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Chair

Mr. Chris Warkentin

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• (0850)

[English]

The Chair (Mr. Chris Warkentin (Peace River, CPC)): I call the meeting to order. This is the 58th meeting of the Standing Committee on Aboriginal Affairs and Northern Development.

Today we continue to pursue our look at Bill C-47. We have three groups of witnesses. We're going to work in the opposite direction from what the orders of the day indicate. We're going to begin with the Nunavut Planning Commission. We're pleased to have them. Then they'll be followed by the Prospectors and Developers Association of Canada, and then we'll have the Mining Association of Canada.

We'll turn it over to our witnesses. We usually—and it won't be new to most of you—begin with opening presentations from each one of you. We'll give you about 10 minutes. We'll let all the presentations be completed, and then we'll begin with the rounds of questioning.

The rounds of questioning will be undertaken around the table. When questions are directed individually to you, you'll answer, and if it's open to all of you, you'll be welcome to answer as well.

We'll begin with the Nunavut Planning Commission. We have Paul Quassa, as well as Sharon....

Ms. Sharon Ehaloak (Executive Director, Nunavut Planning Commission): That's okay. It's Ehaloak.

The Chair: It's Ehaloak. Pardon me.

I believe we have Adrian Boyd at the end. We don't have a name tag for you, but we'll turn it over to you, and then we'll hear the other presentations and then have questions for you.

Mr. Paul Quassa (Chair, Nunavut Planning Commission): *Qujannamiik. Uvunga Paul Quassa.*

[Speaker speaks in Inuktitut]

I'm Paul Quassa, chairman of the Nunavut Planning Commission, and I'm here today with Sharon Ehaloak, our executive director, and Adrian Boyd, the director of policy.

On behalf of the Nunavut Planning Commission, I'd like to thank the committee for the privilege of speaking directly with you today. The Nunavut Planning Commission is an institution of public government established under the Nunavut Land Claims Agreement. The commission is primarily responsible for the implementation of article 11, land use planning under NLCA.

As a public agency, we conduct our operations in a fashion similar to that of any land use planning department you may have encountered at the municipal level. Our nationally certified, registered, professional land use planning staff ensure that best practices and emerging trends of the profession guide our land use planning activities. These planning activities are designed to implement our unique legal obligations set out under the NLCA.

The Nunavut Planning and Project Assessment Act, "the act", adds the long-awaited clarity required by the commission to fulfill its role as the gatekeeper of Nunavut's regulatory process. Under the act, the commission will be the single entry point into the regulatory system for Nunavut. This of course is where land use planning was always meant to be.

This additional duty is a monumental task. However, it eliminates 20 years of confusion and debate over where the regulatory process starts in Nunavut. Therefore, when the act comes into force, the regulatory process in Nunavut will be instantly streamlined. It is important to note that the NLCA requires that the objective of the land use planning process be the development of planning policies, priorities, and objectives regarding the conservation, development, management, and use of land in the Nunavut settlement area and the preparation of use plans to guide and direct resource use and development in the Nunavut settlement area. The commission is responsible for the implementation of its approved land use plans.

The NLCA also requires that in the development of planning policies, priorities, and objectives, factors such as the following be taken into account: economic opportunities and needs; community infrastructural requirements, including housing, health, education, social services, and corridors; cultural factors and priorities; environmental protection and management needs, including wildlife conservation, protection, and management; and energy requirements, sources, and availability.

Land use plans developed under the NLCA shall reflect the priorities and values of the residents, must give great weight to the views and wishes of all Nunavut municipalities, and must take into account input from appropriate federal and territorial government agencies, designated Inuit organizations, communities, and the general public.

• (0855)

All of these interests must be taken into account for an area that includes 1.9 million square kilometres of land with vast economic potential, sensitive and unique Arctic wildlife and habitat, pristine freshwater reserves, and thousands of kilometres of Canada's marine coastline.

According to the Conference Board of Canada's Centre for the North, mining production in Canada's northern regions could nearly double by 2020. Challenges for Canada's north include a "clunky regulatory process". Discussion needs to be focused on environmental stewardship and respect for aboriginal rights in order for projects to be developed sustainably.

With the implementation of the act and the development of the Nunavut land use plan, many of these concerns can be addressed. Land use planning, when appropriately funded, is capable of addressing concerns raised by the Conference Board of Canada, Inuit, Nunavut municipalities, environmental agencies, industry, and all Canadians. Through land use plans, we are able to bring certainty to investors by addressing the age-old debate of conservation versus development. As you can see from the NLCA obligations I have already mentioned, land use planning is expected to tackle competing interests in land use head-on.

The act creates significant new legal obligations for the commission. These obligations require organizational changes, which will have financial, human resources, and technological implications that need to be addressed to support the commission's transition.

The requirements under the act will change and add to the current operational task of the organization. Being established as a single entry point into the regulatory system will create a major shift to the conformity determination obligations established under the NLCA.

In essence, the commission becomes the conductor of the regulatory process. The Nunavut Impact Review Board, the Nunavut Water Board, and government agencies and regulators form the orchestra; as conductor, the commission directs the flow of projects into the environmental and regulatory review process.

In addition, the establishment of legal timelines, an online multilingual public registry, and other technical and language services will seriously increase demands and workloads for the commission. At present the commission is constrained by its existing human and financial resources and is not currently able to take steps required to prepare for implementation of the act.

It is important for me to emphasize that the commission embraces the new opportunities that expand our public service role. We believe the new obligations will bring clarity to the regulatory process and promote investment, create awareness, and maintain a high level of environmental stewardship in Nunavut. We are excited to see the act advancing and are committed to its success.

That said, this organization has been critically underfunded for nearly a decade. Industry and Inuit have told us that the land use planning process takes too long, and we agree. However, without additional resources, the commission is helpless to respond.

● (0900)

Over the past 90 days the commission has consulted with nearly half of the communities in Nunavut on the draft Nunavut land use plan. During our consultation on the draft Nunavut land use plan, Inuit, Nunavut municipalities, and hunters' and trappers' organizations have all rung alarm bells over the development of a land use plan that applies only to the Nunavut settlement area. They all insist that the jurisdiction of the commission must expand to apply to the

entire marine area along the east coast of Baffin Island and to the part of Hudson Bay that lies within the Nunavut territory yet outside of the Nunavut settlement area.

The commission believes that land use planning under the NLCA and the act could form the foundation for a world-class regulatory system that is envied by all nations. However, without appropriate financial and human resources and the expansion of the commission's jurisdiction to include all land, water, and marine areas within the Nunavut territory, the Nunavut Planning and Project Assessment Act, in our view, will miss the mark.

Thank you very much for the opportunity to talk to you today.

Qujannamiik.

The Chair: Thank you very much.

Our next presenter is Nadim Kara, who represents the Prospectors and Developers Association of Canada.

Nadim, we'll turn it over to you.

Mr. Nadim Kara (Senior Program Director, Prospectors and Developers Association of Canada): Thank you very much, Mr. Chairman.

On behalf of the NWT and Nunavut Chamber of Mines and the Prospectors and Developers Association of Canada, I'd like to express my appreciation for the opportunity to speak to you all today in relation to Bill C-47.

I am Nadim Kara. I am the senior program director with PDAC and I am here to state our support for Bill C-47.

To do that, my colleagues from the NWT and Nunavut Chamber of Mines and I have prepared a cover letter stating our support for the bill, and a more detailed written brief specific to NUPPAA.

We have also prepared this presentation with some additional background on our industry. I'll try to do it justice in about 10 minutes, and the detail is there for your reading later on.

Let me set the stage with a pie chart that demonstrates how mining is the largest private sector contributor in the north. In this chart you can see that mining alone is almost one-third of the Northwest Territories' gross domestic product, and when you add additional benefits, it's closer to one-half the economy. In Nunavut the single mine is already contributing close to 15% of that economy.

The chart on page 4 demonstrates the value of mineral production in the three territories. It is quickly apparent that in the Northwest Territories that value is not only significant but that it vastly outpaces that of both Nunavut and Yukon. Almost all of this is from the diamond mines.

In Nunavut the industry is just resurfacing after its previous mines closed, and this value you see is from just one gold mine, so there is significant opportunity in Nunavut to surpass the mineral production value of the Northwest Territories. The situation is similar in the Yukon.

On slide 5 you can see how our industry translates the value of mineral production into equally significant benefits in terms of jobs and business development. I think it's important to highlight that more than half the northern jobs created were generated for aboriginal people and nearly half the over \$8 billion in spending was for aboriginal companies.

On slide 6 you can see a list of just some of the new aboriginal companies that have been generated since diamond mining began over 15 years ago.

Slide 7 also highlights the contribution in taxes. I should note that while I'm showing examples from the NWT, you should understand that the mine in Nunavut makes similar contributions.

Slide 8 takes you through the taxes paid in addition to corporate taxes and royalties, including fuel and property taxes, and has some information on resource royalty that the federal government has shared with aboriginal groups. Since 2001 this has totalled almost \$34 million to the three land claim groups that have settled.

Slide 9 points out that mines don't last forever, so this chart shows the lives of the four mines in the NWT and the single mine in Nunavut. Since mines are not discovered every day, we need to be preparing now for their eventual closure through more exploration, which creates the pipeline through which new projects emerge.

Slide 10 gives you a sense of some of the advance projects that are currently in the pipeline. Most are in the pre-feasibility stage or in the environmental approvals process.

Slide 11 takes you through some of the estimated lifespans for these projects, which hold tremendous opportunity to sustain the industry for many years. However, they're not slam dunks; they're not guaranteed, and we need to do our part to create a supportive environment to increase their odds of success.

Slide 12 gives you a sense of the factors that influence the pipeline, which is exploration, which is what my association focuses on. This chart shows exploration investment in the three northern territories. You'll note that although Yukon and Nunavut have seen significant investment and mirror what has been happening around the world, in the NWT, despite similar geological potential and similar logistical challenges, exploration has been languishing. The fact is that due to unsettled land claims and an overly complex regulatory environment—perhaps “clunky”, as Paul has said—we've created uncertainty that is driving away investment.

This is why your work to pass good legislation is so important.

I'll take another moment to talk about exploration, using slide 13, where you see a graph that plots exploration in the NWT and Nunavut as a percentage of all money spent on mineral exploration in Canada. You'll see that Nunavut is doing quite well at holding its own, but the continued decline in the Northwest Territories demonstrates what can happen when there isn't a good investment climate and when money leaves.

• (0905)

That brings us to slide 14, which is our work today. This is why we support Bill C-47 and why we support the enactment of the NWT Surface Rights Board Act as it is.

That is, I think, the first statement. We think it provides a court of last resort to help deal with land use conflicts, it fulfills the last piece of legislation called for under land claims, and it readies the Northwest Territories legislative framework for devolution. We want Canada to hand over a complete and modern package of legislation when they devolve mining to the Northwest Territories government. That is all we'll say today on the NWT Surface Rights Board Act.

We also support the enactment of NUPPAA; however, we propose amendments in six places. I'll walk you through those now.

Some of you have seen this presentation already. My colleague Tom Hoefer presented to some of you in the north, so I apologize to those of you who have seen it already.

Slide 15 takes you through a bit of how we look at NUPPAA. The simple sustainable development triangle highlights the balance, which I think Paul also referred to, in trying to achieve environmental, social, and economic objectives. We want to be in the middle, and we think our amendments will take the act into the middle.

Let me describe those amendments now.

The first amendment is with respect to timelines, as seen on slide 16. We support a 24-month process as an efficient process. It's good not only for process certainty, but also for project logistics and cost. Identified here are a number of open-ended timelines in various clauses that we believe need to be tightened up.

On the next page, at slide 17, the second amendment is with respect to schedule 3, which is incomplete. Under the land use plan, some classes of work can be exempted from screening and can proceed directly to the regulatory phase. We recommend that this schedule be completed before NUPPAA is proclaimed.

On page 18, the third amendment talks about minor variances. Although minor variances provide a flexible and adaptive approach to projects, which is good, the process for dealing with these minor variances is quite complex. We recommend that it be simplified to allow the commission to grant or deny minor variances without the overly complex requirements that are discussed in our brief.

The next amendment, on page 19, is about offences. We think it's unnecessary to create offences under the land use plan. It was not anticipated or contemplated in the land claims agreement itself. It's important to highlight here that we're not against offences; we just think they belong under the permits section issued by the regulatory side of NUPPAA. We recommend the deletion of the proposed subsection that deals with this aspect.

On page 20, the fifth amendment relates to grandfathering. I know that I'm walking you through this quickly, so thank you for bearing with me.

This amendment is pretty important to us. Millions to billions of dollars in mining investments are made on the basis of regulatory certainty. Once the investment is made, miners are captive. We can't pick up and move our mines to find a more favourable jurisdiction if someone moves the goalposts. NUPPAA currently has very complex and ambiguous wording with respect to grandfathering. We recommend that the draft be amended to more clearly provide grandfathering of projects, as described here and in our brief.

The final amendment, on page 21, provides for a comprehensive review of the act after five years to make refinements that might be necessary. This is required under similar legislation in Yukon. We believe that had this requirement been in place for the Mackenzie Valley Resource Management Act, we might have resolved some of the challenges that we face today in the NWT under that legislation.

To conclude at page 22, we think mining is the north's economic advantage. The Conference Board of Canada report that recently was published highlights that. It's creating significant benefits for communities. Its environmental stewardship record has improved dramatically over the last 20 years. We support the NWT Surface Rights Board Act as is, and we support NUPPAA but recommend the six amendments I've mentioned today.

I'll stop there and leave you on the last slide with some photos that remind you of why mining is so important. At the end of the day, it's about people generating both the economic opportunities and the chance to improve quality of life for northerners and all Canadians.

Thank you.

• (0910)

The Chair: Thank you, Mr. Kara. We appreciate that.

From the Mining Association of Canada, we have Mr. Pierre Gratton and Mr. Rick Meyers with us this morning.

We thank you and turn it over to you for your opening statement.

Mr. Pierre Gratton (President and Chief Executive Officer, Mining Association of Canada): Thank you very much.

In addition to our brief, we've provided a PowerPoint presentation that illustrates a bit more what's happening in the mining industry globally, and Canada's role within that global industry. I would encourage you to take a look at that at your leisure. It also highlights the potential in Nunavut in the coming years, a potential that both of my colleagues have already referred to.

I'm CEO of the Mining Association of Canada. I'm joined by my colleague Rick Meyers, who's been with us for several years. Prior to that he spent several years with the Department of Aboriginal Affairs

and Northern Development as director of northern affairs. He's spent a very good part of his life helping Canada develop the diamond mining industry in the Northwest Territories.

MAC represents the producing side of the business. In that sense we're different from the PDAC. We have some 35 or 36 members engaged in exploration, mining, smelting, and refining across the country, across a range of commodities.

In 2011, the year for which we have the most recent statistics, the mining industry contributed some \$35.6 billion to the GDP and employed some 320,000 workers, paying some \$9 billion in taxes and royalties to provincial and federal governments. The sector also accounted for almost 23% of exports, exporting a record \$102 billion worth of metals, non-metals, and coal.

I highlight the word "record". We've been breaking records lately, and again, that speaks to what's happening in the commodities market globally. Canadian mineral production reached a record high in 2011 of \$50.3 billion, a 21% increase over the previous year. We also broke new records in mineral exploration, a lot of which is going into the northern territories.

According to our research, we've estimated that there's as much as \$140 billion in new investment that could come forward in the next five to 10 years across Canada, \$8 billion of which is targeted for Nunavut. A good chunk of that \$140 billion is already actually being spent. That number focuses on projects that are either in development or in later stages of environmental review. We are certainly hopeful that this new legislation will help increase these opportunities and turn these opportunities into reality.

To ensure that the mining industry's contribution to our economy remains robust, a competitive and predictable domestic investment and regulatory environment is crucial. To this end, we encourage this committee and the government to continue to support Canada's investment climate through regulatory improvement, as demonstrated by this legislation.

We welcome the tabling of Bill C-47. We are particularly optimistic about the inclusion of the Nunavut Planning and Project Assessment Act, which resulted—and I want to emphasize this—from a broad and thoughtful approach to stakeholder engagement, a level of engagement that in my experience on northern legislation was unprecedented with our industry. We've been involved since the bill's early stages of development and participated in several rounds of a multi-stakeholder process to provide industry input into the legislation. Overall, we are pleased with the advancements the legislation presents; however, we do believe there are some opportunities for improvement.

We have four suggested improvements, but they're also contained in my colleagues submissions from the PDAC. I'll try to run over these fairly briefly, in the interests of time.

The first is with respect to timelines. I would note that the timeline for comprehensive studies is to a maximum of two years; south of 60, the timeline for comprehensive studies is a year or less. There is a difference there. We recognize the land claims process in the north imposes obligations that may make it harder to achieve the more ambitious goals of the south; nevertheless, we flag for you that there is a pretty big difference between the two.

On classes of works and activities exempt from screening, jurisdictions typically do not require screening and/or environmental assessment of certain classes of low-impact activities. Schedule 3 of this bill is intended to confirm such classes of projects not required to undergo screening or environmental assessment in Nunavut; however, the schedule has not yet been completed, creating uncertainty as to the details of these classes. In that regard, we recommend that schedule 3 be completed in advance of the bill coming into force.

• (0915)

My colleague has also touched on the issue of minor variances. I would emphasize as well that we suggest that the Nunavut Planning Commission be provided with the authority to grant minor variances at its own discretion without a full public review process, but with the requirement to publish the commission's reasons for the decision on the public registry.

My colleague from the PDAC also mentioned offences under land use plans. Creating quasi-criminal offences for certain non-compliance activities under land use plans is unusual and unnecessary. In B.C., land use planning does not include criminal offences. For the most part across Canada, I'm not aware of examples of where that exists. We as well believe that the offences aspect should be removed from the bill.

The tabling of Bill C-47 is timely, given the announcement that Canada will be leading the Arctic Council for the next two years. Through its position as chair of the multinational council, Canada can help demonstrate the positive economic contributions that natural resource projects can bring to the circumpolar region and the importance of having effective legislation in place that allows for responsible development to take place for the benefit of northern peoples.

This legislation, I would emphasize, comes at a critical time for Nunavut, with its promising mineral potential and with opportunities

for economic development never before seen in the territory's history.

The ideal outcome for this bill would be to have a new regulatory regime that helps enhance the region's economic development while ensuring mining projects go through a robust assessment and permitting process. We believe this is possible, particularly with the proposed changes we've recommended.

For the foreseeable future, mining will be Nunavut's most important private sector economic activity. Mine developments bring critical economic and social benefits: employment, business and skills development, and revenues and contributions towards enhancing the education and social development programs that contribute in many ways to improving the quality of life for Nunavummiut. Such advancements bring stability, enhanced capacity, and confidence in the territory's abilities to sustain its people's future.

The positive economic contributions that mining projects bring to the north are clearly demonstrated by the startup of the Meadowbank gold mine, which is currently Nunavut's only operating mine. Since it began production in 2010, Nunavut's GDP has increased by 12%. The mine employs more than 500 people, 38% of whom are Inuit. Moreover, through a historic agreement with the Kivalliq Inuit Association, the operator, Agnico-Eagle, has established new business opportunities and provided funding for education and skills development for people of the north. The approach taken by Agnico-Eagle in Nunavut is the way our industry operates today, and is what the people of Nunavut can expect from other projects in the future.

Nunavut is the least explored region in Canada, but is blessed with a very high mineral potential. There are six major projects moving through Nunavut's environmental assessment, including another one by Agnico-Eagle. With several more on the horizon, as was mentioned by my colleague from the Nunavut Planning Commission, it's estimated that before the end of the decade, development could double in the territory.

It will also help to ensure the Inuit of Nunavut will be able to take advantage of new employment, training, and business opportunities before them. The people are its future, and the advancement of their economic and social advantages will determine Nunavut's ability to compete on the world stage. The completion of NUPPAA as an enabling legislation is an essential element for the achievement of that goal. We strongly urge the committee to move forward with this legislation expeditiously.

Thank you very much.

• (0920)

The Chair: Thank you very much, Mr. Gratton. Thank you to each one of our witnesses for coming today and spending this time with us.

We will begin our questions with Mr. Bevington for the first seven minutes.

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

Thank you to all the presenters here. It's always important we hear from you, and actually this is the second presentation from NWT and Nunavut Chamber of Mines.

In the first presentation I brought up a point with this graph on exploration. Really the desire to change the regulatory system in the Northwest Territories is being driven by this sense that exploration has declined in the Northwest Territories. That's what's driving it. It's not being driven by the number of mines that are now in environmental assessment, which is actually quite large for the Northwest Territories.

I'm always interested in the statistics. If you had taken a 20-year view of exploration in the Northwest Territories, you'd see we had a huge bubble of exploration in the nineties throughout the whole Slave geographic province, where we put in enormous effort and probably led the whole country in mining exploration for almost a whole decade. You can compare it to what's happening here with Nunavut and the Yukon, where their mining exploration is finally taking off; much of the Northwest Territories has been through that mining exploration boom, and you see that mining exploration, although not high this year, is the fourth-highest on your graph in the last 14 years. Does this make it a crisis situation?

You and the whole industry have been hammering on the Northwest Territories about mining exploration. After a while, I get a little tired of it. I don't see it in your graphs that....

This other graph you have on page 13 suggests to me that finally the rest of the country is catching up on mining exploration. Things like the Ring of Fire and many other areas in southern Canada have exploded with mining exploration; the dollars are going there, which is correct, because those are the areas of interest right now.

This is a very important point. This is what this government's basing changing our regulatory system on, more so than the surface rights board, but we'll probably get into the Mackenzie Valley Resource Management Act a little later on.

In reality, when you look at these numbers and you look at the history of mining exploration in the Northwest Territories, you have to say to yourself, "Let's be realistic here; mining exploration is still continuing in the north." Our major area, which is the Slave geographic province, went through a huge bubble in the nineties. Why, then, are you continuing to try to make this argument, which in some ways is simply not following the facts?

• (0925)

Mr. Nadim Kara: I'll start off, and then I'll pass it to my colleague Mr. Meyers.

There are a couple of points I want to make. The first is that the difference between the two graphs is significant, in that one is absolute value and one is relative value. While the figures on slide 12 may be quite high, as you pointed out, and exploration expenditures are higher in 2012 than they were in the early 2000s, first of all, it's—

Mr. Dennis Bevington: They are the fourth highest over those 14 years.

Mr. Nadim Kara: First of all, these figures aren't adjusted for inflation, so that's one point.

Mr. Dennis Bevington: That might make a little difference.

Mr. Nadim Kara: The second is what we're seeing with the huge upswing in metal prices throughout the 2000s. Graph 13 shows that despite similar geology and despite similar logistical challenges, NWT should have seen a similar upswing in maintaining its percentage of overall exploration in Canada. I think that's the significant message. Compared to other jurisdictions in the north, why is there this precipitous decline? The total volume of money going into the mineral sector around the world has been going up exponentially, so why is there a relative decline here? I think that's the first question.

The second one is that while there was a lot of exploration in the 1990s, the distribution of commodities—what people are looking for—is significant as well. A lot of that exploration was for diamonds after those first discoveries were found, and you're seeing the proportion of expenditures allocated to the diamond sector dropping precipitously, according to the Metals Economics Group's latest expenditure reports for 2011 and 2012.

When you look at the pipeline of projects coming down, you see that NWT is maybe benefiting from previous decades of exploration with the number of projects in the pipeline, but its ability to have that same constellation of projects in the regulatory process in 20 years' time is being hampered by its relative underperformance in attracting investment exploration.

Those are the two points I'll make. I'll let Rick respond as well.

Mr. Rick Meyers (Vice-President, Technical and Northern Affairs, Mining Association of Canada): Thanks.

Mr. Bevington, I think you're referring to the diamond-staking rush during the early 1990s. Diamonds were discovered in 1991, and production began in 1998.

There currently are three diamond mines operating in the Northwest Territories. Those mines have been operating for over a decade now, for the most part, and they're reaching maturity. They need to be replaced, or at least the reserves need to be replaced, and that requires exploration.

It's one thing to say, yes, the NWT certainly did very well during the 1990s in terms of exploration, and it certainly has reaped the rewards of that exploration. The diamond industry is still a brand new industry in Canada, in fact, and will be in place for some time, but I think it's important to recognize that life goes on. Those mines will come to their conclusion, will reach their mine life, and for the Northwest Territories to continue to reap those benefits, exploration needs to continue.

On the Nunavut side, with the current exploration situation and the very good list of projects coming forward, Nunavut stands to reap the same benefits over the next decade or so that the Northwest Territories did with the diamond-staking rush, so maybe it's Nunavut's turn, but that doesn't mean that we shouldn't be continuing exploration in the Northwest Territories.

• (0930)

The Chair: Thank you very much.

We'll go to Mr. Clarke now, for the next seven minutes.

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

Thank you, witnesses, for coming in. Some of you have travelled a great distance to get here today. Welcome to a little bit warmer weather.

To the Mining Association of Canada, I understand you've participated in negotiations since 2009. Is that correct?

Mr. Rick Meyers: Do you mean in consultations on this legislation? Yes.

Mr. Rob Clarke: As we've heard from other witnesses, these negotiations have been going on for over a decade now. I'm seeing that economic development for the territories will lead to employment for aboriginals all across the northern territories and in my riding in northern Saskatchewan as well.

We heard testimony from the Government of Nunavut that they support this bill in its current form and consider that it offers other improvements to the land use process for the environmental review process. Would you agree with this view?

Mr. Pierre Gratton: Yes. I think that was the essence of my remarks earlier.

Mr. Rob Clarke: How do you think this bill will assist Inuit, as well as Nunavut as a whole, by fostering this economic development?

Mr. Pierre Gratton: Well, I didn't make this point earlier because I didn't want to belabour it—what's done is done—but this legislation, you could argue, is 16 years late. It was promised when the territory was first created, and it's taken this long to bring this final piece of legislation to Nunavut. There are previous pieces of legislation that provide the regulatory framework for the territory in place now, but it's taken a long time.

In the absence of this, there's been uncertainty. We've sort of...“muddled through” is an exaggeration, but we have not been operating with the kind of regulatory certainty that I think industry would normally like to see.

This is the final piece that brings Nunavut into the modern age, and arguably very well into the modern age, because it's very progressive legislation. I think it positions the territory really well.

I think our sense too—and I think you saw it from the commissioner's remarks—is that Nunavut is very hopeful and optimistic about its future. It's welcoming our industry within a framework that balances economic development with environmental concerns, and we respect that.

Mr. Rob Clarke: Can you explain the importance of land use plans in helping to ensure the environment's protection?

Mr. Pierre Gratton: Land use planning provides a sort of road map and a sense of the priorities of the people who live there. It helps delineate and provide industry with a sense of where they're going to be most welcome and areas where they might want to tread a little more lightly. That kind of information is far better to have up front than late in the process. Land use planning provides you with that early information that I think helps guide investment decisions.

Mr. Rob Clarke: Since the bill clarifies roles and responsibilities for the NIRB and the NPC, as well as creating the ability for greater

cooperation between them, do you feel this will allow the board and the commission to become more efficient?

• (0935)

Mr. Pierre Gratton: I would say so, yes.

Mr. Rick Meyers: I would hope so. There's no reason that it shouldn't.

The boards, both in Nunavut and the Northwest Territories, are products of land claim agreements—very important land claim agreements. When boards on both sides of that border, if you like, came into being, they had less capacity. They were just starting out. They were brand new to the regulatory framework and regulatory processes. They're co-management boards, so they provide opportunities for aboriginal and community participation in the process.

Since they've been put in place, they've all matured. They have very good technical capacity. They have a much better sense of regulatory framework and the importance of good legislation.

I think that's why we support it. I can't stress that enough.

Mr. Rob Clarke: The Nunavut Planning and Project Assessment Act provides for a more streamlined process for review of project proposals. Do you feel it's fair for all the stakeholders involved?

Mr. Pierre Gratton: Yes.

As I mentioned in our brief, we hope there are opportunities for comprehensive studies to be reviewed more expeditiously than the maximum two years less a day provided for in this legislation. What we've seen recently is that the NIRB has been operating very efficiently and effectively, so there's an expectation at this point that they will definitely work within the timelines, and probably well within them. That's certainly very encouraging for us.

Mr. Rick Meyers: If I could add to that, it's the responsibility of our colleagues with the Nunavut Planning Commission to ensure that stakeholders' interests and values are considered, and we have faith that they will certainly do that.

Mr. Rob Clarke: Regarding the consultation process by the Mining Association of Canada with its stakeholders, about how many consultation meetings did they participate in with Nunavut?

Mr. Rick Meyers: I don't know the exact number. It was about four or five over about a year and a half. They were day-long or two-day meetings—fairly comprehensive work sessions. We went through aspects of the bill from top to bottom.

I would compliment the government for taking us through that and allowing us the time to provide the comprehensive responses we have submitted over the years.

The Chair: We'll turn to Mr. Valeriote for seven minutes.

Mr. Frank Valeriote (Guelph, Lib.): Thank you all for coming before the committee today.

I'm new to this committee, filling in for Dr. Carolyn Bennett, so I hope you'll bear with me on my questions.

Pierre, Rick, and Nadim, you've all talked about the value of land use planning, and I know about that from my former career. You probably understand the resources, financial and human, that are required to adequately address proper planning issues—the investigating, the experts you have to bring before you to talk about the impact. Paul spoke of the thousands of kilometres of coastline and millions of acres that are at stake here.

Do you feel that their request for proper funding to adequately execute their responsibilities is a fair one? If there is an inadequacy in the legislation right now, do you feel that it should be addressed and amended?

Mr. Rick Meyers: I certainly do.

From my experience, most of the boards across the north have been marginally funded, if you like, if not underfunded. They do get the work done and deliver good product, but they do it at some challenge. I've seen situations in which they were waiting for appointments and waiting for budgets to be approved before they could move forward.

I think it's very important that the co-management boards be funded properly. It obviously allows them to have higher professional expertise, which is absolutely important in reviewing any development as well as in considering any community impacts.

● (0940)

Mr. Frank Valeriote: Yes.

Mr. Nadim Kara: From the exploration perspective, the significance of land use planning can't be overstated, in the sense that exploration dollars flow where they're allowed to flow, and if communities don't want us to flow somewhere, land use planning is the mechanism through which they can tell us that. Therefore, to have those processes resourced effectively is critical to reduce conflict and ensure our industry can generate those benefits where people want them.

Mr. Frank Valeriote: Then you would support an amendment to adequately fund the planners, the commission.

Paul, I just want to get to them, and if there's time I'll come back to you.

Sharon, is this the first time you've seen the six recommended amendments that were submitted by Nadim?

Ms. Sharon Ehaloak: Yes, it is.

Mr. Frank Valeriote: Could you please comment on each of them? Give your response to them, and if you feel you are not able to because you haven't had time to look at them, would you like to reserve the right to make submissions following this meeting so that you can adequately respond to them?

Ms. Sharon Ehaloak: I would ask that we reserve the right, but I would ask that my colleague, Mr. Boyd, be able to speak to the amendments that are being proposed.

Mr. Adrian Boyd (Director, Policy, Nunavut Planning Commission): Thank you, Mr. Chair.

As was mentioned, we haven't had adequate time to consider these amendments, but I would say in relation to timelines that the commission has worked with the government and NTI and the Nunavut Impact Review Board for at least seven years and has identified a reasonable timeline that we felt was suitable for the commission, with the two staff we have, to be able to process the huge number of applications that will come our way once the bill is enacted. We estimate it would take us from reviewing about 300 conformity determinations right now up to about 2,000 after the act.

Regarding schedule 3, the exemption lists, we'd have to look at those. We have an opportunity through the land use plan to identify uses that could be exempt. Lots of land use plans do identify uses that are not required, but our concern would be the sheer timeline for completing the schedule and how that might impact enactment of the act in the future.

On minor variances, a minor variance is a standard land use planning process. Land use planning is a public process. The land claims agreement requires that the land use planning process include the active participation of Inuit and governments to reflect the priorities and values of residents and communities. That's why minor variances have the public review option. Basically, if an application or a request for a minor variance comes in and the commission posts that variance and makes it public, people have an opportunity to appeal that change in the rule, given the requirement that land use planning be a public process.

It's standard professional practice. It's not unusual. All minor variance processes have a public review component if there is an appeal to change the requirement of the land use plan.

Mr. Frank Valeriote: Adrian, before you go on, I want to add another element to the question so that you can respond, because I may run out of time.

Given the reduced timelines they are speaking of in their recommendations, I'd like you to also comment on the specific need for proper funding in order to respond to possible reductions in timelines.

Carry on.

Mr. Adrian Boyd: Thank you, Mr. Chair.

On offences, again, it's standard legislation. I was surprised to hear that industry was unaware. "Unusual and unnecessary", I think, was the phrase.

We were just in Grise Fiord in Nunavut last week. People said that an airstrip had been ploughed and made without their knowledge and without their consent. If someone violates the land use plan and there's no offence, what's the point of the land use plan? Offences are standard in land use planning. If we look at downtown Ottawa, they're redeveloping areas. If you go ahead in contradiction of the land use plan, you receive a stop work order. Your building could be torn down or altered. It's standard land use planning practice.

Grandfathering, again, is standard land use planning practice. I and my associates here have been working on this legislation, this file, for seven years, the three of us. Grandfathering is a big deal for land use planning. What we were looking at when we first introduced grandfathering is, again, standard professional practice. The feedback we got was that in Nunavut, 60% of the area was staked, so as soon as you registered your interest through a mineral claim, you were exempt from new terms in the land use plan. Then the land use plan would have applied to only 40% of Nunavut.

This is why grandfathering, again a standard practice, is so important to land use planning. Otherwise, once I've staked a mineral claim, I'm exempt from the plan forever. That's not how land use planning works. The point is that you use a piece of land for a particular period of time. Once you're done with that particular land, if you're in contravention of a land use plan, eventually the next user has to comply with the land use plan.

Regarding the five-year review of the act, I don't know if we have any comments on that or not.

Sharon will speak to funding.

• (0945)

The Chair: We are unfortunately out of time, Mr. Valeriote, but I do know that there's a desire for some responses as well as some additional clarification. I think what we'll do is move on to the next questioner, but I would encourage colleagues, if you have time.... I think our witnesses would like to seek some clarification and add some things.

Go ahead, Mr. Valeriote.

Mr. Frank Valeriote: Could you ask if my colleagues are content to let them just briefly respond to that final question? They might consent to that.

The Chair: Go ahead, Ms. Crowder.

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): I would agree only if we're going to agree to do it for every member. I think we are either consistent or not. Other members have an opportunity to ask for clarification.

The Chair: That's why I'm saying I think we have to move on with the questioners, but I do want colleagues to recognize that I'm getting indication that there's desire from all of our witnesses to respond to comments that have been made.

I will move on to Mr. Rickford.

Mr. Greg Rickford (Kenora, CPC): Thanks, Mr. Chair.

Thank you to the panel today. My questions will be focused to Paul and Sharon, I believe.

I want to put a bit of context on this. We have been up to Yellowknife. We have spent a great deal of time here at committee working on a three-part piece of legislation that I think.... As I look down the list of quotes, I hear "streamlining", "immediately", "highest environmental standards", "clarity", and "certainty", particularly in the case of the Northwest Territories.

It's not an easy job. I'm sure most of you would agree that we're dealing with three levels of government—first nations government, the territorial governments, the federal government—as well as

specific interests of the private sector mining companies and their important organizations that serve them well to bring continuity to a lot of development and implementation issues for the industry as a whole. It's an incredible challenge.

Here at committee we have this legislation looking at a couple of dozen proposed amendments. It looks easy on the face of it, until you come to terms with the fact that a couple of these parts of the legislation, particularly in the case of the Northwest Territories, will be effectively mirrored by their respective territories—in the instance of the Northwest Territories, under devolution. It's not an easy job to deal with those amendments. That's an important piece that I want to put out there first.

Paul, you mentioned some funding issues. I think you said generally that human resources was a piece of it. Are there a couple of very specific funding requirements, key areas, that you've identified that perhaps need to be considered for more support?

Mr. Paul Quassa: Thank you, Mr. Chair.

Certainly under the new legislation there's a requirement to use different languages—

• (0950)

Mr. Greg Rickford: For translation.

Mr. Paul Quassa: —to ensure that we follow translations: French, Inuktitut, Inuinnaqtun, English. That will have a higher cost in our operations. Certainly we do need more resources in terms of human resources.

The other one, of course, is the public registry. Again, that calls for all languages to be used for our public registry.

Mr. Greg Rickford: That would be online, Paul, as I understand it, in addition to the costs of the technical component.

Mr. Paul Quassa: Yes, it would be online, etc. Certainly I think Sharon, our executive director, can give you a little bit more detail as to what cost implications that will have.

Mr. Greg Rickford: Thank you for that.

Sharon, did you want to just chime in briefly there on that?

Ms. Sharon Ehaloak: Yes, thank you.

The commission is critically underfunded, and this is something that should be known by this committee.

To give you a bit of the background, in the absence of our implementation contract, we're coming into our next 10 years. This has been a 10-year period without a contract. Since 1993, the commission has had a FDDIPI increase. We struggle currently with our level of funding to implement our obligations under the land claims agreement with the mandate of article 11.

This legislation brings new obligations that are outside of the NLCA, the Nunavut Land Claims Agreement. First and foremost is the public registry; the commission will be obligated to do that. We proposed to government back in 2010, and all our partners, a proposal for an online public registry—not a Cadillac model, but something that would work and provide the commission with adequate systems to be able to respond to the additional applications that will be coming to us. We will require language obligations with that registry, and with this bill, that will be significant. For us to provide one word in English, it's a \$2 cost to the commission as the cost of translation.

In our organizational capacity, currently we have left positions vacant simply to meet our current needs. We will not be able to enact this legislation without additional funding. There's just no question about it.

Mr. Greg Rickford: Thank you, Sharon.

I just have a couple of minutes, and I wanted to drill down—no pun intended—on the specific requirements related to fairness.

Just looking at the NIRB and NPC relationship in terms of roles and responsibilities, this bill clarifies the roles and responsibilities for the NIRB and NPC respectively, as well as creating, from my understanding and reading of it, an ability to have greater cooperation between them.

Do you agree with that statement, Paul? Do you feel that this will allow the board and the commission to become more effective and more efficient?

Ms. Sharon Ehaloak: I'll answer that. Thank you, Mr. Chair.

I believe that right now the NIRB, the water board, and the commission have an effective working relationship. The identification of roles and responsibilities and the one-window approach is the key here of how a proponent enters into the system. Streamlining and having clarity for all proponents and landowners is the critical piece here in this legislation.

The Chair: Thank you, Mr. Rickford.

We'll now turn to Jonathan Genest-Jourdain.

[*Translation*]

Mr. Jonathan Genest-Jourdain (Manicouagan, NDP): Good morning, everyone.

Mr. Gratton, in recent months, representatives from your organization have come to my office a few times. We had some good interactions and good discussions mainly about the social and environmental aspects of mining in most places in Canada.

I have also read your documentation, which I have here this morning, and a number of points relate to information specific to the social and environmental impact. I wanted to discuss and dissect it all with you, knowing full well that you are francophone and that you understand what I'm saying. So you are able to follow the discussion.

Basically, Mr. Gratton, I see here that "mine development brings critical economic and social benefits," particularly by "enhancing Nunavut's education and social development programs," and contributes "to improving the quality of life for Nunavummiut."

I have a question, just to set the tone. In your presentation, you said that 38% of employees at the Meadowbank gold mine are Inuit. Now, could you explain the discrepancy between the representation of Inuit in Nunavut and their representation in employment in this area of the industry?

Along the same lines, you also indicate in your documentation that there is "support for health care, education and sports facilities." My question has to do with the health care facilities. I also addressed this point with your representatives. What is your position and what measures do you plan to take—in the fast approaching future—to make up for the social impact of the presence and increase of industrial activities in a given sector?

One of the things I'm thinking about is dependence on hard drugs, which correlates with this statement and presence of the industry. It's what we are seeing in the northern regions, particularly in my own region. We see a significant new crop of cases of toxic psychosis and overdose. We are seeing a high proportion of dependence on hard drugs in individuals who are hired and who, from one day to the next, have access to significant financial means. It is important to know that this job in the industry sometimes pays very high wages.

I have another question, this time about education facilities. Is it possible to say whether the efforts made will first and foremost be aimed at establishing educational programs that will serve the purposes of the industry? Will this instead educate the population at large so that it can obtain a minimum level of education, such as a high school or college diploma? Or are these programs simply designed to serve the purposes of the industry?

Thank you.

• (0955)

Mr. Pierre Gratton: First of all, I have a French name, but I am anglophone. However, I will manage.

I did not entirely understand the first question. You want to know why it's only 38%?

Mr. Jonathan Genest-Jourdain: If we consider that most, if not all, of the population is Inuit in that region, why is it only 38%?

I would also like to know whether these people have key positions in management and administration, or whether they are just labourers.

• (1000)

Mr. Pierre Gratton: First of all, to work in the mining industry, you generally need to have at least finished high school. I know that in the case of the Meadowbank mine, steps have been taken to make it easier for aboriginals to work in the mines. It has only been three years, but I know that there has been some progress. Aboriginals are slowly climbing the ranks in mining activities. But it is true that the positions generally offered are entry-level jobs. However, there are people at the Meadowbank mine who have higher positions because they had the training required.

I also know that, aside from the Meadowbank mine, there are a number of examples across the country where mines are contributing to the training and education of aboriginals in the region. There are several examples, and some very good ones, in the Northwest Territories and in British Columbia, which I know well, of partnerships between the industry, the aboriginal communities, the schools, and the federal, provincial and territorial governments. There is cooperation in training the workforce to work in the mining industry, either directly or indirectly. It includes an excellent example that I know well—I think Mr. Bevington knows it well, too—and that is the Mine Training Society in the Northwest Territories. It isn't just training for the jobs, but general training. These programs help aboriginals finish high school and continue their studies in technical fields, among others, to broaden their opportunities for working in the mining industry.

In the Northwest Territories, with the development in the diamond industry, there has been an extraordinary increase in aboriginal involvement at the university level, in just the past 15 years alone.

I admit that it hasn't always necessarily been the case, but the mining industry is now very much involved in the communities it is in. In the aboriginal communities especially, this industry can contribute greatly to improving their quality of life, their education and their skill to be involved in our industry.

[English]

The Chair: Thank you very much, Mr. Gratton.

We'll turn now to Mr. Seeback for five minutes.

Mr. Kyle Seeback (Brampton West, CPC): Nadim, you talked about an environment of uncertainty and you're drawing a correlation between uncertainty with respect to a decline in mineral exploration. Can you expand on that a little and explain how the uncertainty affects investment in opening a mine—not just in exploration, but in other things, moving through feasibility and development?

Mr. Nadim Kara: Thanks for the question.

I think there are few dimensions here. Maybe I'll speak to the impact of uncertainty on exploration and perhaps Rick and Pierre can talk about the impact of uncertainty on mine development.

The first point is that when you invest scarce resources in an exploration project, your probability of success is fairly low, so security of mineral tenure becomes a critical component of why you'd be willing to make that initial investment and how you can convince investors to finance you, because the junior exploration sector, in contrast to the mining sector, doesn't generate revenue. We're completely dependent upon financing, primarily from the stock exchange, so to convince investors to give us some money to do some geochemistry or geophysics in Nunavut or NWT, we need to be able to tell them that if we find something, we will be able to take that project right through to the mine development stage.

Mr. Kyle Seeback: It's to be able to say what happens with certainty in the next stages.

Mr. Nadim Kara: Yes, exactly. The security of mineral tenure at the exploration stage becomes the critical precondition for the financing that generates that high-risk investment.

When you work in an area where you have unsettled land claims or massive interim land withdrawals, such as in the Dehcho area and the Akaitcho area, exploration companies are going to be less likely to invest there, all other things being equal, than in an area where there's a settled land claim, where there's a land use plan, and where the communities are on board and have been engaged by a planning commission to identify their cultural sites of significance, their hunting and gathering practices, and so on.

In the NWT and areas where there isn't that kind of certainty—now I'm talking about land claims—as an explorer, I would choose another jurisdiction with similar geology. From the exploration side, that kind of uncertainty in the NWT is not helpful.

On the regulatory side, when you strike something in your drilling and you think you have something good, but it's going to take 10 or 15 years to get through to the mining side of it, again, all other things being equal, you're going to choose a different jurisdiction. I mean, I hear the capacity issue, and certainly our industry supports more capacity, but that's the exploration dimension.

Maybe I'll let Rick—

Mr. Kyle Seeback: I only ended up with five minutes, so I'm just going to quickly say this.

Mr. Nadim Kara: Okay.

Mr. Kyle Seeback: I think the NWT Surface Rights Board Act is going to address a number of the concerns you're raising. Would you agree with that statement?

Mr. Nadim Kara: We would.

Mr. Kyle Seeback: That's great.

Rick, if you and Pierre want to throw in on this, go ahead, but in the little bit of time I have left I'll also open it up if you want to respond to some of the concerns that have been raised about your amendments. You can pick and choose which question you'd like to answer. I've given you multiple choice.

Mr. Nadim Kara: Since the comments on the amendments are for this presentation, I'll start with one, perhaps, and then turn it over. Recognizing that you haven't had a chance to review it, let me just enter into the record my hope that for our next submission we will have a chance to have that dialogue before coming here. My apologies for that.

On the timelines issue, I want to clarify that in my presentation I wasn't suggesting that our association supports a reduction in timelines. What we wanted to say was that we support the timelines that are in the act, but we think some proposed sections leave open the possibility that those timelines won't be met. We think that in those specific proposed sections, the timeline of two years should be referenced in order to make this consistent throughout the act. I think that's a very important distinction to clarify. I'll stop there.

• (1005)

Mr. Pierre Gratton: I would add on the timelines point that it is particularly with respect to the NIRB portion of the review process, not the planning commission's portion, where we saw opportunities for improvement.

I would also emphasize that when we referred to offences under the land use plan, what we found unusual was the criminal offences that are in the act, and I would agree completely with the point that land use planning without any measure to enforce it is meaningless. I would agree with that. It was the Criminal Code offences that we found to be somewhat heavy-handed.

Also, with respect to minor variances, what we have been suggesting is that the planning commission itself have the discretion to make those determinations. We're not suggesting that minor variances be granted willy-nilly without public review, but we have full confidence in the commission's ability to determine, from time to time, if something is of really minimal consequence and doesn't merit a full comprehensive review by the public. They should have the discretion to do that. They have such a unique role as the people's body, in a sense, that we thought they could have the discretion to do that, but it would be their decision and nobody else's.

I just wanted to emphasize those three points.

The Chair: We'll hear from Ms. Crowder now, for four or five minutes.

Ms. Jean Crowder: Thank you, Mr. Chair.

I want to thank the witnesses for coming before us today.

I have to admit that it's a bit surprising to see the industry provide amendments that the Nunavut Planning Commission and the Nunavut Impact Review Board didn't see, given that everybody is talking about this long process in which everybody was included. I think it's a bit surprising to have you receive them here today.

Mr. Quassa, I have a question for you and your team around other amendments that have been proposed. Both the Nunavut Impact Review Board and the NTI have proposed other amendments. I wonder if you've had an opportunity to examine them. I wonder if you support any of those amendments, or if you just want to see the legislation proceed as is.

Mr. Paul Quassa: Well, generally speaking we support what NTI is proposing, but we have different perspectives from what is in NIRB's proposed amendment. I'll ask Sharon to provide a bit more detail.

Ms. Sharon Ehaloak: Thank you.

We do support 100% the NTI submission. With regard to the consultation process, NTI is not presenting anything new. It is what

has been on the table and has consistently been ignored by government—

Ms. Jean Crowder: Sorry; my comment about new information was about industry. I'm very well aware that NTI has presented those amendments throughout the process. Thank you for clarifying that, though.

Ms. Sharon Ehaloak: Just to be clear, industry was not at the table during the negotiating process. Industry directly communicated with government, not with the parties through the process. That needs to be clarified.

With regard to NIRB's submission, the commission does not agree with that. We were very surprised to see it. With regard to the NTI submission, we know that the wording of the land claims agreement does need to be amended and what we believe they're proposing will reflect the needs for this legislation to go forward.

Ms. Jean Crowder: Mr. Boyd, do you have a comment? I know Carol wants to get a quick question in, but I want to thank you again for clearly laying out the concern around resources. It's a concern we've raised consistently at this table, and it's very important that you have an understanding of the resources that you're going to have in place in order to move forward with implementation of this piece of legislation.

Carol, do you have a question?

Mrs. Carol Hughes (Algoma—Manitoulin—Kapusking, NDP): You've talked about the funding. Basically this is legislation that would go forward with some tools missing. The tool box is not quite full, and the job can't really be done. Can you elaborate on some of the failures that this would contribute to? Would there be confusion? Does it limit the ability to consult? I ask because although there have been four days of consultation on this side, I know, because I have a geographically challenged riding, that in four days I can't do the proper consultation. Is it going to hinder the ability to protect the environment on one side as well?

Basically I'm wondering about the danger of moving forward without amendments and whether this bill should have been split.

The Chair: You have about a minute.

• (1010)

Ms. Sharon Ehaloak: Should it be split? No.

Is it moving forward financially without that piece? It was identified from day one by the commission that the funding should be included in the bill, and that consistently has been ignored. Government has told us that it's moving forward as cost-neutral. That's been unacceptable. We will not be able to fulfill the obligations if the legislation moves forward without the funding.

Mrs. Carol Hughes: What happens, then, if you can't...?

Ms. Sharon Ehaloak: Well, governments and the commission will be in court, and we'll probably be sued by the proponents because we will not be able to.... First and foremost, there is the public registry. To implement we need transitional money. We need implementation money, and we need ongoing O and M dollars to sustain it.

I'm trying to go quickly because I know I have a minute.

The Chair: You're still within the timeframe.

Ms. Sharon Ehaloak: We have the obligation to create a public registry. We have the obligation to staff and to prepare the staff and to familiarize them with the legislation and the new timelines. The language obligations are also new. In our presentation in 2010, we provided the initial costs. From the time of our original submission, I'm sure there have been cost escalators, and we will not be able to fulfill our obligations under the legislation, given the requirements.

The Chair: Thank you.

We'll turn now to Mr. Wilks for five minutes.

Mr. David Wilks (Kootenay—Columbia, CPC): Thank you, Chair.

Thanks to the witnesses for being here today.

My questions are geared towards the Mining Association of Canada. Welcome, Pierre. It's nice to see you again.

Your organization was consulted during the development of this bill. Are you satisfied with the mining association's participation during the development of this bill, and can you provide to this committee what that type of consultation was?

Mr. Pierre Gratton: First, to clarify a little, I think there is a big difference between our interaction with government versus that of the commission and other boards and agencies within the north, and the NTI. We were consulted; theirs was a negotiation. It was a higher level of involvement. I'm not questioning that. I think that's appropriate.

What I did see, which I highlighted in my remarks, is that the level of consultation we were given was far greater than we had seen in the past. We very much appreciated that. There was a lot of back-and-forth. I think it was, in part, that in the Northwest Territories the Mackenzie Valley Resource Management Act certainly went through some growing pains, and there were some times when things were not going so well.

To Rick's point earlier, it has matured, and with respect to new mining developments in the NWT, the regulatory system is better now than it used to be. I think there was a desire by the government to avoid repeating the mistakes of the past and to seek more input from industry than had been the case with the Mackenzie Valley Resource Management Act. I think that was part of it, and we were very much appreciative of it.

I would also like to comment on our recommendations in this brief. They were recommendations we had made previously. Not everything we submitted was accepted, so what you're seeing here is what we've said before. The commission has not seen this brief because we have only prepared it for this particular session, but they've seen these recommendations before, because they have been in the public domain.

Mr. David Wilks: With regard to the proposed legislation that would come into law with general application in the Northwest Territories, what advantages do you see to this legislation applying to both settled and unsettled lands?

Mr. Rick Meyers: It doesn't apply to unsettled lands because it is in Nunavut and there's only one land claim and it's settled. I don't think it applies to unsettled lands.

Mr. David Wilks: Okay.

Do you support this bill, and would you give us any concerns related to the specific provisions under the Northwest Territories Surface Rights Board Act?

● (1015)

Mr. Rick Meyers: While we understand that the surface rights board act is a commitment under land claims agreements, I think it's an important last resort, if you like, in terms of dispute resolution in access to land. It applies more appropriately to the junior exploration sector in the mining process.

Sorry, I've forgotten the rest of the question.

Mr. David Wilks: I'd like a little clarification. I sit at the back door of Teck Resources Limited and I watch the Elkview pit being utilized to its maximum every day.

I wonder if you could clarify a little the definition of "minor variance". My definition of a minor variance would be a change to a blast pattern based on waste rock versus haul material. You wouldn't have to go through an application to change that; it would be a mining decision of that company.

Could you give me a definition of minor variance that you have a concern with?

Mr. Pierre Gratton: What you're describing would typically be handled by the provincial mines inspector, and that would have its own regulatory permitting process associated with it. That's not really what we're referring to here; it's more on the front end of the business.

Mr. David Wilks: Give me an example.

Mr. Nadim Kara: Our two associations have spoken about this in detail, and we've decided our message would be that a minor variant is best left to be determined under the applicable land use plan.

Mr. David Wilks: Could anyone give me a definition of a minor variance?

Mr. Nadim Kara: I'll defer to the NPC.

Mr. Adrian Boyd: A minor variance is a small change to existing rules in the land use plan. The draft land use plan must show you where you are eligible for a minor variance. Right now our draft plan has a setback from major road corridors of 30 metres, and you are able to reduce that. We have a 100-metre setback from potential alternative energy sites; you may be able to reduce that. That's where we're at right now with it.

Mr. David Wilks: That's the definition of minor variance.

Thank you.

The Chair: Okay. Thanks so much.

We'll turn to Mr. Bevington now for his final questions.

Mr. Dennis Bevington: I was glad, Mr. Kara, with your presentation on unsettled land claims, but it's not evident anywhere in this document that this is of major concern in the Northwest Territories. If you consider that in the regions where there are settled land claims, where we have existing mines, things are working out well. In the Sahtu, where we have a large amount of oil and gas exploration, things are working out pretty well.

If you go into the Dehcho, and you go to the border between B.C. and the Northwest Territories, you'll see that the shale gas comes right up to the border and all the development stops, so in areas where there are unsettled claims, yes, we do have a problem: we need to settle the claims. It's not a problem of our regulatory system, it's a problem with the unsettled claims, so I wish you guys would put more effort into lobbying this government to settle the claims, rather than spending all this time over regulatory issues. If we start messing with the regulatory system much more than we already have, we're going to create uncertainty as well.

I've heard from both areas of unsettled claims where this surface rights board.... If there's going to be some action in the unsettled areas, there are going to be legal consequences to that. Those groups are manning up on that side.

We also have the situation in Yukon, where the free entry system was taken up in court.

Don't you think that really the prime issue in the Northwest Territories is settling land claims? Would you agree with that?

Anybody who wants to can answer. I'm concerned about it. I think the direction that's been taken here is a bit wrong.

Mr. Pierre Gratton: I would agree that settling of land claims is a major issue. Our industry has said this time and again, though, that there's nothing.... We don't have any role. This is a government-to-government negotiation, and we have no role to play in the settling of land claims, but we have said for as long as I can remember that the settling of land claims is one of the most important things that governments can do to provide certainty on the land base, so I would agree with you.

The Akaitcho is a case in point. It's highly prospective, and it's one of the sources of uncertainty in the Northwest Territories.

• (1020)

Mr. Dennis Bevington: Thank you, and I'd appreciate it if that would show up in your documents as well, because I think that part of the discussion needs to be said.

Mr. Rick Meyers: If I could add to Pierre's comment, coming out of each land claim settlement there have been new boards created. Altogether we have something like 17 boards in the Northwest Territories right now, including the four water boards plus the other boards and what's in the Inuvialuit region.

If you add two more land claims, do you get that many more boards coming out of those settlements? There has to be some modernization, if you like, of the framework. It doesn't reduce the amount of participation by aboriginal groups, and certainly that would come out of the agreements that would be struck between the government and the aboriginal communities.

Settling the land claims is obviously very important, but there has to be a more streamlined framework at the end of those settlements.

Mr. Pierre Gratton: I think the issue of capacity and having enough qualified people to run the boards and agencies in a territory that has a population of about 50,000 is a challenge to begin with. There are probably more board members per capita in the Northwest Territories than anywhere else in the country, so it is an issue.

Mr. Dennis Bevington: There's more land and resources per capita than anywhere else in the country.

Mr. Pierre Gratton: To Rick's point, we're not suggesting in any way that the level of oversight or the level of scrutiny of resource development projects be diminished; it's a question of how it is managed and how it is regulated. I think there's a potential risk there; there are so many boards and agencies.

Mr. Dennis Bevington: Quickly—and I'm sorry I haven't focused on your issues—the NIRB asked for participant funding to be built into the act. That's one of the things that I see as very important. Do you consider that would be a useful addition to this act?

Ms. Sharon Ehaloak: The amendment with funding would be useful on both fronts, both to the commission and to NIRB.

Mr. Dennis Bevington: You mean participant funding.

Ms. Sharon Ehaloak: Yes.

Mr. Dennis Bevington: In that way, people in Nunavut could afford to take the time to participate in these decision-making processes.

Ms. Sharon Ehaloak: Yes.

The Chair: We turn now to Ms. Ambler for five minutes for the final questions.

Mrs. Stella Ambler (Mississauga South, CPC): Thank you, Mr. Chair. My questions today are for the Nunavut Planning Commission.

Paul, Sharon, and Adrian, this bill establishes the Inuit as a signatory to the land use plans. From your perspective, can you explain to the committee the significance of this? Including the Inuit is really not a specific requirement of the Nunavut Land Claims Agreement; can you tell us why this is an important part of the bill?

Mr. Paul Quassa: I believe it is important because, again, the signatories of the Nunavut Land Claims Agreement are both governments and the Inuit of Nunavut, represented by NTI. We fully support that there is a need for the Inuit role in being signatory to this.

Ms. Sharon Ehaloak: To be very clear, all landowners—that includes the NTI, the federal government, and the territorial government—are required to follow the land use plan, and therefore NTI should be one of the signatories signing off. Respectfully, the land claims agreement, which Mr. Quassa here signed with the federal government, is legally binding and represents the interests of Inuit.

I would ask Mr. Boyd for one last comment.

Mr. Adrian Boyd: The land use plan applies to all land, including Inuit-owned lands, so it's very important that the landowner be involved in the approval process of the land use plan.

Mrs. Stella Ambler: Good.

The environment committee was my previous posting, and to an extent the environment is where my interests lie. Could you tell me the importance in general of land use plans in environmental protection and how the two are related?

Mr. Paul Quassa: As we said earlier, I think we've spent about 90 days now touring some Nunavut communities. We're planning to go to each and every Nunavut community.

We have heard how important land use planning is within the Nunavut settlement area. The communities do want to ensure that the areas they want protected are protected, or that the areas they wanted developed are developed. I believe that's very much part of what the Nunavut Land Claims Agreement states there—the importance of land use planning within our territory.

• (1025)

Mrs. Stella Ambler: Right—it's not just about what someone thinks should be protected versus not protected—but I'm asking about actual, objective environmental protection and how land use planning can help do that.

Mr. Adrian Boyd: Thank you, Mr. Chair.

For an example, there's an area outside Pangniqtuuq, in Pangnirtung in Nunavut, that is so important to people for the beluga whale that they want it protected, with no development in this area. They have been unable to get government to help support managed land use in that area. We're able to do that.

Mrs. Stella Ambler: You can do it through land use planning.

Mr. Adrian Boyd: Absolutely. The land use plan can restrict access to subsurface lands and can restrict access to marine areas. The land use plan has great influence over managing areas special to Inuit and all Canadians.

Mrs. Stella Ambler: Thank you. Sometimes an example is the best way to make a point. I appreciate that.

How does the commission believe this bill will contribute to and enhance environmental protection? Obviously one of the objectives of the bill is to protect ecosystems in Nunavut. Specifically, how does this bill do that?

Mr. Adrian Boyd: The land claims agreement sets out the process by which land use plans apply to environmental protection. With the land claims agreement closely aligned with the bill, that is replicated and brought forward. It enhances the process through that.

Mrs. Stella Ambler: Good.

Would you agree that overall what we say here seems to be that no one got exactly what they wanted from this legislation, that obviously there are competing interests, but that what we have in this bill is a complete legislative package that basically everyone could sign onto by being three-quarters happy, or four-fifths? Would you agree to that assessment of the bill?

Mr. Paul Quassa: Yes, I believe so.

Sharon, do you want to add a bit?

Ms. Sharon Ehaloak: The commission supports this bill. We do think it's a solid piece of legislation. There are some inadequacies, some pieces that we feel are missing. To say that everybody didn't get what they wanted.... I think the basis of the bill is very strong, and it gives us a threshold for moving forward.

I don't know if Adrian wants to add anything.

The Chair: We've run out of time.

We want to thank our witnesses today; we appreciate your testimony and certainly appreciate your contribution to the review of this bill.

Colleagues, we will suspend for about three minutes and then we'll move in camera for committee business for a few minutes. We'll have some updates and some discussions about moving forward.

The meeting is suspended.

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