regulations are, when we should be concentrating more on developing new businesses and the economy.

As we look at Pangnirtung, we've only been in this community for 40 years. It's taken the rest of Canada 400 years to go from being a hunter-gatherer society to the space age technology they have today, whereas it's only taken us 40 years. So we have a long way to go to re-teach a lot of local people about business and the concepts of business.

We've had a lot of studies over the last 30 years, especially in Pangnirtung, around tourism and fisheries, but it's always studies and no action. From this point on, what we would like to see is all the studies that have been done over the last 30 years put together, instead of sitting on a shelf somewhere in a university or a government agency, and put to use. The information is out there; it's just not gathered and put together.

*Qujannamiik.*

• (0905)

**The Chair:** Thank you very much, Mr. Akpaliak. It's wonderful that you could come and join us today.

Now we'll go on to our fourth presentation, which is from Mark Morrissey, who is the acting chair of the Nunavut Economic Forum.

Welcome, Mr. Morrissey, and go ahead with your presentation.

**Mr. Mark Morrissey (Acting Chair, Nunavut Economic Forum):** Thank you, Mr. Chairman. First I'd like to extend regrets from our president, Monica Ell. She wishes she could be here in person today; unfortunately, you're stuck with me.

I'll introduce myself. My name is Mark Morrissey, and I am vice-president of the Nunavut Economic Forum. This morning I will begin with a very short introduction of what the forum is and the role it plays in economic development here in Nunavut.

The Economic Forum, or NEF, as it's referred to, is a broad group of member organizations developed to identify and share information on economic development activity in Nunavut. Members of the NEF include community organizations, non-profit and non-government associations, members of the private sector, Inuit associations, and all levels of government. These individuals and groups all have one thing in common: a desire to see Nunavut build a solid foundation for economic development and growth.

The primary focus of the NEF is to bring members together to collaborate on the implementation of the Nunavut economic development strategy, or NEDS, to support research and data collection related to the economy of Nunavut and to report regularly on progress being made. Accordingly, the NEF produces a number of publications and discussion papers, which are circulated among members and economic stakeholders. Among these is the Nunavut Economic Outlook, a biennial report that provides informed analysis on social and economic issues and constructs a comprehensive forecast of the whole economy.

Unfortunately we don't have translated copies of the *2008 Nunavut Economic Outlook*, along with the strategy, so I'm not able to provide it to you. But if you are looking for any of these documents, you can find them on our website, [www.nunavuteconomicforum.ca](http://www.nunavuteconomicforum.ca). The website you have listed in your briefing notes is incorrect. I will add a caveat to the 2008 outlook, however. It was published in December 2008, just prior to the global recession, and some of the projections may be a little dated. It is a useful document, though, to illustrate the economic potential that exists in the territory.

The NEF, through its broad membership and mandate, is uniquely positioned as an organization to see the challenges that are apparent in many economic sectors in the territory. Many of these have already been identified in the strategy, and I will list a few here. They include these but are by no means limited to them.

The first is rapid population growth. Nunavut has one of the youngest populations in Canada, and I would encourage you to look at the population graph and compare Canada and Nunavut. There's a very stark contrast. The youth in this territory, defined as those under the age of 25, are part of the consumer society in Canada and have high expectations in terms of employment and quality of life. While many regions in Canada would see a young population as an opportunity, it provides a challenge in Nunavut as these individuals make up a significant portion of the unemployed. If more employment and better education cannot be provided to this demographic, they will prove to be a significant economic drain.

Rate of government spending is also a barrier. Government growth is currently driving the Nunavut economy. Government activities provide employment and training opportunities, but government spending cannot be counted on indefinitely. During periods of economic hardship and deficit spending, such as those being encountered now, cutbacks to programs and activities are inevitable. Efforts must be taken to ensure private sector activities are able to provide greater contributions to economic growth. However, it is important to note that until a stable local economy can be established in Nunavut, government cutbacks should not be made to northern programming, as the effect that would have would be multiplied.

There is a lack of understanding of the north, which we've already heard from several speakers. Currently in Nunavut, organizations and businesses can access a number of federal programs from various departments, which can be used to support economic activities and in many cases stimulate growth at the local level. However, these programs are often not designed to incorporate the realities of operating in the north, and those individuals tasked with managing them are not familiar with the territory and the challenges we face here. For example, many federal departments do not offer multi-year contribution agreements and often impose unrealistic reporting requirements, which impacts on what an organization can do with available funding. For example, new year funding is often withheld pending submission of activity reports and, in many cases, audited financial statements.

● (0910)

Realistically, at least here in Nunavut, many organizations are not able to provide audited statements until September. That being the case, organizations that are intending to use funding to purchase equipment and supplies have already missed the cutoff dates for sealift and are now forced to fly in goods at a much higher cost.

Some federal departments have programs available to organizations in the territory but have no staff in place to promote them or administer them. I hate to pick on a particular department, but a good example would be Industry Canada. Until very recently, Industry Canada had no staff here in the territory, despite having a number of programs available. Their programs are, to a large extent, virtually unknown to organizations here and are highly underutilized.

Funding is also allocated on per capita calculations, not realistic assessments of the costs of doing business. Another example, and I will pick on a department, is Foreign Affairs' ICCI funding—the Invest Canada Community Initiatives program. This program currently has only \$26,660 allocated to Nunavut and the Northwest Territories combined, despite these regions having the highest cost of living and doing business in the entire country. Southern Ontario, by comparison, has over \$1 million allocated to that region alone. I think there's a bit of a disparity there.

Regarding lack of capacity, it's no secret that Nunavut lags behind the rest of Canada when it comes to ability of the region to develop and implement successful economic activities. The human resources and infrastructure often do not exist to initiate and sustain growth. Efforts are currently under way to establish and improve existing capabilities of communities in terms of the physical infrastructure. However, these efforts will be futile if the knowledge and training

does not exist to achieve the full potential of these improvements. This ranks as probably the most serious barrier to economic growth in Nunavut today.

What can we do to remove some of these barriers? To begin with, the lack of capacity, both in terms of human resources and infrastructure, needs to be addressed. Pushing programs designed to stimulate growth in an unprepared region is an exercise in futility, and ultimately doomed to fail. The focus must be on building capacity at the local level. Preparing the community for employment opportunities and ensuring the adequate infrastructure is available will provide a solid foundation on which growth can be built and sustained.

Priorities should be placed on economic development initiatives that incorporate an integrated approach. A successful example of this would be the housing trust, whereby the federal government has provided funding to build much needed housing in the territory, while at the same time providing local tradespeople with the hours they need to complete their apprenticeships. Both the infrastructure and skilled labour force are developed in unison and will remain in the community as a foundation for growth.

A second solution, which also addresses capacity issues, would be to focus on community economic development, or CED, rather than solely on business development. Community economic development is a bottom-up approach to development and involves the full participation and control by local community members. It recognizes that economic growth can be maintained only when people's basic needs are addressed. As such, municipal governments must receive strong regional and federal support if they are to properly develop and implement a CED agenda. This is achieved through federal organizations working in tandem with territorial and Inuit partners to develop flexible programming that can be tailored to meet the needs of communities. Collaboration between departments and various levels of government is critical.

Ongoing and sustained investments must have realistic expectations of results and be long term in nature. Currently most federal programs force communities to work within short-term fiscal cycles that limit the potential of CED. CED is a process that produces solutions over a period of years, not quarterly.



A third solution is to put key staff and decision-making authorities closer to the end users of available programs. This will ensure that information flows freely between administrators and communities and organizations, eliminating misconceptions and fostering a better understanding of the realities of operating in Nunavut. This was the position of the economic forum when asked to provide input on the creation of the new northern regional development agency. The forum strongly advocated that the headquarters be located here in Iqaluit and managed by a deputy minister capable of making decisions without having to obtain approval from department officials in Ottawa. We are pleased to see the federal government agreed with our position when announcing the creation of CanNor.

The NEF is also pleased to work with CanNor in reviewing and implementing the investment plan for the second round of SINED funding, which many of you will remember the NEF advocated strongly for renewal of. The forum also plays a key role in connecting members with the agency, bringing decision-making closer to the community level. We look forward to continuing our work with CanNor as the organization continues to grow and establish itself in Nunavut. This collaborative approach to delivering programs is successful and should be used to model future activities.

● (0915)

In conclusion, there are no simple solutions to address the many barriers to growth in Nunavut. Collaborative efforts between the federal government and industry stakeholders are fundamental to ensuring that sustained investments in economic growth produce long-term results. As a means to facilitate this cooperation and ensure everyone is working together to achieve a common objective, I would suggest that organizations and agencies, federal and territorial, obtain a copy of the strategy—which again is available on the website—and study its content. This document provides readers with a road map for development in Nunavut.

Thank you.

**The Chair:** Thank you, Mr. Morrissey.

Now we will go to questions from members. What we follow here, for the benefit of our witnesses, is a pre-set order of questioners from each of the parties represented around the table; all four parties from the House of Commons are here with us today. Five minutes are allowed both for the question and the answer from witnesses. So the more succinct and short you can keep your responses, the more information we'll get through in a short period of time. I'd also encourage you to use your headsets because some of our questions will be posed in French.

We'll begin the first round of questions from members. Mr. Russell will lead off with the first question.

Mr. Russell.

**Mr. Todd Russell (Labrador, Lib.):** Thank you, Mr. Chair. Good morning to each of you and thank you very much for your presentations.

Mr. Taptuna was quite strong in some of his statements, and they're well appreciated, at least by me and I'm sure by some of my other colleagues, when he says:

Ottawa must come to the negotiating table and devolve control of this land and its resources to the Canadians who live here, as has been done in every province.

If you withhold this from us and continue to try to control development in the north from Ottawa, our people cannot fulfill our historic role as stewards of the land and its resources.

That's a pretty powerful statement, and I see it echoed in a lot of what the other presenters have said. Mayor Elisapee talked about the need for a share of revenue resources. We talk about policies that doesn't make sense because they're developed in the south. Mr. Morrissey's presentation was much along the same lines.

And here we are. I'm from Labrador, so I'm sort of semi-north, but a lot of us are from the south. I heard Mr. Simeonie say that you don't want another study, and here we are doing another study. I think we have to be very careful, as a committee, not to repeat some of the mistakes or fall into some of the same traps that maybe others have in the past.

I'll get to my primary question around devolution. How high a priority is this for each of you? What opportunities do you see in the process of devolution, and where is it, from your perspective? We hear about it. We understand there were some negotiations. Depending on who you talk to, they may be fast, they may be slow, they may be halted all together.

We just throw out that question to each of you. What is devolution? If you have devolution, does it uphold what Mr. Taptuna and the rest of you have said, that you can then make policy that makes sense for the people who live here? Will you get a share of the revenue resources and be able to invest the way you want to invest, maybe uphold the traditional industries more than they've been upheld? I'll just ask each of you that question.

● (0920)

**Mr. Robert Long:** Thank you, Mr. Russell. It's a very good question.

At this point, the discussions on devolution have just begun. We would like to be a "have" territory rather than a "have not" territory. Currently our government operates on \$1 billion of transfer payments a year. We are at the beginning of a new age in the mining industry. A couple of years ago, our last operating mine shut down, and at this point, we have many opportunities in the mining developments that are under way. These range from a gold mine, which is currently under construction and will be in production within a year or so, to a promise in diamonds. They're a rather secretive bunch, but many people are searching, and the Peregrine property, which is between here and Pangnirtung, seems very promising.

In terms of base metals, we range from the Bathurst Inlet area, with many very well-established properties... The biggest issue there is transportation, getting that ore from the ground onto a boat and into the world markets. That is going to require a considerable amount of money. We also have a mountain of iron ore on North Baffin, which we're hoping will come into production within the next four or five years. We roll all of that together and think about the taxes and royalties that can come from that level of productivity, especially in the mining industry. We will then become a serious contributor to the Canadian economy, and our "have not" status will flip over onto the positive side.

In terms of devolution, of course, the first point is control over those resources so that the royalties and taxes come to us, and then we're able to run our own affairs, rather than being dependent on federal funding.

**Ms. Elisapee Sheutiapik:** That's a great question.

As an organization, for the last two years we have been very vocal. We know what our needs are in the community, but there's been a gap. Nunavut means "our land", and for several years at our AGM we also acknowledged that some communities realistically will not have the mining industry established in their surrounding areas.

Because we are Nunavut, we want our communities to benefit, and that's why we have been quite proactive in trying to get revenue sharing so that our communities get some form of funding.

Nanisivik had great employment when it existed, but if you go to Arctic Bay today, you would never know there was an industry. As an example, what kind of significant infrastructure exists today within Arctic Bay? Nothing, other than the port.

We want to be responsible, and we've been quite proactive. As communities, we also have to do long-term integrated community sustainability plans, ICSPs, and in our view, this is a sector within the planning and we need to be involved at the municipal level.

Thank you.

**The Chair:** Thank you very much, Mayor.

We'll have to leave it at that. We're a little over time.

[*Translation*]

The next member up is Mr. Lévesque, who has five minutes.

**Mr. Yvon Lévesque (Abitibi—Baie-James—Nunavik—Eeyou, BQ):** Thank you, Mr. Chair.

Ladies and gentlemen, this is my third time in this territory. I am the member for Abitibi—Baie-James—Nunavik—Eeyou. I am one of your neighbours a little to the south.

You have businesses managed through Makivik, for boats and air transport. I went to Pangnirtung, as well. We visited your fish market. It is quite nice.

• (0925)

[*English*]

**Mr. Simeonie Akpalialuk:** Could you please repeat that?

**Mr. Yvon Lévesque:** How far did you hear?

[*Translation*]

Did you hear what I said?

[*English*]

**Mr. Simeonie Akpalialuk:** It was right up to when you said that you've been to Pangnirtung.

[*Translation*]

**Mr. Yvon Lévesque:** We visited your fish market in Pangnirtung. You also have a very nice tourist centre with a lot of activities.

I believe you have energy assets since you are located in a fiord, if memory serves. The winds are pretty strong. The top of the mountain alongside the village would have some good places to set up a wind turbine, which could power a good part of the village.

Was the small craft harbour built here or elsewhere? Aspects of development are coming.

I believe as well that, as an Inuit community, you pay taxes like the rest of Canadians. Oh, that is not true. In Nunavik, people pay taxes. They want tax deductions for the business services of entrepreneurs.

Nunavut has 34,000 inhabitants. Is that right?

[*English*]

**Ms. Elisapee Sheutiapik:** Yes.

[*Translation*]

**Mr. Yvon Lévesque:** When you have a population of 34,000 people, \$1 billion may seem like a huge sum. But you need to invest a lot of money when you develop a territory. Have you negotiated agreements regarding territorial powers?

[*English*]

**Mr. Robert Long:** Yes, we have territorial powers. We would like to move towards provincial powers. Devolution is the next step towards equivalency to a province.

You thought \$1 billion was a lot.

[*Translation*]

**Mr. Yvon Lévesque:** To people in the south, \$1 billion in federal royalties for 34,000 inhabitants may seem like a lot because 34,000 inhabitants is equivalent to a small town in the south.

I am not questioning it, just making a comment. In the south, certain people who live in a small town will find that \$1 billion for 34,000 inhabitants is a lot of money, because they will not look at the size of the territory.

How big is the territory?

[English]

**Mr. Robert Long:** That's the most significant thing, sir. We are 20% of Canada's land mass. So as a territory, we have few people, and we're seriously spread out. I don't think there's a town anywhere in Canada that requires 25 airports, 25 health centres, and more than 25 schools. The cost of providing these services to our people is incredibly expensive. This is important to Canada from a sovereignty point of view. As I mentioned earlier, on the future revenue potential of our territory, we want to move from the point of being dependent on Ottawa to the point where we are a fully contributing member of this country in terms of the revenues we bring into the country.

● (0930)

[Translation]

**The Chair:** Thank you, Mr. Lévesque, for your questions and answers.

Now, it is over to—

[English]

**Hon. Larry Bagnell (Yukon, Lib.):** I think Simeonie wants to comment.

**The Chair:** Pardon me. Go ahead with a short response.

**Mr. Simeonie Akpalialuk:** I'd like to quickly respond to his question. We do have a breakwater in Pangnirtung, and we'll be developing a full port in the next three years as a result of funding from the federal government.

To answer your question on the high cost of running these communities, I don't think it is a very high cost, considering our position in the world. Would you rather see us negotiate with another country or stay with Canada? The cost is there, and if you want to keep this part of the country in Canada, you have to pay for it.

[Translation]

**The Chair:** Thank you, Mr. Akpalialuk.

[English]

Now we will go to Ms. Hughes. We welcome Ms. Hughes to our committee for the first time. She is the member for...

**Mrs. Carol Hughes (Algoma—Manitoulin—Kapusksing, NDP):** It's Algoma—Manitoulin—Kapusksing.

**The Chair:** I forgot "Algoma". It is Algoma—Manitoulin—Kapusksing

[Translation]

in northern Ontario.

[English]

Go ahead, Madam Hughes, for five minutes.

**Mrs. Carol Hughes:** Thank you.

Thank you very much for your presentation and for being part of the panel today. It's extremely important. I come from an area that houses about 17 first nations, so some of what you mentioned is similar to what some of my first nations and first nations across Canada are struggling with.

You mentioned out-migration, Mr. Long. Certainly that's an item of importance to all of our communities. It is more so for your area

because of how far this would take your young people away. It is not like they could come home easily and decide to use some of the skills they obtained elsewhere closer to home, knowing they could afford to come back. That is something we certainly recognize, because the cost of living up here is just unbelievable.

Mayor Elisapee, you talked about the sharing of resources, and that's an important part of it. You say you need to have access to a fairly shared process—fair compensation for resources that are extracted. The extraction of non-renewable resources has been and remains a key feature of economic development through the north. What is the current situation on resource sharing in your territory? What are your expectations on that? Where do you see the deficiency?

We have been arguing that for our first nations communities as well. We should be giving them a better share of the resources that are extracted. They would certainly be able to be much more independent.

**Ms. Elisapee Sheutiapik:** Thank you.

That's why we have been quite vocal. Through the process, municipalities are not involved in the resource revenues. As new mines develop, the federal government, the territorial government, and the NGOs—NTI, QIA, or the regionals—work together to determine what the benefits will be. But municipalities are not at the table.

We're not saying we want to be at the table, but please recognize that we need some of that revenue to hopefully produce well-needed infrastructure. As municipalities we need to plan, so this is just another area. We know we are going to have mining being developed, so what do we need to do today? Do we need to train? Where? Is devolution going to happen beforehand?

We need to plan all this properly. We've been quite vocal, but we're not involved in that process, and that has been a challenge.

● (0935)

**Mrs. Carol Hughes:** I think you should be at the table. You should be part of the consultation process. Part of that consultation process should probably also include the requirement that a percentage of the jobs be local. Some of that resource money should actually come in, and part of that includes the training we've heard the need for. I think you have some big challenges, and you're right to ask to be there.

There was also some mention of the federal government with respect to the development being unrealistic with regard to the reporting. For first nations in my area, and I'm sure for the Inuit people here, we have seen that the reporting requirements are much more stringent than for regular businesses or regular municipalities. I believe, Mark, you're the one who mentioned that. I'm wondering where you need to see the changes occur.

As well, you mentioned CanNor, and I know this is a fairly new agency. We have something called FedNor. With this new government we have been struggling to have projects approved in a short period of time. Locally the power has been removed, and it's basically sitting in the minister's office. Almost every project needs to be approved now, no matter how small, and often the request for dollars is approved after the fact, after the actual event has occurred. I'm wondering what your experience with CanNor has been like so far.

**The Chair:** We're a little over time right now, so if you can give a short response, Mr. Morrissey, it would be great. Thank you.

**Mr. Mark Morrissey:** In answer to your second question about dealings with CanNor, CanNor is still in its infancy. So far it's just INAC in CanNor clothing. Our relationship with CanNor to date has been fairly good, and we are getting to know the deputy minister. She is here regularly. They do have some senior staff here in Iqaluit, and we talk to them on a regular basis.

From what we are told.... Even though the situation is still the same and the minister must sign off in Ottawa, the relationship has been good, and I think it's because of the collaborative approach that we have taken with this agency right from the get-go. We're optimistic that it will continue.

**The Chair:** Thank you very much, Ms. Hughes and Mr. Morrissey.

We'll now go to Mr. Rickford for five minutes.

Mr. Rickford, go ahead.

**Mr. Greg Rickford (Kenora, CPC):** Thank you, Mr. Chairman.

I'm Greg Rickford and I'm the member of Parliament for the great Kenora riding. We have quite a few similarities in terms of the challenges of isolated and remote communities. We are probably about one-third the size of your riding, but span from just south of the Trans-Canada Highway to the shores of Hudson Bay.

My perspective has been enriched in this study to the extent that I've had the opportunity to work as a nurse in Arviat and formerly in Cambridge Bay. I do have a frame of reference that's quite local, and I have a number of friends who worked in your community.

I want to say from the outset that I share the view that Canada's long-term stability—socially, economically, and in so many other ways—won't just be more thoroughly developed through a greater understanding of a north-south perspective, but may very well depend on that moving forward when we make considerations for resource development and the like.

Before I get into some of the substantive questions, I want to get a few facts on the ground.

Your Worship, you must be experiencing some migration from the isolated communities in this region to Iqaluit. At this point in time, do you know roughly what percentage of the permanent population is from some of the communities in the outlying region?

• (0940)

**Ms. Elisapee Sheutiapik:** Iqaluit has a population of about 7,000. In 1990 we were roughly 3,400. That's a great question, because we have a lot of challenges.

I have a picture here of Frobisher Bay. In 1955 there were 67 people here, so we've developed....

**Mr. Greg Rickford:** I'm sorry, I'm just trying to work through my questions here.

I'm hearing, then, that since 1990 the population has probably doubled.

Are you aware of what the number of transient Nunavummiut is at any given time here in Iqaluit?

**Ms. Elisapee Sheutiapik:** I'll use Iqaluit as an example. We say 7,000, but that's including the transients. It's probably closer to roughly 6,700 permanent residents. The rest are transients.

**Mr. Greg Rickford:** Mr. Long, I have just a couple of quick questions. Do you have any information with respect to how many people from the region, specifically Inuit, perhaps in your economic development portfolio, are in senior management positions? Please drill down if you have statistics with respect to skilled workers who lead teams in various areas and in research as well.

**Mr. Robert Long:** Overall, I believe our civil service is now 53% Inuit. The top levels are actually higher than that. At the entry level, in the clerical-type jobs, it is quite high as well. I believe it is 67%. The biggest gap is in the middle, in the professions, where professional qualifications are required. Then it drops down to, I believe, about 25%.

**Mr. Greg Rickford:** Thank you, Mr. Long.

I'm trying to gather some statistics that'll fit into a piece. Perhaps in another round I'll have a chance to ask.

Your Worship, you mentioned that the resource sector, specifically mining, had a strategy. It's no surprise to me that they were looking to the government for their resource contributions for sustainable development. Did they have any input in terms of what they could do to ensure that? I suspect that the bulk of their workers and suppliers come from outside the region, certainly in some of the more advanced stages of planning and implementation. I didn't read that report. Do you have a comment on what their commitment was to the region?

**Ms. Elisapee Sheutiapik:** Obviously, they recognized that there was opportunity to work together at the municipal level.

I'll use the example of Baffin Land, when they were operational. Because of capacity, all our heavy equipment operators took over the mining. It was a band-aid solution. How can we work together? How many of those kinds of skills do we know? Those were the kinds of conversations we had.

Also, I just want to point out that when it comes to resource development, none of that revenue is coming to our territory right now. It's all going to the federal level. That has really been why we've been vocal. It is to ensure that it's sustainable.

**Mr. Greg Rickford:** Right, okay. I understand.

I have just one more question, very briefly, in case I don't get a chance to return to this. There was an announcement this year of \$300 million to a northern housing trust. My understanding is that there was a \$50 million allocation to each territory, but it was \$150 million for urgent needs in Nunavut.

Perhaps, Simeonie, you can describe what role the communities in the region play so I can understand how that trust will ensure appropriate allocations to meet some of the housing needs in the outlying communities.

**Mr. Simeonie Akpalialuk:** The communities are actually playing a pretty big role, because the municipalities are working with the housing programs to further develop this area. Right now, the majority of the houses we're looking at are 40 to 50 years old already.

• (0945)

**The Chair:** Thank you, Mr. Rickford.

Now we'll continue with the second round of questioning, and we'll begin with Mr. Bagnell for five minutes.

Go ahead, Mr. Bagnell.

[Translation]

**Hon. Larry Bagnell:** Thank you, Mr. Chair.

[English]

You don't need your translator. *Je ne parle pas français.*

I'm the critic for the Arctic and a member of Parliament for the Yukon. I've been here before and have met a number of you. It's great to be back.

I just marked your words on Industry Canada. They were personally music to my ears, because I used to direct a full Industry Canada office in the Yukon. They closed it, so I had to find this other job. But I think it's important. I would have still been there. I liked the job.

Mr. Akpalialuk, I just want you to give us a feeling of the difference between the capital city, Iqaluit, and the communities. Most Canadians have never been to Nunavut, and of the few who have, most of them have never been outside the capital. There's a totally different environment outside the capital cities in the north. There are a lot more challenges in development. I wonder if you could give us and Canadians just a bit of perspective on the challenges in the rural communities as opposed to the capital cities.

**Mr. Simeonie Akpalialuk:** The challenges are very similar, whether it's Iqaluit or smaller communities. The differences are in

the services. The services here in Iqaluit are much more well established compared to the communities, especially around health care, and probably housing as well.

The other area where we really see a lack is in services in the business sector. There are very few in the communities compared to Iqaluit. It's quite well serviced here.

**Hon. Larry Bagnell:** Thank you.

Your Worship, a few years ago the Prime Minister promised a port for Iqaluit. I'm just wondering how that project is going and if you could take an estimate of when you think it might be finished.

**Ms. Elisapee Sheutiapik:** Good question.

Actually, during the advocacy days, one of Minister Strahl's recommendations was that we actually refer to statements made by the Prime Minister or ministers. Because he made that statement, I will now go and say "You had this vision of this infrastructure in Iqaluit. We agree that it's a need. How can we help make it happen? How can we help coordinate it?" At this point I don't know of any plans, but definitely it's several years forward now, so we obviously would have to do another feasibility study. At the municipal level we haven't heard. I hear there might be some funding, funnelled through the territorial governments, but I don't know where it's at.

**The Chair:** Mr. Long.

**Mr. Robert Long:** If I can speak to that briefly, at this point we have engineers who are working on some design options. We expect within a month or so that we'll actually have some preliminary recommendations. There are three options being considered.

With our high tide, the other comment I'd like to make is that the engineers are saying it's at the outer extreme of engineering, the difficulty in providing a dock with a 10-metre tide.

**Hon. Larry Bagnell:** Mr. Long, there was recently the McDonald report. I'm not sure what it was called, but it was the report on the Nunavut government done by Piers McDonald. Was there anything in that report that would be useful for us related to either Nunavut's responsibilities for economic development or other things in economic development?

**Mr. Robert Long:** There were over 90 recommendations within that report, and a number of them were recommendations on how government could work better. I don't think there were a lot of big-visibility items there that impact directly on economic development.

In terms of those statements, it talks more about a better style of life and helping people find work, so sort of moving from poverty into the wage economy. I'm having a little trouble putting that into the reference of this committee and the federal government, other than again devolution and that sort of thing. We are clearly part of it. People want government to be closer to home. There was a strong concern that we're centralized in Iqaluit and the bigger centres and the small communities are having trouble speaking to government. So—

• (0950)

**The Chair:** We'll have to leave it at that, Mr. Long.

Thank you, Mr. Bagnell.

Now we'll go to Mr. Clarke. After Mr. Clarke's question there will be time for one brief question to Monsieur Gaudet.

Let's go ahead then, Mr. Clarke, for five minutes.

**Mr. Rob Clarke (Desnethé—Mississippi—Churchill River, CPC):** Thank you, Mr. Chair.

I'd like to thank the witnesses for coming in this morning.

I remember coming up here last year with the Indian affairs committee and touring around the communities of Pangnirtung and Iqaluit.

We're looking at economic development on this committee, specifically, here today and trying to get testimony on what would be beneficial for the territories. We've travelled to the Yukon, we've been to the Northwest Territories, and now we're here in your territory as well.

What can you recommend to this committee that would help in terms of economic development, such as the training of the Inuit for jobs?

I understand there's a project taking place, the first harbour. How is the territory looking at creating, first of all, sustained employment? How is it looking at training the Inuit? What percentage are we looking at in terms of participants from the Inuit communities to work there? Also, just in regard to trade development, what types of courses are we looking at for the training of tradespeople? This would be very beneficial in terms of future recommendations and possibly for future grants. This is what we're looking for, ideas, so that we can provide that.

I'm hoping Mr. Long can answer that question.

Also, in regard to the first harbour, what is the total expenditure going to be? What types of long-term forecasts are there, or what type of economic development or even future money is expected to come in?

**Mr. Robert Long:** That's a really good question, and I could talk all morning if you'd allow me. But I'd like to start by posing our priorities. The first priority is mining, the second is the fishery, the third is cultural industries, and the fourth is tourism. Within each of those industries there is a need for training. There's a need for job opportunities for our people, who are 85% Inuit.

Within mining we see two things. The first is training, so that most of the jobs can be handled by people who are more or less in adjacent communities. So that's basic mine training, heavy equipment operation, trade skills, that sort of thing. For small businesses, it's support to the mining operation, ranging from catering and operating bunkhouses through to contracting heavy equipment, that sort of thing.

The fishery really requires the dock facilities. This is a specific economic opportunity to use docks. I believe the first one was put in Pangnirtung because it already had a fish plant, so there was a certain logic to that. The fishing resources range much farther than that one

community, and into the hundreds of thousands of tonnes of fish are available. Currently this is being fished offshore using factory trawlers, in joint ventures with our people. So we have an ownership position in the fishery in addition to—

• (0955)

**The Chair:** Sorry, Mr. Long. We have two other witnesses who want to get in on this as well.

**Mr. Robert Long:** I'm just getting started.

**The Chair:** Perhaps you could briefly sum up. I'm sorry about the time restrictions here.

Just wrap up very quickly, and then Mr. Akpalialuk and Mr. Morrissey will add a comment as well.

**Mr. Robert Long:** With the fishery, there's money to be made. Cultural industries are almost purely Inuit, and tourism also has great promise for local communities.

**The Chair:** Mr. Akpalialuk.

**Mr. Simeonie Akpalialuk:** To respond to your question, perhaps you're familiar with Making Connections in Canada. We have a program in Pangnirtung right now and we're negotiating a used entrepreneur centre to train young people in business. Hopefully we'll have a building that's energy efficient in terms of using solar technology and windmills, that has good lighting efficiency and windows that are very cold-proof and wind-proof.

Along with that, two-thirds of the population, I believe, in Pangnirtung itself is under the age of 34. So we're looking at a very young population. This is what we're concentrating. This is one of the key answers to developing business in the community: training young people.

**The Chair:** We have one question on the floor and we have a bunch of responses lined up, Mr. Clarke. You obviously touched off a good range of responses here.

Thank you, Mr. Akpalialuk.

Let's go to Mr. Morrissey for 30 seconds, no more.

**Mr. Mark Morrissey:** You asked how this committee can take recommendations back for development. Pick up a copy of the strategy. As I said, it's the road map for development in Nunavut. It outlines what we want to accomplish and by when we want to accomplish it, and all the other training things that Bob and Sim have talked about are included in it as well. So I would suggest picking up a copy of the strategy and giving it a read.

**The Chair:** Merci, Mr. Morrissey, Mr. Clarke, and witnesses.

[Translation]

Mr. Gaudet, you have only three minutes to ask your questions.

**Mr. Roger Gaudet (Montcalm, BQ):** Thank you, Mr. Chair.

I would like to share a story with you. My brother said that he helped build the hospital in Frobisher Bay. He told me to check what kind of shape it was in.

My question is simple. Mr. Simeonie, you said earlier that there was employee turnover in the economic development sector, that people leave frequently. Why? Is it the pay? What is causing this high rate of employee turnover in the economic development sector?

[English]

**Mr. Simeonie Akpalialuk:** Most people who take on these jobs are from the south. They don't stay very long. Most people stay maybe a year or two and then they're gone.

[Translation]

**Mr. Roger Gaudet:** I have an example. Last night, my colleague and I went to the supermarket. I saw that potatoes were selling for \$1.97 a pound, and lettuce cost \$6.50.

In my opinion, your economic development should start with good food. You have to feed people properly if you want to keep them. I saw a man with a sparsely filled shopping cart, and his groceries cost him \$350. I thought to myself that he must surely make a lot of money in order to pay such a bill. Economic development is all well and good, but if people cannot feed themselves properly, they will leave.

I would like to hear your thoughts on that.

[English]

**The Chair:** Go ahead.

**Ms. Elisapee Sheutiapik:** When it comes to cost, right now they've been quite proactive and vocal about the food mail program. I think it's under review right now, and hopefully that will help.

When it comes to economic development, we concentrate on mining, because it's a new sector. We ask what we have to do to ensure... I want to refer to the three statements I made in my presentation. I think they clearly answer what has to happen with economic development within the mining sector, so please keep those three in mind.

Thank you.

•(1000)

**The Chair:** Is there anybody else?

Go ahead.

**Mr. Robert Long:** I'd like to emphasize the high cost of transportation. That loops back to our need for harbours. If we had harbours, then the cost of offloading our boats would drop down quite a bit, and this would add a level of efficiency. Again, good airports are necessary to bring fresh food in, and they have to be maintained. The higher the quality of equipment we can have at those airports, the fewer the flights that would be missed, and the cost would thereby lower for the airlines.

**The Chair:** Thank you very much. *Merci, monsieur Gaudet.*

That wraps up our first panel this morning. I appreciate all of our witnesses' coming and giving us tremendous information this morning for our opening panel here in Iqaluit.

We'll now suspend the meeting—let's try to make it for no more than ten minutes—and we'll resume with our next panel. We have another two witnesses coming this morning.

Thank you. The meeting is suspended.

- \_\_\_\_\_ (Pause) \_\_\_\_\_
- 
- (1010)

**The Chair:** Order, please.

We're resuming our second panel for the day in our consideration of the barriers and solutions regarding economic development of Canada's north, specifically the three territories.

For the benefit of our witnesses, Iqaluit is the third of our three stops in each of the territorial capitals. We are here to discuss specifics around the barriers and solutions related to northern economic development.

Members, we're delighted to have with us today Mr. Glenn Cousins. Glenn represents the Qikiqtani Inuit Association, and he is in the section on business development and training.

We'd also like to welcome Mr. Paul Kaludjak. Mr. Kaludjak is the president of Nunavut Tunngavik Inc.

Welcome to our panel.

As members are already aware, I understand we have interpretation available in Inuktitut. We have an interpreter with us, and we'll follow the proceedings.

We'll begin with Mr. Kaludjak. Customarily we have five minutes, but you can stretch that out somewhat if you wish.

In fact we only have two presenters here today, so unless members disagree, I think we will allow 10 minutes for each of the presentations.

To our witnesses, for the purposes of interpretation, take a pace that is comfortable. If it runs a little too quickly, we'll be happy to step in and remind you.

Anyway, let's proceed with Mr. Kaludjak for 10 minutes.

**Mr. Paul Kaludjak (President, Nunavut Tunngavik Inc.):** *Ullakut.*

Ten minutes in Iqaluit is about half an hour. Okay?

**The Chair:** We'll do our best to accommodate the time we need to get the message out. Thank you.

•(1015)

**Mr. Paul Kaludjak:** *Uplaakut.*

Since you're in Iqaluit, you must take back something of the language. "*Uplaakut*" means good morning. Are you able to say *uplaakut*? So when you go back to Ottawa, you can say to the Prime Minister, *uplaakut*. But don't say it at night; it's "good morning".

[Witness continues in Inuktitut with interpretation]

Good morning. My name is Paul Kaludjak, and I am president of Nunavut Tunngavik Incorporated. I'm pleased to have the opportunity to meet you again. I recall appearing before you in Ottawa last May as co-chair of the Land Claims Agreement Coalition.

NTI is the organization that represents all Nunavut Inuit. It is our responsibility to make sure that the Nunavut Land Claims Agreement is wholly implemented.

*[Witness continues in Inuktitut]*

*[Witness continues in English]*

I'm pleased to welcome you to Nunavut. We ordered this grand, mild weather for you so that you won't freeze your hands or anything like that, because we still need you in Ottawa.

As you know, I wrote the chair of the Standing Committee on Human Resources, Skills and Social Development. I understand the committee is doing a study on the federal contribution to reducing poverty in Canada. It's an important topic, and I'm pleased to see that the committee is prepared to report on this subject. But to date, this same committee has no plans to visit Nunavut; hopefully, with your visit here, you can relay this information to that committee.

We know the meaning of poverty in Nunavut. About half of the householders rely on income support programs. In about 56% of Inuit households, there is at least one person who does not have enough to eat or has concerns that they do not. We have an infant mortality rate that is three times the national average and a suicide rate amongst our young men that is about 50 times the national average. The Standing Committee on Human Resources, Skills and Social Development has travelled across the country and visited Whitehorse and Yellowknife, I understand. I would like to ask you all, when you go back to Ottawa, to speak to the members of that committee, and I would ask you to suggest that it is necessary for them to visit Nunavut and hear about our circumstances. It is astonishing that it is now that they decide not to visit. Hopefully this can be corrected, so they can get the real story in Nunavut.

I understand you are studying obstacles to northern economic development, and solutions. In the last year, we have seen the international economy receive its worst shakeup since the 1930s. Unfortunately, governments have not learned not to repeat the economic management mistakes of the last century.

There are many indicators that a recovery is under way. The full recovery has not yet occurred. The national unemployment rates are as high as they have ever been in about 25 years.

•(1020)

Government stimulus spending has been important in dealing with the recession. I'm concerned, however, that the need to deal with the deficit will eventually lead to cutbacks, which may come at a high price for Nunavut.

Overcrowding in Nunavut is a major concern. In 2004, NTI and Nunavut Housing Corporation developed a 10-year Inuit housing action plan. This identified the need for the renovation and the modernization of 1,000 existing units, the construction of 3,000 units, just to bring the level of overcrowding up to the national average, and the construction of a further 2,730 units to match the population growth at that time.

The Government of Nunavut housing budget at the time was leading to the construction of about 50 units per year. The Nunavut housing crisis has a long history and is beyond the fiscal capacity of

the Nunavut government to deal with currently. It was reaching alarming proportions. It was timely in 2006 that the Government of Canada allocated an additional \$200 million for Nunavut housing over three years. In 2009 a further \$100 million was added for two more years—that is, to 2011. This spending is in an area where it is vitally required, and its continuation is required even as the government attempts to reduce the deficit.

Overcrowded housing is a barrier to economic development. Housing affects social conditions, health, and educational performance. It was back in 1993 that NTI and the Government of Canada signed the land claims agreement. This was important in establishing some of the foundations in which development could occur. Clear land title was established, removing the previous uncertainty, and a clear regulatory process was also established through that process.

We have heard concerns about the regulatory process in other jurisdictions, and this was the subject of a major report by Neil McCrank last year. McCrank did not find major problems in Nunavut's regulatory system. NTI endorsed all his recommendations with respect to Nunavut. Our land claims agreement has provided capital to Nunavut Trust. The earnings are what we use to support NTI and the regional organizations that you will hear from later on. Questions have been asked as well. This is how the trust has performed since the recession began last September: early in 2008 the trust market value was estimated at \$1.2 billion; by early October of this year it was slightly above \$1.1 billion, a decline of 8% to 9%. No decline is good news, but in the overall world market it could have been much worse.

Funding from the trust has been used to build the Inuit business sector. The Atuqtuarvik Corporation, for example, has been established as a loan and equity company with funding up to \$70 million to support Inuit businesses. To the best of my knowledge, there has been only one loan made by the Atuqtuarvik Corporation that is not collectable. Also Atuqtuarvik has shares in the First Nations Bank, which will open its first Nunavut branch in the immediate future.

There has been joint investment between the Inuit of Nunavut and the Inuvialuit of the NWT. In particular, the airline Canadian North is jointly owned. Canadian North has been built by beneficiaries, but we are now facing competition from the southern air companies, such as Air Canada.



•(1025)

Our airline has invested in infrastructure and has provided roots to smaller communities. By contrast, it appears the major southern airlines are mainly interested in competing on some prime routes like Ottawa, Iqaluit, Edmonton, Yellowknife, or Calgary to Yellowknife. Competition is viewed as economically healthy, but subsidized competition is grossly unfair. We understand that Air Canada, a private company, may receive up to \$300 million from the Canada account, which is managed by Export Development Canada. The Government of Canada will carry the risk on this loan. It is not export-oriented, and the northern airlines will face some of the competition.

One of the areas where the government has not met its obligations is article 24 of the Nunavut Land Claims Agreement. Article 24 deals with government contracting and requires the Government of Canada to develop procurement policies for all its contracting activities in Nunavut. These policies are required to be developed in close consultation with Nunavut Tunngavik Inc., NTI.

The Government of Nunavut has met this obligation, and NTI has developed an NNI policy jointly with the Nunavut government. NNI means Nunavummi Nangminiqaqtunik Ikajuuti, supporting the Nunavut new business sector. Under it, bid preferences are given to Inuit, Nunavut, and local firms. If an Inuit firm meets all applicable criteria, it will receive a bid advantage up to 21%. With the federal government, the only agreement we have in the contracting area is with the Department of National Defence for the cleanup of DEW line sites.

**The Chair:** We're at about 13 minutes now, Mr. Kaludjak, and we appreciate you probably have more to present. If there's more content in your brief this morning, we certainly would be delighted to receive that as a submission. If you'd like to quickly summarize the last few points, I know members will be eager to get some questions in as well.

**Mr. Paul Kaludjak:** Not to minimize the questions coming forward, but I have two more pages.

**The Chair:** Okay. Please go ahead.

**Mr. Paul Kaludjak:** Where was I?

This agreement: minimum Inuit employment and contracting content requirements are mandatory. Usually around 70% in most cases has been achieved constantly. It is regrettable that the National Defence agreement is not seen as a model to be followed. For the rest of federal government, bid references like NNI are out and mandatory requirements like those the National Defence has established are out. This remains an unfulfilled article of the agreement.

I would like, however, to mention one area of the Nunavut Land Claims Agreement where we made progress. Article 15.3.7 of our land claims agreement recognizes the principle of adjacency, allocating fishing licences to waters adjacent to Nunavut. Fully applied, Nunavut fishers would harvest 80% to 90% of the fish in adjacent waters, but up to now, in the area of OB, only 26% of turbot are taken by Nunavut fishers.

For many years we tried to persuade the fisheries minister of the need to implement the adjacency principle. A big opportunity came

in June of this year, when the Scientific Council of the Northwest Atlantic Fisheries Organization recommended an increase to the turbot catch from Davis Strait to be split between Greenland and Canada. NTI, the Government of Nunavut, and other Nunavut interests met with Minister Shea, who announced on November 9 that 90% of the Canadian portion of the increase would be allocated to Nunavut. This involves about 1,500 tonnes of fish, and an important step for us, which we are pleased to acknowledge.

We look forward to further steps to enhance Nunavut's role in the fishing industry.

As you requested, Mr. Chairman, I would like to conclude by offering a few summary remarks.

Government is a major employer in Nunavut, and government spending is far more important here than in southern Canada. Housing expenditures are important to the economy, but also to health, social conditions, and educational achievements. The Nunavut Land Claims Agreement established the framework for the development of the territory. Our economic institutions are performing well, but facing challenges, including competition that receives financial support from the federal government. The contracting provisions of article 24 in the Nunavut Land Claims Agreement need to be fully implemented.

The recent federal turbot allocation follows the principle of adjacency under article 15 of our Nunavut Land Claims Agreement. We look forward to building on this important step. A comprehensive approach is needed to Nunavut's development. We require infrastructure, as you have seen, institutional development, financial investment, human resources development, and full implementation of the Nunavut Land Claims Agreement.

With a comprehensive approach, Nunavut will develop and we'll shift from dependency to realization of our potential.

Thank you, Mr. Chairman, for listening to me this morning.

•(1030)

**The Chair:** Thank you, Mr. Kaludjak.

Would you like to introduce your colleague who's at the table with you today?

Is it Mr. Hickey?

**Mr. Paul Kaludjak:** Brad Hickey is our business development person from our department, our business department. Glenn Cousins, my cousin here, he's from the Kakivak Association, and Jeffrey Maurice is our fish officer in our department at Nunavut Tunngavik.

**The Chair:** Thank you very much for that.

I'd like to also give my compliments to Leah Idlout, who was our Inuktitut interpreter here this morning. We're delighted.

Now we'll go to Mr. Cousins, who, as I said before, is a representative here from Qikiqtani Inuit Association.

Go ahead, Mr. Cousins.

**Mr. Glenn Cousins (Representative, Business Development and Training, Qikiqtani Inuit Association):** Good morning, and thank you, Mr. Chair, and thank you to the committee for taking some time to visit Nunavut and listen to what we have to say today.

Just for clarification, I was asked to participate as a representative of the regional Inuit association, specifically the Qikiqtani Inuit Association, and I'm here to do so, but primarily as a representative of their non-profit economic development organizations, which include the Kakivak Association, Kivalliq Partners in Development, the Kitikmeot Economic Development Commission, and Nunavut CEDO.

My position is with the Kakivak Association. I'm the manager of business services there and also the manager of the Nunavut CEDO.

While there are a number of topics to discuss in relation to the theme of barriers and solutions, and certainly there are reams of documentation on these topics for Nunavut, I'll focus my comments today on the aboriginal economic development programs, the delivery of those programs in Nunavut and in the rest of Inuit Nunaat, and the federal framework for aboriginal economic development.

As I'm sure you're all aware, in 2008 the federal government initiated the federal framework for aboriginal economic development process. The framework is intended to provide strategic direction and an integrated whole-of-government approach for aboriginal economic development. The Inuit community economic development organizations, or Inuit CEDOs, have been fully engaged in this process.

In Nunavut there are four Inuit CEDOs and they have joined with the Inuit CEDOs in the other three Inuit land claims regions to help establish the National Economic Development Committee for Inuit Nunaat, known as NEDCIN. This committee has also been established in partnership with INAC and other national Inuit organizations.

In Nunavut the CEDOs are integrated into the structure of the Nunavut land claims organization and provide regional service delivery for programs that support training on education, child care, youth and disabled persons, and for small and micro-business start-up and expansion. This is made possible through the aggregation of third-party delivery for HRSDC and INAC programs and funds made available through the land claims structure. So in fact, in practice, the Inuit CEDOs are achieving what the framework intends, to provide an integrated approach for economic development. So I guess from that perspective we are ahead of the game.

This approach ensures integration with land claims structures and effective use of resources, and it provides a comprehensive approach to planning and program design to benefit all communities served as opposed to an approach to planning that focuses only on a single community. This approach provides a critical mass or organizational

capacity required to be effective in planning and promoting development activities, including qualified staff and professional support to clients.

The CEDOs are strategically positioned to be effective partners with other development agencies that operate at the regional level, and this in the past has been put in practice with our relationship with the economic development folks at the INAC regional office here in Nunavut. And we are seeing that now carried over into the establishment of the CanNor agency.

Through the framework process we have come to believe that the AFI, or aboriginal financial institution, model is favoured over the CEDO model, primarily because of the way the organizations function in the first nations context. This is a concern for the Inuit CEDOs in all of the Inuit land claims regions and is not reflective of the structures established for economic development within the land claims regions.

In the past, the community economic development program, CEDP, and the community support services program, CSSP, was delivered in Nunavut by Indian and Northern Affairs Canada with the advice and recommendation of the Nunavut Regional Program Management Advisory Committee, the NRPMAC. These programs are now delivered by CanNor, and we are establishing a good working relationship with CanNor and look forward to seeing this agency reach its full potential. The way these programs are used in Nunavut is to provide base funding and support funding for the Inuit CEDOs' operations and capacity development, thereby facilitating this integration-of-program-delivery approach.

●(1035)

Currently these programs are being considered for renovation as part of the framework process. This development represents both concerns and opportunities or barriers and solutions.

In the short term it represents a potential barrier, as these programs are currently due to expire at the end of this fiscal year. The framework and its outcomes are not expected to be concluded until well into the next fiscal year, so we anticipate or perceive that there may be a gap. It is therefore clear that an extension of the existing programs is required until the framework process and program renovation are completed; otherwise, the CEDOs will lose their institutional capacity, which will jeopardize their ability to deliver the various programs.

In the longer term, there's a need for programs such as CEDP and CSSP, or their successor programs, to be designed to effectively support the Inuit CEDOs. This represents an opportunity or a solution. From an Inuit CEDO perspective, the priority for the federal framework should be to build upon the existing regional Inuit organizational capacity to fill gaps where they exist, provide consistent program arrangements, and explore innovative approaches to meeting priority developmental needs.

The position paper prepared by the National Economic Development Committee for Inuit Nunaat includes the following key points regarding the framework: the need to consider Inuit Nunaat as one region from a federal aboriginal economic development policy perspective; the need to develop an economic development vision for Inuit Nunaat; the need for sufficient flexibility in the federal framework to allow for the implementation of program arrangements in accordance with provisions contained within the various Inuit land claim settlement agreements; the need for co-management in the area of federal AED policy and program management to reflect both the spirit and intent of the land claim settlement agreements, as well as to respect the specific obligations undertaken by the federal government; the need for the community economic development program to continue to support the development of the organizational capacity of the Inuit CEDOs; the concern that the federal framework, when it is eventually implemented, will not be clearly mandated to build upon existing Inuit and an Inuvialuit organizational capacity, as opposed to being directed to the creation of new or competing organizational program delivery structures, such as the AFIs; the concern from a program delivery point of view, which has been repeatedly and uniformly expressed by the regional Inuit organizations, that federal AED programs should be delivered through expanded external delivery arrangements with the regional Inuit associations, rather than attempt to replicate federal government departmental capacity at the regional level; the need for equitable access to programs for all regions within Inuit Nunaat; the need for equitable access to federal AED programs and services by Inuit beneficiaries living outside the settlement areas; the need for consistent, efficient, and cost-effective AED program funding arrangements between the federal government and the regional Inuit organizations responsible for delivering federal AED programs, which includes a need for multi-year flexible agreements; the need for developing jointly agreed and improved AED program tracking mechanisms and results indicators; the need for federal fiscal arrangements and AED program funding allocations that reflect the actual cost of living and doing business in Inuit Nunaat; the need to facilitate increased coordination between major project activity and CED programs and objectives; and the need for a regional approach to CED project priorities, funding allocations, and decision-making.

To sum up, the priority for the federal framework should be to build upon these initiatives and the existing regional Inuit organizational capacity to fill gaps where they exist, provide consistent program arrangements, and explore innovative approaches to meeting priority development needs through the Inuit land claims region. In part this involves the elimination of policy and program barriers that prevent these guiding principles from being fully realized.

Thank you, Mr. Chair. I look forward to any questions the committee may have.

● (1040)

**The Chair:** Thank you, Mr. Cousins.

Now we will begin the first round of questions from members.

[*Translation*]

So, Mr. Bagnell will start the first round of the table off with the first question.

You have five minutes.

[*English*]

I should add that the times are for the questions and responses, so if you can keep your responses and questions compact and compressed, that allows us to learn more here today.

Let's proceed with Mr. Bagnell.

**Hon. Larry Bagnell:** Thank you, Mr. Chair.

Just before I proceed, I want to put on the record that Mr. Bélanger is not with us because his mother has passed away.

And here is a note for the researchers just to remind them of the good point, for our report, that Mr. Kaludjak brought up about government being an essential employer in the north, because we've heard that before, and also that you're doing some research for us on any federal subsidies to Air Canada.

[*Member speaks in Inuktitut*]

I'm critic for the Arctic and also member of Parliament for Yukon, so it's great to be back here again.

Paul, you'll be happy to know I've e-mailed the clerk and our member on the human resources committee and told them you're disappointed they're not coming here, and hopefully they'll get back to me. I just did that a few minutes ago.

I just wanted to ask you about Air Canada. You made a good point there. What we heard from an airline in the Yukon was that Air Canada was in competition with the northern-owned airlines and was subsidizing its flights with its vast resources, so they were really below cost—you couldn't really send flights for that. And that made it very difficult on the northern airlines that have much fewer resources and higher expenses because of their operations in the north. Are you experiencing the same thing?

● (1045)

**Mr. Paul Kaludjak:** Thank you for that question.

Yes. I think the announcement was that they would start in March or April, and we kind of red-flagged it because we already have pretty good competition with the existing airlines that we have in place in Nunavut and here in Iqaluit. We felt that for the two major existing airlines serving Iqaluit—First Air and Canadian North—if a major airline came in to compete, they would not have a good future because of our competition being spread out too widely over the three companies. With the high inflation of operating airlines in Nunavut, we felt that extra competition would not be welcome because we feel the danger of losing one of the airlines because of this extra competition—not now, but if you look at the future, the market would not hold that much competition in the future.

There may be something I don't know, but that's the assessment right now and especially with the privately owned companies. When somebody comes in and if they happen to go under, somebody will bail them out eventually. We don't have that insurance, I suppose, for the two airlines we have currently in Iqaluit. So that's the danger.

**Hon. Larry Bagnell:** Thank you.

My understanding is that the point they were making, too, was that if Air Canada put on a whole bunch more flights and there were people to ride, all the airlines would have fewer people on them and they'd all be losing money.

Glenn, I just wanted to comment that I appreciate the new name the Inuit are now using that reflects them as people of not the just the land but the land, the water, and the ice.

I have a question for Paul and Brad. Could you just elaborate on the local contracting? My understanding is there's a provision in the Nunavut land claim that says there has to be a special agreement for local contracting and we're not really fulfilling our part of the bargain in that at this time.

**Mr. Paul Kaludjak:** Thank you.

Yes, very much. I'm so grateful that you were able to ask that question, because it's an unfair practice. I maintain that we do pretty good work in the Nunavut settlement area and with our Nunavut government. We're like a pretty good marriage, I suppose.

When it comes to the federal side, there's very little, if any, acknowledgment of article 24. When it comes to awarding contracts in Nunavut or otherwise, we try to maintain it. That's the rule of the land. The three parties agreed to the claim, and they signed it. They said that they were going to do whatever it took to obey the rules of the land.

When it comes to article 24, you're talking about food mail. You're talking about government contracts for buildings and things like that. We're constantly impacted by southern contractors. On many occasions, the local contractor loses out, because they failed to be recognized by the policy of the land claims agreement.

That's something we've been saying to the federal side. Look, we have the Nunavut land claims agreement, which tries to protect and develop Inuit-owned and local companies in Nunavut, and they're overlooked all the time. Nobody pays attention to that side. If you're going to do business in Nunavut, those guys have a 21% advantage over a contract review at any time in Nunavut if it pertains to Nunavut.

• (1050)

**The Chair:** We'll have to leave it there. Thank you, Mr. Bagnell and Mr. Kaludjak.

[*Translation*]

Mr. Lévesque, you have the floor.

**Mr. Yvon Lévesque:** Thank you, Mr. Chair.

Thank you, gentlemen, for having us.

Tomorrow, so Wednesday, they are launching the 2010 Year of the Inuit in Ottawa. Since we might not see each other before then, I want to take this opportunity to wish you a productive year. I also hope that your demands are heard and that agreements are signed, for the betterment of the entire community.

You mentioned two airlines. Is Air North one of them?

[*English*]

**Mr. Paul Kaludjak:** [*Witness speaks in Inuktitut*]

No, it's not Air North. Canadian North and First Air are the two airlines. In fact, I'm going to Ottawa this afternoon to be part of that announcement tomorrow.

It's about both give and take. Right now the implementation of our claim is very... I don't know if I can even say it's slow. It's pretty much come to an idle. That's why we have a challenge with the federal government right now on the table to try to get it resolved. It's been either way.

We've had good years and bad years. But we can say that we're surviving in spite of the challenges we have at the social level. We're trying to get our communities properly taking part in Canada, I suppose, and taking part in developing their own communities, and with the many challenges before them, being actively healthy in terms of living conditions. We noted the housing crisis we have.

We have many difficulties. That's why over the last ten years we have had a very poor graduation rate. We even had a 75% dropout rate a few years back. That is being corrected now. The last time we checked, the dropout rate was hovering at about 50% or less, which is an improvement. We were shocked when we looked at the graduation rate. It was up to 75%. I couldn't believe it myself. I was appalled by that, and we had to do something. That's why we called on the government to overhaul the education system a few years ago. I think we're recovering that and changing to try to help our students get a better education.

Thank you.

[*Translation*]

**The Chair:** You have two minutes.

**Mr. Yvon Lévesque:** Thank you.

I knew that you were partners with First Air, but I made a mistake: I said Air North when I meant Canadian North Airlines. Are you also partners with Air Inuit?

In terms of shipping perishable food items, Canadian Heritage supports the by post or mail via the air project. It is a pilot project that the federal government is thinking about discontinuing. How effective are those operations?

The pilot project is being run here, as well as in Kuujuaq and the Yukon, I believe. In your opinion, is it cost-effective for the population and for your airlines? Canadian North Airlines and First Air both have to ship the goods in this territory and in the Yukon.

•(1055)

[English]

**Mr. Paul Kaludjak:** Thank you.

There was some problem. It was cutting off and on. I'm going to do the best I can to answer to the comments I got, but there's something wrong with this gadget.

In terms of Air Inuit, we are not the owners of First Air or Air Inuit. It's a separate company. We're a 50% owner of Canadian North, and the Inuvialuit region has the other 50%. There are two land claims that own that one airline together. They're totally separate from First Air and Air Inuit. They're totally two different companies. That doesn't mean that we do not talk to each other. We do communicate with the Quebec side, where Makivik is involved with First Air. It's like any of us: we still talk to each other to see how we're doing and where we can improve.

In terms of products, fresh produce, for instance, if you're talking about the high Arctic and the smaller communities, if the weather goes out or there's something wrong with the airline not getting into the community, they always have a problem with the product getting ruined along the way. For instance, bananas are not immune to the cold; they ruin right away, and things like that.

We still have those difficulties, and that's why it's really important for us to always have subsidies for Nunavut so that many of these products can get to the communities where they're required. We don't have the luxury of roads and things like that, alternate transportation to the community. There's only one during the winter, which is the airline. There is no other.

[Translation]

**The Chair:** Okay.

Thank you, Mr. Kaludjak and Mr. Lévesque.

It is now over to Mrs. Hughes.

[English]

**Mrs. Carol Hughes:** You won't need a translator. I can speak English and I will speak English for you. I'm actually fluently bilingual.

You've mentioned article 24 on a number of occasions. I get the impression that you still have a lot that you want to share with us. So I think a lot of my time I will give to you as a group to talk about this article 24.

I'd also be interested in hearing from Jeffrey, given that he's a fisheries adviser, as to some comments that haven't been made and things of importance that he says should be made.

There was mention with regard to gaps. Mr. Cousins, you mentioned the need for multi-year flexible agreements, a regional approach to priorities, and that there are gaps. I'm wondering if you could just expand on those gaps.

We talked about the infrastructure, and I did get a chance to go to a few of the areas yesterday. I went to a long-term-care facility and the seniors drop-in centre, and I also talked to the Nunavut Employees Union. My comments were that a lot of the places I had been at previously, a lot of the businesses, have a lot of white people working there as opposed to the Inuit people. I can understand where there may be some difficulties with some training and stuff.

So I would really like to hear from you with regard to article 24, the fisheries, and anything else you have to share that you think we, as a committee, should know.

**Mr. Paul Kaludjak:** Thank you, Mr. Chairman.

Thank you, madam, for that question.

For many years we have been trying to make the Department of Fisheries and Oceans understand that we have a potential here for fishing allocations in Nunavut. They need to be adequate, because we have limited opportunity in Nunavut right now. In terms of resources that are untapped, it's not only fisheries; there's the mining sector. It is always highly untapped.

We see that the waters and oceans around Nunavut—our adjacent sea, as I mentioned—have big potential, if we had nailed down the fishing industry that we have currently in Nunavut. We are losing out on millions.

There was a study done a few years ago about how much we have lost to date. I think the fishing industry right now rakes in about \$10 million or \$20 million or thereabouts. We could be doing \$80 million, if we had the right allocations and the fishing infrastructure in place in Nunavut; we could be gaining that much more. That is how much you lose out because you don't have the facilities.

•(1100)

**Mrs. Carol Hughes:** Let me ask about the fishing allocations that you mention you need. Could you expand on this, as to what you would really need?

**Mr. Paul Kaludjak:** Yes. Jeff can add to this as well.

We've been lobbying to get to the 100% level, if we can; we were looking at 80% to 90%. Right now it is cut into different zones. We talked about the 0B zone, where it is 41%. That is almost halfway there. If the proper allocations can be given, that is what we have been after. This industry could grow on its own, if it had the right quotas or allocations. It could sustain itself.

In terms of other comments, I will refer this to Mr. Cousins, or to Jeff, if he wants to add a little on the fishing side.

**The Chair:** Mr. Maurice.

**Mr. Jeffrey Maurice (Fisheries Advisor, Nunavut Tunngavik Inc.):** Thank you, Mr. Chairman.

The problem is twofold in the fisheries. The first problem is access. As Paul pointed out, Nunavut still only has about 41% access to turbot in zone 0B, compared with the national norm or national average whereby provinces have about 80% to 90% of their adjacent resources. That is the first problem.

The other problem is economic leakage. Nunavut is not fully utilizing the economic potential of our fisheries right now. Annually our fisheries are worth over \$120 million. Nunavut might see about 10% of that, and the reason for that is infrastructure. There is not one small craft harbour in Nunavut, not one. In the provinces, you see the minister announcing new small craft harbours—actually, they are trying to move out of small craft harbours, but there are millions for repairing the existing ones—but Nunavut does not have one.

In terms of vessels, Nunavut in the past five years has been investing in trawlers and gillnetters, but we only have four offshore fishing vessels.

So the leakage is immense, from training to spin-offs to small craft harbours—everything in the fishery. Once we start developing that nation-building, then we will start seeing the returns.

**The Chair:** Thank you, Mr. Maurice.

Thank you, Mrs. Hughes.

I should add, by the way, to members and witnesses—members will know this, of course—that all of our proceedings through the course of these hearings are transcribed. Everything you put on the record in fact becomes the basis of the report that we will take forward. It is good to have. We have these wonderful people behind me, the proceedings verification officers, who are here to make sure that everything gets taken into the record.

Now let's go to Mr. Rickford for five minutes.

**Mr. Greg Rickford:** Thank you, Mr. Chair, and thank you to the witnesses for being here today.

I just want to talk about this government's northern strategy paper that was released this past summer and focused on four pillars: arctic sovereignty, environmental heritage, social economic development, and improving and devolving northern governments. I'm going to focus on the fourth pillar and I'm going to direct most of my questions, I believe, to Mr. Cousins, because as we drill down on this fourth pillar, indeed, these considerations go to some important points you raised with respect to the 2008 framework, which involves HRSDC, INAC, and land claims. I would respectfully submit that it has as much to do with land use planning and management, as well, and I'm going to get your thoughts on that, Mr. Cousins.

In the context of a number of successes you highlighted, through the CEDOs that are operating in the region, can you talk to me a little bit more about how this idea of integrated economic development works here in the territories, in the context of the framework and Canada's northern strategy?

The reasons I'm asking these questions are twofold. First of all, I think it's fair to say we've heard some frustrations in some of the other territories about an inability to have all of these work together in the context of the different levels of government and some of the chambers of commerce, etc. Second of all, I understand and I want to

highlight the importance of this for the record. You mentioned you felt as if you were on the right track with the fully integrated economic development model for the region. In my riding, in northwestern Ontario, we clearly understood, and moving forward most of our efforts are aimed at ensuring that more than 25 isolated first nations communities have full participation in the economic development strategies. That is not confined to the business aspects of this. It includes land use planning and management, and it draws on important traditions within the first nations communities, who have frames of reference going back thousands of years with respect to resource utilization.

So it sounds like a big question, but I want to focus on some of the positives you feel you have in the context of all these other things that impact business development and perhaps training.

• (1105)

**Mr. Glenn Cousins:** I'll try to cover as much of that as I can. With regard to land use planning, I may have to defer on that.

As to the integrated approach or the regional approach we have to economic development, as I mentioned, we are able to bring in, through these Inuit CEDOs, the third-party delivery of HRSDC training and employment programs, youth and child care support programs, disability programs, and business support programs. We do have a one-stop shop and, for example, we might be able to take a client in the door and talk to that client and find ways we could support their initiatives, their projects, from more than one perspective at a time. We might be able to put together some combination of equity and debt financing for their business start-up and also go across the hallway and find some support in terms of some training dollars for the person's staff—that sort of thing. Right at the ground level, that's the kind of thing we can do, and that's what it boils down to.

In 2008-09, Kakivak Association, in the training and employment department, if I'm not mistaken, supported almost 700 participants through the delivery of third-party programming—close to \$3 million. A lot of that is support to individuals—student financial assistance type programs—but also assistance to, say, Arctic College to purchase a program so it can be delivered through the Arctic College here in Iqaluit or at the community education centres, that sort of thing. The tentacles are out everywhere, I guess. There's close integration with the Department of Education, through the training and employment department. There's integration and a close working relationship with CanNor now, previously INAC, in terms of business development and also with Aboriginal Business Canada, because we also provide third-party delivery on that.

I'm not sure if that answers your question completely, but I think it's an example.

**Mr. Greg Rickford:** I wish there was more time to go further with that. It's worth pointing out that the participation of the college is essential with respect to the training, but I believe I'm out of time.

**The Chair:** You mentioned, Mr. Cousins, that someone else might want to add something on Mr. Rickford's land use planning question.

Go ahead, Mr. Kaludjak, just very briefly.

• (1110)

**Mr. Paul Kaludjak:** Through the land claim agreement, we have what we call the Nunavut Planning Commission, which looks after the interests of our land and what goes on that land in the future. In terms of that, they have a mandate to redo their assessment of land, the purpose of Inuit-owned lands, every five or more years.

Right now, they're redoing those. We were told just recently, last week, at their annual general meeting, that work will be completed by 2011, which is a couple of years from now. That will give us a good indication of how much mining we can do, how much development we can do on Inuit-owned lands. Where it then comes into partaking in the development of that land, how much activity can we undertake overall, how much mining can we undertake, and how much development can the land take? I'm told all of those will be finalized by 2011.

**The Chair:** Thank you, Mr. Rickford, Mr. Kaludjak, and Mr. Cousins.

Now we'll go to our second round, beginning with Mr. Russell for five minutes.

**Mr. Todd Russell:** Thank you, Mr. Chair.

Good morning to each of you. It's good to see you again.

I want to concentrate on two primary areas. One is the fishing industry. I come from a coastal area, the coast of Labrador, and I know there are lots of partnerships and there is a lot of discussion and collaboration between the fishing interests in Nunavut and the fishing interests in Labrador—sometimes a little conflicting, but most of the time it's pretty cooperative. As you know, there's always a fight for quota when it comes out and everybody is going after that fish.

I'd like to get a sense of what your structure is like. When you say your fisheries are worth over \$120 million and you get only 10% of it, that's not a very good return. I'm sure you want to do better than that. What's your vision for the development of the fisheries? I can only say, from a Labrador perspective on the coast, that even though we talk about mining sometimes, or in small part, forestry and tourism, without the fishery on the coast of Labrador I don't know where our communities would be.

Yes, part of it has been around the development of infrastructure such as small craft harbours and the supportive nature, and we're still looking for more to support the change in dynamics in the fishery. So I'd like to have a sense of that.

To Paul, in regard to devolution, when the land claim was originally signed and agreed to, was there a sense in the signatories' minds that something was going to change, 10 or 20 years down the road, that the territorial status might change? There could be a

downloading of powers, more territorial powers, or even moving towards a provincial type of system. How does the land claim fit into that overall devolution process?

**Mr. Paul Kaludjak:** Thank you, Mr. Russell, for that very good question.

In terms of the fishing, you understand that we want to partner with the other regions, such as Makkovik and Nunatsiavut, with the fishing strategy that we have. We do now partner with them, but we want to expand that as well. Jeff can elaborate more on the strategy side.

If you go to the beach over here, what do you see? There's a bunch of rocks at the shore, there's a dock there with a hoist, and that's pretty much it. When we have to launch our boats, we're forced to put our trucks in the salt water. Vehicles are not immune to salt water, as you know, and they get ruined right away. I've seen guys put their trucks halfway in the water, with the doors in the water, trying to launch their boats that way because of the inadequate facilities. It's worse in the smaller communities. If we had proper infrastructure in the communities, the fishing industry would be a lot better. That's why we'd rake in, from that \$120 million, a little more in volume in terms of return. That's why we've been crying foul all the way. The revenue we could make is greatly lost because of a lack of facilities, and Jeff can elaborate on that.

In terms of devolution, we did sign a protocol with Chuck Strahl back in September of last year, agreeing to negotiate devolution within our territory. It's a three-party arrangement. It's supposed to be with direction from the land claims agreement and it's with the Nunavut government, the federal government, and ourselves. It's a protocol arrangement that will negotiate devolution prospects in terms of resources and ownership. I think we call it autonomy; you have direct control over those resources and negotiate them accordingly. We do our part in terms of the crown lands jointly with Inuit-owned lands.

The devolution talks are about to begin. We currently have negotiators ready to go. I believe those with the Nunavut government will need to be identified. I know that on the federal side they have appointed someone already; I think it's Paul Mayer, but I could be wrong. They have identified somebody to talk specifically about or negotiate devolution. That's about to begin.

• (1115)

**The Chair:** Go ahead, Mr. Maurice.

**Mr. Jeffrey Maurice:** Thank you for your question, Mr. Russell.

For your information, we and the Government of Nunavut do have a joint fisheries strategy. In terms of our vision for the future, Nunavut would like to see somewhat of a balanced approach to developing our fisheries, both inshore and offshore. We don't want to develop one too much over the other. We recognize that the offshore fishery is probably more economically viable, but at the same time the development of our inshore fishery will create more immediate economic benefits. We want to see a balanced approach.

I think we've done quite a bit in terms of developing the offshore fishery, but I think our next step is developing the inshore, and we can't do that without infrastructure such as small craft harbours. We are making progress with the announcement from Pangnirtung last year, but there's still more work that needs to be done.

**The Chair:** Thank you, Mr. Maurice, Mr. Kaludjak, and Mr. Russell.

We'll now go to the second questioner, Mr. Payne. I think he will split his time with Mr. Dreeshen.

Go ahead, Mr. Payne.

**Mr. LaVar Payne (Medicine Hat, CPC):** Thank you, Mr. Chairman.

I'd like to thank the witnesses for coming today. It's nice to see you again, Mr. Kaludjak.

I apologize for having to sneak out. I had a bit of an emergency call to make and I missed part of your presentation. However, one of the areas that interests me, an area you briefly talked about, is HR development.

I'm not sure if it would be in conjunction with Mr. Cousins, but could you expand on what you saw as the need for HR development? In what areas would it take place, and how?

**Mr. Paul Kaludjak:** Thank you, sir, for that question.

Through the land claims process we have article 23, which covers participation in employment within government and in meeting training needs within Nunavut through our involvement with the governments. At the outset, when the Nunavut land claims began in 1993, we had a target to split the territory as it is now, through article 4. We said at the time, in 1999, that we had a target of 85% Inuit content within the government in Nunavut. If the government is going to function, it needs to hire 85% Inuit content into the government system—both sides, federal and territorial.

We had those targets, but we realized in 1999 that we could not reach those targets, because we had just started setting up the government. We needed to start somewhere, and we said in 1999 that for now our target would be 50% Inuit content within the two governments. But our target down the road remains to be at 85% Inuit content within the two governments. We're sitting at 45%, I believe, with the Nunavut government, and at 33% or lower with the federal government; that is how much Inuit content we have reached.

Article 23 stipulates that training needs must also kick in to reach that human resources capacity; that the government must actively create a training strategy so that those levels can eventually be reached: 85% or better. This is something we have initiated. It has been a long haul to make them understand that there are targets.

Those targets are pretty low right now. We're more or less halfway in the Nunavut government, and the number is growing really slowly. We want it to grow more quickly, but it's difficult, because people need to be trained. We do not have the skills level right at the start.

• (1120)

**The Chair:** We'll need to leave a bit of time for Mr. Dreeshen as well, Mr. Kaludjak.

Thank you very much, Mr. Payne.

Go ahead, Mr. Dreeshen.

**Mr. Earl Dreeshen (Red Deer, CPC):** Thank you very much, Mr. Chairman.

It's nice to be able to meet with you gentlemen today.

I want to talk about the capital fund you spoke of earlier. Obviously, those who are handling that fund for the land trust have done extremely well in these economic times, having only lost that 8% to 9% in the fund.

I know that in other areas of the country construction costs have dropped perhaps 30%. Are you seeing the same type of thing occurring up here? Can you give me a bit of an idea how that is working and perhaps also enlighten me somewhat on what the structure of the land trust is and whether or not you're able to take advantage of those kinds of savings, if they are indeed there?

**Mr. Paul Kaludjak:** Thank you, sir, for the question.

The Nunavut Trust is an organization created under the land claims agreement to look after the settlement money, which was a \$1.14 billion settlement through the land claims agreement back in 1993. They take that money and invest it throughout and in whatever way around the world.

From the interest on these, we operate organizations. It's running, in round numbers, at anywhere from \$40 million to \$45 million, which we use to operate our organizations. Over the year it has taken quite a negative hit. They lost something like \$150 million over the year because of the market crash and downfall. We were assured—last week, in fact—that those moneys would eventually be recovered, if the markets kept climbing back. We have that confidence level.

The moneys invested have what is like a lifetime mandate. We protect the land claims money so that our grandkids could eventually run it one day. We will not all be here 100 years down the road; they could take that money and use it, maybe differently from the way we do today.

We earmarked those moneys to go on forever. We have what we call a low-risk investment policy within the trust, so that they invest prudently. They don't put our money into high-risk, but into moderate-risk investment—that's what they have called it—so that we don't end up losing it along the way. We want to keep building it forever.

**The Chair:** We'll have to leave it at that.



Thank you, Mr. Kaludjak and Mr. Dreeshen.

[Translation]

I will now give the floor to Mr. Gaudet.

**Mr. Roger Gaudet:** Thank you, Mr. Chair.

My question is for Mr. Maurice.

Are there fish here?

[English]

**Mr. Jeffrey Maurice:** Thank you for your question, Mr. Gaudet.

Yes, there are fish here. Nunavut is rich in turbot, shrimp, and char.

[Translation]

**Mr. Roger Gaudet:** What is your annual harvest?

• (1125)

[English]

**Mr. Jeffrey Maurice:** In terms of our harvest levels, for turbot we have a quota in 0A of about 6,500 metric tonnes. In 0B we have a quota of 1,500 metric tonnes—actually it is 3,000 metric tonnes now, with this new announcement. For shrimp I'd have to look at the numbers again, but it's roughly around 14% of the existing quota. I don't know what the exact figure is for that. It's around 13,000 metric tonnes.

[Translation]

**Mr. Roger Gaudet:** That is a huge quantity of fish.

As you pointed out, you get 10% of the fishery budget. So out of \$12 million, you get \$1.2 million. What do you do with that money?

[English]

**Mr. Jeffrey Maurice:** It's currently up to the existing players what they do, but the co-management partners in the past few years have been encouraging industry to reinvest in their fishery, so the four major players in the offshore fishing industry are 50% or more owners in the vessels they use. They are investing in training Inuit to work in the offshore fishing industry. They are investing in their own business, basically, but it has been a long way. It has been a long time coming, basically, and this has been something that has been recent.

[Translation]

**Mr. Roger Gaudet:** That money will not build you harbours, I admit, but there are infrastructure programs through the federal government. And I know that Nunavut receives more than \$1 billion a year in the form of transfers.

Could you set up programs to build harbours, not 25 in the same year, of course, but one every now and then, in order to support the turbot, shrimp and other fisheries? It would be a boon to your economy.

[English]

**Mr. Jeffrey Maurice:** Thank you for your question.

I really wish there were. Since Nunavut has its own land claims agreement, we don't get access to the aboriginal fisheries strategy. We don't get access to Marshall money. So Nunavut really needs its

own specific federal programs to develop its fishery. We are unique from that perspective, and I think that is why you've been seeing both government and industry in the past five or ten years investing heavily in research, heavily in offshore research, and heavily in their own fishing vessels without the assistance of the federal government.

[Translation]

**Mr. Roger Gaudet:** Mr. Cousins, you said earlier that your association was a non-profit organization. How many organizations do you oversee?

[English]

**Mr. Glenn Cousins:** Thank you for the question.

There are four non-profit Inuit economic development organizations under the regional Inuit associations. There is one for each region plus a fourth, which is pan-territorial in nature and delivers a program across the full territory. So altogether there are four of these non-profit economic development organizations.

[Translation]

**Mr. Roger Gaudet:** Thank you.

**The Chair:** Thank you, Mr. Gaudet.

[English]

Mr. Clarke, I think you said you were okay with questions.

Does anyone else on the other side wish to ask a question? No.

We have a couple of minutes left here, Mrs. Hughes, if you have a short question.

**Mrs. Carol Hughes:** I know you've mentioned INAC a number of times. I just wonder whether you have any frustrations in your interactions with that and your inability to probably get some of the funding advanced. Again, on the infrastructure stimulus, have you been able to get some infrastructure stimulus money, have you been denied projects, and which projects have they been?

**The Chair:** I realize that was a big question. If we keep to a fairly short response, Mr. Lévesque can ask a very brief question as well. So just take a couple of minutes, maximum, if you could, Mr. Kaludjak.

• (1130)

**Mr. Paul Kaludjak:** Okay. Very quickly, I want to answer some of the gentleman's question about the construction. Yes, there was an impact on the construction part in Nunavut, which to some degree slowed down overall. That affected the growth of the territory, I suppose, in the sense that fewer projects were given to Nunavut as a result of the market slowdown. We could see that in many of the communities—just to let you know that.

In terms of difficulties with INAC, that's why we have litigation under the claim, because we didn't see anything happening. We're challenging the federal government in court to get the land claim implemented fully. It's about 50% implemented. That would be our downfall where nothing is happening. To make sure something was happening, we were forced to challenge the government on the claim.

**The Chair:** I believe the other question was on the infrastructure stimulus.

**Mr. Paul Kaludjak:** Yes. In terms of the northern strategy and the stimulus package, there was a positive effect on the housing part, where there was \$200 million given, and I believe there is an additional \$100 million forthcoming. That really helped the territory in terms of progress.

In terms of the other northern initiatives, we weren't clear whether CanNor was a new thing or old money. That's something we're trying to figure out, whether it's stimulus money or not. Those are the things that are uncertain for us, from our standpoint.

**The Chair:** Okay, we'll have to leave it at that.

[Translation]

Mr. Lévesque.

**Mr. Yvon Lévesque:** A company ships to Nunavut and Nunavik by boat during the period of the year when passage is possible. Are you partners with that company?

Could you also tell me how long that period of the year lasts? We know that it is getting a bit longer every year. Thank you.

[English]

**Mr. Paul Kaludjak:** Yes, we have an interest in the cargo services in Nunavut. A lot of our ships come from Montreal, and a lot of cargo is moved from there to here, and throughout Nunavut now. It's through what we call NEAS, Nunavut Eastern Arctic Shipping Inc. Through that process, through our corporations, we have a partnership. The three that I know of each own about a 25% interest in the shipping company.

The shipping starts usually around the end of June, if it's early—late would be second week of July—until as late as end of October. It depends on the season; it varies. Sometimes the tankers come in very late, like in October when it's freezing up, like now. The shipping seems to last a little bit longer each year.

**The Chair:** Okay. We're basically out of time.

Thank you very much, members.

To our witnesses, we appreciate the succinctness of your responses. We covered a lot of ground here in a fairly short time.

We will now be suspending, but before we do, I'd like to go back to Mr. Bagnell.

I know members will express this individually as well, but if you have the opportunity to convey to Monsieur Bélanger on our behalf our condolences on the loss of his mother, I'm sure the members would all concur.

Members, we'll be suspending now until 1 p.m. We will be resuming here in this room.

• \_\_\_\_\_ (Pause) \_\_\_\_\_

•

• (1255)

**The Chair:** We're going to resume consideration for our third panel today. This is continuing our consideration of the advancement of northern economic development. In this particular case we're in the region of Nunavut, the territory known as Nunavut. We're delighted to be here.

We welcome Mr. Brooke Clements this morning. I think Mr. Clements was with us earlier this morning and also had the benefit of hearing from some of our other witnesses. Mr. Clements represents Peregrine Diamonds Ltd. We are still expecting two of our other witnesses. They will be joining us as the proceedings continue.

Before we get under way with our witnesses and presentations, I want to let members know—and I know you will be quite disappointed to hear—the witness we had scheduled for this evening from 7:30 to 9:00 unfortunately has had to cancel. We will not be resuming our meeting after 7:30 this evening. We'll continue on that basis.

I see that Manasie Mark has joined us as well. Mr. Mark is the Sealift Administrator for Nunavut Sealink & Supply Inc. I am delighted to have you here today. As I mentioned, members, we are still expecting one other witness from the Amarok Hunters & Trappers Association. They had confirmed, so we'll hope to see somebody from the association soon.

Let's begin with Mr. Clements. Go ahead. You have up to ten minutes, and then we'll proceed to the next presentation.

• (1300)

**Mr. Brooke Clements (President, Peregrine Diamonds Ltd.):** Good afternoon, ladies and gentlemen. *Bonjour, mesdames et messieurs.*

Thank you very much, Mr. Chairman and committee, for the invitation to appear before the committee.

Today I want to talk to you about the mining and exploration industry and the important role it can play in the economic development of Nunavut.

Nunavut has the right kind of geology to host major mineral deposits. However, it's a vast, remote territory with logistical and weather conditions that challenge even the most determined explorationist. As a result, Nunavut remains under-explored for minerals when compared with more accessible regions of Canada. Consequently, Nunavut offers great potential to make large-scale, elephant-size discoveries starting with grassroots exploration.

Three major mines, namely Nanisivik, Lupin, and Polaris, opened in what is now Nunavut between 1976 and 1982. These operations generated significant employment, training, and other economic benefits for local communities and the territory as a whole. All three of these mines are now closed.

The Meadowbank gold mine near Baker Lake, scheduled to commence production in the first quarter of 2010, is the first major mine to open in Nunavut since 1982. Already, the Baker Lake, Rankin Inlet, and the Kivalliq region in general are seeing significant benefits from this development.

In my opinion, mining has the greatest potential to produce significant economic development opportunities for the people of Nunavut in the near term. History tells us there are few other economic development options for Nunavut that could generate the economic and social benefits that responsible mineral development can bring.

Since 2005 my company, Peregrine, a junior diamond explorer, has managed a total of \$30 million in exploration expenditures in Nunavut because of its great geologic potential. These expenditures have resulted in the discovery of two promising diamond districts: Chidliak, which is located about 120 kilometres northeast of here, and Nanuq, 250 kilometres north of Rankin Inlet. At Chidliak my company spent \$9.2 million this year and in Nanuq, \$1.5 million. A significant portion of that went to local goods and services and local employees.

Just for reference, BHP Billiton, the world's largest mining company and the operator of the Ekati mine in the Northwest Territories, is our partner at Chidliak.

While mineral development in Nunavut presents many challenges, there are four that I want to focus on this afternoon: land use planning, regulatory capacity, worker training, and geoscience funding.

Draft legislation for land use planning and impact assessment for Nunavut is expected to be introduced in the House of Commons soon. It's essential that this legislation recognize the irreplaceable role that mining can play in the responsible development of Nunavut's economy. The legislation should promote efficient and timely advancement of projects at all phases of the exploration and mining cycle. Industry should be recognized as a valuable partner in drafting and finalizing land use plans that will be developed under the legislation.

Very importantly, it's critical to include industry's input and consider potential mineral resources before establishing zones or areas where mineral exploration and development will be limited or even prohibited. If that doesn't happen, if you don't get industry's input, then important opportunities for long-term sustainable development in Nunavut could be lost.

If the regulatory regime in Nunavut is to fulfill its intended purposes, it is essential to ensure that qualified individuals are appointed to the many board positions that need to be filled and that the appointees receive appropriate training and support. There has been a lot of progress in the last 10 years, but I think we have a little way to go yet.

Government should consider the establishment of an independent body to support northern boards and commissions. This recommendation is spelled out clearly in the joint submission that the exploration and mining industry made to the northern regulatory improvement initiative in 2008. If this is done it will not only help Nunavut, it will also help the NWT, where the growing pains under the Mackenzie Valley Resource Management Act are widely recognized.

• (1305)

Exploration and mining industry success in Nunavut will create a large number of both skilled and entry-level positions in the territory. As an example, even though our two projects are early-stage exploration projects, this year we employed 18 people from Pangnirtung and Iqaluit at Chidliak and a person from Repulse and a person from Rankin on our smaller Nanuq project.

Great effort should be put toward establishing training programs in the communities, ideally in collaboration with industry. That

would prepare the residents of Nunavut for careers in the mining industry. There are some initiatives in this area right now, but I think it can be improved, and you heard a fair amount about that this morning. Also very critical, supporting and improving the K-to-12 and post-secondary education facilities in the communities can pay great dividends.

Finally, it's important for the exploration industry to have a good foundation of geologic information for the areas they are exploring. So it's important that the various geoscience programs active in the north continue to get funded to provide this baseline information for industry.

To summarize, mineral exploration and mining offer the possibility of significant sustainable development and capacity building for the people of Nunavut. This is clearly illustrated by the current development of the Meadowbank gold mine near Baker Lake and of course by the history of Polaris, Nanisivik, and Lupin. I urge you to keep an eye on Meadowbank and monitor for yourselves the beneficial impacts that Nunavut's latest mine will have on the Kivalliq region and the territory as a whole. Establishing a mine is a rare occurrence. It's very difficult. Exploration is expensive and a high-risk investment.

I urge the members of the committee to do everything possible to encourage and facilitate responsible mineral exploration and development throughout the north and in particular in Nunavut, where meaningful opportunities for employment are so clearly needed.

Thank you very much.

[*Translation*]

Thank you very much.

[*English*]

**The Chair:** Thank you very much, Mr. Clements.

Now we'll go to Mr. Manasie Mark. We'll go ahead with your presentation for up to ten minutes. Go ahead, please.

**Mr. Manasie Mark (Sealift Administrator, Nunavut Sealink & Supply Inc.):** Hello. My name is Manasie Mark. I'm a Sealift Administrator here in Iqaluit for Nunavut Sealink and Supply Inc., NSSI. I've been doing these this job for almost a year now.

It's a pleasure for NSSI to be here and have the opportunity to give our input and thoughts to the committee. I'm still new in the business, but with the help of my colleague, we have prepared this talk.

I will do a brief presentation discussing the key role of maritime transportation in the economic development of the Arctic, the efforts made by NSSI to facilitate and enhance our services to sealift users, the obstacles we are facing, and some ideas that could help in resolving or at least diminishing these barriers.

We shall start by discussing the importance of maritime transportation and its major role in the economic development of the north.

First, even though transportation does have a major role in economic development, transportation options are limited due to the isolation of the communities and the far distances. Second, maritime transport is a solution to the isolation, so it becomes necessary to the economic development of the Arctic. There is a constant increase in the need for maritime transportation for regular resupplies, and we must not forget the demands for transport from the mining industry and for special projects.

Next, we shall discuss the efforts NSSI has been putting forward in improving services and better contributing towards northern economic development.

Major investments in the acquisition of several new and bigger vessels have increased our transportation capacity. These vessels are brand new, with higher lifting capacity. Also, the acquisition of new lightering equipment, such as bigger tugboats and barges, has contributed to the high quality of our services.

Adequate training sessions on forklifts and loader operations, lifting gear, health and safety, first aid courses and customer service techniques for personnel have given us more efficiency and security in providing a better service.

Our association with the Arctic Co-op and the FCNQ, the Fédération des coopératives du Nouveau-Québec, which is the co-op movement in Nunavik, northern Quebec, is allowing them to progress towards a better maximization of their maritime transportation activity. This benefits all ACL and FCNQ customers.

NSSI also participates actively in different meetings, studies, and requests, such as this one, to give our opinion on how to improve the maritime transportation industry and service in the Arctic.

Now we come to the obstacles we are facing. We will mainly discuss the lack of maritime infrastructure in the northern communities. First, the lack of infrastructure brings security and efficiency questions; second, the shipping season is limited due to the climate's ice, wind, and waves. The needs in maritime transportation are constantly increasing.

• (1310)

There is a slight possibility that the lack of adequate maritime infrastructure and support to the industry might eventually lead the transporters to reach their limit in terms of the value of cargo transported during the season.

Lack of infrastructure contributes to raising the risk of incidents or accidents, whether major or minor. The lack of logistics for maritime transportation, lack of knowledge and understanding within the staff of the private and public sectors, and the important turnovers of personnel in the north also contribute to this factor. Logistics knowledge is the key factor here in the north, because the shipping season is very short, and pretty much all the goods must be shipped during those three to four months.

Finally, we have put together some ideas and solutions to ameliorate the sealift as transportation and have continued to work with all the stakeholders to reach a common goal in terms of the best and appropriate type of infrastructure to put in place to push forward the projects and achieve the construction of maritime infrastructure, and to provide structured courses on logistics, whether given through

an already established school or through conferences or symposiums in the training season. If necessary, we will form a permanent consultation committee in order to better plan the needs and be able to participate actively in the constantly growing economic development of the north.

This is my presentation. I think these points have given you our overall view of how NSSI sees some aspects of our role in economic development.

*Naqurmiik.* Thank you. *Merci.*

• (1315)

**The Chair:** Thank you very much, Mr. Mark. There again, members, are two more important components to the issues pertaining to economic development here in the north.

At this point we will go on to questions from members. We go in a pre-set order. The time for questions and answers is five minutes. That will start with the member's question, and by keeping the questions and responses as compressed as possible, we are able to hear more about the subject.

We'll begin with our first round of questions. We'll go to Mr. Russell for five minutes.

**Mr. Todd Russell:** Thank you, Mr. Chair, and good afternoon to each of you. Thank you for being here with us.

Mr. Mark, have you seen eastern Arctic shipping increasing over the last five to ten years?

**Mr. Manasie Mark:** As I said, I have worked almost a year here for NSSI. I don't have much information on that yet, but if you want to have more information on this, we can get in touch with my head office.

**Mr. Todd Russell:** We see some statistics saying that there has been an increase in maritime travel—cruise ships, for instance, is one form. I'm not sure whether we have any statistics on barges and cargoes being carried and that type of thing.

What is the navigational system like? We hear that there should be more investments for navigational aids for ships and shippers as they navigate the eastern Arctic. Is there any work being carried out in that way?

**Mr. Manasie Mark:** Yes, there have been projects. It's been ongoing. As I said, there have been bigger and newer vessels and bigger barges being used this year. Other than that, I don't have much information on that either, yet.

**Mr. Todd Russell:** I appreciate that you've been there for a year, and of course it takes a little while to get your feet wet and get to know all of the different dynamics related to the industry.

Let me turn to Mr. Clements. Can you take a minute to bring us through what your company had to do in order to go forward with its exploration activities? What is the regulatory process like? Who are the partners or the parties that you would have to have some consultation with, some approval from? We get a different picture of the different regulatory regimes from Yukon, NWT, and now Nunavut. If you could, just take us through what that is like, and if you have some idea about specifically what the mines might have to go through—I know you are in exploration—could you just give us a little walk-through on that?

• (1320)

**Mr. Brooke Clements:** There are a number of components right now. There are federal permits for access to the property; there is the Nunavut Impact Review Board; the Nunavut Water Board looks at our permit requests; we also consult with the local communities to keep them informed of what we're doing and to try to maximize employment in the local communities.

It's a process that's a little bit in flux right now. There's new legislation as a result of the 1993 land claim that's going to be put before the House of Commons, possibly shortly, which slightly redefines the process and establishes project timelines. It's a pretty well-defined process of various levels of review, with the levels of review increasing as your project gets more advanced.

**Mr. Todd Russell:** Maybe if you want to go into a drilling program, for instance, or something of that nature, it would require more permitting, or—

**Mr. Brooke Clements:** Yes, each level of exploration and development requires more and more rigour of evaluation and permitting. For a drill program, say, you need a water licence, you need permits for the camps, the camps are subject to inspection. You also have an obligation with WCB to meet certain safety standards, and our operations are subject to inspections. Maybe three times this year we had inspectors out to the property. We have a property near here where 48 people worked, based out of two camps.

I hope that gives you a general idea.

**Mr. Todd Russell:** Yes, and from my perspective, even though we may be able to make some things simpler or more clarified from a proponent's perspective, I still think we want a certain level of rigour in terms of making sure that people's interests and environmental interests, which are somewhat the same, continue to hold to a high standard.

So whatever this legislation might say, and we haven't seen any legislation yet, we certainly want to make sure that if there are clarifications—at least, I'm speaking from my perspective, Mr. Chair—we don't want to see the threshold of safety or environmental protection or IBA's, for instance, which are legal requirements, or any of that lessened.

Going back to Mr. Mark, there's been talk of a port here in Iqaluit, a docking or wharf infrastructure.

**Mr. Manasie Mark:** [*Inaudible—Editor*]

**Mr. Todd Russell:** There's been a promise of a deep-water port, an off-loading facility here in Iqaluit. Would that be a real asset and a real help to the shipping industry here?

**Mr. Manasie Mark:** We have been dreaming about that here for years. The high tide we have is unbelievable. We have to wait the whole day to get the high tide back.

**Mr. Todd Russell:** I have one quick question to build on this. Kimmirut is about 120 kilometres from here, isn't it?

**Mr. Manasie Mark:** Yes.

**Mr. Todd Russell:** If there were a docking facility in Kimmirut with a road tying it to Iqaluit, does Kimmirut have the same tide problem—or challenge? I mean, we can't change the tides; we're not going to move the moon, either. I'm just wondering whether Kimmirut is more suitable for a large docking facility.

**Mr. Manasie Mark:** It is, because I don't see that Kimmirut has a higher tide than we have here. In Iqaluit there are great problems with the tide. More people have been talking about getting the dock going over by the causeway.

• (1325)

**Mr. Todd Russell:** Thank you very much.

**The Chair:** I think we'll leave it there.

Thank you, Mr. Russell.

[*Translation*]

It is now Mr. Lévesque's turn.

**Mr. Yvon Lévesque:** Thank you, Mr. Chair.

Good afternoon, gentlemen.

Mr. Clements, you have no doubt heard about the problems that Canadian Royalties experienced in Nunavik. A large part of the problem was due to the fact that the company could not use the existing road, and the cost of building a road to transport the mineral ore out of the territory was exponential.

Let's talk about the planned infrastructure. How far from the shore are your deposits? What are the estimated costs? Are the deposits that you are currently exploring very far from the shore? When you bring in exploration or extraction equipment, are your camps set up by helicopter, or is there a road that you can use? If you extract the resources, do you intend to refine the mineral ore on site before shipping the finished material?

[*English*]

**Mr. Brooke Clements:** I'll speak to those two questions and I'll just refer to our project 120 kilometres from here at Chidliak.

For the foreseeable future we will not need land transport. We can transport by aircraft any equipment such as drills, heavy equipment, things we need for the next few years. In the summer we have a gravel airstrip and in the winter an ice airstrip capable of landing aircraft. For the next few years it would be much more expensive to take things over land. If we're fortunate enough to get to the construction phase, the first year or two almost certainly would be a winter road to transport the big stuff the 120 kilometres across the land and then, we hope after that, a permanent road.

Your second question is about refining stuff on site. For diamonds, yes, you would do all your processing and recovery on site. Your daily production is maybe the size of a coffee can. So all the diamonds would be extracted from the rock on site and then they would be shipped off site, probably by aircraft.

It's not like metals, where you would ship off large concentrates or big bars of copper and things like that.

[Translation]

**Mr. Yvon Lévesque:** Mr. Manasie, would you be able to set up a deep-water port so you could unload your boats without needing barges for long-distance cargo shipping?

Does the boat leave from Montreal or Halifax? How long does it take from one of those harbours to get here?

[English]

**Mr. Manasie Mark:** The boats come from Montreal. The boats take about five to six days to come up here to Iqaluit.

Three ports, even four, would be fine to get things going better than what we have here now.

• (1330)

[Translation]

**Mr. Yvon Lévesque:** Your boats ship goods, non-perishable food, oil and so forth. You have tankers, regular cargo ships.

Do you anticipate developing gold, copper and other types of mines, since the territory no doubt has such resources? Do you anticipate boats doing the shipping? Transporting the finished material does not have to require a huge amount of capacity; three or four trips a summer should be sufficient to liberate the territory. Mr. Clements could probably confirm that. Have you planned for this?

After arriving here, how long does it take to unload a tanker? I am not just talking about here, but also in Nunavik, as you have to cover long distances to ship oil.

[English]

**Mr. Manasie Mark:** Yes, and this usually takes almost everything. They take almost any kind of cargo, plus the dangerous goods and all that. If they have to carry gold and diamonds, they have been set up for that. It's all been set.

[Translation]

**Mr. Yvon Lévesque:** Okay.

There is a question you did not answer.

How long does it take you to unload oil, for example, here and in Nunavik?

[English]

**Mr. Manasie Mark:** Up here in Nunavut, to offload the oil usually takes half a day. We don't carry much of the oil with the goods, but I would say it's only a half day to unload the oil.

**The Chair:** That will have to do it.

[Translation]

Thank you, Mr. Lévesque.

[English]

We'll now go to Madam Hughes for five minutes.

**Mrs. Carol Hughes:** Thank you very much for your input today. It's greatly appreciated.

I have a few questions. First of all, does regulatory reform affect you in being able to move forward in any way?

Since you're starting this, and I appreciate we had a conversation beforehand talking about the resource revenue sharing, what's your take on that?

I understand, with respect to some of the witnesses we had earlier on today, that there's some concern with the fact that the federal government is taking a lot of the revenue and it's not actually being shared where it can help with economic development here. I'd like your take on that.

Maybe we'll start with that and then I have a few other questions.

**Mr. Brooke Clements:** My company has a very good relationship with the regulators and everybody else. We haven't had any stumbling blocks with any of our projects.

Secondly, I think the conversations earlier today centred on whether the revenue that is now going to the federal government, such as taxes and royalties, should be redistributed in some way to the local areas. I guess I and probably most people would support any type of reasoned negotiation between the federal government and local jurisdictions on that point.

• (1335)

**Mrs. Carol Hughes:** On the revenue sharing, if you look at what's happening with De Beers in the James Bay area, they certainly did negotiate some revenue sharing. Certainly that does assist the communities in being able to better filter those dollars into their infrastructure needs or into the needs of those communities. Basically you've indicated that there is some support for that from your company in providing it. The government should probably be looking at that seriously and allowing more revenue sharing with those communities.

**Mr. Brooke Clements:** Did you say more revenue sharing from the government revenue?

**Mrs. Carol Hughes:** From the resources being extracted.

**Mr. Brooke Clements:** The IBA process is well established and part of the commencement of any operation. I think these discussions are valuable in the whole devolution discussion. Really what the local governments want is control of that revenue from the federal government, but I know it's an ongoing point of discussion between the federal government and the local governments.

**The Chair:** As a point of clarification, IBA is an impact benefit agreement, just for the record. Thank you.

**Mr. Brooke Clements:** That's what you were referring to. You were really referring to the devolution discussion that went on earlier today, right?

**Mrs. Carol Hughes:** So I was just wondering, with regard to the mining, how much of an environmental impact that would have on the area you're looking at, because you're looking at two mines. And what are the infrastructure pieces you find are lacking to help advance your interest and your organization?

Maybe Mr. Mark could also talk about the transportation needs. I know you indicated that you're flying most of your stuff in, but I'm assuming that if there were more marine transportation, that would actually probably be to your benefit as well. I don't know.

**Mr. Brooke Clements:** Well, we are flying most of our stuff in, but we are flying it in from here after it comes up on his ships. Improved port facilities would greatly help us. It would just make the cost and efficiency of the whole operation of getting supplies up here a lot better. So any improvement in the port facilities would be really favourable to us.

Also, ultimately the type of infrastructure we'll probably need, if we are fortunate enough to develop a mine 120 kilometres from here, would be some kind of road from here to there. There are strict rules and regulations in place for reclamation of mine sites, and I think all companies, including our company, would really strictly follow those guidelines for reclamation at the end of the mine life. That's part of your plan right from the beginning, how you're going to reclaim the site.

**Mrs. Carol Hughes:** Mr. Mark, how many ports do you think the federal government should actually be looking at within the period of let's say five years? How many ports do you think would be sufficient to give you a start on that?

I had one more question with respect to skilled labour, because definitely there would be a skilled labour shortage. How best could the federal government actually assist you with regard to getting that skilled labour in there? I know there are some mines that are looking at... Dubreuilville, for example, has a common core program that is specific to that mine; they actually train the people in the mine, and once they graduate they actually hire them. So I just want to throw that at you.

**Mr. Brooke Clements:** The best training is on-the-job training, and if we are fortunate enough to ever get to an operation, there would be a big element of that. The training I'm talking about right now is just things that can help people hit the ground running a little faster, get them up to speed and right in the mix of things a little faster—that is, just some of the training programs the government does in the communities: things like prospecting and first aid and stuff like that. And of course probably the most fundamental thing is to make the K-through-12 educational system as good as it can be so that, again, people are just prepared to hit the ground running.

• (1340)

**The Chair:** Thank you, Mrs. Hughes and Mr. Clements.

Now we'll go to Mr. Clarke, for five minutes. Go ahead, Mr. Clarke.

**Mr. Rob Clarke:** Thank you, Mr. Chair.

I'd like to thank the witnesses for coming here and some of you for flying up here.

Carol was mentioning regulations and how they probably affect the junior mining companies as a whole. You indicated that the Chidliak—excuse me for my pronunciation—employs 18 people from the Inuit communities, right?

**Mr. Brooke Clements:** From Iqaluit and Pangnirtung, yes.

**Mr. Rob Clarke:** And Nanuq was how many?

**Mr. Brooke Clements:** Two.

**Mr. Rob Clarke:** Two, okay. Now, when we talk about exploration, can you explain how—in one instance DFO and then environmental impact studies—these regulations can affect a development in this territory? From an economic standpoint, for this region, how can these regulations be looked at and improved to help with the junior mining?

**Mr. Brooke Clements:** I think the mining industry does not want to skirt any of its responsibilities for complying with environmental regulations and things like that. We just like to see consistency in the language and application of the rules and just making sure there's not duplication of effort and also timelines. I think we're doing well at working towards that.

Each individual operation and project is different, so I can't really comment on things that might be considered unreasonable for certain projects.

**Mr. Rob Clarke:** You mention timelines. For a mining play, how do the timelines work in conjunction with the territorial timelines? Are they similar, or are they almost piggybacking on one another with respect to the studies so that we're not duplicating the process? Is there a lot of coordination?

**Mr. Brooke Clements:** There is coordination, but there also might be a little bit of duplication. When I talk about timelines, I mean mostly timelines in receiving permits and things like that in a timely manner, because it's such a short season up here—really two or three months in which you can do work in the field. It's just making sure that all the deadlines are met in receiving permits and things like that.

**Mr. Rob Clarke:** To look back at duplication, what areas are being duplicated between the federal government and Nunavut?

**Mr. Brooke Clements:** I can't really comment on that right now, because I'm not familiar with the details of our permits. I'm mostly commenting to ensure that there is not excessive duplication going forward, especially in this new land use legislation.

**Mr. Rob Clarke:** If Chidliak comes to fruition as a fully functioning, producing mill, what would be the jobs created?

**Mr. Brooke Clements:** Hopefully there would be jobs from top to bottom at the mine, all the way up eventually to senior management positions and things like that: heavy equipment operators, miners, maintenance staff, people associated with supply and logistics—positions like that.

**Mr. Rob Clarke:** How many would there be?

**Mr. Brooke Clements:** For example, at the mines in the Northwest Territories there are maybe 300 or 400 people on site at any given time, so if it's on that kind of scale, you could have a total of 700 workers, 350 in and 350 out.

**Mr. Rob Clarke:** I'm talking about Nanook and Chidliak, if they are developed to become producing mills.

**Mr. Brooke Clements:** If they develop into producing mines, we would hope to develop something on a similar scale. A major, world-class mine would probably have 700 employees, with maybe half on site at any given time.

**Mr. Rob Clarke:** Would you be taking on a lot of trades people, developing them locally?

**Mr. Brooke Clements:** Yes, on-the-job training would be a very big component. The existing mines have strong programs in on-the-job technical training.

• (1345)

**Mr. Rob Clarke:** What percentage are you hoping to strive for, for each...?

**Mr. Brooke Clements:** It would be just as high as possible. Often, the percentages you hope to achieve are part of an impact benefit agreement, but I would hope more than 50%.

**The Chair:** We'll now go to the second round, and we'll begin with Mr. Bagnell. His turn will be followed by Mr. Rickford's, each for five minutes.

Go ahead, Mr. Bagnell.

**Hon. Larry Bagnell:** Thank you.

And thank you, gentlemen. It's great to have you both here.

Brooke, this is related to infrastructure. Of course, in our hearings for the last month we've heard numerous times about infrastructure. I want you to be not self-interested in this but to consider the overall picture. Obviously, we can only spend so much. We've had all sorts of proposals: for roads up to Tuktoyaktuk, down the Mackenzie Valley from Yellowknife to Bathurst Inlet, and you talked about a road up Baffin Island today. We heard yesterday about a road potentially up to northern Quebec and then a ferry over to Iqaluit.

Of all those, what do you think the general public consensus would be as to the highest priority or the place to start?

**Mr. Brooke Clements:** I would say the highest priority, speaking probably for the people of Baffin Island, would be improved port facilities.

**Hon. Larry Bagnell:** Let's talk about all those roads I just mentioned, though, and forget the ports for a minute.

**Mr. Brooke Clements:** Of the roads, I think the only one that's at a significant, advanced stage of study is the Bathurst road and port, so I would say that one, because it's advanced and there are a number of mineral projects close to that in the Kitikmeot region. That's a very important one.

**Hon. Larry Bagnell:** Are you talking about a road just from those mines up to the port, or from the port right down through the diamond mines into Yellowknife?

**Mr. Brooke Clements:** I think initially there was talk of actually going to the diamond mines, so that the ships could supply the diamond mines. I don't know where it sits today.

**Hon. Larry Bagnell:** I'll come back to you in a second.

Mr. Mark, my colleague talked to you about the port in Iqaluit. The Government of Nunavut said this morning they were doing a study, and they have three options. I assume they consulted you in

their study and that you gave them your input as to what you would like to see in the way of a port here.

**Mr. Manasie Mark:** Yes, I would very much appreciate it if they would get in touch with us.

**Hon. Larry Bagnell:** What I'm suggesting is that you'd better call them soon, because I think they're almost finished their study. If they haven't talked to you already, you'd better get in touch with them.

I have another question. Do you have any rough idea of the difference in cost? If we put in a lot of new ports so that we can get more ships in, what would be the cost per pound? I know it depends on what the thing is, but how much cheaper is it by ship than by air? I know everything has to come in by air to a lot of those communities. Do you know roughly how much cheaper it is by ship?

**Mr. Manasie Mark:** I don't have the exact answer on that. To myself, it is not by pound; it is by measurement. I would do the amount here, roughly, and then the head office would finalize it. I'm not sure how much exactly I would calculate up here. It would be much different from down in the Montreal head office.

**Hon. Larry Bagnell:** Okay.

Brooke, you mentioned several millions of dollars in each of your exploration projects. In raising the funding for that, how much is contingent on the flow-through shares or any other tax credits that are available, or would they have just occurred anyway, even if there were no federal tax credit?

**Mr. Brooke Clements:** I would say these projects are promising enough that they probably would occur without the federal tax credit. Our project here, on which we spent \$9 million, didn't use any flow-through funding, but the project at Nanuq, on which we spent \$1.5 million, was almost all flow-through dollars.

• (1350)

**Hon. Larry Bagnell:** It expires March 31, so what does the federal government need to put in place or expand for the future? How important is that?

**Mr. Brooke Clements:** It's very important, and I hope the committee would seriously consider extending those benefits to the exploration industry because sometimes, especially in difficult market conditions, that is one of the few ways that companies, especially small companies, have of raising capital. It's very important.

**Hon. Larry Bagnell:** Mr. Mark, I assume that if we approved the ports in some of the smaller communities and if we had a port here, you could get a lot more supplies in by ship. Then they wouldn't have to fly so many things in. It would lower the cost of living.

**Mr. Manasie Mark:** Yes. Three ports is what we would be looking at, because I know a lot more vessels come in each year.

**Hon. Larry Bagnell:** Okay. Thank you.

**The Chair:** Thank you, Mr. Bagnell.

Mr. Rickford, you have five minutes.



**Mr. Greg Rickford:** Thank you, Mr. Chair, and thank you to the witnesses.

My questions will be for you, Mr. Clements.

On April 8, 2009, Minister Strahl announced the start of public consultations on a legislative proposal for land use planning and impact assessment processes in Nunavut. This is consistent with the integrated northern strategy, and we heard from witnesses earlier today, specifically around integrated economic development, that land use planning is a key part of that. It also happens to be a special interest of mine, so I'm going to attempt to drill down on some of this.

You emphasized the importance of consultation with industry specifically with regard to land use planning, and some of the questions for you so far have taken us closer to that. First of all, has that consultation taken place with industry, as you would purely define it? Perhaps we could have just a yes or no on that question.

**Mr. Brooke Clements:** It's really not a yes-or-no question, because it is in this new legislation that the land use plans are germinating. There are a couple here, but there isn't one for this area of Baffin. A lot of this legislation spells out the details of how these land use plans are formulated.

**Mr. Greg Rickford:** Fair enough. In that case, what key recommendations would industry make with respect to land use planning? Could you shed some light on the differences between the communities where these prospective mines may be, and Iqaluit's role in that? To what extent would your recommendations consider, engage, and perhaps include some of the traditional principles of land management and land use planning?

**Mr. Brooke Clements:** I probably shouldn't comment on the... The mining industry right now is reviewing aspects of the legislation and is going to formalize a very detailed analysis in response that will probably be available for the House when the legislation comes before you to consider.

The main point I really wanted to put forward is a recognition that the mining industry is important in all this and that the mining industry and other proponents should be a part of the whole process. I don't know that it's really in the existing legislation; at least, it's not formally recognized; it might be informally recognized. It's important to include industry, and specifically, for me, it's very important to have the mining industry as part of the process.

**Mr. Greg Rickford:** I can appreciate that.

I'm struck by your comment emphasizing the importance of consultation with industry specifically regarding land use planning. Can you be more specific?

**Mr. Brooke Clements:** Yes, I will be more specific in one area.

For example, a big part of the land use plan will be exclusions. I don't know how many are slated to be formulated for Nunavut. It might be eight, or something like that. A specific component assesses areas within the regional land use area that might be considered for parks as excluded areas, areas not open for mineral exploration. A key thing would be to consult the mining industry and experts in government on the potential for resource development in these areas considered for exclusion before these areas are just drawn

out to be excluded as national parks and things like that. That's a key one.

Also, in areas of regional land use plans where there are advanced developments, the details of the land use plan will affect the developments. The proponents should be brought to the table and asked for their thoughts on all components of the land use plan, because it will affect them quite dramatically.

• (1355)

**Mr. Greg Rickford:** I'm assuming that part of this consultation gives considerable deference to traditional land use practices.

**Mr. Brooke Clements:** Absolutely.

**Mr. Greg Rickford:** Are there any issues around that, or is there anything specific around parks, currently or moving forward, that the industry is preoccupied with? I don't necessarily mean that in a negative way.

**Mr. Brooke Clements:** There aren't any issues from my perspective. I think most of us, if not all, accept that if it's a park, it's just off limits, and that's gone forever. That's why I say that in considering future parks and things like that, we have to remember that once it becomes a park, by law it's excluded from mineral development forever, so let's not lose that opportunity if it's a possibility.

**Mr. Greg Rickford:** I'll shift gears a little bit and build on the questions of my colleague. I realize it's speculation, but you talked about perhaps hundreds of jobs per mine site. Do you have any anticipation of, or projections on, revenues from any of these mines at this point?

**Mr. Brooke Clements:** No, I don't, because the range is just so great. The possible range is from a few billion dollars in the ground to many billions of dollars of potential revenue in the ground. It's really hard to speculate. It could be a mine with 60 or 80 employees; it could be a mine with 500.

**Mr. Greg Rickford:** Thank you.

Is that my time?

**The Chair:** Yes, that's it. Thank you, Mr. Rickford.

Before we do this, I should say that we have a number of guests here today. It's great to see you all. If you wish to have interpretation, there are devices on the table. I think there should be some around. There may be some on the table here. Please help yourselves for interpretation if you wish. Please help yourselves.

*Maintenant nous allons à M. Gaudet. Vous disposez de cinq minutes.*

[Translation]

Mr. Gaudet, you can go ahead.

**Mr. Roger Gaudet:** Thank you, Mr. Chair.

My question is for Mr. Clements.

As for the mines you mentioned, the ones located 120 kilometres and 250 kilometres from the villages, whose names I cannot remember, how long will the exploration last? Will it be for a limited time, or could it go on for 10, 15 or 20 years?

[English]

**Mr. Brooke Clements:** First off, the two places I spoke of really are not mine sites, they're early-stage exploration projects. If everything would go perfectly for those projects, you would hope to first put them into production five to ten years from now, and you would hope to have say a ten- to twenty-year mine life, maybe longer if it's really spectacular.

[Translation]

**Mr. Roger Gaudet:** How will the exploration affect local communities?

[English]

**Mr. Brooke Clements:** Right now, probably this year, we've spent \$9 million here on our Chidliak project, and probably 20% to 25% of that went to local goods and services, using his ships, purchasing food for the camps here, to a local air service provider who did all of our fixed-wing flights to the property. There were 18 employees, but if it were to be a development that would increase significantly. At the early stages of exploration, there are a lot of things like drills and helicopters that consume a large proportion of your budget. As you move farther and farther into development, you have more employees, and you can use local goods and services more.

[Translation]

**Mr. Roger Gaudet:** Does your vision for the medium and long terms include training people from the local communities?

You are not doing any exploration, you want to. But when the time comes, will people from the local communities be able to work with you?

Are you asking the territory for assistance with training, anything, so that locals will be able to work with you?

• (1400)

[English]

**Mr. Brooke Clements:** We are working on some possible programs that exist here to participate in those, but we will also be doing our own training. These are exploration jobs, things like field technicians, camp maintenance staff, but we are going to spend a significant amount of time getting people up to speed in doing the jobs that we have now properly. So yes, that will be, even at this early stage, a significant component of our program this year.

[Translation]

**Mr. Roger Gaudet:** I will give the rest of my time to Mr. Lévesque.

**The Chair:** Two minutes left.

**Mr. Yvon Lévesque:** Thank you, Mr. Chair.

Mr. Clements, let's talk about training. We know that the Canadian Northern Economic Development Agency has a training program. When the deputy minister, Ms. Jauvin, appeared before the committee, she said that companies would be asked to help train workers. No matter how much on-the-job training, as you say, is provided to work underground or extract mineral ore, you will still need a lot of tradespeople, such as electricians, plumbers and mechanics.

Do you have an idea of how many tradespeople you might need? Have you discussed it with the Canadian Northern Economic Development Agency?

[English]

**Mr. Brooke Clements:** We haven't yet, because at the moment our project is early-stage exploration. In the positions we have right now, we don't have electricians, plumbers, heavy equipment operators, and things like that, but I know that several of our people are talking with various agencies about training programs. Some of those evolve around on-the-job training, where maybe there is even a subsidy for the company to bring people on the job and train them. But as the project advances, and as more skilled positions are needed, training of local people will become a much larger part of the overall effort, for sure.

[Translation]

**Mr. Yvon Lévesque:** I mention it now because training someone in a trade takes a minimum of two years. In your forecasts, in the event that you are able to undertake extraction, you should anticipate the number of tradespeople you would need to train locals so they could benefit from the activity, as soon as work gets underway.

[English]

**Mr. Brooke Clements:** Long before we would need them, we would begin those kinds of studies. We just haven't yet, but of course we would begin the studies long before we would start production.

[Translation]

**The Chair:** Thank you, Mr. Lévesque and Mr. Gaudet.

[English]

Now I'm going to take one of the government's spots just to ask a couple of questions myself.

Mr. Mark, I wonder if you could describe from your own point of view what you, as a seaman and someone who's familiar with the aspects of shipping as it relates to the north and to Nunavut, see as the real impediments or obstacles preventing a better shipping industry and better access. What would in fact make your industry better? There's been discussion about the port facilities and so on. If you were to imagine the ideal scenario in terms of advancing your industry and by extension the development of the north, how would you describe that?

**Mr. Manasie Mark:** I wish I had been working with this company a little bit longer, and then I would be likely to answer your question better. For myself, if we had more... We do have a lot of good equipment on the vessels carrying the cargo. The only thing is the problem of the high tide, like I said before. If we had a better way to unload...

• (1405)

**The Chair:** The high tide basically prevents... You're not able to keep the schedule you would like, but can you work around it? Does it just mean delays? Can you still get the big ships into port?

I'm sorry if these questions seem simple, but of course we're putting it on the record as well. That helps us.

Even though you're delayed, are you still able to offload what you need to, or are you very restricted in the size of vessels, for example, that can get into port?

**Mr. Manasie Mark:** Yes, if we really do have a dock up here, there wouldn't be any problem. There are times when bad weather comes, and that slows us down as well.

**The Chair:** Okay.

Mr. Clements, in regard to the Chidliak development, I think you said that was the closest here. How far along are you at this point? If it comes to fruition, it could be potentially a 10- to 20-year project. I think you described a couple of projects along that scale. Do you have any idea of where that sits? What's the status of that exploration, and what would it take to get you from there to a full-blown project?

**Mr. Brooke Clements:** First and foremost, it's going to take a couple more years of really detailed exploration. We only made our first discovery a little over one year ago, and we've made dramatic progress in that year. We've identified some significant diamond counts and some kimberlite pipes, but we have a couple more years of advancing our knowledge of the pipes we've discovered that have economic potential and of trying to discover as many more as we can. Then in a couple of years, we would start moving into the economic analysis of the whole project.

I'll give you two well-known examples. At the Ekati mine, they made their first discovery in 1991 and they went into production in 1998. So that was seven years from initial discovery to production, but that was lightning fast. They discovered three or four that were clearly economic right away. Diavik took nine years to go from the first discovery and the mine plan to production.

**The Chair:** Have you had any experience in the Northwest Territories with taking a project to full production?

**Mr. Brooke Clements:** I have not.

**The Chair:** So far, how would you describe the process in terms of working with the government here and the other regulatory bodies? You've been in the field for a couple of years. How would you describe that process thus far?

**Mr. Brooke Clements:** So far for us it's gone very well. A few of the people are actually sitting here from the agencies we work with. We have a good relationship. We just try to be very complete in the information we provide, and so far we haven't had any problems.

**The Chair:** Okay, that's great.

Now we'll go to Mrs. Hughes for another five-minute question. Go ahead, Mrs. Hughes.

**Mrs. Carol Hughes:** I don't know if I have five minutes' worth of questions. I think a lot of the questions I had have been asked.

I think we really need to focus on training, whether that's with transportation or whether it's with mining, although you're not quite ready. It's still a while before you'll see a full-blown mine set up and completely functional.

Maybe I should backtrack. You've said you have about 20 local people employed currently. How many people are you employing in total right now?

**Mr. Brooke Clements:** This year there was an average of say 40 people on the site at Chidliak here, and I think there were seven people on the site at Nanuq where we employ two local people.

**Mrs. Carol Hughes:** Just in building towards that, although you indicated there should be some dollars invested in education from kindergarten to high school, grade 12, I'm just wondering, because my understanding is there is a lack of skill training courses and education available in the community here. I guess first and foremost that would be important for you, because although the government can focus on ensuring that there is additional funding—and most of the funding for education does come at the provincial level, and as well they filter all of those funding initiatives out—you would actually need people trained in skills prior to these young people moving up into the educational system.

Have you actually had a chance to talk to the Arctic College with respect to your needs for upcoming training that would be available? My understanding is that a lot of the adults who are currently here don't have the educational skills, but they could certainly be encouraged to take the skills training necessary.

I'm just trying to get some sense of that. Mark, I'm not sure if you could talk about that as to what your needs are with regard to staffing and any training these people may need as well. I'm just wondering if maybe that's where the federal government should focus some dollars.

● (1410)

**Mr. Brooke Clements:** Absolutely, I'll just come in on both of those.

Yes, we have been to the college in Pangnirtung and talked to them there about potential opportunities in mining. We've also been to the high school and talked to the local people. We've done this on a number of other projects. Really, the number one thing we like to tell people when we go to the schools is to do as well as they can—take their schooling as seriously as they can right now—because when the opportunity comes with a mine development or anything else, their getting the right education when they're young will prepare them as much for that future professional opportunity as some government-sponsored training program. The best thing is to encourage the best possible school systems and figure out a way to encourage people to really take their schooling seriously and complete it. That prepares them even better than a training program.

**Mr. Manasie Mark:** I myself agree with that. Our sealift operations only last about four months a year. Again, we usually have people come by to apply for a job. Ourselves, we look at the high school students. If they drop by at the same time, this would be the learning project for the sealift. It's only four months out of the year. We would love to have more people work with us. I know this would be a place to work, with so many young people and people who don't have jobs that they would love to work with us.

**The Chair:** That's it, actually. You had the full five minutes in there. Good for you.

Now we'll go to Mr. Dreeshen. I think he's going to split time with Mr. Payne as well.

Go ahead, Mr. Dreeshen, for five minutes.

**Mr. Earl Dreeshen:** Thank you very much, Mr. Chairman. Thank you, gentlemen, for being here this afternoon.

Many of the things I was going to ask also have been presented. To expand upon some of my colleagues' remarks, one of the things you mentioned in your presentation, Mr. Clements, was responsible mineral exploration and production. That was the main focus, of course, that your company had.

I guess I'd like to start by just asking, what do you see that being? This is a great opportunity for you to tell the committee what you think the mining business should be looking for in the next 10 years, or whatever.

**Mr. Brooke Clements:** Responsible mineral development is taking into account the environment and all the regulations that exist. It's placing a prime importance on health and safety and the safety of the workers, and it's trying to maximize, to the greatest extent possible, the economic benefits and capacity building that can be given to local communities and local people. That really is responsible mineral development. There can be great benefits that can come. Mining operations are a very rare thing. Remember, there have been four major ones in the history of Nunavut, and just one or two can really change the economic prosperity of an area. So responsible mineral development is taking into account all factors as you're moving towards development.

•(1415)

**Mr. Earl Dreeshen:** I would just like one quick answer, also, to the question about board development. You had spoken about the needs to have training for individuals who could be appointed to boards. I just wonder if you could comment on what type of training you feel would be important for those individuals.

**Mr. Brooke Clements:** For a lot of these board positions, they have to deal with fairly complex technical issues, and there is technical training related to the various aspects of the environment or operations they have to deal with. As somebody said earlier today, 40 years ago Nunavut was a hunter-gatherer society. It's been 400 years in the south since we've evolved from that. Nunavut is trying to really find its own way and do its own thing, but it will need help. What the mining industry has recommended is just some independent transitory federal government board to really watch over and assist with the formation and training of these committees, which are very technical things.

**Mr. Earl Dreeshen:** Thank you.

**The Chair:** Mr. Payne.

**Mr. LaVar Payne:** Thank you for attending today, gentlemen.

Mr. Clements, you talked about one of the challenges regarding geoscience. Maybe you could expand upon what you see as the challenges there, the timeframes. What would be required to get the information that is needed for the industry?

**Mr. Brooke Clements:** Every exploration project starts at the desktop, where people go to the library, or now the computer, and they study an area, and they say that area has the potential for gold, diamonds, or platinum; that's the first step of any exploration project. Because Nunavut is so remote and it's covered with snow nine months of the year, there really hasn't been a lot of mapping and things like that relative to other areas that have this kind of prospectivity for mineral deposits. Just on the basic geologic mapping, geologic information gathering, map-making, there's been a lot of that in the last year or two. That has really accelerated lately, and I just urge you to continue that kind of funding.

**Mr. LaVar Payne:** Mr. Mark, in terms of the ports you talked about, you said three or four ports would be necessary here. Where would those be located?

Secondly, do you have any idea of what the costs would be to develop those ports?

**Mr. Manasie Mark:** I couldn't answer you for the costs, but for the three ports, we're looking at the new causeway here, and over the causeway, the old causeway, and behind that is the tanker port, where they pump out. It's at the point of Iqaluit.

**Mr. LaVar Payne:** Okay.

**The Chair:** Thank you very much, Mr. Payne and Mr. Dreeshen.

We have one final question on the list, and that's Mr. Bagnell's.

Go ahead, Mr. Bagnell.

**Hon. Larry Bagnell:** Thanks.

I just have one question, Brooke.

We get different reports on the present effectiveness of the Kimberley Process in preventing corruption in Canada and blood diamonds overseas. Some people say it's falling apart and other people say it's working great. Could you give us a bit of an update on that?

**Mr. Brooke Clements:** I've had to use it a few times, and I think it's done a great job. It especially did a good job...when it was implemented there were still some major civil wars in Africa, and diamonds were at the heart of these civil wars—in Liberia, Sierra Leone, and Angola. Very rapidly, it implemented a process of tracking and documenting diamonds, and it probably came close to shutting down this illicit diamond trade. I know that in its initial implementation it was extremely successful in cutting down on the trade of illicit diamonds.

I've been fortunate enough to deal with a few diamond parcels where I had to ship the diamonds to Europe, and I can tell you it is a pretty extensive process in paperwork and documentation. And I haven't heard there are any problems with it now.

•(1420)

**Hon. Larry Bagnell:** Okay, good.

**The Chair:** Members and witnesses, thank you very much for your very thorough questions and responses, and certainly for your presentations. This has been extremely helpful in advancing our study. Of course all of the discussion today is transcribed, so it becomes part of the documents we'll be using to formulate our recommendations towards the end of this study.

As I mentioned earlier, I think, this is our third stop in terms of visiting the territories, but our study continues well into December and into the new year, when we'll be hearing from witnesses from a variety of different stakeholder groups, and well into early March, after which time we'll begin to formulate our report and recommendations.

At this point we will suspend the meeting.

We have four more witnesses coming up in the next hour and a half.

I see Mr. Duncan has joined us. Mr. Duncan is a full-time member of our panel, but he got delayed by flight issues yesterday.

We're glad to have you with us, Mr. Duncan.

We'll now suspend for 10 minutes. We'll resume at precisely 2:30.

Thank you.

• \_\_\_\_\_ (Pause) \_\_\_\_\_

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•(1435)

**The Chair:** Good afternoon, ladies and gentlemen, members, witnesses, and guests. It's great to see you all here this afternoon.

We're resuming our fourth panel now. We're hearing witnesses on the topic of advancing economic development in Canada's north. In particular, we are identifying some of the obstacles or barriers in front of that development. Also, where possible, we are hearing our witnesses' suggestions on what some solutions might be.

All of this, of course, is part of a comprehensive report on this subject that we're continuing to work on. This is the third of three stops we're making across Canada's north. Unfortunately—I shouldn't say unfortunately—we haven't had the time or resources to get beyond visiting just the territorial capitals. Nonetheless, we've

been hearing some excellent witnesses in each of the three territories, and we'll be continuing our consideration of this topic well into the new year.

We have with us representatives from three different organizations. We welcome Patsy Owljoot and Lori Kimball from the Nunavut Housing Corporation. We also welcome Mr. Patrick Doyle, the CEO of Nunavut Broadband Development Corporation, and also Brian Zawadski, the Senior Business Advisor for Nunavut Development Corporation.

We will begin with Patsy Owljoot. I understand, Patsy, that we're going to have some of the presentation in Inuktitut, so we welcome, again, our interpreter. Take the time you need. I should say to all witnesses that we allow about five minutes at a modest pace. You don't have to go too quickly, because we are doing simultaneous interpretation as well.

Madam Owljoot, just take your time, and the interpreter can provide the English as she goes, and that, in turn, will be interpreted for the benefit of members.

Let's go ahead for five minutes or thereabouts. You have the floor.

**Mrs. Patsy Owljoot (Acting President, Nunavut Housing Corporation) (Interpretation):** Thank you for inviting the Nunavut Housing Corporation.

*[Witness continues in English]*

Good afternoon, honourable members of the Standing Committee on Aboriginal Affairs and Northern Development. Welcome to Nunavut.

*[Witness continues in Inuktitut with interpretation]*

My name is Patsy Owljoot, and I am the acting president of the Nunavut Housing Corporation. With me today is Lori Kimball, Executive Director and Chief Financial Officer of the Nunavut Housing Corporation, which I will refer to as NHC from time to time.

*[Witness continues in English]*

It is a pleasure to be here today to discuss northern economic activities and barriers. Before we begin to respond to your questions, I would like to take a few minutes of your time to provide background information on the scope and span of NHC activities and initiatives.

The Nunavut Housing Corporation was created in 2000 through the Nunavut legislature by the Nunavut Housing Corporation Act. The Nunavut Housing Corporation is a stand-alone corporation. Their ability to plan, implement, and manage their resources is linked to their being at arm's length from the Government of Nunavut.

The NHC reports to the minister responsible for housing through their president. The minister reports to the Legislative Assembly of Nunavut, the executive council, and to Nunavummiut, the residents of Nunavut.

The mandate of the NHC is to create, coordinate, and administer housing programs to provide fair access to a range of affordable housing options to families and individuals in Nunavut. The core business of the Nunavut Housing Corporation is the delivery of targeted housing solutions in Nunavut.

Our mission is to provide opportunities for all residents of Nunavut to have homes that support a healthy, secure, independent, and dignified lifestyle through working with our communities to allow them to assume the role of providing housing to Nunavummiut.

The NHC has five offices, with a current staff of 72. They strive to include Inuit societal values in their daily business and to integrate local knowledge. The NHC is committed to delivering their programs in close cooperation with our community partners, the 25 local housing organizations, or LHOs. These community partners provide most of the day-to-day activities associated with program delivery to individuals and families.

In terms of core business, NHC business functions include management planning, client services, infrastructure development, asset management, and administrative services. In 2009 these were organized into the following key areas of responsibility: advisory administrative services, public housing, staff housing, home ownership, design and development, and homelessness.

In the current fiscal year of 2009-10, NHC has an annual operating and maintenance budget of \$180 million. As well, 60% of the NHC's main estimates funding is provided to the LHOs for management and maintenance of approximately 4,200 NHC units across the 25 communities of Nunavut. Capital funding varies considerably. Sources of funding include the Government of Nunavut, Northern Housing Trust, and CMHC.

• (1440)

Since the topic of this meeting is northern territories economic development barriers and solutions, I would like to take a few minutes to present challenges facing housing delivery in Nunavut.

First is housing affordability. In Nunavut, each and every private dwelling unit receives some type of housing subsidy. If these subsidies were removed or factored out, all but the most affluent of Nunavummiut, Nunavut residents, would have affordability problems, and the percentage of Nunavut households in core need would rise from the current 38.7% to well over an unacceptable 90%.

Next is a growing population.

*[Witness continues in Inuktitut with Interpretation]*

• (1445)

With a growing population in addition to severe existing demand, Nunavut also faces the highest fertility rate in Canada, with 2.72 children per woman in 2005, compared to the national average of 1.54. The population continues to increase; it was at 31,762 on April 1, 2009, according to the Nunavut Bureau of Statistics, which predicted it would rise to almost 44,000 by the year 2020. As the population grows, so will the need for additional housing.

*[Witness continues in English]*

Dwelling types. There is an extremely limited private market in Nunavut. The cost to transport materials, obtain developed land, and construct and operate dwellings makes building on speculation very difficult for most developers. Therefore, unlike in most other parts of Canada, there is almost no private, affordable rental housing in Nunavut. Given the high cost of independent home ownership, the majority of Nunavummiut live in public housing units. Only 19% of the dwellings in the territory were purchased privately, whereas home ownership in the rest of Canada accounts for 70% of dwellings. The GN, through the NHC, currently maintains approximately 4,200 public housing units, which represent over 65% of Nunavut's total housing stock.

Costs. Nunavut's climate and geography also present unique challenges to the construction industry. The territory's 25 communities are remote, with no road or rail access. All construction materials must be transported by air or the annual summer sealift. As a result, the cost of landed goods is substantially higher than elsewhere in Canada. The NHC invests about \$10 million annually in capital improvements to units, and the public housing program spends more than \$102 million per year—about 60% of the operating budget. Lack of employment and economic development opportunities contribute to keeping individual and household income low; 70% of public housing tenants are either on income support or pay only minimum rent. Thus, rental receipts from the public housing program consistently offset less than 10% of that required to manage the portfolio.

Construction costs also contribute to the rapidly increasing housing costs in Nunavut. All aspects of costs for land acquisition, lot preparation, materials, shipping, and labour have increased. It is expected that this trend to rapidly increasing costs per unit will continue for Nunavut and the north in general.

Home ownership. Every new home owner either frees up a rental unit or reduces an existing home's occupancy level. Unfortunately, home ownership remains unattainable for most Nunavummiut. Income levels are low and ongoing payments for basic shelter components are very high. In 2009, on average in Nunavut, it cost \$976 per month for fuel, water, garbage, power, insurance, maintenance, and land lease fees. In the territorial capital, Iqaluit, these costs come close to \$1,200 a month. Recent increases in power and fuel rates will add additional costs to all types of housing and business. These factors, together with Nunavut's lack of affordable rental housing and the cost of private home ownership, mean that subsidized accommodation in the form of public housing will be an ongoing and long-term need.

Community facilities. The NHC relies on its community partners, the 25 LHOs, to provide maintenance and administrative services for housing units. At present, many of the LHOs operate out of facilities originally built to support and maintain a much smaller housing inventory. Furthermore, unprecedented construction is taking place across the territory; however, limited investments have been made to enhance the infrastructure of the community at the community level.

• (1450)

The condition of certain LHO warehouses and storage facilities is identified as a critical issue by both the corporation and the Office of the Auditor General. Adequate and secure storage facilities must be available to accommodate a 12-month supply of materials. In addition, the first snowfall usually occurs around the time the sealift ship arrives in many communities, complicating or impeding construction.

I will turn to trades and staffing.

Significant fluctuation in the level of housing activity works against the development of local community capacity, since many who enter the trades during times of high construction activity move on to other occupations when construction slows. This makes it difficult for communities to develop a stable base of trained tradespeople.

There are barriers to entry and a high drop-out rate from apprenticeship programs—up to 50% in the first two years. The department of education, in conjunction with NHC, needs to implement creative and innovative programs and provide opportunities that will contribute to the success of trades programs.

**The Chair:** Ms. Owljoot, is that your last page?

**Mrs. Patsy Owljoot:** Yes, it's my last page.

**The Chair:** Okay. I don't want to seem to be rushing you; I just want to check with you.

Go ahead and finish up. Thank you.

**Mrs. Patsy Owljoot:** Okay.

As well, major injections of short-term funding, while welcome, also strain NHC capacity, since the corporation is unable to quickly ramp up to deal with such large fluctuations in activity levels. NHC has a current staff of 103; however, 31 positions—about 30.1%—were vacant as of September 2009. These capacity issues and others are the subject of a comprehensive gap analysis study currently under way, the results of which will be shared with cabinet.

Although there are many challenges like those listed above, the NHC remains optimistic and committed to achieving our vision to ensure that families and individuals in Nunavut have access to a range of affordable housing options.

Thank you very much for giving me the opportunity to share this presentation with you.

I welcome any of your questions.

**The Chair:** Thank you very much, Ms. Owljoot.

Now we will go directly to Mr. Patrick Doyle, Chief Executive Officer for Nunavut Broadband.

Go ahead, Mr. Doyle. Five minutes or thereabouts would be great.

Thank you.

**Mr. Patrick Doyle (Chief Executive Officer, Nunavut Broadband Development Corporation):** It shouldn't be difficult, as we just arrived by plane. I haven't been in the office, so I rewrote my speech on a napkin. I'm sure it will be five minutes, but I think we can cover it all.

First of all, for those who are unfamiliar, Nunavut Broadband is a not-for-profit organization that is tasked with the improvement of the quality of life of all people of Nunavut through the deployment of communications technology. We're not necessarily constrained to just broadband, but as our name implies, that has been the primary initiative up until now.

We're present in all 25 communities. There is a high-speed Internet solution in those communities. By having a QINIQ modem, you can actually access the Internet seamlessly while moving from community to community, which is a technological achievement that you don't have in the south. In that sense, we're actually more advanced, which is interesting. The idea is that the QINIQ network will be a platform for a variety of services. For example, the first solution it was providing was a banking platform.

Nunavut Broadband first began as the Nunavut Broadband Task Force, and one of the main problems it identified was the lack of banking in the territory. I think five years after that initial study, 50% to 60% of people access banking through the Internet. Using that as an example, some of the next problems to be solved would be distance education, partnering with Arctic College, and ultimately e-health services.

I'm relatively new in the position, but my understanding of it is that the key to its success has been the model of the community service providers. In each community there is either a business or an individual who administers the QINIQ account, gives out the modems, and collects the fees. So in each community there is at least a job or 1.5 jobs created. I think we pump in the order of \$500,000 to \$600,000 annually back into communities, which is a relatively small amount. But when you consider what the community profile is, it's actually quite significant.

In addition to that, with the community service providers—who are obviously local people in each community—we target an upgrade to their skills every two years. We're in the process of putting together the next community service provider conference. So we're trying to grow the capacity of these individuals. The other thing that is interesting is that I think 18 or 19 of the original 23 are still in place five years later. That's quite significant, because, as you know, turnover is a problem. This has been quite a stable platform.

It's very timely that Nunavut Broadband will have a release of infrastructure too—actually next week—that will build on the original platform. We're expanding the capacity to accommodate the users that have grown by about 50% greater than anticipated. The network was originally built for 2,000 people. It now accommodates about 4,500, so it's outgrown.... It's a victim of its own success in that sense. So this upgrade that will be forthcoming next week will address that additional capacity.

In the future, there are also additional upgrades for increased speed. One of the challenges of broadband is that it's not a static thing. What was defined as broadband five years ago at a certain speed is no longer, because of the growth of the web and richer applications. In fact, what we rolled out is now too slow. You always have to stay ahead of the curve, so we're attempting that with these infrastructure upgrades.

As well as the actual bandwidth, there are applications that are bandwidth savers, such as large file transfer applications, video conferencing, and some applications targeted at the classrooms specifically, which are going to be rolled out in March. This is part of the infrastructure to roll out.

In terms of challenges, an oft-quoted statistic in the north is that a unit of connectivity that you would have in, say, Ottawa costs 100 times more here than it would in the south, because it's all satellite networks, obviously. There is no terrestrial infrastructure. What costs \$60 a month in Ottawa would be \$6,000 here, unsubsidized. So it's a tremendous challenge that way.

• (1455)

One of our main challenges, and probably my main function, is to address what happens to the network post-2012, because our funding is project money—Infrastructure Canada, the Broadband Canada program—and it comes to an end. Unlike other infrastructure projects—if you build a bridge, you have a bridge—unfortunately, the network comes to an end. Our primary challenge is addressing what happens post-2012, when the funding comes to an end, when the bridge disappears, essentially.

So in addition to just running the operation, the key thing is to secure long-term funding, because like most things in the north, it can't really exist in an unsubsidized fashion, like food or anything else. It's just that the population is too sparse over the distance.

The only possibility of an alternative to that would be if you look at the Greenland Connect model. They've run fibre from Europe to Iceland to Greenland to Newfoundland. It's on an order of magnitude of a thousand times more capacity than what we have. It's a very long-term solution. The capital investment I think was \$200 million upfront, but we may spend that ourselves over the course of a decade and not be any further ahead. So it would be prudent to look into that as a study. In fact, that's one of the things on the slate for this year.

Another challenge we have—and it's no slight to anyone in the room—is our cashflow for our core funding. The bane of most NGOs is running the operation dependent on cashflow funded to agencies you have no control over. So a lot of operational focus goes into trying to maintain running the organization, trying to respond to the reporting needs, things like that, the balance between due diligence and being too oppressive in these funding requirements.

That's also a challenge in a small organization like ours. And like many, we share space with the film board and the craft people, so it's a very common topic at coffee.

What we like to say is that bandwidth in the Arctic is like water in the desert, and it needs to be managed in somewhat the same way as a precious resource. And it will be that way for the foreseeable future unless we go to a fibre-type option.

There are some timely events unfolding that I think back our case, though. Finland, you may be aware, has just recently announced they've enshrined broadband access as a legal right, which is quite progressive. They're the first country in the world. So that may be the direction of other countries. That was about a month and a half ago.

The World Bank has also released a report that ties broadband access to the expansion of economic development.

Also, currently here, of course, everyone's familiar with the GN report card, and there are half a dozen, I would say, different aspects in that: the criticisms around decentralization, education, all the things that could be addressed by, basically, a better communications infrastructure.

As I said, I had to rewrite it on a napkin on the way up on the plane, but I think essentially that's the background and those are our primary challenges. There are the obvious ones with trying to physically set up this infrastructure with transportation challenges and weather and things like that. The infrastructure is largely in place; we're in the upgrade phase, so those challenges have primarily been addressed.

I think that's probably been about five minutes.

• (1500)

**The Chair:** Almost 10, actually. You did quite well. One wouldn't know that the napkin was in play there. That was quite well done.

Thank you, Mr. Doyle.

Now we'll go to Mr. Zawadski. Mr. Zawadski is representing, as I said earlier, the Nunavut Development Corporation.

Welcome, and you have the floor for five minutes plus, or whatever you need within that range.

Go ahead, Mr. Zawadski.

**Mr. Brian Zawadski (Senior Business Advisor, Nunavut Development Corporation):** Thank you, and welcome, everybody.

I'll give you a quick background on the Nunavut Development Corporation and then I'll get into a number of points. One point I didn't list is broadband, and it's critical. I support everything Mr. Doyle had to say.



The Nunavut Development Corporation is a crown corporation of the Government of Nunavut, and it was created by the Nunavut Development Corporation Act. Cabinet, through the Minister of Economic Development and Transportation, appoints a chair and a board of directors who are responsible to direct the affairs of the corporation. The objects of the corporation are to create employment and income opportunities for residents of Nunavut, primarily in small communities; stimulate growth of business; promote economic diversification and stability; and promote the economic objectives of the Government of Nunavut.

The mechanism we have to achieve these objectives is to incorporate and manage companies, corporations, or projects by direct ownership or by venture equity investments. The corporation receives an annual appropriation of approximately \$3 million from the Government of Nunavut to support our initiatives. The corporation, NDC, measures the effectiveness of our programs based on a variety of pre-established criteria. Key among them is the cost of creating or maintaining employment through the corporation's various investments.

The investment focus has been in the arts and crafts and meat and fish sectors, through the controlling ownership and operational subsidization of nine Nunavut-based companies. These companies are located in the three regions of Nunavut.

Briefly, the arts and crafts company, Ivalu Limited, in Rankin Inlet is an arts and crafts retail store. Jessie Oonark Limited is in Baker Lake, and it runs a silkscreening custom embroidery operation. It is also involved in buying carvings from local artists, which we move south through our wholesale division in Mississauga. Kiluk is located in Arviat. It produces sealskin fashions and it is involved in buying carvings as well. Taluq Designs is located in Taloyoak, and it produces a unique line of handcrafted duffle, which we call "packing animals". They're dolls that are wearing amauti. It is also involved in buying carvings—there's a theme there. Uqurmiut Arts and Crafts is in Pangnirtung. It's quite a famous arts and crafts operation. It's involved in tapestries, and there will be one in the speed skating oval for the Vancouver Olympics. If you went to the legislative assembly you would have seen a huge tapestry there that was done by Uqurmiut. It does weavings, and it has a print shop, printmakers, and carving buying.

With respect to meat and fish companies, Kitikmeot Foods is in Cambridge Bay. It processes char and muskox. Kivalliq Arctic Foods is in Rankin Inlet, and it processes caribou and char. Papirug Fisheries is in Whale Cove. It's a small seasonal operation, which is a feeder plant for Kivalliq Arctic Foods for char. Pangnirtung Fisheries is in Pangnirtung, and it's a turbot and char processor. We have a wholesale division in Mississauga that markets the arts and crafts across the country, and we have a retail store in Terminal 3 at Pearson, Arctic Nunavut. You may have come across it in your travels.

I will briefly touch on a couple of challenges, because there are a lot, and a couple of possible solutions. The GN report card has already been mentioned. That was undertaken by the Government of Nunavut to assess the effectiveness of its programs and services, and it was released at the beginning of October. It speaks to a number of barriers and challenges, and it offers a number of recommendations

to address these. If you don't already have a copy, I think it's well worth your referencing it for this study.

Businesses need educated and skilled employees and managers. We've already heard this from the housing corporation. Currently there are not enough Nunavummiut who are qualified to fill existing employment positions. We are challenged to find the skill sets with Nunavut to fill many of the positions at our companies, particularly technical, trades, and senior management.

The very first recommendation of the GN report card speaks directly to this issue, and I'll quote it:

Re-open negotiations with the Government of Canada under the NLCA [Nunavut Land Claims Commission] to obtain financial support for a long-term, more aggressive education and training strategy.

● (1505)

The report card provides the rationale for this recommendation in its preamble on education, and it speaks directly to the purpose of this committee, so it's well worth referencing.

Training programs such as those offered through the aboriginal human resources development strategy need to continue. They have been effective. Support for the Nunavut Fisheries Training Consortium, through that program, is an excellent example of the program's success.

All of our companies require reliable access to raw materials at reasonable costs. Otherwise, the business just can't survive. Access to raw materials can be restricted by any number of factors, such as limited availability in a time-and-place context, cost to acquire, logistical infrastructure barriers, or quota and allocation restrictions.

Specifically—and I have an example here—soapstone for carvers is not often available, because either sources are not close to a community or the cost to quarry and transport them is prohibitive. I don't know if you've heard about this already. You'll probably hear about it later tonight in one of the other presentations.

Without this basic raw material, carvers are not able to make carvings to support themselves and their families. The Government of Nunavut does have a soapstone strategy in place, and the participation of Indian and Northern Affairs in support of this and other GN arts strategies will add critical resources needed to advance these initiatives.

Next, Nunavut's share of offshore turbot quota in the North Atlantic Fisheries Organization fishing area 0B is currently only 41%. It has recently been bumped up from 27%—just last week—but this is still well below the typical allocation of 80% to 90% that other jurisdictions have in their adjacent waters.

Industry needs quota to develop the fishery. Therefore, the federal government must support and continue to support Nunavut in achieving parity with other jurisdictions by allocating all future increases to Nunavut, and by granting Nunavut fishing interests the first right of refusal to purchase any southern-held quotas that are held in Nunavut waters, as they become available.

Growth in other fisheries such as char and clams is hampered by lack of research. The Department of Fisheries and Oceans has invested significantly in fisheries research in other jurisdictions, but Nunavut has not seen this level of investment. DFO needs to undertake research in Nunavut so the industry has information to work with in assessing economic opportunities.

Infrastructure, as you have probably heard already, is under-developed and is an impediment to economic growth. Economic development of this nation has been dependent upon infrastructure investment since the days of Confederation. There are hundreds of examples, from railroads to airports.

Marine docks and harbours are necessary to service annual marine sealifts, the commercial fishing industry, and cruise ship tourism. Current means of loading and offloading are inefficient and expensive and can be unsafe. "Dangerous" might be a more appropriate word in some cases.

Other than the recent announcement of harbour development in Pangnirtung, there has been no federal investment of this type of infrastructure, even though there are programs such as the one for small craft harbours that is administered by DFO, which has invested multi-millions of dollars in harbours across the country for 20-plus years.

Nunavut has been excluded from this program until recently. More investment is needed. There is a government study dating back to prior to division, and it has been an issue since the mid-1980s with the Government of NWT to get harbours built.

Electricity is expensive to generate, both from a direct cost and an environmental cost perspective, but there are alternatives, such as a connection to southern power grids. A power line from Manitoba, where electricity is less than 10¢ per kilowatt, to the Kivalliq, where electricity is greater than 40¢ a kilowatt, has been studied and now awaits development. The federal government needs to invest in this infrastructure to reduce the economic barrier to businesses created by high utility costs.

Road development has been extensively studied. The federal government needs to invest in this infrastructure, as it has historically done in other regions of the country. Businesses will benefit from an alternative lower-cost means of transportation available throughout the year. Our challenge right now has been mentioned by the housing corporation. Moving materials is really a once-a-year deal. With a highway, as you know, it is 365 days a year.

•(1510)

**The Chair:** Are you just about getting to the end now?

**Mr. Brian Zawadski:** Yes, I'm just about there.

**The Chair:** If you could finish up, that would be great. Maybe you could summarize.

**Mr. Brian Zawadski:** There are electricity alternatives out there that need to be investigated, like wind and solar.

Nunavut has not necessarily benefited from equitable application of federal programs such as small craft harbours and road construction. Another example is the DFO aboriginal fisheries strategy. Aboriginal groups across the country have benefited significantly from this program, but DFO does not support applications from Nunavut, even though the Nunavut Land Claims Agreement specifically states in section 2.7.3 that nothing in the agreement will limit the ability of Inuit to participate in and benefit from government programs for Inuit or aboriginal people.

Despite the challenges, the Nunavut economy continues to expand, driven by sectors such as fishing and mining. Economic spinoffs associated with the growth of these sectors will be significant. However, if Nunavut is to take full advantage of the long-term economic potential associated with these sectors, it will require targeted investments from all levels of government in areas such as roads, port facilities, job training, and alternative energy.

It is through addressing these core areas that are critical for sustainable economic development that we will see positive social and economic returns for Nunavut.

**The Chair:** Thank you, Mr. Zawadski and all of our witnesses.

At this point, we will go to questions from members. We follow an order that's pre-determined, allowing members from each of the four parties a balance of time more or less in proportion to their allocation of seats in the House.

When we go to questions, it's five minutes for both the question from the member and your response. So the more we can keep those questions and answers succinct, the more we can cover. You'll see how quickly it goes.

We will be having some of the questions in French, so you may want to put your headsets on and turn to channel 1 for English or channel 2 for French.

We'll begin with a question from Mr. Bagnell.

•(1515)

**Hon. Larry Bagnell:** *Nakurmiik*, Mr. Chair.

It's great to be back as the critic for the Arctic in Parliament and to be back up here as the member of Parliament for the great riding of Yukon.

The first question is for the Nunavut Development Corporation. We've heard lots of requests for infrastructure. These are huge megaprojects, so we have to start somewhere. It may be hard, but have you prioritized, for instance, the Bathurst Inlet Port and Road, the Iqaluit harbour, the road up Baffin Island, or the small ports harbours? What is the order of ranking? I know we'd like to do everything.

**Mr. Brian Zawadski:** They're all important, and our focus is on the companies that I identified. Advancements in any of those infrastructure projects would benefit the communities and our companies, but we don't have necessarily a direct involvement in any of them.

There is the new harbour going into the community of Pangnirtung, and we will see a benefit there. In the next couple of years we will see the development of an inshore fishery for 45- to 55-foot boats. They will be used to undertake a long-line fishery and maybe a gillnet turbot fishery just a three- to four-hour sail away from the community. It will make a big difference.

As for the ones you listed, there are real benefits to them, but we're such a small player, with so few investment dollars, that we can't play a major role in any of those.

**Hon. Larry Bagnell:** Patrick, is your bandwidth wide enough to do telehealth effectively? They send those complex pictures from the small rural communities at a cost of so many billions of dollars for Medevac. Do you have the necessary equipment in those small rural communities? Is the bandwidth enough to get the detail in the picture?

Second, in 2012 you run out of funding. If you didn't get more, would some of the communities in Nunavut lose their access to the broadband Internet? Would private fees be enough to cover the operations?

**Mr. Patrick Doyle:** On the first question, there is sufficient bandwidth currently offered to the infrastructure to upgrade when the network capacity will be caught up to where the actual number of users are.

There is another part to that with the rollout of the large-file transfer application. It's a time-deferred application, so if you're sending some sort of geoscience mapping files or images, X-rays, or what have you, they would be deferred to transfer at night, when the network is less congested and also cheaper. So it would address that with the combination of the two things, plus we have applied for the Broadband Canada pot of money, in which case that would be a full T1 in all the communities, if we were successful. So it would essentially be like being in Toronto if you were in Arctic Bay. That's for the first question.

On your question about after 2012, up until now there have been a couple of phases of funding through different projects—the national satellite initiative, Infrastructure Canada, and then possibly Broadband Canada, and we're looking at P3 Canada. But in theory, in 2012, it would come to a crashing halt and just end, in the sense that the rates would have to go up to full, unsubsidized commercial rates, which would basically be triple or more. So at that point, many people just couldn't afford it, so it would be catastrophic at that point, unless there were some....

What it needs is a program—actually, I hate to bring it up—similar to something in the order of food mail, where you have a regular A-based-budget type model, but in this case adequate instead of going back for supplementary estimates all the time, where it would actually be part of a someone's regular program, budgeted. This was great to get it off the ground, but it's not adequate. Something that's now become core infrastructure of critical importance can't be a project; it has to be a regular program, funded. So someone would have to take it on—INAC, Health Canada, or what have you.

● (1520)

**The Chair:** Thank you, Mr. Bagnell and witnesses.

I'll also say, just for the benefit of our guests who have joined us this afternoon, that there are interpretation audio devices. If you want to get one, it will help you to understand some of the questions that may be coming from committee members. There are some on the desks, I believe, and if you need one, I think our staff up behind us here will help you out with that also.

[Translation]

I will now give the floor over to Mr. Lévesque.

**Mr. Yvon Lévesque:** Thank you, Mr. Chair.

Good afternoon, ladies and gentlemen. I represent the riding of Abitibi—Baie-James—Nunavik—Eeyou. In terms of housing, it is usually Nunavik that calculates its needs in terms of the number of houses required. Right now in Nunavik, there are 14 people per housing unit, which is a lot. We would need 1,000 housing units immediately.

There are two levels of administration involved. Nunavik asks the federal government for the number of units it needs, and the federal government works with the province on a joint program, including transportation and home building.

It seems that things work differently here. Could you explain how it works here? In my riding, once Ottawa makes the decision, the Kativik Regional Government deals with building and distributing homes. Here, it would seem that the regional government, through your agency, is the one that makes the requests. Do you ask for an amount or a specific number of homes when you submit your request?

[English]

**Mrs. Patsy Owlijoot:** As I said, we have five offices. Our directorate office is here in Iqaluit, where policy...and the president works. I'm from Arviat, on the Hudson Bay coast. That's where the headquarters are. My position is Vice-President, and since there is no president right now I came here on Friday to act as president.

We currently have 1,537 families on our waiting list all across Nunavut.

We have three district offices that represent each district, because there are three districts in Nunavut. As I told you, we have 25 LHOs. Kivalliq has seven communities, Kitikmeot has five communities, and here in Baffin there are 13 communities. Each of them report to the district office for the three districts. The district offices give us their report at the headquarters in Arviat and we put the data together from there. The district office gets the information from the local housing organizations. They are the community delivery partners that we have in all 25 communities.

We know how many families are on the waiting list currently because that is the information they gave us. I will be able to give you that. You told me you have 14 people per house in Nunavik. I will get you the person per house information, but I don't want to give you false information. I know the national average in Canada is much, much lower than the average of Nunavut. I will give you the figures, but I don't want to give you the wrong information. I'm surprised about Nunavik, with 14 people per unit.

Does that answer your question?

• (1525)

[Translation]

**Mr. Yvon Lévesque:** In part, but I would like to know whether you submit your requests to the federal government directly. Do you ask for the number of homes you need or a dollar amount based on a calculation of how much each home will cost?

[English]

**Mrs. Patsy Owljoot:** I will let the chief financial officer answer that for me because she looks after all the money for us.

**Mrs. Lori Kimball (Chief Financial Officer, Nunavut Housing Corporation):** Basically we use the statistics to go after the money from the federal government. Usually it does come down to a bucket of dollars that they're willing to give us. Once we know how much money they're giving us, then we usually commit to delivering a fixed number of houses.

When we tell the government we need 1,500 homes, we're not getting 1,500 homes in one sitting. Usually it's some number, a dollar amount, that we get as an offer and we go from there.

[Translation]

**The Chair:** Thank you.

Thank you, Mr. Lévesque. Unfortunately, you are out of time.

**Mr. Yvon Lévesque:** The last one?

**The Chair:** No, your time is up.

It is now over to Mrs. Hughes.

[English]

**Mrs. Carol Hughes:** Feel free to answer the questions even though they may not be directed at you in particular. I know a lot of it does intertwine.

You talked about the amount of dollars you actually need for housing, and I'm just wondering if you have a percentage of that that is actually being eaten away with respect to transportation, because when you get the dollars for housing it doesn't actually just go to the housing. You have to take into account how much it costs to bring here. I understand the challenges this brings, because from what I

can gather—and it's my first time here—you're not only having the transportation done here up to a certain point, but you actually have to send the barge out. I'm assuming there's another cost involved in having people from the community who actually go out to the barge to get the supplies and bring them back to shore and carry them. So it's quite challenging in that respect. Maybe you could speak to that.

You also mentioned homelessness. I'm just wondering, because when you mention homelessness you are also dealing with poverty as well and you're dealing with health care problems. So I'm curious on that note. Do you have statistics with regard to how many people actually die because of homelessness? What are your percentages on that?

Maybe I'll leave it there, and if I have time, I'll talk on another issue, the broadband one.

**Mrs. Patsy Owljoot:** We do not have the statistics for how many people have died because of homelessness. Right now, we are in the midst of doing a Nunavut-wide housing needs survey; the Nunavut Bureau of Statistics and Statistics Canada are working with us. That way, we'll find out exactly the situation of our homes and the conditions, the number of homeless people and where they sleep. In the north, you cannot be homeless; you'll freeze to death in a matter of seconds or minutes.

When that survey is done, we'll know a lot more of those details, and we hope to have that completed by sometime in the spring of 2010.

You were talking about the barges. Barges come from Montreal for certain communities...from Montreal it goes to all the communities. They don't just stop in Iqaluit. They stop in Iqaluit and in Kimmirut, and in all the different communities across Nunavut. There is also another barge company called NTCL. They come from Churchill, Manitoba. They go to the Kivalliq communities, but it depends on which barge you have a contract with.

Transportation is very expensive because it puts extra cost on the materials we purchase on top of the price for the materials.

Does that answer your question?

• (1530)

**Mrs. Carol Hughes:** Yes. It's hard.

What percentage of the housing money you get from the federal government goes to transportation for those houses?

I understand that people would freeze to death. An elder from Nunavut came to Ottawa about three or four weeks ago and talked about the fact that they're looking at probably six or more people living in a home, three or four families sometimes. One person was knocking on doors, saying they needed a place to stay that night. Given the fact that we live in a very wealthy country, it's very troublesome that we still hear of that and the difficulties you have.

With regard to the broadband, I know this creates problems when you're trying to do economic development, and especially now with students needing access to the broadband to do their homework. One of my colleagues mentioned health care. What are some of the solutions that need to happen? How much money should the government be looking at investing? We understand you're unique up here and there has to be a unique solution.

On the economic development itself, you have a mine coming up here and there were mines before. How do you create new businesses when you don't have the technology?

**The Chair:** We're over time here, so if you can compress that response, that would be great. Then we'll move on.

**Mr. Patrick Doyle:** It's a good question. There are a couple of things.

One thing I forgot to mention is we're a public-private partnership, and Nunavut Broadband is the conduit to the private sector to build this, so every dollar put in by the government is matched by the private sector. Our model as such is that every dollar is put in first by the private sector, so it's no risk to Canada. This current infrastructure upgrade is about \$21 million from Canada collectively and exactly \$21 million from the private sector. That's split into infrastructure upgrades, actual equipment, but most of it is for the purchase of bandwidth for the network itself.

You're right. There's an expectation to develop the north, to get people to live here. They're going to come with an expectation of this connectivity that's world class. I think it's a very small investment for the money. Our budget is relatively small compared to some of the other investments. I'm initiating an economic development study to try to put some dollar values around what dollar investment means.

**The Chair:** Thank you, Mr. Doyle, and thank you, Mrs. Hughes.

We'll now go to the parliamentary secretary to the Minister of Indian Affairs and Northern Development. Mr. Duncan, go ahead.

**Mr. John Duncan (Vancouver Island North, CPC):** Thank you very much.

I have a question on Nunavut housing. You spoke of the Northern Housing Trust, which had \$300 million of federal money put into it. There was \$150 million for urgent housing needs in Nunavut. How much of that has been allocated at this time, and how much of the allocation would be handled by your corporation? Would it be all of it or just a portion?

**Mrs. Lori Kimball:** Of the \$300 million in funding, which was, I believe, for all three territories, the Nunavut portion was \$200 million. That was to build 725 units. We've built 500 units, and an additional 200 units will be built. The delivery cycle is such that we just got the last shipment of materials this past summer. I think in September or October we got the last shipment of materials to finish the remaining 200 units. They should be completed in this coming fiscal year of 2010-11. The labour will begin once the thaw occurs.

• (1535)

**Mr. John Duncan:** So that's from the \$200 million?

**Mrs. Lori Kimball:** Yes.

**Mr. John Duncan:** What about the other \$150 million?

**Mrs. Lori Kimball:** We recently were allocated \$100 million under CMHC. Of that, \$50 million is for the current year. That will go to 285 units.

Now, 141 of those units will use structured insulated panels; we've put in our order for them. They've been shown to be more energy efficient. They're going to be easier and quicker to put together. When they land on the shore, we can actually put the shells together relatively quickly. Throughout the winter season, we can actually be doing the interior and finishing off the construction. We're not limited with the weather.

So we'll have 141 of those delivered this spring. The rest will be regular stick-built—I believe we're doing a number of fiveplexes—which is the standard way of doing it. We're doing a mix among the 285 units.

**Mr. John Duncan:** That's almost a thousand new units, and there are still more to come.

**Mrs. Lori Kimball:** Oh, yes.

**Mr. John Duncan:** That's on an ongoing basis, plus out of that urgent fund.

**Mrs. Lori Kimball:** I believe, based on the population growth, we need something like 300 units a year just to maintain status quo with the population. The 725 units were over a three-year period, and the 285 units were over a two-year period. At the rate of construction right now, we're not even keeping up with population growth, let alone breaching the shortfall.

**Mr. John Duncan:** Right. But you're not falling behind.

**Mrs. Lori Kimball:** We're not as behind as we would be—

**Mr. John Duncan:** As before, correct?

**Mrs. Lori Kimball:** Correct.

We appreciate the money. We just need more.

**Mr. John Duncan:** Okay.

There has been a lot of construction around here. Take this facility, or some of the tourist-related buildings for accommodation and so on; are those private capital, privately constructed, or...?

**Mrs. Lori Kimball:** We're not involved in any of the tourist buildings. We are strictly public housing and a small portion of staff housing.

Most of the staff housing we provide for GN we actually lease from the private sector. We have a portfolio of about 1,300 staff housing units, and I think only 200-and-something are owned. That's mostly in areas where there just isn't private sector to build units for staff. We supply all the staff housing for all of the GN.

**Mr. John Duncan:** I guess my point is that the private sector is now pretty used to building these kinds of facilities? They could very well move into private housing in the future?

**Mrs. Lori Kimball:** Yes. We utilize a lot of the contractors in our construction. We try to encourage private sector where we can, but not all of the 25 communities have private sector construction.

**Mr. John Duncan:** Right.

Patrick, I have a couple of questions about broadband. You mentioned that it would cost a couple of hundred million to bring fibre optics to Nunavut. Would that connect all the communities? And where would it come from?

**Mr. Patrick Doyle:** I'm just in the process of looking at the Greenland Connect. They spent €90 million to do that. It was 5,000 miles of cable, I believe. I'm not sure what the relative cost would be here, but that gives you an idea, given geography and distance. Plus there's a maintenance cost per kilometre. It's not a static cost but an ongoing cost.

One of the four or five studies I'm looking at this year is to come up with a comparable figure. If we did fibre, what would it cost? When would it intercept the ongoing costs of satellite? It also has to take into account the changing technology in satellite, because it's a moving target.

I'm looking at those two things. I can't give you a figure for that now. I probably could at the end of February or so, when I finish that. Of course, it depends on my funders funding this study.

**Mr. John Duncan:** That doesn't make sense. Would it connect to Greenland or would it connect south?

**Mr. Patrick Doyle:** I'm making the presumption, without looking at it fully, that we'd probably try to link into that Greenland Connect, given that it would seem to be the closest infrastructure. I don't know what that entails, politically or legally or anything else, but it does hit Newfoundland at some point, so...

● (1540)

**Mr. John Duncan:** Am I out of time?

**The Chair:** Yes. It goes rather quickly.

Now we'll go to the second round of questions, and we'll begin with Mr. Russell, for five minutes. That will be followed by Mr. Clarke.

**Mr. Todd Russell:** Thank you, and good afternoon to each of you.

What would your budget be for housing on a yearly basis, not including the northern housing trust money, the \$200 million, or the urgent housing needs funding of \$150 million? If that goes away within, let's say, one more year or two years out, what is your base budget? What do you work with per year?

**Mrs. Lori Kimball:** Our budget for this year is \$180 million. Of that, we get about \$49 million from CMHC and internal revenues. In

terms of costs, it's about \$25 million we are actually paying back to CMHC for a debt that we hold with them.

**Mr. Todd Russell:** Can you break down that \$180 million? What does that do in a year for housing needs in Nunavut?

**Mrs. Lori Kimball:** The vast majority of it is spent funding the LHOs, for things like electricity, all the utility costs, water and garbage services, the administration and maintenance. All of our LHOs do the maintenance for all the public housing, so it's basic repairs and that sort of thing.

**Mr. Todd Russell:** This is to maintain your existing units, the vast majority of it. What percentage of the budget is that?

**Mrs. Lori Kimball:** It costs about \$22,000 per unit, and we have 4,200 units to maintain.

**Mr. Todd Russell:** What I'm getting at is if you have all these new units coming online that you're going to have to assume maintenance for, at the same or a comparable rate, you will have another 1,000 units times \$22,000. If your base budget stays at \$180 million, what happens?

**Mrs. Lori Kimball:** Not only that, our funding from CMHC is dropping and will be eliminated by 2037, so we're also losing our funding from CMHC over the next so many years. Right now it's dropping at a rate of about \$3 million or \$4 million a year. That's what we are losing on our CMHC funding for operations. That is a challenge that is facing us. We're looking at cost-saving measures, but there's a limit to what we can do. We're looking at working with other GN departments for more energy efficiency. We're building more energy-efficient units. We're looking at alternative energy sources and that sort of thing.

**Mr. Todd Russell:** I appreciate all that, and I think everybody here will appreciate that more houses are necessary and it needed to be done, because a lot of people have come to the committee and said that housing was a major barrier to economic development from a whole bunch of rationales—because of staff trying to get places to stay or because somebody takes a job but can't get housing; because of poor education and health outcomes because of lack of affordable housing and things like that. I just want to make that point. I'm trying to understand a little better.

Mr. Doyle, you said if we didn't have this program now, it would be the equivalent of going from \$60 a month in the south to \$6,000 up here. Is it that heavily subsidized?

**Mr. Patrick Doyle:** Actually, that's a blend of two questions. The 100 times increase, if you will, per unit of connectivity spread out over the end-user experience would translate into about triple or more cost. The subsidy is significant. I'm just thinking of my breakdown of the figures, but I think you're looking, in this current infrastructure, to roughly half being for raw bandwidth purchase, matched by the private sector as well. It actually is much more expensive.

**Mr. Todd Russell:** You're on a program. How much do you get in that program on a yearly basis?

**Mr. Patrick Doyle:** The next couple of years' budget, with infrastructure too, coming collectively from all the sources, is about \$21 million from the feds, through Infrastructure Canada, matched by \$21 million from the private sector—dollar for dollar, 50-50.

**Mr. Todd Russell:** It is important for us to understand those particular dynamics. Maybe my other colleagues can jump in and help me.

Do you get this \$21 million from the federal government on a yearly basis?

• (1545)

**Mr. Patrick Doyle:** No, that's spread out over the next several years. That represents a couple of years' budget.

**Mr. Todd Russell:** Okay, and when you look at the \$21 million and the matched amount from the private sector, where does that money go? Just give me a hint.

**Mr. Patrick Doyle:** It's like renting versus owning, so you're purchasing raw bandwidth over which you're layering the network. There are obviously other equipment costs and things like that, but the bulk of the money is for raw bandwidth. If you invested in fibre and cable, for example, you'd have something concrete in the end. It's like paying rent versus paying a mortgage.

Don't quote me, but I suspect this study will show that in eight or nine years—or in some timeframe like that—it will be cheaper to make the capital investment to do fibre versus having ongoing satellite.

**The Chair:** Thank you, Mr. Russell.

If I could interject one question here for Mr. Doyle to try to get some clarity around this, what do the actual users pay—or do they?

**Mr. Patrick Doyle:** The actual user pays \$60 a month for a basic account.

**The Chair:** That's for a modem and the connection.

**Mr. Patrick Doyle:** Exactly. The initial cost of entry is \$150 for the account and the modem, and then there's the ongoing \$60. You can get higher grade accounts if you're a business, but I would say the majority are in that \$60 range.

**The Chair:** On a per user basis, what is the amount of the subsidy?

**Mr. Patrick Doyle:** The subsidy is around \$100.

**The Chair:** So it's about two-thirds, one-third.

**Mr. Patrick Doyle:** Approximately, yes.

**The Chair:** Let's go to Mr. Clarke for five minutes.

**Mr. Rob Clarke:** Thank you, and I thank the witnesses for being here today.

With this committee travelling through Yukon, Northwest Territories, and now Nunavut, the one thing I've noticed is that each community or territory is different and distinct. When I say that, I look at homes...in this committee our mandate is for economic development.

The one question I have really isn't economically tied, but I'm wondering about the ratio of home ownership to rental. If you could quickly answer that, then I'll get to my other questions.

**Mrs. Patsy Owljoot:** The 4,200 public housing units we have in Nunavut represent 65%. We know that 19% of dwellings in the territory were purchased privately. So if you add 65% and 19%, the difference between that and 100% is for private rental.

**Mr. Rob Clarke:** With the economic action plan and the allotment of funds to Nunavut for home construction or housing units, how many jobs were created?

**Mrs. Patsy Owljoot:** I know we have created 51 apprentice positions across Nunavut. As far as labourers, carpenters, plumbers, and drywallers, I don't really have the figures. But I know for sure that we have 51 apprentices who are working with the carpenters, electricians, and plumbers.

**Mr. Rob Clarke:** So for every apprentice you need a journeyman, correct?

**Mrs. Patsy Owljoot:** Yes.

**Mr. Rob Clarke:** How many will successfully complete this program, or how many training spots are there right now? Is it basically through mentoring, or is it through full-fledged apprenticeships?

**Mrs. Patsy Owljoot:** It's through full-fledged apprenticeships, because we are working with the Department of Education, the registrar of apprenticeships. They have a headquarters office in Arviat. We work with them, so we know for sure there is at least one qualified red seal carpenter in each of the 25 communities.

**Mr. Rob Clarke:** What is the square-foot cost of construction here in Nunavut per home or per unit compared to the Canadian average?

• (1550)

**Mrs. Patsy Owljoot:** It depends on which type of unit it is, whether it's a two-bedroom, a fiveplex, a duplex, a triplex, or a single family home.

**Mr. Rob Clarke:** What is the cost per square foot compared to the Canadian cost?

**Mrs. Patsy Owljoot:** I don't have it in front of me right now. Our technical staff would have more information about that, but off the top of my head it's about \$200 and something per square foot.

**Mr. Rob Clarke:** Brian, you were talking about the Nunavut stone carving strategy. What is the cost for transporting the raw material? Is it located close by, or does it have to come a fair distance for production?

**Mr. Brian Zawadski:** Nunavut is one-fifth the size of Canada, so it's very hard to generalize east to west across the board.

In this community, as far as the carvings you might buy in town that are actually carved here—separate from carvings from other communities—the soapstone typically comes from Cape Dorset. There are a couple of guys here who have boats. They go out and quarry it. One guy has a 42-foot ex-fishing vessel that he sails down to Cape Dorset. It's fairly expensive. I believe the carvers pay around \$2 a pound for the raw material.

In Taloyoak we've worked with the local community to access a quarry and bring the soapstone back by snowmobile. I don't have the numbers in front of me, but it's fairly costly. Also, you can only move so much by snowmobile. They're small quarries; there's no such thing as a large quarry as you would be imagining. The quarry could be fairly close to the community—wherever Mother Nature deposited it, basically. Some of it is out of reach as far as any kind of ease of transportation to get there, unless you're talking about some exotic means like a helicopter, which would be extremely exorbitant in cost. So there's no real generalization.

**The Chair:** Thank you, Mr. Clarke.

[Translation]

Mr. Gaudet, you have the floor.

**Mr. Roger Gaudet:** Thank you, Mr. Chair.

My question is for Mr. Zawadski.

What is the average salary of those working in the public service versus that of other people?

[English]

**Mr. Brian Zawadski:** I'm not a civil servant. Nunavut Development Corporation employees are specifically excluded from government public service.

It would be dangerous for me to say. According to Statistics Canada, the average income for a Nunavut resident who has employment earnings and is aged 15 or over is about \$38,000. That's based on the 2005 census, I believe. You can find all that information there. It is grouped by community, but I don't think it breaks it down in terms of government employees.

At our nine companies—these are private entity corporations—the average employee makes \$14 or \$15 an hour in a production-type environment, whether they are sewing or working in a meat or fish plant.

[Translation]

**Mr. Roger Gaudet:** Thank you.

Mr. Doyle, you do not receive core funding from the federal or territorial government every year? Usually, three- or five-year agreements cover that.

• (1555)

[English]

**Mr. Patrick Doyle:** We do have core funding from both EDT and INAC, and we're grateful for that. It's typically single-year funding. We have about a \$300,000 core budget for the office, and then the other moneys from infrastructure are for the program.

[Translation]

**Mr. Roger Gaudet:** So you sign those agreements every year. I thought you did it every three years. How do you manage to undertake development activities for only a year? I cannot wrap my head around that. This is the only case where the federal government signs a single-year agreement only. Usually, in the case of community development, it signs three-year agreements.

Patsy Owljoot, are there people in the community who build their own homes?

[English]

**Mrs. Patsy Owljoot:** Why do they, or why don't they?

**A voice:** Do they.

**Mrs. Patsy Owljoot:** Do they build their own homes? Yes, they can build their own homes in communities, but the cost of materials is so very high, it is only the people who make a lot of money who can build their own homes. We have an assistance program called the Nunavut down payment assistance program. It's a grant that we can give to new homeowners if they build their own homes or if they purchase an existing home. But the homes are very expensive and there aren't very many on the market. Very few times Nunavummiut have built their own homes. I haven't seen that happen very often.

[Translation]

**Mr. Roger Gaudet:** Does that mean that the lots are too expensive? I agree with you that the cost of shipping goods, materials and such is high. But who owns the lots? The community, the territories or the federal government?

[English]

**Mrs. Patsy Owljoot:** As we said, we have 25 communities in Nunavut, and the land in every community is different. In Iqaluit, the land will be much more expensive. As far as I know, it is controlled by the hamlet offices, or the City of Iqaluit looks after it. That's how I understand it. The City of Iqaluit and the hamlet offices across Nunavut look after the lands and the lots.

[Translation]

**Mr. Roger Gaudet:** From what I understand, all the homes you build, low-cost housing, as we call it back home, will be fully owned by the territories or the community.

We have some back home. It is the same in Quebec. There are 40-year contracts. At the end of 40 years, it goes back to the municipality. Is it the same here?

[English]

**Mrs. Patsy Owljoot:** We have land lease agreements with the hamlets.



[Translation]

**The Chair:** Mr. Gaudet, that is six minutes.

The last question goes to Mr. Duncan, who has five minutes.

Mr. Duncan.

[English]

**Mr. John Duncan:** Thank you very much. Just to follow up on the broadband, will you be doing a business case analysis of the fibre optic access? If so, have you been requested by a department to present it to them?

I think you mentioned the end date of February next year. This committee will still be in place and still on this study. Would you be happy to forward it to us at that time?

**Mr. Patrick Doyle:** I have it in my five-year plan, and I'm bottom-feeding for this year's money from our INAC funders. I'm in discussion for that; I don't have it approved. I also have the commitment or go-ahead from our board. It's part of the approved pieces of work for the vision, so I'm hoping to do that in this timeframe. It's certainly on my to-do list.

• (1600)

**Mr. John Duncan:** So in that timeframe would you do the proposal for the project, or would you actually be able to do...?

**Mr. Patrick Doyle:** There are two things. For certain it's in next year's money proposal, but I'm hoping to secure some of the money out of this year's year-end that comes available. So effectively every year we've tried to bottom feed off of those things, if you will. It's not certain if I'll be able to do it this year, but I'm trying very hard to. I think it's one of those things that if it were to be done, it's a very long-term project, so it's best to start this right away.

**Mr. John Duncan:** Right.

I don't think we got a number from you. You said that 60% of the people in Nunavut had access to banking. What is the number for access to broadband?

**Mr. Patrick Doyle:** I think there is an actual financial banking report, finished a couple of years ago, from the initial work. I hope I'm not misremembering that, but the uptake for that is at least that high, if not more. There are 5,000 QINIQ accounts, which is our network in Nunavut. That represents a lot more people, of course, because that's a house, a family could be using that, plus there are other providers, such as Northwestel in Iqaluit here, with DSL.

Essentially, everyone has access. It comes down to a financial decision. There are many reasons why someone might choose to not access broadband, but theoretically it's within reach of everyone—certainly geographically and arguably financially.

**Mr. John Duncan:** Okay.

Brian, I think we're all curious about the soapstone quarrying. Is a member of the general public allowed to buy raw soapstone?

**Mr. Brian Zawadski:** To buy raw soapstone, rock? I don't see why you couldn't. Pardon me for maybe being flippant, but it's just a rock, right? But I wouldn't be surprised—

**Mr. John Duncan:** So is argillite, but it's very difficult to find argillite. The Haida very much guard its possession and ownership. That's part of their...

**Mr. Brian Zawadski:** There are a couple of rocks, lazuli lapis, or something like that—I can't remember the name exactly. It's a very bluish-toned rock, and it would be very difficult to obtain, but soapstone shouldn't be a problem. You could probably go and buy it from the guy who sells it to the carvers. I don't think there'd be any issue with that at all.

**Mr. John Duncan:** Well, the people who carve soapstone locally, in my area, get it from the U.S. That's why I asked. But it's probably quarried commercially in huge quantities, and it's very different.

**Mr. Brian Zawadski:** Our preference is to use the native stone, because if you're making an Inuit carving, you would like it to be on rock from Nunavut. But we have looked at bringing soapstone in from other jurisdictions.

**Mr. John Duncan:** Okay.

When you talked about roads and power lines, is the logical first step that way, Manitoba to Arviat? Is that the kind of thinking that is behind that?

**Mr. Brian Zawadski:** In my mind it is. There's now a power line to Churchill, Manitoba. Manitoba Hydro extended that power line around five years ago. You're relatively close to the 60th parallel already, so to move it up would be relatively efficient in that way, because you don't have to bring it all the way up from, say, the middle of the province. You're essentially already well into the north. Moving into Baffin Island, obviously, would certainly be a challenge.

To me, it makes perfect sense to move it up. There are potential mines in Kivalliq. We have a gold mine that's going to be producing its first gold in Baker Lake come early 2010. There are some deposits inland, and if you had the access to hydro-electricity at a lower cost, I think some of those properties would probably be in development, including the one that's 15 miles outside Rankin Inlet. To me, it makes perfect sense. You're sort of halfway there.

• (1605)

**Mr. John Duncan:** Thank you very much.

I think my time is probably about up.

**The Chair:** It is, you're right. In fact, I gave you almost the same amount of time as Mr. Gaudet before you, so it's okay.

Before we finish up, there's one question for clarification, perhaps to Ms. Kimball.

On the housing subsidy, you mentioned the value somewhere at about \$1,200 per month. Are we given to understand the actual unit renter would pay that, and then the \$22,000-odd per month is paid by you over and above that? Could you clarify that point?

**Mrs. Lori Kimball:** The \$1,200 a month is actually what it costs for the utilities, on average. So when we say \$22,000 a year, that includes that, plus any maintenance.

**The Chair:** You said \$22,000 a year.

**Mrs. Lori Kimball:** It includes that, plus any maintenance and support the LHO is doing. They provide administrative work as well.

**The Chair:** In a typical subsidized unit, then, what does the user actually have to give over—

**Mrs. Lori Kimball:** We have something called rent scale. It's really dependent on the income of the family that's within the home. It ranges from \$60 a month, if they're a low-income or no-income family or on income support, to about \$1,500.

**The Chair:** So it's like a rent geared to income type of...?

**Mrs. Lori Kimball:** Exactly.

**The Chair:** Very good. I just wanted to make sure we had that for the record.

Members, thank you very much for your questions.

To our witnesses, let me say that this has been very informative. I appreciate you taking time this afternoon to come and help with our study. You can be sure that the responses and the presentations you've given here today will be taken into consideration.

If there are any follow-up items that came out of today's meeting that you'd like to feed back to us, by all means do so in a written form to the clerk of our committee, and we'll be happy to add that to the information, to what will, I'm sure, be quite a large amount of information that we'll gather here in the weeks ahead.

[Translation]

Do you have a question, Mr. Lévesque?

**Mr. Yvon Lévesque:** Mr. Chair, I would appreciate it if the witnesses could include some specific information in their report, namely with respect to housing. I would like to know what the development costs and land costs are in their community. I would also like to know how much it costs to buy a lot from a private individual and whether those lots can be rented to owners who want to build their own home.

[English]

**The Chair:** It would be helpful if you're able to provide that to the committee.

**Mrs. Lori Kimball:** I can do that now.

**The Chair:** Oh, could you?

Are members okay with that?

**Some hon. members:** Yes.

**The Chair:** Please go ahead.

**Mrs. Lori Kimball:** Most of them are done as equity land lease. Equity land lease is roughly about \$20,000. That's basically what you pay for a 30-year or 40-year land lease for the property.

So the land really isn't the key thing. After that, you have to pay for lot preps. You have to put gravel on the land. You have to pay for pilings. You have to pay for a foundation system. Based on the type

of land, the gravel costs can range up to \$60,000 just to make the land flat.

So when you're talking about land costs, those are really the two main land components. The rest is mostly materials, as well as the construction labour. In some of the smaller communities, you're often flying in crews to do the construction, which also takes additional funds.

**Hon. Larry Bagnell:** So when they build a hundred thousand dollar house and their 40-year lease is up, what happens?

**Mrs. Lori Kimball:** There's no such thing as a hundred thousand dollar house. We wish.

**Voices:** Oh, oh!

**Hon. Larry Bagnell:** When the lease is up in 40 years, what happens to the house?

**Mrs. Lori Kimball:** I believe it gets renewed for a nominal amount, like a dollar a year or something. Usually, once you've paid that \$20,000, as long as you stay on the land, I believe it just keeps rolling at a nominal cost.

**Hon. Larry Bagnell:** What if you're, like, 80 years old? Can you give it to your kids?

**Mrs. Lori Kimball:** I think you can transfer it. There are some rules around that in regard to land claim, but...

**The Chair:** We've allowed a couple of questions here just to wrap up.

Mr. Dreeshen, did you have one? You were asking me for a very short question. I want to be fair here.

**Mr. Earl Dreeshen:** Yes, I did have a question, but I wanted to finish as close to the time as possible.

Actually, the question I had, Brian, had to do with the fishing quotas and the quota system. I don't know whether you have enough time to explain that to me.

I was just curious as to what types of conflicts you might see if, instead of splitting the quotas up the way they are now, Nunavut would be getting 80% or 90%. What about the other areas that you would of course have to take that quota away from? What kinds of conflicts do you think would exist?

• (1610)

**Mr. Brian Zawadski:** Fisheries and Oceans Canada has a number of principles in allocating quotas. One is adjacency; another is historical or economic dependence, that is, usage.

What I'm talking about is the 0B quota zone. It's just offshore here. In 0A, I don't think there's a threat of any increases going to other jurisdictions, because it's so far north. I would think that it would be hard for any other jurisdiction to justify having access to that quota, because they're not even close to being adjacent.

Under the 0B quota, we now have 41%. This came about with the increase of 1,500 metric tonnes announced last week by the minister. There is some quota still held by southern fishing interests. Two year ago, the Nunavut Wildlife Management Board took Fisheries and Oceans Canada to court over not having advance information that would allow Nunavut interests to buy that quota.

If any additional quota comes up, there is enough precedent now that the minister, I would say, would have no choice but to allocate it to Nunavut. Land claims are the number one precedent, along with the other allocation principles in place.

We would like to have access, as a Nunavut fishery, to any of the other quota held by industry. Some of the larger southern fishing companies hold the balance of the existing quota. We would like the opportunity to have access to that. In the best-case scenario, we'd like the minister to just allocate it to Nunavut. I don't know if that would be possible. I don't think the southern fishing industry would just roll it over and give it to us. But we would like the right to table an offer with someone, because the waters are close to us. There's no one closer to it. This is the number one justification for every jurisdiction in the south—why they have their quota and how they maintain it.

**The Chair:** I have to be fair, so we're going to take a short question from Ms. Hughes.

**Mrs. Carol Hughes:** I want to ask a question about housing. You said that you needed a 12-month supply of material to be able to build those houses. What is holding you up with that? Is it funding? Is it transportation, that they just can't handle the big load? I'm curious about why you can't get your 12-month supply.

**Mrs. Lori Kimball:** We only get sealifts once a year, so when we get one there's a huge volume. They usually arrive during the bad weather, when the snow is starting. You have to have storage facilities, because you don't want to just throw your crates out on the land and hope no one opens them. We need secure storage to make sure that stuff stays where it is till we're ready to use it.

**Mrs. Carol Hughes:** If you had secure storage, you'd be able to order for 12 months?

**Mrs. Lori Kimball:** That's one of our issues. We order for 12 months right now, but one of our issues is secure storage.

**The Chair:** Just when we think we're running out of steam, we get an extra burst.

Thanks, everybody.

For the benefit of members, we are staying here in the hotel. We have five witnesses joining us at 6 p.m.

Again, my thanks to our witnesses for staying a little later this afternoon and helping to inform our study.

The meeting is suspended.

- \_\_\_\_\_ (Pause) \_\_\_\_\_
- 
- (1800)

**The Chair:** Okay, I think we'll resume, this being our fifth panel today in continuing our consideration of the barriers and solutions regarding the economic development of Canada's north.

For the benefit of the witnesses who are here this evening, who I'll introduce formally here in a moment, this is in fact the third of three stops that we are making in each of the territorial capitals as part of our comprehensive study on this topic. The study will be continuing as we return to Ottawa this week and it will be continuing straight through after the Christmas break until mid-to-late March, with a number of witnesses. This is one of the first times, to our understanding, that this standing committee has in fact undertaken such a comprehensive study in this area.

We're delighted to have with us this evening five witnesses. The way we do this, by the way, is we'll be hearing presentations from each of you, and we're planned for about five minutes each. Once you have all had an opportunity to present to the committee, we will then go to questions from members, and I'll give you a bit more information on the format for that once we're ready to do that part.

I'd like to welcome, first of all, Colleen Dupuis. Colleen is the CEO for Nunavut Tourism. We're also waiting for Rowena House, who is the Executive Director of Nunavut Arts and Craft Association. Hopefully she'll be along momentarily. We do have with us Stéphane Daigle, the Regional Manager for the Nunavut office of Arctic Co-operatives Limited, and Stéphane is going to be joined by Nicole Sikma, who is a Director with Arctic Co-operatives. We also welcome Daniel Vandermeulen. Daniel is the President of Nunavut Arctic College. I understand we'll be there tomorrow morning as well for a site visit. And last but certainly not least we have Mr. Chris West, the President of the Baffin Regional Chamber of Commerce.

So we have a very full panel for the final part of our meetings here in Iqaluit. Let's begin, then, with presentations.

I'll say to the witnesses first that we are doing simultaneous interpretation, so in the course of your presentation make the pace a little slower than what you normally would in regular conversation and that will be a good pace for the interpretation. Don't be too concerned about trying to fit everything into five minutes. We'll give you a little bit of latitude there.

Let's begin with Ms. Dupuis from Nunavut Tourism.

**Mrs. Colleen Dupuis (Chief Executive Officer, Nunavut Tourism):** I'd like to begin by thanking everyone for this opportunity and for your coming to Iqaluit to hear our concerns.

By way of a bit of background, Nunavut Tourism was formed in 1995. It was the first organization that brought together the three regions of Nunavut. Our vision is to have an environmentally responsible and economically viable tourism industry in this territory that is characterized by professional delivery and operating in harmony with Nunavut culture and tradition.

We've been doing this for about 15 years and we've met with a great deal of success, but there are still a number of challenges facing the industry in this territory. We can deal with some of them, such as a small operator liability insurance program, ourselves, but there are a number of other things we need help with, particularly federal help.

These needs fall into three main categories. We had our annual general meeting a couple of weeks ago and these concerns came from our broader-based membership and board of directors. Because we knew we were coming here, this is something that was discussed and that the industry has agreed on.

The first one is infrastructure. There needs to be a lot better infrastructure in Nunavut. These needs are widespread. Federal dollars have helped with this type of infrastructure in other northern cities, such as Yellowknife, Dawson, and Whitehorse, but they have been largely neglected in the communities in Nunavut, even in the capital here.

Some of these needs include roads and trail development. We have been working on getting a bridge across the Sylvia Grinnell River to expand trail development since 1995. That is a project the federal government made a commitment to, but because of delays the costs have continued to go up from 1995 dollars and we still don't have that in place. That will allow us to develop tourism and park activities on the other side, in one of our territorial parks. There are other needs for that as well, but that is one example.

We also need more paved runways to increase air traffic capacity and safety. Most of the smaller communities do not have paved runways, which leads to the possibility that some jet flights—certain sizes of planes—cannot land there. Unfortunately, some tourists just don't want to land on a gravel runway. And if you have never done that, it can be an interesting experience. That capacity would also help in a number of other things within the community as well.

Better docking facilities in communities would help with tourism and other economic development in terms of fisheries, our annual sealift, and a number of other issues.

The assistance with infrastructure also goes to the fact that we need more small planes. That's not just for the airlines, but some of the communities and other partners that could participate in tourism if we had more planes available.

The second broad category is training. There is a widespread need for training. That's everything from how to start small businesses and making them work, specialized guide and outfitter training, and marine craft operation, to how to work with foreign tourists. We need better programs from federal departments that fit the needs of the north, and Nunavut in particular. We're not a one-size-fits-all environment. Some of the programs of HRSDC that work in downtown Toronto don't work here. That is one of the reasons the programs here are underutilized now.

We at Nunavut Tourism would like to work with the federal government to develop a training opportunity program exclusively for the Nunavut tourism industry. There are particular needs here that must be addressed.

● (1805)

One of the key things to remember is that tourism is one of the few economic drivers that every community in Nunavut can participate in. Some communities have a good offshore fishery or are close to mining deposits or whatever, and that gives them a bit of an advantage. But every community in Nunavut has tourism potential. It is one of the economic drivers everyone can participate in. It is also one of the economic drivers that keeps a lot of the money made by outfitters and small business operators in the north. There is not a lot of it going south when it is a community-based operation. Training would be a significant step in developing businesses in small communities and in developing the tourism industry infrastructure.

The third main issue is marketing and promotion. For years now we have been saying that programs are different north of 60. There have been some changes to some of the CTC programs and other things on a pan-territorial basis. We have found that they still don't fit Nunavut. Nunavut is different in terms of our experience, level of infrastructure, and what we can offer. Even our budget is different from the NWT and Yukon.

On this front, we have a few suggestions. Instead of programs the CTC currently offers that match dollar for dollar other jurisdictions, we suggest that for Nunavut it be a two-to-one ratio. Our budgets are considerably lower than other destinations, and we need that extra assistance.

The CTC also needs to better understand Nunavut. This came to our attention recently because of a passport program the CTC is doing for 2010 in Vancouver. They were advertising Nunavut as having reindeer. We don't have any reindeer. We've checked their website and some other things, and it has been changed. But that's a bit of problem when people don't even understand what they're trying to promote and they put out the wrong message. There were a few other things in the passport we had to change, but the reindeer kind of got us.

Pan-territorial solutions do not work. We work with the NWT and Yukon on some CTC programs, such as our buy-in to the German market, because we have to work together to be able to buy in at the levels they have. To make any impact right now, the base level is \$130,000. None of us can afford that on our own. We have to work together. When we market together like that we are often presented at the table as a poorer cousin, because we are still buying in at 20% of something and not at a higher level.

The other thing we found is that the basic mandate of the CTC is failing for Nunavut. We are not able to buy in to the national campaigns. We are not being represented properly. In the copies of my presentation I have provided a print of what the CTC mandate is so you can see what I'm talking about rather than having to look it up.

In conclusion, those are some of the things we feel are not working. Nunavut has huge potential. It has the potential to become a leader in ecotourism and adventure tourism and to create a sustainable tourism industry. All communities have the potential to be successful and have products they can deliver. We need solutions to help us make this happen that are for Nunavut, not federal programs that work in other jurisdictions and do not work here.

Nunavut Tourism and the tourism industry in Nunavut want to work to form a successful and valuable partnership to see this happen. We feel that you guys coming here is a good step in that direction.

Thank you.

•(1810)

**The Chair:** Thank you very much, Madam Dupuis.

We'll now go to Mr. Chris West, who is the president of the Baffin Regional Chamber of Commerce. Mr. West, go ahead.

**Mr. Chris West (President, Baffin Regional Chamber of Commerce):** Mr. Chair, standing committee members, panel members, good day, and thank you for coming to Nunavut and allowing us the opportunity to make this presentation.

I understand that our opening comments are too brief to allow more time for questions and answers, so I will limit my initial comments to three specific areas, though we would be happy to talk endlessly about how the federal government could take a greater role in economic development in our regions.

CanNor was an important set-up in better serving and understanding the needs of the north. The selection of Iqaluit for the location of the headquarters could not have been a better decision, and not just because we felt Nunavut was due for such a decision. The main reason we are happy is that most of the new CanNor positions will be staffed by existing INAC-Nunavut regional office staff. They have demonstrated a strong commitment, and more importantly a strong knowledge about what is needed in Nunavut and the north.

We hope that as CanNor moves forward even more programs that impact the north are moved from departments across the federal government to this new agency. We also hope that the agency will continue to receive the support of the government in the south and be given the authority to make decisions in the north by people who understand the reality of the regions we live in.

That said, we also hope that other departments across the federal system understand the importance of CanNor and make full use of the agency's full resources and knowledge. Too often we hear of programs and initiatives that are not as successful as they could have been because the right northern organizations and federal agencies were not involved. If a federal department has an initiative that involves the north, their first call should be to CanNor so they can help ensure that their initiative is a success. A case in point, unfortunately, is this consultation.

It is unfortunate that the INAC national regional office was not consulted from the beginning as to who to invite for this series of presentations. Many organizations did not hear of this opportunity until fairly late in the process and lost valuable preparation plus

consultation time. In fact, INAC and NRO heard about this standing committee from one of the invited participants. Hopefully, there are no organizations conspicuous by their absence during these presentations.

Northern infrastructure... Canada went through a nation-building exercise when it developed the transportation infrastructure across all of the southern provinces. Railways, roads, ports, and other infrastructure were built to connect Canada from coast to coast. Now that northern sovereignty has become a catchphrase, people talk about Canada from coast to coast to coast and it is incumbent upon the federal government to develop the same infrastructure to the last coast.

Our needs are the greatest and our infrastructure is the least. No community in Nunavut is connected to any other community in Canada by either rail or road. There is no commercial port in Nunavut that can serve the needs of Nunavummiut. Many of our airports require substantial investments. These are all vital to future economic development in the region, and we need your support to help ensure that Nunavut and the north are treated fairly, as the rest of Canada was treated.

Please consider the following. Imagine if all of the road and rail systems heading to the west in Canada stopped at the western edge of Alberta. Would British Columbia still be a part of Canada? Would Canada be as prosperous without that connection and B.C.'s commitment to the rest of Canada? We would doubt it.

Nunavut is the land of opportunity, and as the future unfolds, the vast riches that lie within our borders will become more and more important to Canada and the rest of the world. This is only one of the reasons to invest in Nunavut. The other reason is one of fairness.

•(1815)

Canada invested in connecting the rest of Canada to each other, now they need to do the same for the north. To use a phrase used previously by the federal government when referring to northern sovereignty, much to the disdain of the Inuit in particular, "invest in it or lose it".

Thanks again for taking the time to be here.

**The Chair:** Thank you, Mr. West.

We'll now move to Mr. Vandermeulen. Mr. Vandermeulen's presentation is from the Arctic College.

Please go ahead with your presentation.

**Mr. Daniel Vandermeulen (President, Nunavut Arctic College):** Thank you, Mr. Chair and standing committee members. Thanks for inviting me.

I want to take this time to present to you some adult learning statistics from the census of 2006 and talk about how they can be seen as both barriers and solutions to economic development.

The underlying strength and promise of the Canadian economy is evident even in the midst of this downturn. This is also true of Nunavut.

Nunavut's construction and transportation sectors remain relatively strong, and as the economy recovers, mining will also recover along with it. However, Inuit Nunavummiut will not benefit from the recovery to the same degree as non-aboriginal Canadians, both in Nunavut and in the rest of Canada. In large part, this is due to differences in educational attainment, as reported in the 2006 census.

I provided speaking notes when I came to register, so I won't go through the table, but you'll see in the table some key elements.

If we look at Inuit Nunavummiut as compared to non-aboriginal Canadians, within the Inuit Nunavummiut, 60% are without high school graduation compared to the rest of Canada at only 15%. When it comes to trades, the comparison is much closer. About 10% have some trade certificate compared to the rest of Canada at about 12%. When it comes to college, a career certificate or diploma, again, it's quite close with 18% in Nunavut and 20% in the rest of Canada. When we get to university we get back to a very large disparity. Only about 4% of Inuit Nunavummiut have any amount of university compared to the rest of Canada at 28%.

We're reasonably close in things like trades qualifications and college career-preparation qualifications. Where there's a very acute gap is the 60% of Nunavummiut aged 25 to 64, the age group that comes out in the 2006 census, without a high school diploma, as compared to 15% for the rest of Canada. There is only 4% with some university as opposed to 28% for the rest of Canada.

When you look at the table when it's distributed to you, with the employment rates, the unemployment rates, and the average earnings, you'll see that that's reflected there. For instance, there is an unemployment rate amongst Inuit Nunavummiut of 19%, with the rest of Canada at 5%. These are 2006 figures.

With that as your background, I just want to comment very briefly on some successes and then move on to challenges.

In fact, Nunavut has a number of very impressive successes. Nunavut Arctic College was established as a separate post-secondary institution in Nunavut about 15 years ago. We deliver adult learning and training programs through three regional campuses in Iqaluit, Rankin Inlet, and Cambridge Bay, and we have community learning centres, sometimes just a rented classroom, in every one of Nunavut's communities. We have a great deal of scope now. That's a very important element.

In terms of developing a skilled workforce, we have a lot of partnerships with southern universities. We've been offering a B.Ed. in elementary education since 1986, and currently with the University of Regina. We have a B.Sc. in Arctic nursing, in partnership with Dalhousie. A full law degree was offered from 2001 to 2005 in partnership with the University of Victoria, and another one is being planned in partnership with the University of Ottawa. We're doing pretty well on that front.

● (1820)

We've also had really good partnership, particularly with the Department of Health and Social Services of the Nunavut government, in developing Nunavummiut for employment in the health sector. With their support, we've offered several programs: nursing, midwifery, maternity care, home care, continuing care, mental health, human services, and community therapy assistance. In

fact, recently we graduated the first two Inuit midwives, fully registered to Canadian standards, in the last couple of weeks.

On the trades front, and largely again as a result of a partnership with the Nunavut Housing Trust, we've offered community-based pre-trades training in virtually every community at least once, and produced a significant number of people ready for apprenticeship.

On the front of trades, the Government of Nunavut is making significant investments. The trades training centre will open in 2010 in Rankin Inlet, and it will enable us to offer oil burner mechanic and housing maintainer, which are two trades particular to the north, and also electrician and plumber. And we've recently doubled the capacity of our carpentry training program here in Iqaluit.

We've started planning the mine training centre in Cambridge Bay. When it's finished, we'll be able to offer millwright and welding. We've already started thinking about phase two of the trades training centre, which will help us produce heavy equipment operators and heavy duty and auto mechanics.

So we have a lot of successes behind us. We've done well. But we're still facing some significant challenges. You'll notice, if you look at the statistics, that we've done best at the trades level and the career preparation of college, and where we do offer university, it's always in professional education. It's occupationally focused. That's because almost all of the dollars that come to us have that particular focus to them. If construction industries are booming, invest in carpenters. If mining starts taking off, invest in mine workers. If we need more teachers, invest in teachers. If we need more nurses, invest in nurses.

What we are lacking, and I go back to sort of the bookends of that 60% of Inuit Nunavummiut without a high school diploma and only 4% with some university, is funding for what I call general capacity building. That is not necessarily career or professional occupationally focused.

We need more money simply to enable adult Nunavummiut—and again I'm talking about the age group 25 to 64—to basically return to school. The reasons for the imbalance are historical, everything from the residential school system to lack of funding, to the late development of the eastern Arctic. On the high school end we have a major need. And given territorial fiscal capacities, I think the only government with the fiscal capacity to address that is the federal government.

On the other end of the book case, I call it my other bookend, is university. I would call on the Government of Canada to support building university capacity in the north by endorsing and funding the Jago report on the University of the Arctic in Canada. I'm sure you've heard about this already from both Yukon College and Aurora College during your stops.

The Jago report was commissioned by INAC to investigate sustainable university capacity in the north and how to fund it. Their recommendation was \$2.5 million a year for five years, to give us predictability, and also some matching dollars. So I come back to it. Until we have that kind of funding, the major lack of high school diplomas in a workforce where increasingly employers are seeking high school certification or equivalency is a major barrier to economic development.

Thank you.

• (1825)

**The Chair:** Thank you, Mr. Vandermeulen. Sorry to be rushing you, but we're getting to the edge of our time allotment.

Now we'd like to welcome Nicole Sikma. I'm glad you could join us. Nicole is a Director with Arctic Co-operatives Limited. We also have Mr. Stéphane Daigle.

One of you is going to be presenting. Ms. Sikma?

• (1830)

**Ms. Nicole Sikma (Member, Board of Directors, Arctic Co-operatives Limited):** I can do that.

**The Chair:** Go ahead with your presentation.

**Ms. Nicole Sikma:** [*Witness speaks in native language*]

Good evening, ladies and gentlemen. It is a pleasure for me to be here tonight representing the cooperative system in the Canadian Arctic.

My name is Nicole Sikma. I'm a member of the board of directors of Arctic Co-operatives Limited, the central service federation of co-ops of the Arctic. I offer the regrets of our chief executive officer, Andy Morrison. He had planned to be here today but was unable to make it because bad weather forced his flight to turn back.

This year, 2009, is a milestone for the co-ops in the Arctic. We are marking the 50th anniversary of the first Arctic co-op to be owned and controlled by the local community. Today, 31 locally owned co-ops provide a wide range of services, including retail stores, hotels, restaurants, fuel distribution, cable television, marketing, property development, and property retail or rental.

The 31 community co-ops in the north and their two service federations are owned by more than 20,000 individual owner members across Nunavut and the Northwest Territories. Last year,

local co-ops returned more than \$8 million in patronage refunds to the individual co-op members across the north. Local co-ops employ 1,000 people in full-time and part-time positions.

In 2008, co-ops invested more than \$22 million in communities through wages and benefits paid to the employees. In the short time available to us this evening, we would like to highlight three important barriers to northern economic development and offer brief comments on how to address these barriers.

These barriers are capacity building, Government of Canada procurement, and utility rates. Capacity building: We believe that one of the most important barriers to economic development in the Arctic is the education and training of aboriginal people. It is essential that we direct, manage, and operate all parts of our economy. Unfortunately, we have a shortage of leaders, managers, and employees to manage our own affairs on a sustainable basis. Short-term solutions and quick fixes are not the answer. People development is a priority, with a focus on developing human resources today to meet the long-term challenges and opportunities of tomorrow. The Government of Canada must devote additional resources to human resources development and, in the process, eliminate the bureaucracy and red tape associated with these programs.

Government of Canada procurement: The Government of Canada, through Indian and Northern Affairs Canada, has a procurement strategy for the aboriginal businesses. According to published information, the strategy is designed to increase aboriginal business participation in supplying government procurement requirements through a program, mandatory and selective set-asides, and supplier development activities, leading to increased representation of aboriginal business and contract awards by individual departments and agencies. This program is a great idea and it could have a very positive impact on aboriginal businesses. Unfortunately, the program provides only guidelines to various departments.

Departments are not required to follow the policy. In fact, INAC, the department responsible for the program, does not adhere to the policy. Government must recognize the positive impact its spending can have on community economic development, job creation, skills development, infrastructure development, and wealth creation to help develop and sustain communities long after the government project or program is completed.

Very simply, the benefits of government spending to the aboriginal people and their communities could be greatly enhanced if government enforced its procurement strategies for aboriginal businesses.

There is the cost of utilities. The cost of living in the Arctic is extreme and one of the major reasons is the cost of electricity. Our small communities are highly dependent on diesel power generation and costs are excessive.

In Nunavut, power rates range from a low of 32¢ a kilowatt hour in Iqaluit to 79¢ a kilowatt hour in Whale Cove, one of our smaller communities. Most power rates in Nunavut are in excess of 55¢ a kilowatt hour. In the Northwest Territories the cost of electricity in the tiny community of Colville Lake is \$2.15 per kilowatt hour.

These rates drive up the cost of living and make it impossible for people to meet basic requirements. It's very difficult for business to survive. It is not unusual for the small community co-ops in the north to spend between \$250,000 and \$350,000 per year in electricity costs. Our territories cannot prosper and grow with these types of costs. The Government of Canada must work with our territorial governments to find a way to make the cost of living more affordable in the north. An important starting point is the cost of electricity.

Ladies and gentlemen, our co-operators in the Arctic are community-based organizations that have been working for 50 years to build our communities and develop our people. We are committed to working with all levels of government and other organizations to build a strong and sustainable economy in the north.

I want to thank you for the opportunity to speak with you this evening. We would be pleased to answer any questions you may have. Thank you.

• (1835)

**The Chair:** Thank you very much, Ms. Sikma.

Now we'll go to Mrs. Rowena House. As I mentioned earlier, Mrs. House is with the Nunavut Arts and Crafts Association.

I'm glad you could join us. Go ahead with your presentation, about five minutes. Just take a normal pace and it should be good. Go ahead.

**Mrs. Rowena House (Executive Director, Nunavut Arts and Crafts Association):** Good evening, standing committee members and panel.

Created as a non-profit, incorporated society in October of 1998, the Nunavut Arts and Crafts Association, or as we call it, NACA, works on behalf of Nunavut visual artists to promote the growth and appreciation of their creative talents and the wide variety of arts and crafts they produce. Nunavut is home to a multitude of carvers, printmakers, ceramic pottery makers, painters, photographers, jewellery and tapestry artists, and seamstresses, and I can go on and on.

Membership with NACA is free for artists. Currently we have over 800 members to our credit. NACA represents artists from across the territory. We continually seek out opportunities to promote the industry in new and existing markets and realize additional sales for Nunavut artists.

In the interests of diversifying and strengthening the arts sector, we work strategically to introduce and advance new methods of artistic expression. Through activities such as conferences, workshops, and the annual Nunavut arts festival, NACA strives to create a better business and working environment for artists. NACA is regularly called upon to help with coordination of events such as the Northern Lights trade show, where the artists enjoy the opportunity to showcase their talents and market their artwork.

At NACA, we are committed to supporting our membership by applying for funding through agencies such as the Canada Council for the Arts and Canadian Heritage to access the dollars we need to complete the projects outlined in our four-year strategic plan and action plan. These guiding documents, plus other day-to-day activities, will provide direction as NACA accesses the required funding to further the organization and continue to grow.

The following are points to consider as we focus on improving the economic outlook of the arts sector.

The arts sector in Nunavut is one of the most important parts of the economy of the territory. Inuit art, with its world-renowned reputation, is one of our major exports. Artistic production is a significant source of income in most of our communities. It is estimated that this sector employs and gives economic benefits to over 3,000 artists and directly contributes \$30 million annually to the territorial economy.

To ensure the sector's viability, NACA emphasizes the importance of the transfer of skills from elders or established artists to youth. Our youth are not getting involved, as in many cases they believe that work in the arts field is an unprofitable venture and not a viable job option. We fear that this erosion of knowledge will have a significant impact on the arts economy in the coming years. Mentoring must be reinvigorated and fostered to help improve the arts sector and keep it as a sustainable source of revenue and a respectable occupation.

Our artists need access to funding. Some of our member artists are unilingual and require additional help to fill in applications in order to advance their marketing opportunities. NACA intends to assist them by facilitating more funding opportunities at the social economy level to support them in becoming full-time artists.

Programs offered by Aboriginal Business Canada and other federal programs are currently underused. Artists do not take advantage of this funding due to the difficulty in filling in the various applications and the length of time required to process funding requests.

To facilitate applications from Nunavut artists, forms should be created in straightforward formats that are more user friendly and translated into Inuktitut. Communicating in a language that is comfortable and known to the artist is an important aspect of the Inuit culture. To address these issues, NACA is working with the Canada Council for the Arts to ensure their applications are available in an easy-to-understand format and translated to Inuktitut for Nunavut artists.



•(1840)

The Department of Economic Development and Transportation has worked hard in developing a new authentic Nunavut brand on behalf of the Government of Nunavut. This new branding program will help solidify Nunavut's identity in the art sector and move us forward in being recognized as a unique contributor to the Inuit art world and the wider arts market.

NACA is a strong supporter of the authentic Nunavut brand and the benefits of this program for our artists, because it will certify their artwork as original, handmade, and from Nunavut. It will promote genuine work over imitations and make Nunavut arts and crafts easily recognizable around the world.

In support of authentic Nunavut, NACA would like to secure the federal government's assistance in facilitating communications with the igloo tag program, which is administered through the Indian and Northern Affairs, to foster a stronger partnership between the two programs. This working partnership is one of the missing key components to ensuring the authentic Nunavut brand programs thrive.

Thank you for this opportunity to speak about the Nunavut Arts and Crafts Association and Nunavut's art sector, a significant part of the overall Nunavut economy.

We are focusing on moving the sector forward, and with your assistance, improving funding relationships, allowing easier access to funding for our artists, and working together to solidify the authentic Nunavut brand.

**The Chair:** Thank you very much, Mrs. House.

I should say for the benefit of members that we did receive briefs from some of the witnesses this evening. They will be translated and distributed to you in due course.

Now we'll go to questions from members. Members, we are going to stick to our five minutes in both the first and second round of questioning. So you're going to have to avoid questions in the last 20 seconds of your five minutes. If we are getting very close to that, we're just going to give you a few seconds for something very short, because in order to allow the witnesses to answer, of course, they need some time as well.

Witnesses, what we have here is basically a predetermined order that allows each of the parties present on the committee a fair distribution of questions. They are allowed, as you probably inferred from my remarks, five minutes for both the question and the answer.

Members will generally direct their questions to specific witnesses or they may open it up, but we'll try to manage whichever way they choose to do that.

Let's go to our first round of questions, beginning with Mr. Russell for five minutes.

•(1845)

**Mr. Todd Russell:** Thank you, Mr. Chair.

Good evening to each of you. Thank you for taking the time late in the day to come out and speak with us.

Over the last day we have had a lot of presentations. Certainly we've asked the questions and we are getting an earful. We asked what were the barriers to economic development, and we are getting it in both ears, and through the eyes as well, which is important. But I also get the strange sense that there is so much opportunity, that even though there is a lot of struggle and there are a lot of challenges, there is a great opportunity here. We have seen some of it already, which has been enunciated, with the Arctic College, with the co-operative movement for 50 years—and congratulations on that—and with artists and the industry at \$30 million a year, and more could be done.

But through all of this I get the sense that there is this struggle, almost, with the south. I hear that programs get designed from the south that don't fit the north, that people don't understand that there is a marketing problem when they try to say you can get reindeer in Nunavut; that when we talk about it from a visionary perspective, our focus has been east-west and not north-south. So there is this pushing and pulling all the time, but at the same time there is the sense that people point to the south as well for some of the answers—you know, the federal government, the federal government, the federal government.

My question will be an overarching one. Is it true that people in the north, and specifically in Nunavut, feel held back by the south, by the decisions, by the models of delivery, by perceptions, by control issues? Do people feel that?

That leads us to the issue of devolution and shifting the responsibility, and people taking the responsibility to deliver their own tourism programs. I want to know how people feel about that, because I think it will help us in terms of how we put our study in context.

**The Chair:** It sounds like kind of an open question. Who would like to go?

Mr. West and then Mr. Vandermeulen. Give brief responses, if possible.

**Mr. Chris West:** Thank you, Mr. Chair.

To sum up your question, Mr. Russell, what you're asking is if we feel like we're left in the dark. I think somewhere along the line the federal government must have noticed that, because they set up CanNor. So I think, yes, there has always been that issue there. As CanNor develops, I think there will probably be less of that as well.

**The Chair:** Mr. Vandermeulen, go ahead.

**Mr. Daniel Vandermeulen:** Without addressing the feeling itself, I think one of the things that may have produced the feeling is that you're dealing with totally different scales of economy here. When you're looking at the population north of 60, the three territories, you're looking at only about 100,000 people. We all share one area code. So the scales of economy are so vastly different, particularly in Nunavut, where there are 25 of everything, including airports, for 30,000 and some people. Where else in Canada would you find 25 airports for 30,000 people? One of the reasons why so much public federal policy doesn't fit is that the economies of scale here are so far away from the Canadian average.

**The Chair:** Anyone else? Go ahead.

**Mrs. Colleen Dupuis:** I would have to agree with the other two panellists that it's not that we necessarily feel abandoned or left out, but just there have to be solutions that fit this environment. It's not necessarily that the programs that the federal government offers are bad, it's just that there can be tweaking to suit this environment better that would make them more used here. People would take advantage of them if they were presented in a way that meets the needs of Nunavut particularly, because we're still very different from the other two territories in terms of infrastructure, in terms of our not having roads, and in terms of how things are delivered.

Even just in terms of history, if you look at the history of somewhere like Dawson, it goes back a hundred years. A hundred years ago Inuit were living on the land in igloos. You have to look at this territory and how, even in the last fifty years, in some ways it's almost gone from stone age to jet age and has made massive progress in fifty years, and with a little more help it can make even more progress.

•(1850)

**The Chair:** That will have to do it. Thank you, Mr. Russell.

Through the course of the day today we've had two Inuktitut interpreters with us. I don't know if there are any needs at this point. We only have one panel left. If no one needs interpretation, we could probably let our interpreters go.

I'd like to name them, though. They're two wonderful folks who have joined us here today to give us that extra help with our meetings. They are Leah Idlout and also Adamie Pitseolak. We are delighted to have you here today.

Really, if none of the panellists are in need, we have very much appreciated your services today, but we don't need to keep you any longer. It's been a long day for you, and we very much appreciate it.

[*Translation*]

Now it is Mr. Lévesque's turn for five minutes. The second question and the second member.

Mr. Lévesque.

**Mr. Yvon Lévesque:** Thank you, Mr. Chair.

Ladies and gentlemen, I see that we have equal numbers of men and women this evening.

Mr. West expressed a concern. He was wondering about the ability of people at CanNor to make decisions about the north. We met with the deputy minister, whose office is here, in Iqaluit. As deputy minister, she has to be able to make decisions herself. Otherwise, she should be replaced. The person in that position should be able to make decisions.

Now, my question is for Mr. Vandermeulen, and it has to do with education. This afternoon, we met with a mining official. He said that miners could be trained on the job. I hope that you will not make that mistake. As someone who is not aboriginal or Inuit, you would be hated. A number of people could be killed. In Quebec and Ontario, training for mine workers is mandatory and has saved many lives, for that matter.

The mining official admitted that it was necessary to hold consultations on vocational education, as well as high-school

education to train people. As discussed this afternoon, that kind of thing is anticipated. It would probably be advisable for you, for the Nunavut Arctic College in Iqaluit, to think about a training program for miners, as they will most likely be the first ones called to the development sites.

I am not sure whether there were other concerns about development. As far as the territorial government goes, I do not know what its powers are. Usually, in matters of tourism, education and culture, jurisdiction falls to the province. I think it is up to the provincial authorities to negotiate with the federal government, depending on their needs in those areas. If the federal government—which has just been caught, by the way—does not listen to you, we will be there to make sure it knows.

Mr. Vandermeulen, would you like to give your opinion on that?

•(1855)

[*English*]

**The Chair:** Go ahead, Mr. Vandermeulen.

**Mr. Daniel Vandermeulen:** Thank you, Mr. Lévesque.

I think your advice on mine training is well taken. You can do a lot with on-the-job training. I think it's an extremely critical portion of any kind of career training, the transfer from the classroom to the job site. But there's also a lot of work that needs to happen before the student goes to the job site, and particularly in the area of safety.

Safety is something that has to come number one. The most critical factor in safety is actually literacy. Again, I come back to the preparation of all potential employees to have the basic functional literacy to be safe on the work site. Having said that, we're not only planning a facility to train millwrights and welders, but we actually are training mine workers. We have a 24-week access to mining trades program. It just started. So we are working with the mining industry itself and with the Inuit regional organizations. This is particularly true in the Kivalliq.

When it comes to the constitutional issues, yes, it's true that the territories and provinces have constitutional authority on education, but there's an inequity built into that statement, and that is, that the provinces and the territories don't have the same fiscal capacity. While, for instance, in the Northwest Territories it's really nice for southerners to see diamond mines, other than payroll taxes and things like that, there are very little or no royalties coming back to the territory.

You'll find there's a differential there. It's clear there is a constitutional authority there, but the fiscal capacity is not equal.

[*Translation*]

**The Chair:** Thank you very much.

Thank you, Mr. Lévesque and Mr. Vandermeulen.

[*English*]

We'll go to Madam Hughes, for five minutes.

**Mrs. Carol Hughes:** I'm trying to get some sense of this. You talked about there being 60% without high school education. I'm just wondering if you know what the dropout rate is in the high schools, first of all. I had some conversations with some of the community members yesterday and today, and my understanding is that there is probably a very high dropout rate in high schools. I think that's something that would need to be addressed, first of all, if you plan to get them to college.

Also, what is the dropout rate in the college in the first two years? I believe one of the presenters earlier today mentioned that there was a 50% dropout rate in the first two years, but I want to get some understanding on that. Maybe I misunderstood. How many students do you currently have? Does the fact that there's not enough housing actually play a role in the fact that people can't come here to go to school?

Maybe we'll start with those, and then if I have time I'd like to address a few more issues that were brought up here.

**Mr. Daniel Vandermeulen:** The statistics I gave you were for the age population of 25 to 64 years. We're talking about high school non-completion. I think it's important to distinguish between that and dropouts. Many of the communities didn't have high schools to drop out of. There's a historical balance here, created by the lack of a community-based high school system.

I'm told that the first school built in the eastern Arctic here in a little community at that time called Frobisher Bay, which is now Iqaluit, was in 1956. I don't know about you, but I can remember 1956. I was in junior high in 1956. I'm sure you weren't, but I was. That's one of the biggest misconceptions, that what we're talking about here is a dropout rate. We're not talking about a dropout rate because in many cases there wasn't a high school to drop out of in the first place; we're talking about a non-completion rate.

The graduation rate at the grade 12 level has in fact been slowly increasing. It's difficult work, but it is slowly increasing. I believe the territorial figures are somewhere in the area of 25%, but you'd have to check with a representative from the Department of Education for that. I'm often asked by southern acquaintances what the three largest problems faced by Nunavut are. I often say housing, housing, and housing.

It's not the number of desks I have in my classrooms but the number of beds I have in my dorms that controls the enrollments in my three campuses. We are trying to embed more and more programs into the communities—where people live—so that we're not limited by the number of beds and we don't disrupt or dislocate families.

•(1900)

**The Chair:** If you want to have time for more, we're down to about a minute and a half. Did you want to continue with that line of questioning?

**Mrs. Carol Hughes:** The one question I had, because I'm not sure if I'm going to have a chance, was to Nicole. You mentioned something about INAC not adhering to policy. I was just wondering if you could elaborate on that.

**Ms. Nicole Sikma:** I'm going to ask my colleague to answer that.

**Mr. Stéphane Daigle (Regional Manager, Regional Office - Nunavut, Arctic Co-operatives Limited):** It's more or less when it comes to tender proposals and tender contracts, not sourcing out. I think it's relative to the NNI policy as well—not following the NNI policy from the start, really. The fact that some tenders are awarded to companies in the south without even taking a look at the companies in the north first is really a disadvantage to a lot of the businesses in the north. It's creating a huge problem for the economy, because the money doesn't stay here; it goes back to the south.

**Mrs. Carol Hughes:** Are you actually being forced to take on whoever they choose, as opposed to your tendering it locally?

**Mr. Stéphane Daigle:** Could you say that again?

**Mrs. Carol Hughes:** You're saying that your local people don't even have a chance to bid on the projects, or...

**Mr. Stéphane Daigle:** I don't know about the chance, but the numbers prove that there are more tenders being awarded to companies in the south than to companies in the north that could easily fill the tenderer's needs.

**The Chair:** That will have to do it. Thank you, witnesses.

Now we'll go to Mr. Duncan for five minutes.

Before you start, I must say that I'm sorry about the extra noise we're dealing with. I know it's a bit of a distraction. But there's nothing better than the sound of happy customers, so let's bear that in mind.

Go ahead, Mr. Duncan.

**Mr. John Duncan:** Thank you very much.

I just want to let Daniel know that I'm not far behind him in terms of school background.

I did have some questions, largely for Colleen. I think you said that the basic mandate of CTC is not applicable to Nunavut. You didn't really have a chance to explain that, and I'm trying to understand what you mean. I have a vital interest, so please enlighten me. I'm from British Columbia, and CTC is the only federal agency that's headquartered in British Columbia.

**Mrs. Colleen Dupuis:** What I said was that the CTC mandate in terms of Nunavut is not necessarily being followed. In the copy of the presentation there's a screen that shows the mandate of the CTC so you don't have to look up exactly what that is. One of the things is that it's supposed to provide information about the Canadian tourism industry and about Canada. As I mentioned, in working on some projects with the CTC we found that there are a lot of opportunities, and they've been helpful, but they don't always present correct information.

In a project for 2010—a passport project—that all the provinces and territories are buying into.... On conference calls, we are not the only jurisdiction having issues with them. I know that Labrador is also having issues with how things are being portrayed. As I said, when we got our draft of what they were presenting and we checked the website, we have reindeer, and there was information that you can hunt narwhal here, which you can't do on a sport hunt, and a number of other issues. If their mandate is to portray Canada to the world, they need to figure out what they should be portraying for Canada and the north so they're doing it correctly.

• (1905)

**Mr. John Duncan:** Can I assume there's a capacity issue? That is, if you had a larger ability to input into what they're putting out there, that obviously they would get it right?

**Mrs. Colleen Dupuis:** When we are given the opportunity to correct it, we can do that. One of our other challenges with our limited budget is that every time there are meetings for something—and partly it's because they've moved to Vancouver—we have to go to Vancouver, which is at least a three- or four-day trip across the country. We're looking at around \$5,000 to attend a meeting. We don't have the dollars to attend every meeting we could potentially attend.

We have asked to be video conferenced in so that we can participate. We have that option here. The chamber of commerce has a facility, and that would be a couple of hundred dollars. We have been told that opportunity does not exist; we need to be there in person. They're not looking at ways they can bring us to the table and get us engaged when we have provided suggested solutions.

**Mr. John Duncan:** That's quite helpful. That will perhaps lead to a recommendation from the committee.

Funding is an issue for you. Are you aware that with the \$30 million over five years for each of the territories from SINED—administered by CanNor in the Yukon—they've pre-agreed that 20% of that allocation will be for the tourism sector?

**Mrs. Colleen Dupuis:** We have discussed our allocation. It is nowhere near 20%.

**Mr. John Duncan:** You haven't come to a determination, but you are—

**Mrs. Colleen Dupuis:** We have had an indication of what we should be trying to put in a proposal for the four years, and it is not 20%.

**Mr. John Duncan:** Okay.

I asked this question in NWT, and of course we got the response in Yukon. It was 20% in the Yukon for tourism and 10% for culture, so that's some background for you.

**The Chair:** You're about out of time there, Mr. Duncan.

**Mr. John Duncan:** A very quick question, then. What does the trail bridge you were talking about do? Is that for recreational use? What is it?

**Mrs. Colleen Dupuis:** That has been one of the biggest stumbling blocks. It is whether it will have vehicular access or only be pedestrian. It has gone back and forth. This is a project the military engineers are working on. INAC has committed money to this over the years, but that has been one of the biggest stumbling blocks.

We're hoping that within the next six months we will go ahead, because, as I said, the first time we discussed it was in 1995.

**The Chair:** Thank you, Mr. Duncan.

We'll now go to the second round. I'll begin our questions with Mr. Bagnell for five minutes.

**Hon. Larry Bagnell:** Mr. West, so you know, CanNor and INAC knew about this a long time ago. In fact, they were witnesses weeks ago on the thing.

Colleen, my first question is for you. I don't want too long an answer, but you said that we need more planes, small planes in the north. I don't think you'd expect the government to buy a bunch of small planes.

**Mrs. Colleen Dupuis:** No, but if the government provided assistance... There are a number of our tourism operators who have outpost camps or more remote facilities and right now are relying on the airlines for charters, and there are only so many planes available. They have applied for funding to get their own planes, because with a limited number of planes and a very short tourism window, as we have, everybody's trying to get the same plane to go to 15 different places at once. As a result, they can't take advantage of some of the opportunities. So they have applied for funding to assist with that type of purchase—not to provide the planes—and have been told that type of infrastructure is not covered by a government program.

**Hon. Larry Bagnell:** Thank you.

Stéphane, you may not know this, and if you don't, make the answer short, because I have other questions.

Related to the federal government procurement, my understanding is that in the last two or three years the government has actually stepped back. It was actually doing better before, somewhat better. Or is it simply that the policy is totally weak and has always been weak?

• (1910)

**Mr. Stéphane Daigle:** I think it has always been weak.

**Hon. Larry Bagnell:** Okay.

Regarding Nunavut Arctic College on education, I think the Berger report suggested that the education system was in big trouble—and you mentioned the lack of graduates—and suggested that one of the major reasons was that there was not bilingual education in Inuktitut and English up till grade six or something.

First, do you agree that that's the major cause? Second, does Mary Simon's educational task force agree with that recommendation as the major reason? Third, do you agree?

**Mr. Daniel Vandermeulen:** First off, you're asking me to speak in many ways about an area that's under the Department of Education, because we're talking about basic education. That's a separate ministry.

**Hon. Larry Bagnell:** You talked about lack of graduates.

**Mr. Daniel Vandermeulen:** What I will talk about is the response that, first of all, the Berger report is an important report that needs to be implemented. Part of that implementation, in fact, is being carried out by the Government of Nunavut through Nunavut Arctic College. That's why we have a B.Ed in elementary education. It is a very interesting and unique degree, I suggest, because our graduates are bilingual.

The government has a stated goal that by certain years elementary and secondary education in this territory will be bilingual and communities have three options of degree of bilingualism to choose from. Increasingly, there is a drive to include more and more Inuktitut, not only in our B.Ed program but in all programs. We're also trying to get it into the nursing program. But in the B.Ed program in particular, the vast majority of our students are bilingual on entry, and all of them have some degree of bilingual fluency upon graduation, in line with the Berger report.

**Hon. Larry Bagnell:** Thank you.

Is my time up?

**The Chair:** You have one minute left, Mr. Bagnell.

**Hon. Larry Bagnell:** Great.

Mr. West, you talked about Canada being cut off at British Columbia. I know it's cut off in Nunavut. What do you suggest we connect—which railroads to where, which roads to where? Or is it just better airports and harbours? What do you suggest would be the connection that would make it the equivalent of British Columbia's connection to Canada?

**Mr. Chris West:** I know that the mining industry is looking at railways.

**Hon. Larry Bagnell:** To where?

**Mr. Chris West:** Across the north.

**Hon. Larry Bagnell:** But from where to where?

**Mr. Chris West:** I couldn't say for sure, but it's from Churchill right around the top. I would say the ports, airports, the port facilities themselves.

**Hon. Larry Bagnell:** Okay.

With regard to arts and crafts, are you talking about Inuit-wide authenticity or just Nunavut authenticity? The Inuit are much wider-spread than just Nunavut.

**Mrs. Rowena House:** It's just Nunavut authenticity.

**Hon. Larry Bagnell:** There's no benefit to having wider authenticity to give you bigger economies of scale and everything?

**Mrs. Rowena House:** It's already bigger with the igloo tag. What we're trying to do is augment the igloo tag so that it complements the authentic Nunavut tag as well. It's in partnership.

**Hon. Larry Bagnell:** Thank you.

**The Chair:** Thank you, Mr. Bagnell and witnesses.

Now we'll go to Mr. Dreeshen for five minutes, followed by Monsieur Gaudet.

Mr. Dreeshen, go ahead.

**Mr. Earl Dreeshen:** Thank you, Mr. Chairman.

I'll go back to Ms. House, and then I'll add a couple of other comments.

I'm just wondering if you could explain the role of the arts and crafts development program and how your organization fits into advocating for art.

**Mrs. Rowena House:** The Government of Nunavut currently has an artists development program under the economic development and transportation division. We access that funding through helping artists get to locations to market their artwork. If it's an art market in Korea, then we would access the funding for them to attend. A portion of their costs would be covered by the development fund. The other portion of their costs would be paid for by the artist up front or through fundraising, through my responsibility as the executive director.

• (1915)

**Mr. Earl Dreeshen:** Thank you very much.

Ms. Dupuis, this perhaps ties into the same type of thing. I'm interested in the role that your organization has with the Canadian Tourism Commission and how that relates to cooperating in the marketing of Canada's north to international tourists. Could you fill us in on how that works?

**Mrs. Colleen Dupuis:** We take advantage of some of the CTC international campaigns. As I mentioned, we do a joint campaign with the Yukon and NWT into the German market. That, right now, is the only CTC international campaign that we buy into with the other territories. We are looking at possibly buying into the French market.

In the past few years, we have done some international marketing on our own. That has not been widely successful and that has been stopped. Our marketing is taking a new direction. Right now our organization is going through a bit of a transition and is on a very positive upswing. Our membership has almost doubled in the last four months. They realize that some of the initiatives going on will actually benefit a lot of communities and a lot of infrastructure.

So we take advantage of the CTC. We work with them very closely in terms of programs for 2010 in Vancouver and some other things. We make sure our website and so on is available to them and meets their needs.

At our AGM a couple of weeks ago, we had speakers from the CTC come up for the first time to talk about the new rebranding, the new Canada brand, that they are pushing, and how Nunavut fits into that brand. That material has gone out to all of our members, and hopefully they will take advantage of it.

**Mr. Earl Dreeshen:** Thank you very much.

Do I have any more time?

**The Chair:** You have another two minutes, Mr. Dreeshen.

**Mr. Earl Dreeshen:** Okay.

Perhaps we'll get an opportunity to ask this when we go to the Arctic College tomorrow, but I know that some knowledge infrastructure funding has been made available to the college. I'm wondering if you could fill us in on what the plans are for the funding that you see and how that might fit into future plans that you would have for advocating for university status for the college.

**Mr. Daniel Vandermeulen:** Thank you.

Yes, we do have funded, through the knowledge infrastructure program, the cyber infrastructure project. We have about \$4.9 million through it. It's aimed at improving bandwidth and connectivity in all of our communities. It's essential, as we try to embed more training programs in the communities, that we have that kind of bandwidth so that we can do more online learning and, as you mentioned, university programming along with that.

The other program that is unique to the north is the Arctic Research Infrastructure Fund. From that we got \$11 million. We're replacing the 30-year-old headquarters of the Nunavut Research Institute. Nunavut Arctic College and all the northern colleges are quite unique, different from the southern colleges, because embedded in us are research institutes.

So we've had those two federal sources of funding, and we're grateful for them, of course.

**Mr. Earl Dreeshen:** Thank you.

**The Chair:** Thank you very much, Mr. Dreeshen.

[*Translation*]

It is now Mr. Gaudet's turn for five minutes.

Mr. Gaudet.

**Mr. Roger Gaudet:** Thank you, Mr. Chair.

If I have time left, my colleague will ask the last question. My question is for the president of Nunavut Arctic College.

I have been in all three territories, and everyone has talked to us about training. Today, we heard about training, and even this evening, we are hearing about it.

Earlier, you said that you did not have enough money. One person came here this afternoon—I cannot remember their name, but I have it in my papers—and said that 1,537 families were on a waiting list for housing.

In your college, are you missing spots for students? Do people have to wait before they can enrol in your college? You want money so you can build, but are there students waiting to justify that request?

[*English*]

**Mr. Daniel Vandermeulen:** Thank you.

The housing issue particularly affects the programs on the three campuses, and that's where most of our career and professional education is—here in Iqaluit, Cambridge Bay, and Rankin Inlet. That's why we're trying to embed more programs into the communities. Yes, housing is a major barrier to the growth of adult learning in this territory.

• (1920)

[*Translation*]

**Mr. Roger Gaudet:** You are not answering my question. You say that you need housing in order to have students. Is that the issue, or is it that you do not have enough spots for the students? If that is the case, then that's another story.

Are students waiting to enrol in college because they do not have housing? That is what I want to know. You should not get ahead of yourself. You can cross that bridge when you come to it; you will have problems, otherwise.

[*English*]

**Mr. Daniel Vandermeulen:** That's a fair question.

I mentioned housing as constraining enrolment on the three campuses. But in the 25 community learning centres, housing is not the constraint. There, it's opportunity.

In a community such as Arviat, where we only have enough funding for one adult educator and can probably handle at most 20 students a year, we often have 100 to 150 applications. Sir, we're not short of applicants. We're short of funding, particularly in terms of preparing Nunavummiuts to have some equivalency of high school completion before they go on to their careers or professional training at the campuses.

[*Translation*]

**Mr. Roger Gaudet:** Thank you.

Mr. Lévesque.

**The Chair:** Okay.

Mr. Lévesque, go ahead.

**Mr. Yvon Lévesque:** I am the member for Abitibi—Baie-James—Nunavik—Eeyou. Mr. Vandermeulen enrolled in college here, in Frobisher Bay, as it was known at the time. When he enrolled for college, I was loading All Air Service's DC-3, which delivered goods here every day.

I have another question to ask Mrs. Dupuis. But I will use this time to ask you another question, if you have time to answer. I would like to know why you mentioned the Indian residential schools. If you have time after Ms. Dupuis, you can answer that.

Mrs. Dupuis, I have a very simple question that needs a quick answer. You talked about the translation of forms into Inuktitut. In Nunavik, I had forms translated into Inuktitut, but there are two different dialects, which caused a problem. People preferred to have them in English and French, instead of a dialect of Inuktitut that some may not understand. Is the same dialect spoken throughout this territory?

[English]

**Mrs. Colleen Dupuis:** It was Rowena who mentioned that, but we have the same problem, so I will answer.

There are several Inuktitut dialects, but there is an accepted one, the South Baffin dialect. When something is translated into this dialect, most people can pick out enough to be able to use it. So while there are different dialects, it can be workable.

**The Chair:** Go ahead, Mr. West.

**Mr. Chris West:** Mr. Chair, if I may, I don't think the dialects in Newfoundland are any different from the dialects that Mr. Russell would have and I would have, coming from Newfoundland.

**The Chair:** You haven't heard Fabian Manning on the floor.

**Mr. Chris West:** When you go to a community like Kimmirut, you may find a different dialect there, and it's probably all because of the upbringing.

[Translation]

**Mr. Yvon Lévesque:** Thank you.

Does Mr. Vandermeulen want to answer my question about the Indian residential schools?

**The Chair:** Go ahead with a brief answer, please.

[English]

**Mr. Daniel Vandermeulen:** I didn't catch all of it because of the translation. I missed part of it.

The history here of basic education is it's originally a residential school system, and the introduction of community-based schools and particularly community-based high schools is relatively recent. When you're looking at the age group I am responsible for—25 to 64 years—first, of the 45- to 64-year-olds, most were born on the land and most were born at a time when only the residential school system was available to them. It's only for the younger ones that they have an opportunity to go to school in their own community.

That's a quick précis of the history.

**The Chair:** Thank you, Mr. Vandermeulen and Messieurs Lévesque and Gaudet.

Now the last question will go to Mr. Payne for five minutes.

• (1925)

**Mr. LaVar Payne:** Thank you, Mr. Chairman.

I'd like to thank all the witnesses for coming today. It's been a bit of a long day for everybody, and I certainly appreciate your attendance here.

My first question would be for Mr. Vandermeulen.

I was listening with quite some intent in terms of your training, particularly for mining, and you did talk about safety, which is

certainly, I believe, the highest priority that people can have, particularly when they're going to work. You did talk about some cooperation. Or is it more of a development process with the mines and/or the other industry to develop these particular programs, particularly around safety?

**Mr. Daniel Vandermeulen:** Thank you.

A lot of our mine training before we're able to get into the trades like millwright and welder is very much done in cooperation with the mining industry itself.

For instance, at Baker Lake we have a memorandum of understanding that we're party to with the regional Inuit association, the Kivalliq Inuit Association, and Agnico-Eagle, for example. There we're just training people to work in mines, and nine of the modules, I believe, are safety-oriented. But if you're asking for the relationships, most of the introductory mine training is very much a partnership with the industry.

**Mr. LaVar Payne:** That's really good to hear, because I come from a background where safety was certainly a high priority.

I have another question, and maybe you can share that, Ms. Sikma, from the co-operative... You talked about education and development of people there. I'm just wondering whether you are working with the local college. From your point of view, how are you trying to develop the training that is needed to get the skills for the management supervisors and other Inuit staff?

**Ms. Nicole Sikma:** I'm going to let my colleague answer parts of that.

We apply for funding with the aboriginal training fund, which is not always available, which is with the economic development source. So we can train our staff either to become the manager of the co-ops or in small-engine repair, which is snowmobiles that we sell or ATVs. That would be field delivery. To produce these, it's quite a challenge for either distant or small groups in each community—again the expense of it. To produce in each community that would have one or two potential trainees and to deal with other co-ops in other communities, that can be an expense in itself. Applying for funding is not always available.

I think my colleague could probably elaborate a little bit more than I can.

**Mr. Stéphane Daigle:** We do a lot of training in-house within our own company, but there would definitely be an opportunity in a partnership role to work with their colleges to further this, there's no doubt about that.

**Mr. Daniel Vandermeulen:** But when applying for those funds that they're talking about... For instance, we do things like two-year management studies at Rankin Inlet and a number of office administration programs in the communities, but when applying for those funds, again, we're talking about very different economies of scale.

You're talking about having to pull together either very small numbers in a community, two or three people, or if the funder wants to have a larger group, then you're talking about the enormous cost of drawing them together into one of the regional centres. The economies of scale that a lot of the programs are based on simply don't recognize the economies here in Nunavut.

**The Chair:** I think Ms. House wanted to get in on that same line of questioning if she could.

There's still time, so go ahead.

**Mrs. Rowena House:** I just wanted to let you know that when you're bringing people together for a meeting such as development for board members or training for managers or whatever, the cost of one meeting in the territory here is upwards of \$60,000 for a three-day meeting.

• (1930)

**Mr. Daniel Vandermeulen:** And look at your own costs here.

**Mr. LaVar Payne:** Right. There's also another question that I really want to ask. We did hear from the broadband folks here. Is there an ability to use video conferencing here in the communities across the north?

**Mr. Daniel Vandermeulen:** The health and social services department has a telehealth channel. A lot of investment is being put into improving that, the basic services here, but as the lady at the end pointed out, it's not always well received in the south.

On the comment I made about looking at your own costs here, I should say to look at your own costs here and double that, because you only came from Ottawa. Try coming down from Grise Fiord.

**Mr. LaVar Payne:** No, I understand that the costs are enormous. I'm just trying to figure out whether in fact there are other opportunities—

**Mr. Daniel Vandermeulen:** Telehealth is here and other opportunities are here, but they need improvement.

**Mr. LaVar Payne:** I think Ms. Dupuis wanted to comment.

**The Chair:** Go ahead, Ms. Dupuis.

**Mrs. Colleen Dupuis:** There are not a lot of public video conferencing facilities in communities. There is one here in Iqaluit that the chamber of commerce has, and they will rent it out to people, but in a lot of the communities there are no facilities because you can't use the telehealth facility for public things. Even in Rankin and Cambridge Bay the facilities do not exist. The cost to put them in is really high and the broadband width is not there.

We even have a problem with the broadband width in regard to some of our members having websites and being able to market themselves and participate in what is sort of the e-economy—that's how every one is doing tourism research—and they cannot function that way because the capacity is not there.

**Mr. LaVar Payne:** I understand the capacity is going to be increased in the next couple of weeks, so that will certainly benefit the various communities in the north.

Thank you.

**The Chair:** Very good, Mr. Payne.

Thank you very much.

That will conclude our meeting for this panel and for the day. Before we wrap up, there are just a couple of things I wanted to go over.

One is that, as you can probably imagine and as was alluded to earlier in our discussions, it is quite an undertaking to come here for a two-day meeting. That's particularly true of our committee because we have to bring all this paraphernalia with us. So there's a team that supports us here while we're on the road, certainly here in Iqaluit but also last week in Yellowknife and in Whitehorse. We had almost the same number of staff members supporting us as MPs. So I don't know what you take from that, but I can tell you it is a wonderful team and I wanted to just send my thanks.

In addition to our Inuktitut interpreters today we had a team here from AVW-TELAV, Chris Ferris and Gerry Saumur. They do work after we're gone and they pack up all the stuff.

We also had our interpreters—it took three interpreters to do all of our French and English interpretation—and they included Josée Beaudoin, Carol Card, and Annie-Joëlle Tailleux.

We also had a team here, and I mentioned them earlier today, the proceedings and verification officers, to do the transcription. That was done by Anna Joynt and Stéphane Monfils.

We also have a logistics officer, someone who actually does all the planning. She was out here by the entrance door here today, and that was Julie Geoffrion. Julie is at the back there.

Last but not least are the two gentlemen who sit on either side of me here. Mr. James Gauthier is the research analyst. He prepares all of the documents that go into our briefing materials ahead of time. And the clerk of our committee is Graeme Truelove, who sits to my left here.

So that's the whole team that puts this together, and I can tell you, and on behalf of all the members of Parliament, we sure appreciate the work that they do.

**Some hon. members:** Hear, hear!

**The Chair:** As just an administrative item, we have a site visit tomorrow to Nunavut Arctic College. We'll be going there in the morning.

The 39th meeting of the standing committee is adjourned.

• (1935)

Thank you.









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