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# **Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities**

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**EVIDENCE**

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**Chair**

**Mr. Ed Komarnicki**



## Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities

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• (1535)

[English]

**The Chair (Mr. Ed Komarnicki (Souris—Moose Mountain, CPC)):** We'll bring the meeting to order.

We're starting our study on the skills development in rural and remote communities during a time of fiscal restraint.

We have three presenters today: our first presentation is by the Department of Human Resources and Skills Development, the second is by the Department of Industry, and the third is by the Department of Indian Affairs and Northern Development.

After all three have presented, we'll open it up to a seven-minute round of questions. We'll probably break for five or ten minutes somewhere midway before that, and then adjourn at 5:30.

With that, I'll turn it over to Louis Beauséjour.

**Mr. Louis Beauséjour (Associate Assistant Deputy Minister, Skills and Employment Branch, Department of Human Resources and Skills Development):** Good afternoon, Mr. Chair and distinguished members of this committee.

[Translation]

My name is Louis Beauséjour and I am the Associate Assistant Deputy Minister of the Skills and Employment Branch of Human Resources and Skills Development Canada. I am joined today by my colleagues, John Atherton and James Sutherland, as well as Janet DiFrancesco, Adam Scott and Shane Williamson from Industry Canada, and Allan Clarke and Sheilagh Murphy from the Department of Aboriginal Affairs and Northern Development.

On behalf of the department, I would like to take this opportunity to thank the committee for the opportunity to speak with you today on our skills development activities in support of remote and rural communities.

HRSDC aims to build a stronger and more competitive Canada, to support Canadians in making choices that help them live productive and rewarding lives, and to improve Canadians' quality of life by assisting them with making important transitions. We are responsible for the design and delivery of a large suite of national programs that provide direct benefits to Canadians, such as the National Child Benefit, Employment Insurance, the Canada Pension Plan, Old Age Security, and Canada Student Loans and Grants.

In particular, Budget 2011 announced that the federal government will forgive a portion of the federal component of Canada Student

Loans for new family physicians, nurse practitioners and nurses who practise in under-served rural and remote communities.

[English]

However, I will confine my remaining remarks to our programs that support skills development and labour market efficiency.

Working with and investing in small and rural communities is an important part of our work. One of the biggest challenges facing government is how to improve economic development in remote communities and to ensure that local residents are able to take advantage of development opportunities when they arise. HRSDC recognizes the importance of ensuring businesses are able to invest in rural and remote communities, and skills development and training are important aspects of fostering such development. We do this by investing in people and focusing on improving the labour market conditions in these communities and across Canada by providing flexibility in program design and delivery options, by working in partnership with interested parties, and by addressing systemic labour market issues.

I will now address each of these in more detail.

First is flexibility. Flexibility is a main theme across our department's programming. While most of our programs are national in scope, they have enough flexibility to be tailored to meet the regional and sectoral needs in different areas. This is evident, for instance, in our national service delivery network through Service Canada, which allows the department to connect with communities and specifically tailor service delivery and program information to client needs.

In Nunavut, for example, where many people have until recently been unaware of many HRSDC programs, Service Canada program officers now travel to rural and remote areas to increase awareness of our social and labour market programs. As a result of this outreach, which is carried out in partnership with community elders, the uptake of programs such as Canada Summer Jobs has increased significantly, from three applications when the program first started, to about 50 applications this year. This outreach has been so successful that Service Canada has been invited to present their approach at the annual Nunavik mayors' conference.

In addition, the Government of Canada has created a labour market architecture that allows provinces and territories to adapt their skills programming to their own jurisdictional priorities. Each year the Government of Canada provides funding, through labour market development and labour market agreements, directly to provinces and territories so they can design, deliver, and manage training and employment supports to Canadian workers best suited to the needs of people in the communities within their own jurisdiction. Provinces and territories are well placed to work with the range of labour market partners to define labour market challenges and develop tailored solutions that are rooted in local realities. By investing over \$2.5 billion annually, each year over 600,000 workers across the country receive both training and employment supports.

[Translation]

The department also offers specialized programs that help to ensure vulnerable groups get the support they need to successfully participate in the workforce. For example, the Targeted Initiative for Older Workers provides employment supports to unemployed older workers living in smaller, vulnerable communities affected by high unemployment, downsizing or closures of major industries.

The program primarily targets remote communities highly dependent on traditional industries where alternative employment is limited, relocation difficult and training resources are less easily accessible than in large centres.

Projects, which are cost-shared with provinces and territories, are usually coordinated by a community-based sponsoring organization, which is able to design them to meet the learning circumstances of participants and link to local employment opportunities.

By working with our provincial and territorial partners, we are ensuring that targeted, responsive programming is being delivered to help people in communities—including rural and remote communities—get the assistance and supports they need to build skills and to ensure sustainability.

We also have a suite of programs that support the development of skills and employment opportunities for Aboriginal people. To guarantee a degree of flexibility, we have taken a similar approach as with our P/T labour market agreements, by devolving responsibility for designing and delivering skills and training programs to our Aboriginal Skills and Employment Training Strategy (ASETS) agreement holders. This allows them to meet the needs of their particular client groups.

● (1540)

[English]

The second approach is through partnerships. Our programs support aboriginal communities in putting in place the conditions needed for them to take advantage of partnership opportunities with the private sector—for instance, in large resource development projects.

While our colleagues from AANDC are more involved in supporting economic development directly, we support the development of the types of skills needed for such projects. For example, the HRSDC skills and partnership fund recently invested \$3.2 million in the Mine Training Society's "More Than a Silver Lining" project in the Northwest Territories. The project will assist 225 aboriginal people from five area communities to access training opportunities and work experience in the mining sector, in addition to helping 70 of them secure employment in the mine.

Through this project, we were able to leverage an additional \$1 million from private sector partners and the territorial government. Such partnerships are being replicated elsewhere to support skills development to allow other aboriginal communities to benefit from the opportunities offered by other large-scale economic projects in their areas—for example, in oil and gas projects in B.C., Alberta, and the territories, mining in the territories, and hydroelectric and mining development through Quebec's Plan Nord.

As you may know, the Government of Canada introduced a northern strategy in 2007. HRSDC supports the people dimension of the northern strategy by working in partnership with territorial governments and aboriginal people to improve skills and employment outcomes in the north. For example, through labour market agreements and labour market development agreements, the territories annually receive over \$11 million for skills and employment training programs. The territories then work with communities and organizations across the region to determine the best place and the best way to deliver programs.

[Translation]

The final approach is addressing systemic labour market issues. As I mentioned before, ensuring that communities have the skills base to attract investment is vital. The Government of Canada helps to identify systemic solutions to support Canadians and communities across Canada in developing their skills needs. For instance, the Government of Canada recognizes that Canadians wishing to enter and be certified in a trade, many of which come from rural or remote areas, face barriers.

The government has taken steps to support apprentices during their training by providing apprenticeship incentive and completion grants, as well as tax incentives for employers and tool deduction for tradespersons.

In addition, the government supports systematic changes to the way skills development is delivered that would also be beneficial for remote and rural areas. For example, the Skills and Partnership Fund is investing \$2.4 million in the Aboriginal Apprenticeship Initiative at Saskatchewan's Gabriel Dumont Institute for Training and Employment. An additional \$8 million over three years has been contributed by the Institute, the provincial government, the Saskatchewan Apprenticeship Trade Certification Commission, and private sector apprenticeship employers.

The Institute will train educational counsellors who will coordinate apprenticeships between Aboriginal workers and employers, develop a long-term strategy for apprenticeship programming in the province. These project activities will be delivered province wide via service delivery sites in a number of smaller communities.

Similarly, HRSDC's Office of Literacy and Essential Skills (OLES) is providing project funding to the Mining Industry Human Resources Council to revise and customize the Mining Essentials program to address the needs of Aboriginal participants by providing essential skills and work readiness skills development, taught using culturally relevant examples.

Through this project, key stakeholders—in this case rural Aboriginal communities, mining companies and educators—are partnering to develop a tailored approach that addresses labour market demands and employment targets and aligns literacy, essential skills and work readiness training with industry requirements.

• (1545)

[English]

We also work directly to support the human resource needs of particular industries, be it the forestry, the mining, or the agricultural sector.

I'd like to take the opportunity to highlight work with the Canadian Agricultural Human Resource Council, which in 2010 led to the creation of a listing of on-farm occupations and associated skill levels that reflect the requirements of the agricultural industries.

We are currently supporting a project that builds on this work by developing a series of career pathways for on-farm occupations, along with their associated credentials and competency profiles. This information will be available as an online interactive resource and will assist employers and potential and existing employees with career progression, including making informed choices on the types of skills and knowledge to acquire.

We are also supporting approaches that seek to overcome one of the key challenges facing these communities: their geographic isolation. My colleagues from Industry Canada have worked diligently on increasing the broadband capacity of rural and remote communities, and we are focusing on helping communities by providing timely information and developing flexible, effective, and cost-efficient tools.

An excellent example is a project funded by the Office of Literacy and Essential Skills, through which Simon Fraser University is developing a literacy and essential-skills training program for aboriginal adults living in rural or difficult-to-reach areas. It will be offered through a mix of online interactive e-learning modules and face-to-face tutoring and mentoring. Through the online platform, participants in this project are able to develop the literacy and essential skills required for post-secondary training, which will increase their opportunity to access employment and contribute to their communities.

Another way our department is making use of technology to improve access to the labour market is through the provision of high-quality, up-to-date labour market information. Our Working in Canada website provides occupation- and location-specific labour market information for job seekers, workers, and businesses. It includes occupational and career information such as educational requirements, main duties, wage rates and salaries, current employment trends, and outlooks. It is a key resource for workers and business-owners to match skills with need. This online platform is particularly useful for Canadians in remote communities, where access to such information may previously have been difficult to obtain.

Finally, the government continues to support the efficient functioning of the Canadian labour market so that businesses can find the human resources they require and Canadians can work wherever opportunities exist. By supporting professional associations and by working with provinces and territories to develop nationally agreed-upon competencies, the federal government works to enhance national labour mobility.

[Translation]

Let me conclude, by thanking you again for the opportunity to contribute to your study. As you know, the difficulties facing remote and rural communities are wide-ranging and no order of government or single entity can solve these alone.

We are conscious of the needs of our partners and of the opportunities presented by working closely with them. We work with provinces and territories, Aboriginal communities, educational institutions, and other stakeholders and businesses to address the problems of today.

As I have shown, our programs aim to provide supports tailored to the needs of participants, businesses and the efficient functioning of the labour market and provide the flexibility and mechanisms to deliver supports that are suitable for both urban and rural Canada.

Thank you.

• (1550)

[English]

**The Chair:** Thank you for that extensive presentation. It covers a wide range of methods.

The next presentation will be the Department of Industry. Ms. DiFrancesco, go ahead.

**Mrs. Janet DiFrancesco (Director General, Electronic Commerce Branch, Spectrum, Information Technologies and Telecommunications Sector, Department of Industry):** Thank you, Mr. Chairman.

I am pleased to be here today with my colleagues Adam Scott, director of business and regulatory affairs with the telecommunications policy branch, and Shane Williamson, executive director of the knowledge infrastructure program in the science and innovation sector at Industry Canada.

As director general of the electronic commerce branch at Industry Canada, I am responsible for a program called Broadband Canada: Connecting Rural Canadians.

In 2009, 95% of Canadian households had access to basic broadband, defined as a minimum speed of 1.5 megabits per second. But in rural and remote areas, only 85% of households had such access. For the individuals, families, and businesses that do not have access to broadband Internet service, important economic and social benefits such as telehealth, business opportunities, and distance-learning are not fully realized.

[Translation]

As part of Budget 2009, Canada's Economic Action Plan, Industry Canada was mandated to develop the Broadband Canada: Connecting Rural Canadians program, a three-year initiative to extend broadband Internet service to as many unserved and underserved households as possible in rural and remote areas.

The objectives of the program are to increase the number of Canadian households in rural and remote areas with access to broadband service at a minimum download speed of 1.5 megabits per second at a reasonable cost, and provide essential infrastructure that allows them to participate fully in the digital economy.

The program provides a one-time, non-repayable contribution to support the expansion of broadband connectivity where it may otherwise not be economically feasible for the private sector to deploy on its own. The program provides federal funding, up to 50% of eligible costs, to eligible recipients that include the private sector or consortiums of companies, not-for-profit organizations, and provincial/territorial entities that build and operate broadband infrastructure through a competitive application process. Projects serving First Nations communities can receive additional funding from other federal sources, for up to 100% federal funding.

[English]

The program was designed to be technology-neutral and accepted a variety of technological solutions. Provinces and territories where plans to connect 100% of households were already under way were not eligible.

In the summer of 2009, prior to the launch of the program's call for applications, an extensive mapping exercise was conducted to determine where broadband coverage existed. This process called on feedback from provincial governments, regional broadband associations, Internet service providers, and private citizens, as well as Industry Canada's own abilities to research and identify areas where service was available. Through this exercise, 64 geographic service areas covering all of Canada were identified as eligible for funding.

In response to the competitive application process in the fall of 2009, 570 applications were received from 144 companies, requesting \$974 million in total funding. All 570 applications were assessed against the program's criteria, which included coverage, cost, technological solution, sustainability, and project management.

The selection of projects for funding was based on three guiding principles: the ability to maximize federal investment by connecting the greatest number of households at the lowest cost; the ability to provide robust service of at least 1.5 megabits per second even when multiple users are online and during peak periods; and the need to minimize duplication wherever possible. Where projects overlapped in a particular area, the lowest cost-per-household project was selected.

In the spring of 2010, 98 projects were conditionally approved pending completion of the department's due diligence requirements. After the selection process to verify that projects met all program requirements, 85 projects from 41 recipients, representing approximately \$118 million in federal funding, were ultimately approved, and contribution agreements were signed. These projects will provide broadband access to over 214,000 households.

• (1555)

[Translation]

Currently, there are 14 projects that are complete and over 45,000 households now have access to broadband. The remaining projects are in various stages of completion.

When all projects are completed in summer 2012, and together with provincial, territorial, municipal and private sector initiatives, it is estimated that less than 2% of Canadian households will remain unserved or underserved. If advanced mobile networks are included, less than 1% households will remain unserved or underserved.

The delivery of broadband service to rural and remote communities encourages economic development, spurs innovation and improves the quality of life in hundreds of communities across Canada. For example, Internet speeds of 1.5 megabits per second allow a user to stream and watch movies, download music and participate in online gaming. It allows users to place telephone calls over the Internet using voice over Internet protocol technology. From a business perspective, it allows video conferencing (using applications such as Skype) and the ability to run multiple applications at the same time.

[English]

Currently there are 14 projects that are complete and over 47,000 households now have access to broadband. The remaining projects are in various stages of completion.

We have seen first-hand how access to broadband has impacted individuals and businesses who were disconnected from the digital world. Most recently, we conducted site visits in remote regions of British Columbia. An owner of a resort talked about how high-speed Internet has significantly improved his business, reducing vacancy rates during low season, bringing both tourists and commercial clients to his resort. Evidence of this was the helicopter parked on the front lawn. A mining exploration company was staying at the resort for an extended period of time, due primarily to the availability of broadband Internet at the resort. The company was able to transmit valuable information gained in the field back to its headquarters.

In another project, the Ktunaxa Nation Council, which owns FlexiNET, has undertaken a project to expand and enhance broadband services. As a result of the project funded by Broadband Canada, they are now able to offer improved access to allow tasks such as land management to national language training, online banking, the creation of websites for local businesses, online courses, and the use of video-conferencing technologies to provide health services and telephoning by a voice-over-Internet protocol.

Of particular importance to the community is preserving the Ktunaxa language. Given the limited existence of native speakers of this language, the Ktunaxa Nation has been recording their language using various digital means. The FlexiNET network allows the Ktunaxa Nation Council to provide various online trading products to its community, thus ensuring that the language is preserved for future generations.

I would also like to say a few words about the knowledge infrastructure program, as it may be of interest to the committee. The knowledge infrastructure program was a temporary program established through Canada's economic action plan to fund infrastructure projects at Canadian universities and colleges. The objective of this program was to provide an immediate economic stimulus in local communities over the short term, while increasing the research and training capacity of post-secondary institutions over the long term. In total, 52 projects with approved funding of \$95.5 million were located in communities of 10,000 residents or fewer. Through these projects, KIP funding has helped enhance the capacity of post-secondary institutions to provide training in rural and remote areas in Canada.

• (1600)

[Translation]

In conclusion, Mr. Chair, we understand the impact that access to broadband can have on individuals, businesses and communities across the country.

And we are very pleased that the Broadband Canada program has been able to contribute to closing the gap for unserved and underserved Canadians.

[English]

I appreciate the opportunity to speak to you today, and together with my colleagues we'd be pleased to respond to your questions.

Thank you.

**The Chair:** Thank you for that presentation.

I noted the percentages you quoted for those who have access to broadband—rural and remote compared to urban. It's rather interesting. We'll hear more, I understand, from Mr. Clarke, so if he would like to present, go ahead.

**Mr. Allan Clarke (Director General, Policy and Coordination Branch, Lands and Economic Development Sector, Department of Indian Affairs and Northern Development):** Thank you, Mr. Chairman, for the invitation to address this committee. We're pleased to provide some information that may assist you and your committee in the study of skills development in remote communities.

[Translation]

Unfortunately, my notes are in English only. Having said that, I would be happy—and hopefully able—to answer questions in Canada's both official languages.

[English]

My name is Allan Clarke and I'm the director general of policy and coordination in the lands and economic development sector of the Department of Aboriginal Affairs and Northern Development. I'm here today with Sheilagh Murphy, who's the director general of the social policy and programs branch.

Today I'd like to offer an overview of the work we are doing to help promote the participation of aboriginal Canadians in the economy, with a particular emphasis on first nations remote communities. There are a number of conditions that suggest that aboriginal Canadians have an unprecedented opportunity to contribute to Canada's economy. The aboriginal population is the fastest-growing and youngest segment of the Canadian population, and with more than 400,000 aboriginal youth projected to enter the labour market by 2020, the aboriginal population is poised to meet Canada's future labour market needs.

Increased labour force participation by aboriginal Canadians will be integral to supporting Canada's long-term economic growth and prosperity. In fact a recent study by TD Economics estimated that by 2016 the combined income of aboriginal households, business, and government sectors could reach \$32 billion. This amount compares to the present income estimate of \$24 billion this year.

An already sizeable aboriginal land base is growing significantly with the settlement of both comprehensive and specific claims. First nations now control or own over 15 million hectares of land. Inuit own or control over 45 million hectares of land. This growing economic base, if activated, will make an important contribution to both national and regional economies.

The non-aboriginal private sector is also increasingly recognizing the tremendous economic potential of aboriginal Canadians. Many of the largest resource development projects under way in this country feature partnerships with aboriginal groups. Aboriginal leadership is increasingly business-oriented and sees economic development as a means to greater reliance and independence.

Despite these emerging trends and new factors, the economic outcomes of aboriginal Canadians continue to lag behind those of non-aboriginal Canadians. Today, 66% of aboriginal Canadians hold a degree, certificate, or diploma, whereas 85% of non-aboriginal Canadians hold a degree, certificate, or diploma.

Aboriginal Canadians on average have higher unemployment rates and lower individual incomes. As a result, more than twice as many aboriginal Canadians as non-aboriginal Canadians live in poverty.

Outcomes also vary according to identity group, gender, and location. Aboriginal women have higher unemployment rates and lower incomes than do their male counterparts. On-reserve income assistance dependency is 36%, compared to 5% nationally for the rest of Canada. Remote communities face particular challenges to market access, high costs of doing business, and deficiencies in infrastructure.

The Canadian Chamber of Commerce report, which inspired in part your committee's study looking at these issues, identified 22 recommendations for the federal government, organized around six main areas: examining new partnership opportunities with the private sector, ensuring training and skills development are flexible and responsive to market needs, reducing regulatory red tape, rethinking approaches to infrastructure procurement, supporting value-added process manufacturing, and providing small business and entrepreneurs with the tools needed to establish and grow businesses.

The tenor of these recommendations is well aligned with the federal approach to supporting aboriginal economic development across Canada. In 2009 a new federal framework for aboriginal economic development was released. It reflects the real, significant, and growing opportunities for aboriginal people to take an unprecedented step forward to becoming full participants in the economy as entrepreneurs, employees, and employers.

The framework of the whole-of-government approach to economic development has five strategic priorities: strengthening aboriginal entrepreneurship; developing aboriginal human capital; enhancing the value of aboriginal assets; forging new and effective partnerships; and focusing the role of the federal government.

The Department of Aboriginal Affairs has worked closely with HRSDC as well as with other federal and non-federal partners in the private sector to ensure that investments are targeted to support economic development, education and skills development, and growth. Aboriginal Affairs and HRSDC are modernizing our respective programming as a first step to supporting the full, effective, and whole-of-government implementation of the framework.

● (1605)

Recognizing that the federal government does not hold all the levers to economic development, we have focused on forging new and effective partnerships with the private sector and communities to identify emerging opportunities and to develop strategies to unlock these opportunities to support economic development. This has included recent federal investments and the development of new partnerships and opportunities such as the Ring of Fire in northern Ontario; the creation of the First Nations Power Authority of Saskatchewan; sustainable energy initiatives for remote diesel-reliant communities in British Columbia and northern Ontario; and the diversification of the first nations fisheries in Atlantic Canada.

As part of the continuing and expanding implementation of the framework, we have also launched something called the strategic partnerships initiative. The strategic partnerships initiative is a federal horizontal initiative designed to increase economic development opportunities for aboriginal Canadians in sectors such as agriculture, fisheries, forestry, mining, and energy through partnerships between federal and non-federal partners, ultimately with the goal of supporting greater participation of aboriginal people in the economy.

Through the strategic partnerships initiative and other framework activities, we are working on the development of more comprehensive and pragmatic labour market information and strategies in key resource sectors, and ensuring that new projects are undertaken with a view to ensuring that training activities are closely linked with the needs of communities and employers, as well as to alternative training platforms such as on-the-job training and mentoring.

The federal government has undertaken to work with communities and other partners to set the stage for success. For example, the strategic partnerships initiative has already been a catalyst for partnerships between the Matawa Tribal Council and a number of federal and Ontario provincial government departments and the private sector to support first nation participation in the Ring of Fire by helping first nations build or obtain the organizational and technical capacity to negotiate economic benefits from mineral development on their traditional territories, or to prepare for business, employment, and investment opportunities.

As part of the reforming first nation education initiative, the Department of Aboriginal Affairs is investing in establishing the foundation for long-term improvements in education. The Government of Canada, in collaboration with the Assembly of First Nations, created a national panel on first nation elementary and secondary school education to lead an engagement process on the development of options, including legislation, to improve elementary and secondary education outcomes for first nation children who live on reserve. This panel recently held its last public engagement session and we are looking forward to its recommendations. The Department of Aboriginal Affairs is focusing on providing quality education where investments support initiatives that improve student outcomes.



We've also taken a number of steps to improve the regulatory environment on reserve, including steps to support first nations to undertake land, environment, and natural resource management activities as key services of a strong local government.

In recent years we have taken steps to make it easier for first nations to develop energy projects. Two years ago, for example, Parliament amended the Indian Oil and Gas Act. These amendments allow for an oil and natural gas management regime on reserve that is more transparent, efficient, and attractive to outside investors. To develop these amendments, the government followed a process similar to the one taken by this committee, listening carefully to the views of those involved. The Indian Resource Council, for instance, played a key role.

In addition to the Indian Oil and Gas Act, two important and complementary pieces of optional legislation are the First Nations Lands Management Act and the First Nations Oil and Gas and Moneys Management Act. Under these acts, a first nation can assume control of land, natural resources, and environmental management, including petroleum resources along with related resource revenues.

Another legislative tool that first nations can choose to use is the First Nations Commercial and Industrial Development Act. Mining regulations have been developed under this act that enable oil sands mining on Alberta reserves, which would otherwise not be possible. This act is also being used now to develop the regulations for the Haisla First Nation in B.C. to operate a liquefied natural gas plant.

All these legislative initiatives have been designed to provide flexibility to meet the unique needs of first nation communities.

The final point I'd like to address is consultation and accommodation. The crown has a legal duty to consult—and where appropriate, accommodate—when decisions to approve projects may adversely affect aboriginal and treaty rights. We have taken a number of steps to ensure this duty is fulfilled. A consolidated federal approach to consultation and accommodation is in place, for example, and over 1,800 federal officials have been trained to follow this approach.

We remain committed to ensuring that programming is flexible and responsive to the unique needs and circumstances of aboriginal Canadians, and that communities have the appropriate tools and supports to plan, prepare, and participate in opportunities, as well as the social and community infrastructure to engage and sustain economic growth.

The Government of Canada continues to take decisive steps to modernize its relationship and strengthen partnerships with aboriginal Canadians, and we continue to invest in self-reliance by focusing on opportunities and removing obstacles to aboriginal Canadians' full participation in the economy.

Thank you.

• (1610)

**The Chair:** Thank you very much to each of the presenters for a very informative presentation. We want you to know that we really do appreciate that you've put it together in a fairly short period of

time, as you are the first presenters to this committee. We want you to know that we appreciate that very much.

We'll open it up to questions now. Ms. Crowder will start for the first seven minutes.

**Ms. Jean Crowder (Nanaimo—Cowichan, NDP):** Great, thank you.

My thanks to the witnesses for appearing. I thought it was interesting that all of your presentations had a heavy focus on aboriginal—first nations, Métis, and Inuit.

In the document entitled “The Business Case for Investing in Canada's Remote Communities”, the first recommendation was to review the funding formula for education in first nations communities to ensure parity with the provincial financing model. There have been a number of studies done that include first nations, Métis, and Inuit access to education. One was the 2007 study “No Higher Priority: Aboriginal Post-Secondary Education in Canada”, which came out when Mr. Mayes chaired the aboriginal affairs committee. In the 2010 report “Building the Pipeline: Increasing the Participation of Women in Non-Traditional Occupations”, there's a part that specifically refers to aboriginal women in trades. And then there was an extensive and thorough report called “Northerners' Perspectives for Prosperity”, December 2010, where the aboriginal affairs committee travelled to rural and remote northern communities and produced 35 recommendations on improving economic prosperity in the north.

In addition, the Auditor General has made recommendations on the inadequacy of education for first nations, which the chamber of commerce referenced. We have two pieces at issue. One is the 2% funding cap that's been in place since 1995, and the other addresses the inadequacy of the per capita funding that first nations on reserve schools receive. The average is \$2,000, but in many communities, and especially in remote northern communities, the problem is much greater because provincial governments fund off-reserve schools in rural and remote communities at a much higher level.

I think there are two questions. First, what efforts have HRSDC or the Department of Aboriginal Affairs made to close the funding gap in K-to-12 education? There's no point in talking about post-secondary, technical, or trades if we don't actually have children completing grade 12. Second, what efforts have been made to address that 2% cap when we know that aboriginal populations have grown, on average, about 11.1%, according to the Auditor General?

I'm not sure if it's HRSDC or the Department of Aboriginal Affairs who would like to answer those two questions.

**Ms. Sheilagh Murphy (Director General, Social Policy and Programs Branch, Education and Social Development Programs and Partnerships Sector, Department of Indian Affairs and Northern Development):** Thank you.

On the question of closing the funding gap for K-to-12, one of the things that our department has discovered is the issue of fair and equitable funding for first nations schools. This is one of the improvements we need to make, along with moving towards comparability in education. Comparability in education is not necessarily about additional funding; it's about making other changes as well.

**Ms. Jean Crowder:** Ms. Murphy, could I interrupt for one moment?

I'm sure you've been to some of these remote schools. Some of the information that came out about the education initiative that's under way has indicated that in some of these schools they don't have access to libraries, computers, or gymnasiums. So I would agree with you about the comparability. These schools aren't even remotely comparable when you look at the lack of facilities that they have.

If you'd like, continue.

•(1615)

**Ms. Sheilagh Murphy:** We are looking at comparability in funding as well as in programming efforts. We want children on reserve to be able to move back and forth between provincial schools and on-reserve schools so that they get the same education they would get off reserve.

We are looking—

**Ms. Jean Crowder:** Could I get you to clarify a point that you just made about moving back and forth between provincial schools? In some of these communities there are no provincial schools in the area, so it would mean they would have to leave their communities. What I've heard from some of the elders and parents in these remote communities is that this feels like residential school all over again. They have to ship their children away to get an education. Is that what I'm understanding you to say?

**Ms. Sheilagh Murphy:** Those cases can arise. What I am pointing to is that children may go to school on reserve and then move or be relocated or attend off reserve. We want them to have the same level of education so that as they move to a provincial school they can be integrated into the same grade level as they would be on reserve—so comparability in terms of being able to transition to off-reserve schools. In some communities, yes, there are no high schools, so they would move off reserve to attend high school. We want them to be able to integrate into high schools located close to their reserve or far away, depending on their location, so they can attain the same level of education and qualify for the same level of education. The comparability of educational outcomes is what we are trying to achieve.

In terms of the funding, we have commissioned a report to look at expenditures across the country by provinces to see if we can do a comparative analysis to help identify the level of resourcing needed to provide a comparable quality education of first nations students. It is part of a mandatory departmental K-12 evaluation to identify where there are needs and what the funding issues are.

**Ms. Jean Crowder:** When do you anticipate that study being available?

**Ms. Sheilagh Murphy:** I'm not sure of the exact date, but my understanding is that it is ready to become available in the next couple of months.

**Ms. Jean Crowder:** On the First Nations Land Management Act referenced by Mr. Clarke, I happen to know there are many first nations that are in line but simply can't access the funding. In fact, unless it's changed in this current fiscal year, the funding was never completely expended. I would agree with you that the FNLMA is a good tool for self-sufficiency and economic development, but there's simply not enough money to support the first nations interested in taking that up.

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

**Mr. Allan Clarke:** The First Nations Land Management Act is a regime that has been very successful, I think, and there is quite a strong correlation between economic development outcomes and people in communities that are managing their own lands and resources. In fact, in the last budget, budget 2011, there was a commitment to invest more money in the First Nations Land Management Act. I'm in the process of implementing that budget decision.

**The Chair:** Your time is up.

We'll move to Mr. Mayes.

**Mr. Colin Mayes (Okanagan—Shuswap, CPC):** Thank you, Mr. Chair, and thank you to the witnesses for being here today.

As Madam Crowder mentioned, I was the chair who tabled the report "No Higher Priority", on post-secondary education for aboriginal Canadians. One of the findings of the report was that aboriginals who attained grade 12 had the same outcomes, as far as moving on to post-secondary education, as non-aboriginals in Canadian society, but it was getting the aboriginal student to get to grade 12. One of the issues identified, especially with males, was the lack of interest, and maybe the challenges within the school system for them.

I'm not offended by somebody having to go to another area to get the courses or the training they need. Even the non-aboriginal people where I lived in Yukon did that. A lot of the issues we have today in some of the more isolated aboriginal communities, especially in northern Ontario, come from the lack of opportunity. They are isolated. There is maybe no resource development happening in their area. So there is very little hope. There has to be some mobility.

I'm wondering if any thought has been given to looking at the opportunity to help aboriginal students in the senior grades of the grade school move to other communities where there are opportunities for skills training or for certain courses not available in their community.

•(1620)

**Ms. Sheilagh Murphy:** I have to say I don't have exact information on work that's being done to deal with that issue. I do know we have the work of the K-to-12 panel that has been going across the country and listening to communities and experts in education on how to better deliver K-to-12. I would expect that kind of issue has been raised, and we look forward to the results of the panel and what recommendations they may have. In terms of other additional work, we could get back to you on the work that may be being done in the department around that issue.

**Mr. Colin Mayes:** I think a number of these remote aboriginal communities have lost hope because they don't see things around them that give them hope of an opportunity to work and use their skills. I'm wondering if there is any program where aboriginal students can be taken to other places where there has been success and be shown those successes so they can hope they can mimic what's happened in other communities and be part of that.

**Mr. Louis Beauséjour:** I'm not sure we have a program that does that specifically, but I think the skilled partnership fund, when we bring people to be trained and work on specific projects, is one way we can increase their skill level and give them the opportunity to find employment. That knowledge and that information could be brought back to their own communities to show there's sometimes some hope to have some work.

**Mr. Colin Mayes:** Anybody else?

**Ms. Sheilagh Murphy:** I'm not an expert in the education side of Aboriginal Affairs and Northern Development Canada, but I believe we could certainly find out whether some of our youth employment strategy initiatives that are focused on that age group support those kinds of experiences for later secondary school participants and give them examples and opportunities to experience other realities outside their community that might encourage them to continue with their education. We could certainly see what we have as examples of where that might be happening.

**Mr. Colin Mayes:** Mr. Sutherland, do you have something?

**Mr. James Sutherland (Acting Director General, Aboriginal Affairs Directorate, Skills and Employment Branch, Department of Human Resources and Skills Development):** Yes. While not part of the K-to-12 or the upper grade levels, under our aboriginal skills and employment training strategy and our skills and partnership fund, initiatives such as mentoring or allowing people to go to other places for training are eligible activities. So should a community under the ASETS or under a skills and partnership project determine that is a good thing, that is an eligible expense and is allowable. Doubtless some ASETS holders are doing that.

**Mr. Colin Mayes:** I think that's a great investment, just to give them possibilities, because that's going to give them hope in some of these more remote communities.

A figure was mentioned of 600,000 students who have been trained with certain skill sets. Of those, what percentage go directly into the labour market? Do you have those figures?

**Mr. Louis Beauséjour:** No, I don't have those figures, specifically how many are successful after getting the intervention with the.... That was referring to all provinces and territories using labour market development agreement money to fund different

supports for the 600,000 who are being trained or use the support. I don't have the number of how many have been successful. We can try to get that.

•(1625)

**The Chair:** Do you have a comment, Mr. Sutherland?

**Mr. James Sutherland:** No.

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

**Mr. Colin Mayes:** What sort of partnering do you do with those who are doing resource development—the mining, oil, and gas sectors? I'm looking at possibly getting ahead of the curve, for instance, on the Enbridge pipeline between Edmonton and Kitimat. Do you work with those companies to look at their needs and start thinking of programs that may be fulfilled before the actual construction starts?

Mr. Clarke, do you have something?

**Mr. Allan Clarke:** One of the things we're doing, I guess inspired by the framework for aboriginal economic development, as well as some of our new programs, like the strategic partnerships initiative.... There are a number of things that I think have changed over the last number of years around resource development that have a huge impact and potential impact for aboriginal communities. What used to be kind of far away is not as far away as it used to be. Communications and transportation corridors are going to get wider, so there are a lot of opportunities that would have been otherwise unavailable to people in the past. That makes this study by this committee quite relevant at this time. It also sets up a number of challenges for us.

One of the biggest things that we have to do, and we've started to do this, is to kind of get ahead of some of these developments. You can think about some of the examples in the past around the Victor diamond mine with De Beers in northern Ontario, and the fact that the type of benefit did not accrue to some of the first nations that might otherwise have. Some of the things that got in the way were basic literacy and numeracy skills. NRCan recently commissioned a study on the Victor diamond mine, which you might want to take a look at. It shows how things do not work out the way you had planned them.

What we're trying to do is learn from some of these things. For instance, I talked earlier about the Ring of Fire, and we see the Ring of Fire as having a huge impact and potentially being of huge benefit to first nations in and around the Ring of Fire development, about nine first nations in northern Ontario. What we need to do there is work a little bit more holistically as a federal government. There are a lot of different departments that have some measure of interest in how these things work, whether it's NRCan, or Environment Canada around the regulatory processes, Aboriginal Affairs Canada, obviously, and HRSDC.

We have a lot of different investments that we're making in economic development, in labour market development and training. One of the things we're trying to do is work with first nations, work with the Province of Ontario, work across the federal family, and work with the mining interests to make sure that we have a better sense of what's at stake and exactly what will be required as we move forward.

As an example, we've been working very closely with Noront, who is interested in developing the chromite deposit up there, as well as the Matawa First Nations Tribal Council, and other first nations. I think the idea that we're trying to evoke is being a little bit more ahead of the curve and not missing some of these opportunities as they come upon us.

We're focusing a lot of our new funding that we had in the strategic partnerships initiative to build in the capacity and support the capacity of first nations to engage with provinces, to engage with the private sector, to engage with the federal government and others, their own communities, for instance, as they enter into relationships with industries that have extremely big and complex operations and developments that are sometimes beyond the scale and scope of things they have otherwise been accustomed to.

This is one of the things we're doing much more aggressively as a federal family.

**The Chair:** Thank you very much, and thank you, Mr. Mayes.

I will suspend for five or ten minutes, then we'll regroup and continue with questions.

• (1625)

(Pause)

• (1640)

**The Chair:** We'll recommence the committee hearing and start with Mrs. Hughes for seven minutes.

**Mrs. Carol Hughes (Algoma—Manitoulin—Kapuskasing, NDP):** Thank you very much. I have lots of questions. I hope I can get most of them in.

I'm going to change the channel a little and go to Industry Canada.

It says here that in budget 2009 the government provided \$225 million over three years for Industry Canada to develop and implement a strategy to extend broadband coverage. We're close to 2012, so is there a plan to allow more money to come through for broadband, given that a lot of communities still need access to broadband? You indicated that 40% of your projects were completed, so that leaves 60% incomplete. Will they be done by the 2012 deadline? Are they all in remote rural communities, and how many of them are first nation?

**Mrs. Janet DiFrancesco:** That's a lot of questions. If I miss one let me know.

**Mrs. Carol Hughes:** You can go back to Hansard after and maybe submit what's not answered.

**Mrs. Janet DiFrancesco:** Certainly.

The broadband Canada program is a three-year sunset program. On what we have achieved, as you noted, only 14 of the projects are currently completed. The remaining 35 will be completed by December 31, 2011, with a few projects going into

March 2012. All of the projects will be completed by the summer of 2012.

We are monitoring them very closely. One of the things we need to understand with Internet projects is that the networks are complex and require a significant amount of effort and sometimes reworking to get them right and provide the service we're looking for.

**Mrs. Carol Hughes:** Are they all in rural communities?

**Mrs. Janet DiFrancesco:** All of the projects are in communities that were designated as unserved or underserved. By definition, urban areas were excluded from the process. In 2009, 100% of urban areas had access to broadband at 1.5 megabits per second. All of these projects are in what we consider to be rural or remote areas.

**Mrs. Carol Hughes:** Is there an opportunity, or has some money been allocated for further funding after 2012? I know that some of my communities are dependent on Internet access for their businesses, but I often get calls from these communities saying they cannot compete with others because they still have dial-up.

• (1645)

**Mrs. Janet DiFrancesco:** By the time the program is finished in 2012 we estimate that less than 0.5% of Canadians will actually lack access to basic broadband, which is at 1.5 megabits per second. Those households are scattered across Canada in very low-density areas, and in some cases very remote areas.

On the next steps, the Minister of Industry launched a federal-provincial-territorial discussion last January. The provinces and territories are looking at trying to get a better understanding of where the gaps in broadband will exist going forward. That may pave the way for a future discussion on needs.

The private sector continues to invest in broadband networks, in particular mobile broadband networks. In some instances these networks provide viable alternatives where other types of broadband don't exist. A number of provinces continue to invest. You may be aware that the Province of Quebec announced \$900 million in investments for broadband in that province. The Province of B.C. recently announced a \$1 billion deal with Telus to expand broadband cellular and broadband services in that province. Alberta and other provinces are doing the same thing.

In the area of broadband connectivity there's a dynamic atmosphere. There's still a lot of investment going on, and we will want to target any future investment in areas where gaps remain.

**Mrs. Carol Hughes:** Out of these 49 projects, how many were in first nations communities?

**Mrs. Janet DiFrancesco:** We have 12 projects in first nations communities, representing just over \$30 million in investment, and they will connect just over 15,000 households, approximately.

**Mrs. Carol Hughes:** Out of the 5%, how many communities are we talking about here?

**Mrs. Janet DiFrancesco:** Out of the 5%?

**Mrs. Carol Hughes:** You said that about 5% still won't have access.

**Mrs. Janet DiFrancesco:** It's 0.5%. That represents about 63,000 households, but I can't tell you precisely which ones would be first nations. We could get back to you on that.

**Mrs. Carol Hughes:** Could you maybe submit, as well, the locations, the areas in Canada? That would be great.

I want to follow up on the aboriginal component. I'm really glad that there was a focus on the aboriginals today.

Mr. Clarke, you mentioned De Beers. We have to also mention Attawapiskat, because that was one of the main communities that could have, or should have, benefited greatly from that project. And as we see, that community is certainly not in a position to be benefiting at this time, from what we can see from the housing conditions, the infrastructure, and the education.

We know that aboriginal peoples have lived and continue to live under fiscal restraints, and in many cases in third world conditions.

You said that holistically, within the federal government, there needed to be a different approach. I'm just wondering if you are hearing the wording "fiscal harmonization initiative" a lot within your department.

Are there going to be any cutbacks to these first nations initiatives and programs?

**Mr. Phil McColeman (Brant, CPC):** Point of order, please.

Mr. Chair, I think we're here to study what we might be able to do for remote and rural communities. We're not here to discuss fiscal cutbacks in any departments. And certainly I don't think it's fair to the witnesses, frankly, that they be asked such a question.

**Mrs. Carol Hughes:** I want to maybe remind my colleague across the way that the study basically talks about fiscal restraint. That is part of the title of the study.

**The Chair:** It's a point of order, so it won't be something we'll debate.

I think it would be difficult for the witness to answer that question, because that's not under her purview or area of responsibility. That would be a government directive of her responsibility.

You will not need to answer that specific question.

If there's another question, you can go ahead.

• (1650)

**Mrs. Carol Hughes:** I'll reword that, then.

With respect to the skills development programs out there, is there any money...? You indicated that you are reviewing the programing.

I'm just trying to think, because I took a whole pile of notes. I'm just trying to figure out where I put that piece.

You did indicate, Mrs. Murphy—

**The Chair:** Just a moment. As a matter of clarification, if the question relates to funding cutbacks that may or may not happen in the future, that would not be appropriate. But if this witness is aware that there were funds that have been reduced up to this point in time, that would be an appropriate question.

I just wanted to clarify that. Carry on.

**Mrs. Carol Hughes:** Basically, what you mentioned was that the expenditures across the country were what you were looking at for these programs.

**Ms. Sheilagh Murphy:** I'm not sure what you're referring to, because you started with Attawapiskat. If you're talking about education and investments in education, we are looking across all of the jurisdictions to do comparisons between first nations education and how provinces fund the education.

**Mrs. Carol Hughes:** What are the factors for those comparisons?

**Ms. Sheilagh Murphy:** I would have to get back to you on that. I don't have the details.

**Mrs. Carol Hughes:** Okay. Can you send that back to the committee?

I was just wondering, in looking at the comparison and the expenditures, are there any dollars being cut back out of the skills development programs and the education portion? Are you aware of that?

**Ms. Sheilagh Murphy:** I can't answer in terms of reductions. I can certainly say that our intention in looking at K-to-12 education is to get to comparable outcomes and good outcomes on reserve. There are a number of ways we can do that, including partnerships with provinces and with first nations. We can look at whether there are other ways of delivering the service on reserve to get to those outcomes. That is something the K-to-12 panel has been going across the country trying to elicit as well.

**The Chair:** Thank you. Your time is well up. I didn't count the interventions as time against you.

Go ahead, Mr. McColeman.

**Mr. Phil McColeman:** Thank you all for being here.

I want to weave a couple of notions into my questions and for you to perhaps consider them when you answer.

First, are there expectations from remote rural communities we should know about, that you see as different from others? We can accept the fact that people traditionally have lived in these areas and continue to choose to live there, but are there expectations we should know about and are not aware of—because many of us are not from remote rural areas—that flavour the things the federal government would do? I don't know whether that word makes sense, but perhaps you could consider that notion.

I'd like to pursue the idea of the partnerships. It seems to me that in a lot of situations, not only remote and rural, there's often difficulty, especially if it has to do with resources and such, in harmonizing federal, provincial, and regional government jurisdictions that exist within remote rural communities. I want to explore that idea. It goes beyond red tape. It goes beyond the duplication of services that perhaps happens not only between departments at the federal level but also between departments federally, provincially, and regionally and municipally. I'd like to explore that question with each one of you, if I might.

Are there unique things we should be considering as a committee as we look at this study, specifically dealing with trying to work towards better coordination, harmonization? What are some of things we might be able to do?

**Mrs. Janet DiFrancesco:** In terms of broadband connectivity, one of the things we've learnt from the program is that every province and territory is different in terms of their needs and requirements, so when you're looking at broadband's connectivity, the first key factor to consider is the population density. Low population density presents a significant challenge when you're talking about infrastructure to support broadband.

The second factor is just that geography across the country also can change significantly. It presents its own unique barriers.

Thirdly, the state of broadband infrastructure in each province and territory differs significantly as well. For example, when you consider the north, the Yukon territory is heavily connected by DSL wireline broadband infrastructure, whereas the Northwest Territories has a mix of the two technologies. Northern Ontario has a completely different challenge from that of the B.C. corridor, where you have little pockets of communities in really challenging conditions, around mountains and trees and those kinds of things.

Provinces and territories and municipalities are best placed to really understand the situation on the ground and what the unique needs are in each of those jurisdictions. That's the value of the FPT process that is ongoing right now. For example, in Alberta they have what they call the Supernet. You might be familiar with that. It was a significant infrastructure program on behalf of the Government of Alberta, which deals with what we call backhaul, or the very basic connection requirement. In some jurisdictions the real challenge is that last mile, or what we would call the connection from those pipes, from the backhaul to the individual business or household.

What we've learned is that there is no one-size-fits-all solution for broadband connectivity across Canada. The challenges are many, and the solutions need to be focused on the specific challenges in each jurisdiction.

•(1655)

**Ms. Sheilagh Murphy:** In terms of what we've learned and what we know are some of the expectations of first nations communities, it would be being able to access skills training and development close to home or in their home communities, especially when they have other barriers that may not allow them to leave their home communities to access that skills training and development. So it would be finding ways we can do that.

In much of our work these days in the area of education, in the area of social development, and in the area of economic development, we find that the partnership approach is the one that is effective. It's not all about the Department of Aboriginal Affairs being able to address the needs of rural communities. We have a role to play, but provinces have a role to play. They have access to programs and services, and deliver those. First nations have a role to play in articulating their needs and finding ways they can deliver them within their communities as well as accessing programs. And the private sector has a role to play in terms of providing access.

So we really do look at partnership approaches, and we're using that as part of our reform agenda. We have high interest among communities for that. It creates expectations. But we find that is a route that is helpful in our making some reforms to programs to get different outcomes across our program areas.

**Mr. Louis Beauséjour:** When we look at the kind of programming we have in skills development, in fact we do recognize that partnerships are really key in all our programming. As I did mention, a lot of the programming is in terms of developing the training per se, and that's why the need is delegated at the provincial level, and in the case of aboriginal communities to the aboriginal group itself, to ASETS holders. I think it's recognized that the need is better defined at the local level.

Also, in terms of our own programming, we strongly believe in partnerships. For the aboriginal community we have the strategic partnership fund. Basically, it's based on a strong partnership with the private sector. Also, when we try to identify the demand for skills and people, we basically work with the sector council, a partnership with private sector education communities and other partners to identify the needs for the future. It's another way we build strong partnerships.

**The Chair:** Thank you, Mr. McColeman. Your time is up.

Does anyone else want to make a comment on that? If you do, this would be your opportunity.

Go ahead, Mr. Sutherland.

**Mr. James Sutherland:** You were asking about some of the expectations from some of our remote communities. Many communities have approached us in our aboriginal programming from HRSDC to say that contrary to much of their recent history, they now have opportunities that never existed before and they're ready to take advantage of those opportunities. Many of those opportunities are for today, but they stretch into the future. And they're seeing that future. They're looking to us to facilitate the development of their skills and the training required to take advantage of that. That's probably one of the unique things. And I think the reference earlier was to hope. Many of the communities are seeing that and they're looking to us for that.

Our programming really does focus on partnerships. In fact, it's a requirement in all our programming right now. In order to apply for the skills and partnership fund under our ASETS program, partnership is a key component to that. In fact, in the projects that we do and with our asset holders, that's with the provincial governments, with the regional governments, with private sector training institutions. Everything we do is basically done in partnership, and our greatest successes are where those partnerships are the strongest.

• (1700)

**The Chair:** We will move to Mr. Cuzner.

**Mr. Rodger Cuzner (Cape Breton—Canso, Lib.):** Thank you very much.

I just have a couple of quick questions. I'll start with a statement first, for Service Canada, for HRSDC.

Are all the provinces now in a situation similar to what we are in Nova Scotia, where the province is responsible for skills training, and under the LMDA they've assumed full responsibility? Are all the provinces in that same situation?

**Mr. Louis Beauséjour:** Yes, all provinces now are completely responsible for providing training to LMDAs and LMAs.

**Mr. Rodger Cuzner:** This is just sort of how that emerged. We went through a rough spot, and I'm not qualified now to say whether it's working out well. I hope it works out well, obviously. Before the province took over, as Mr. Sutherland says, working in partnership... The more intelligence you have on the ground in those local communities, I think the greater success, whatever the project might be. I think we moved away from that before we turned it over to the province. I think we moved away from that, where it was taken out of the hands of the local HRSDC people and sort of centralized more in Ottawa. I think we lost there. I see that with the summer student program as well: when it was in the hands of the local people, the administration of that program, I thought it had more success.

Tell me a little bit about the Nunavut project. Was the outreach project there a pilot project? I mean the one you referred to in your comments.

**Mr. Louis Beauséjour:** In Nunavut, no. I think in there it says it's the way Service Canada provides services to a remote area. They have officers who travel and go to those areas to present what the programs are and what this will do for the communities.

**Mr. Rodger Cuzner:** We've obviously got an office in Nunavut. So they just get out of the office more? They get up to Rankin Inlet or something, and they weren't doing that prior to this?

**Mr. Louis Beauséjour:** What we're saying is that they are doing it now. I don't know when it started. I cannot speak of when exactly they began to travel in more remote areas, but that was one example that was working, in fact, in Nunavut.

**Mr. Rodger Cuzner:** I guess what I'm sort of moving toward is that the success is fairly modest. When you're dealing with numbers in any department there's usually a million or billion attached to the end. I thought it was neat that you identified in your remarks that you went from three applications to 50 applications and that was by getting somebody out. There's a cost in achieving that success too in rural communities and it has been indicated before. Success in rural

communities does have a greater cost factor. Could you give us an indication as to what types of increased costs we would have looked at and assumed you wouldn't be able to get that out?

**Mr. Louis Beauséjour:** I will not be able to provide that information.

• (1705)

**Mr. Rodger Cuzner:** But you attribute it solely to people getting out of the office and getting into communities?

**Mr. Louis Beauséjour:** I don't know if it's only due to that. It's probably partly due to that. I don't know to what extent; it's only new.

**Mr. Rodger Cuzner:** Okay. I'm just trying to identify what would have been the rationale for the success and what would have been determined as a success, and of course try to get some of the costs around that. Could I get a little more information, if you could provide us with a little bit more information on that?

**Mr. Louis Beauséjour:** I can try to.

**Mr. Rodger Cuzner:** Okay.

I'm okay with that, Mr. Chairman.

**The Chair:** Thank you for that intervention. I guess you could indicate there is a success there, but it would be neat to know what the cost of the success was and whether you might want to continue it.

We'll move now to Ms. Leitch. Go ahead.

**Ms. Kellie Leitch (Simcoe—Grey, CPC):** Thank you very much.

Thank you very much, everyone, for coming today. We greatly appreciate your time and the preparation of the documents for us today.

I think there's sort of widespread recognition that we're seeing this retirement of the baby-boomer generation as really a lead-up to what will potentially be labour shortages across the country, not only in urban areas but obviously in these remote and rural areas, where it is increasingly challenging to have people come to work.

I was wondering if each of the departments could comment on a couple of items, one being what you are doing to prepare to address this issue. The second is whether there are some specific skills or training programs you are looking at in order to try to build that capacity in remote and rural areas, programs that meet the specific needs of those primary employers in the communities in these remote and rural areas.

**Mr. Louis Beauséjour:** I can start.

Yes, I think we are concerned as to what the impact will be of the [Translation]

aging population on the labour market.

We are already doing a number of things and we have to continue doing them. For example, we need to ensure that all Canadians can fully participate in the labour market.

To this end, a number of programs make it possible to target segments of the population that face particular hardships. For example, labour market agreements with the provinces concerning people with disabilities contribute to increasing their participation.

[English]

The opportunities fund is also available to increase the participation of persons with disabilities. There's also the targeted initiative for older workers, where we try to retrain or to keep older workers in the labour force longer, because that's part of the potential solution.

The other kind of programming that we also have in place is working with the provincial governments to accelerate the process for foreign credential recognition, to ensure that immigrants can fully participate in the labour market.

At this point, those are the initiatives I have in mind that we are doing to ensure the increased participation of people in the labour market.

**Ms. Kellie Leitch:** Thank you very much.

**Mr. Allan Clarke:** Perhaps I could add a couple of things from the economic development perspective.

Back in 2009, as I mentioned in my opening remarks, the government released a new federal framework for aboriginal economic development. That is trying to realign how we work as a federal family, and come to ground on what our role is around economic development when it comes to aboriginal Canadians. It's recognizing that things have changed a lot over the past 20 or 30 years. I mentioned some of the things.

Demographics, obviously, is one of them, in terms of the number of aboriginal Canadians who will come of age, over the next ten years, to enter the labour market. You've got emerging first nations economies, whether you look at Osoyoos or Membertou. You can look at Whitecap Dakota and other places, where there are emerging economies that are becoming net importers of workers, in fact. You also have this huge growth in resource development that's having an impact, particularly on remote communities. You also have that demonstrable interest of the private sector to work with aboriginal Canadians, and to work with government.

I think the thing that's different now, which made it a bit different in the past, is the whole interest in working partnerships. Louis mentioned, as well, the number of different interests that are coming to the table now around economic development in a way that they weren't before. Some of that is driven by things like accommodation and consultation requirements, but I think there's also legitimate interest on the part of the non-aboriginal private sector, recognizing that there are going to be some extreme labour shortages in the future. As we work out this period of our economy, aboriginal Canadians are poised to deliver that. That makes it incumbent on us to start thinking about how we do this a little bit differently, not to be passive administrators of programs, but rather to link all the different investments that we have.

I think at this table what we're trying to do—and we work together when we're not in front of your committee as well—is look at things like how we link investments and social assistance to training and skills development, and economic development. There's a chief in

Osoyoos named Chief Louie, who says that the best social program is a job. That's really what we have to be cognizant of, and the fact that it's the economy that's going to deliver the jobs. Whether you're in a remote community or a less remote community, it's going to be the economy that drives self-reliance and independence.

• (1710)

**Ms. Kellie Leitch:** Thank you.

**Mrs. Janet DiFrancesco:** I'm going to let Shane Williamson address this for Industry Canada.

**Mr. Shane Williamson (Director General, Program Coordination Branch, Science and Innovation Sector, Department of Industry):** Sure.

My colleague mentioned in her remarks that the knowledge infrastructure program funded 52 projects in communities with fewer than 10,000 inhabitants. Seven of those communities were actually in places with fewer than 1,000 inhabitants. This program funded infrastructure improvements at colleges and universities across Canada, and I could give you a flavour of some of the projects in the remote communities.

At the University College of the North in Manitoba, there was one project funded, but it actually supported infrastructure enhancements in 11 regional centres throughout northern Manitoba. At Aurora College in the Northwest Territories, there were three projects funded that built new community learning centres in three local communities. At Nunavut Arctic College there was a cyber infrastructure project that helped link up their community learning centres with their campuses and the research facilities in Nunavut. Also, at Yukon College there was a two-storey building constructed to house classrooms, computer labs, and mobile science labs.

So those are the sorts of projects funded through the knowledge infrastructure program that helped build the capacity to train students for knowledge jobs in the future.

**The Chair:** All right, thank you, Ms. Leitch.

We'll move to Ms. Perreault.

[Translation]

**Ms. Manon Perreault (Montcalm, NDP):** Good afternoon. I would like to thank you for being here with us this afternoon. I would also like to thank you for sending written copies of your presentations.

My question has to do with the Aboriginal Skills and Employment Partnership program.

If I am not mistaken, there are significant delays from when the groups apply for funding to when they receive an answer. I am specifically thinking about the 54 Mi'kmaq students who submitted an application. They got an answer in November 2011, just two days before the beginning of the training.

What is the reason for those delays? Are they common?



[English]

**Mr. James Sutherland:** I think I may know the reference of the project you're talking about. That would be under the skills and partnership fund, which is a proposal-driven approach. We've run two calls for proposals so far. The calls greatly exceeded our expectation with respect to uptake. We received over 400 applications for access to our fund. The fund is \$210 million over five years, until 2015.

That demand made it difficult to get through the number of them, which has meant that many projects, which maybe in an ideal world would have been processed much more quickly, in order to go through the entire assessment process have taken longer than we would normally accept or like to see. If your question is asking if that's the norm, I would say under circumstances without such a high demand, that would not be normal so close to the beginning of the project. However, under the circumstances in this particular instance I would say that many of the projects have taken much longer to assess than we would have liked.

• (1715)

[Translation]

**Ms. Manon Perreault:** Those delays probably had an impact on the people who applied for funding.

Can you talk about the impact?

[English]

**The Chair:** Just a moment.

Go ahead.

**Ms. Kellie Leitch:** The direction in the questions seems to be asking about services, as opposed to focusing on the skills-development component of what this study is about. I would just like to ask if we could stay on topic, which is about being forward-looking in skills development for people in remote and rural areas.

**Ms. Jean Crowder:** Point of order, Mr. Chair.

**The Chair:** That was a point of order. It's not particularly debatable, but I'll hear you.

**Ms. Jean Crowder:** Just on a point of order, my understanding is that the presenters actually specifically talked about the skills program, and if you can't get the money out of the door, I'm not clear that you can actually enhance skills development. So I would argue that it is a relevant question.

**The Chair:** Go ahead with the question.

You can answer it, if you can.

**Mr. James Sutherland:** If I understand the question correctly, it's whether these delays cause problems in the actual administration of the projects. At this point it would be too early to tell. I imagine in that instance that it has been a challenge for the particular proponents of the project. Time will tell whether there has been a negative impact. I would say that we have a number of projects that have already gone out and have been accepted. With a competitive process such as this, this may just be one of the things that is in place.

[Translation]

**Ms. Manon Perreault:** Let me go back to the *Connexion compétences* program, which assists Aboriginal youth and young people with disabilities. The goal of the program is to improve the skills young people need to participate in the job market.

Basically, do the people who use *Connexion compétences* get back on the job market or do they return to school?

**Mr. John Atherton (Director General, Active Employment Measures, Skills and Employment Branch, Department of Human Resources and Skills Development):** Are you talking about Skills Link? Is that the program you are talking about?

**Ms. Manon Perreault:** Sorry?

**Mr. John Atherton:** Are you talking about the Skills Link program?

**Ms. Manon Perreault:** In French, it's *Connexion compétences*.

**Mr. John Atherton:** It must be the program I'm thinking of.

**Ms. Manon Perreault:** It is a Youth Employment Strategy program.

**Mr. John Atherton:** What was the question again?

**Ms. Manon Perreault:** In my riding, we hear a lot about Skills Link.

Do young people return to work or do they return to school? That's all I'm asking.

[English]

**Mr. John Atherton:** That's a good question.

Our work with youth at risk, through the skills link program, is primarily targeted at young people who are not in school and not in employment; usually, they haven't graduated from high school. Our results from our evaluation generally show that we get I think about 30% returns to school and about an equal percentage on returns to work out of our projects. But what I could do is get the exact figures from our program evaluation. We did complete one recently.

We get reasonably good results. We were quite pleased with the results. They were far better than those for young people who received no courses, those kids who didn't get the skills link program. The participants in our program had a significant difference in both returns to school and returns to work.

We have both objectives in the program, because for some young people the return to school is the right thing, and for others it's attachment to work. We have a very flexible approach in our projects.

[Translation]

**Ms. Manon Perreault:** Mr. Chair, do I still have some time left?

[English]

**The Chair:** You can go ahead. I know that when you get very specific to the programs, it starts to come outside the scope of the study, but go ahead.

[Translation]

**Ms. Manon Perreault:** There are specialized workshops in my riding, in Mascouche. After young people complete the Skills Link program, do all the organizations follow up with them or is there no follow-up once the program ends?

• (1720)

[English]

**Mr. John Atherton:** Let me look into it.

[Translation]

I am going to check and send you the answer.

**Ms. Manon Perreault:** In writing?

**M. John Atherton:** Yes.

**Ms. Manon Perreault:** Thank you.

[English]

**The Chair:** Thank you.

You have about 30 seconds. Did you want to use that time or not?

**Ms. Jean Crowder:** I'll go in the next round.

**The Chair:** Mr. Butt, please go ahead.

**Mr. Brad Butt (Mississauga—Streetsville, CPC):** Thank you very much, Mr. Chair.

Thanks to all of you for being here this afternoon. We appreciate it.

Of course the main reason we're here today, and why the committee has agreed to pursue this study, is based on some of the recommendations in the Canadian Chamber of Commerce report. One of the areas they identified where they have some concern or where they think we can all do a better job is with respect to regulatory red tape. I was in the private sector before I came here, and depending on who you talk to, the definition of red tape is different.

What I'm wondering is whether we are doing the absolute best we can—the three departments that are represented here—to administer things and lower the regulatory and red tape burden when we're trying to get businesses to partner with us in running programs and building businesses in these remote and rural communities. Do you have any recommendations in specific areas in each of your departments where we could be doing a better job of reducing the red tape or regulatory burdens that businesses might be claiming are impediments to greater success in these programs?

Whichever department wants to start is fine with me, Mr. Chair.

**Mr. Allan Clarke:** I can start.

I would kind of deconstruct the question a little bit. There is one question around the on-reserve situation with regulations and legislation, that kind of thing, but then there is probably a broader issue to do with resource development and other things that probably extend beyond the scope, certainly, of aboriginal affairs, but also maybe the other departments here as well.

NRCan is responsible for the major projects management office. As well, the Canadian Northern Economic Development Agency also has a major projects office, and I am aware that there's been a lot

of work done to try to deal with some of the regulatory processes. Environment Canada also has a role to play, obviously, in environmental assessments, so that might be an avenue you may wish to pursue.

With respect to the on-reserve situation, I think it has been well documented that the Indian Act is probably one of the most successful pieces of anti-business legislation ever devised, and we're trying to look at ways to try to work outside the Indian Act. Things like the First Nations Land Management Act and the First Nations Commercial and Industrial Development Act are vehicles we are trying to use to provide the same types of legislative and regulatory predictability that you would expect in an economy off reserve. You simply don't have the strength or the breadth of regulation and legislation or rules that you would take for granted off reserve.

To go back to Mr. McColeman's question, if I may, which is kind of related, an important distinction to be made when you're looking at remote communities is the differentiation. Janet mentioned it as well. It is really important to look historically at where remote communities came from. Some remote communities came from economic development, and that is why they're remote now, because maybe the economic development has passed them by. But most first nations communities were not driven by economic development. It's not an economic development phenomenon to put 1,000 people into a fly-in community.

You have to recognize a bit of the historical context of where the remote communities come from in terms of looking at what kinds of solutions are best, or how the solutions can be tailored to the types of situations different types of remote communities find themselves in.

**Mr. Louis Beauséjour:** One type of work we can mention that we tried to make some progress on to reduce red tape would be the work we do around the grants and contributions modernization that is going on. Basically, we tried to simplify the application and have an online application for the future, and also we've reviewed what would be the requirement in terms of reporting to the department for grants and contributions to be a lot more based on risk. Basically, that's what we're trying to do.

• (1725)

**Mr. Brad Butt:** Okay.

Industry Canada, is there anything more?

**Mrs. Janet DiFrancesco:** I'm afraid I can only speak to that question from the perspective of the Broadband Canada program. I guess I would say that we have tried to work very closely with all recipients to help them understand the program requirements, as well as the environmental assessments requirements and various Industry Canada policies, but unfortunately I don't have a broad perspective on program delivery in the department.

Shane.

**Mr. Shane Williamson:** I could talk from the knowledge infrastructure program. We rolled that out in fairly quick time and we're quite proud of that.

There were some issues on which we were able to work very closely with our colleagues in the aboriginal affairs department to sort out. Building permit issues, for example, on reserves—that was a challenge, but we did get great cooperation from our colleagues and were able to overcome that, so the projects could get done on time.

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

We will conclude with Ms. Crowder.

**Ms. Jean Crowder:** Before I go to the panel, Mr. Chair, through you to the analyst, in this report from the chamber they reference a report called *Closing the gap on Indigenous disadvantage: the challenge for Australia*, dealing with Australia's rural and remote areas. From the outline in this report, it seems it would be a good report for the committee to look at, so I wonder if it's possible for a copy of that report to be circulated to the committee, or at least the executive summary on it.

**The Chair:** I'm sure we can arrange to do that.

**Ms. Jean Crowder:** That would be great.

I want to come back to Mr. Clarke for a moment.

In your testimony you indicated, and I think all committee members would agree, that the best way to address poverty in communities is through economic development. I want to come back to this report from the chamber for a second, because it references a couple of things, and one of them is on page 15: "Infrastructure that will attract business investment", and they reference a whole bunch of areas, but I want to focus on three: water, housing, and health care.

I know when the aboriginal affairs committee did some travelling in the past and looked at the economic development north of 60, those issues were critical in terms of business investment. So I think there are two pieces to this.

First, you talked about the historical context for many first nations in remote communities, and the reality is that first nations were forced onto some of those lands through a reserve system that didn't meet their needs. That's a bit of an historical context for some first nations. Secondly, there's been resource development on their lands where they receive absolutely no royalties, and Attawapiskat was mentioned. The De Beers piece is an interesting case where first nations are not benefiting from the resource development on what has been their traditional territories. Thirdly, there simply hasn't been the infrastructure investment in housing, water, education, health

care, rail lines, whatever it is; there's a whole list of things in this report.

So in your view, to look at economic development in rural and remote communities, particularly with a view to first nations, Métis, and Inuit, what are the two or three critical things you think need to be in place for that to be successful?

**Mr. Allan Clarke:** I don't know if my personal view is relevant to the deliberations of this committee, but I think there are some obvious things that people are doing that make a lot of sense.

I think you go back to the Indian Act. I think everyone would recognize that it is a rather imperfect tool when it comes to helping people participate in the Canadian economy. It's effectively been able to isolate aboriginal Canadians from the economy for 140 years.

I think we need to find ways of dealing with some of the more important regulatory or legislative barriers to economic development, things that get in the way, things that inhibit first nations from attracting investment or developing businesses on reserve. I don't necessarily think it's always a question of money. It's also a question of having the right tools, and the tools are not just money, although money is important too, I suppose. But we could be looking at many other things as well.

The way a local government in the non-first-nation context manages its financing is unavailable to first nations, for instance. So there are real limitations on how money can be spent. I think those are some of the things you need to fix as well.

**The Chair:** Your time is just about up. We have 15 seconds. It's probably a good place to—

**Ms. Jean Crowder:** In that 15 seconds I have a comment on the financing. I think that's a really important piece, which the committee might want to look at, because financing on reserve is a very difficult challenge because of the way reserve lands are set up.

● (1730)

**The Chair:** That's certainly a point the committee can consider, and I wouldn't object to the committee deciding at some point that they may want to have a meeting or two following the agenda we have, but we'll leave that open.

Thank you very much for your extensive presentation and your responses today. We certainly appreciate it.

With that, we'll adjourn.





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