



August 6, 2014

Mr. James Rajotte  
Chair, Standing Committee on Finance  
131 Queen Street, 6th Floor  
House of Commons  
Ottawa ON K1A 0A6

Sent by email: [finapbc-cpb@parl.gc.ca](mailto:finapbc-cpb@parl.gc.ca)

**Re: 2015 Pre-Budget Consultations**

Dear Mr. Rajotte,

Thank you very much for the opportunity to present the attached document to the Standing Committee on Finance on behalf of the Inuit of Canada. Inuit Tapiriit Kanatami, the organization that I represent, is the national voice of Canada's 60,000 Inuit.

Together, we inhabit an area that makes up one-third of Canada's landmass and half its shoreline. We call our Arctic homeland Inuit Nunangat, which encompasses Nunavut, Nunavik (Northern Quebec), Nunatsiavut (Northern Labrador), and the Inuvialuit Settlement Region of the Northwest Territories.

This presentation directly addresses key themes of your committee's pre-budget consultation process, themes that happen to align closely with topics of a 2013 working meeting between Inuit leaders and representatives of the federal cabinet including Prime Minister Stephen Harper, Environment Minister Leona Aglukkaq, Aboriginal Affairs Minister Bernard Valcourt, and Joe Oliver, then the Minister of Natural Resources and now the Minister of Finance.

Our submission supports the development of a strong and confident Inuit Nunangat, with Inuit regions and communities building new vibrant economies. To do this we need to take advantage of renewable and non-renewable resource wealth, tackle and overcome physical infrastructure deficits, and educate, train and create jobs for Inuit.

I would welcome the opportunity to address the Standing Committee on Finance to speak in more detail this fall about these and other suggestions for creating a renewed partnership between Inuit and the Government of Canada through the 2015 Federal Budget.

Yours sincerely,

Terry Audla  
President

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Established in 1971

## **1. Balancing the federal budget to ensure fiscal sustainability and economic growth**

### Housing as the foundation for growth in the Arctic

In Inuit Nunangat, the Inuit homeland in Canada encompassing Nunavut, Nunavik (Northern Quebec), Nunatsiavut (Northern Labrador) and the Inuvialuit Settlement Region of the Northwest Territories, an ongoing shortage of safe and affordable housing is one of the greatest barriers to maintaining economic growth throughout the Arctic. Inuit suffer from the most severe overcrowding among Aboriginal peoples in Canada. This has a direct impact on energy security, the health of northern populations, the positive development of children and the ability of communities to develop self-propelled and growing economies.

Recent budget commitments have provided temporary relief in some regions. For example, the 2013 Economic Action Plan 2013 allocated \$100 million over two years to support the construction of new housing in Nunavut. However, a long-term solution accounting for sealift schedules and the short Arctic building season is urgently required.

Inuit want to work with the relevant provinces and territories and the federal government to develop a National Inuit Housing Program. This program would have one component addressing immediate social housing needs in the Inuit regions. This program would also have an emphasis on private home ownership.

This program would look to the Sustainable Communities Initiative underway in the Nunatsiavut region as a model for creating the foundation for self-sustaining communities. The overall goal of the initiative is to inform best practices and provide guidance for community sustainability in the coastal subarctic under changing environmental, social and economic conditions. The initiative addresses issues that are central to community wellbeing and sustainability in the context of a changing climate including housing community planning, energy security and food security. Further, housing identified for Inuit communities in the North should not exclude the regions of Nunavik and Nunatsiavut which lie south of the 60<sup>th</sup> parallel and have essentially fallen through the cracks of housing funding for Inuit as they are in provinces and not territories.

## **2. Supporting families and helping vulnerable Canadians by focusing on health, education and training**

### Health

Only a healthy and strong population can be a productive population. The enhanced funding for the Nutrition North program, as announced in the 2014 Economic Action Plan, is a promising beginning to improved access to nutritious food for Inuit and other Northern residents. In addition, the basket of subsidized items requires refinement in some cases in order for the program to reach its potential. Inuit urge the federal government to support the involvement of Inuit communities with respect to key aspects of program design.

### Education

Closing the gap in education outcomes for Inuit will have a direct economic impact on northern communities. The resource-based economies in Canada's Arctic have huge economic potential for Canada. However for Inuit to participate in this economic growth more young people must graduate. At present, roughly 75% of Inuit students are not completing high school.

In June 2011, the National Committee on Inuit Education released *First Canadians, Canadians First: a National Strategy on Inuit Education*. The Strategy recognizes the importance of improving education outcomes for Inuit youth so they benefit from new employment opportunities related to resource development and public administration in Canada's Arctic. Inuit seek the federal government's support for the implementation of the Strategy and the desired outcome of significantly improved graduation rates for Inuit students.

### Training

The Aboriginal Skills and Employment Training Strategy (ASETS) has been a very important economic development driver and contributor to individual, family and community well-being in Inuit Nunangat. Organizations in each of the four Inuit regions have been agreement holders with the ASETS program. Inuit Tapiriit Kanatami has also held a Strategic Partnership Agreement under this program. These relationships have ensured that benefits stemming from development stay in the communities instead of returning south with imported workers. ASETS has provided great benefits to Inuit, including employment training and skills upgrading, employment services, as well as funding for youth and childcare programs. A key reason for the success of this program has been the First Nations and Inuit Child Care Initiative component. FNICCI has provided access to child care services for Inuit children whose parents are starting a new job or participating in a training program. Given the median age in Inuit communities and the number of young parents seeking entry into the labour market, being able to rely on child care being available is essential.

As ASETS is set to sunset on March 31, 2015, Inuit seek a commitment from the federal government for continued funding for a similar program. Critically, Inuit seek investment in a child care component of any program going forward similar to the First Nations and Inuit Child Care Initiative component of ASETS.

## **3. Ensuring prosperous and secure communities, including through support for infrastructure**

### Prosperous Communities

As acknowledged in the 2014 Budget, the presence of prosperous, functioning, secure communities contributes to Canada's assertion of sovereignty over the land, ice and water of the Arctic. Fostering such communities is a long-term project involving multiple parties.

Inuit are hopeful that Public-Private Partnerships will contribute to sustainable economic development and therefore prosperity of communities throughout Inuit Nunangat. While until recently Inuit organizations were prevented from accessing infrastructure dollars under the P3 Canada Program and the New Building Canada fund, recent changes now allow Inuit organizations to pursue public infrastructure projects in a wide range of areas. We appreciate the willingness of Prime Minister Harper to listen to the leaders of the Inuit regions in Rankin Inlet in August 2013 and to support the policy shift that led to changes to the P3 Canada Fund eligibility criteria. This demonstrates how government and Inuit can work together to develop funding programs that work for Inuit and work for Canada. We would like to see similar cooperative policy shifts in other areas, including allowing Inuit organizations to access public research dollars.

Improved investments in the Northern Aboriginal Economic Opportunities Program (NAEOP) will help foster the creation of private entities in Arctic communities. Inuit urge the extension of this program and its two funds - the Community Readiness and Opportunities Planning fund and the Entrepreneurship and Business Development fund – to all Inuit regions including Nunavik and Nunatsiavut.

### Infrastructure Investments

In terms of specific infrastructure investments, three major investments will contribute to long-term sustained growth in the Arctic.

First, Inuit seek investments in the development of marine infrastructure such as deep-water ports in the regions of Inuit Nunangat. Acknowledging the length of time such infrastructure projects take, this will eventually position Inuit communities to take advantage of increasing tanker traffic through Arctic waters. Meanwhile, investments are needed into the mechanisms, rules and technologies required to reduce the risks of marine disasters.

Second, broadband Internet is essential for northern communities to function and to contribute equitably to Canadian society. Inuit applaud the Government's commitment in the Economic Action Plan 2014 to provide \$305 million over five years to extend and enhance access to high-speed broadband networks to rural and northern communities. Inuit encourage the Government to pursue this in the four Inuit regions.

Third, continued dependence on inefficient power generation is a hindrance to attracting businesses to the North and to achieving long-term self-sufficiency of our communities. Consistent with policies supporting responsible development, Inuit seek support for the development of large and small renewable energy sources as a means to limit dependency on diesel generation and to reduce the high costs of operations in the Arctic.

#### Security

Inuit want to work with the federal government to build upon the search and rescue capabilities developed to establish broad-based search and rescue facilities and systems in strategic locations in Inuit Nunangat. We recommend harnessing the skills of the Inuit Rangers on land and expanding this into the marine environment.

### **4. Improving Canada's taxation and regulatory regimes**

#### Northern Tax Incentives

The development of a sustained private sector based economy in the Arctic is an essential factor in the sustainable prosperity in our Inuit regions. The high cost of doing business in the Arctic can make initiating business impossible for interested people. Northern tax incentives are required to offset this high cost of doing business in the Arctic.

#### Regulatory Regimes

Robust, holistic and forward-looking regulatory regimes are required in order to ensure the confidence and support of those residing proximate to natural resource development sites. Oil and gas operations, including surveying, drilling and transport – particularly in marine areas – must be conducted in line with the best science and traditional knowledge available and always on the basis of a precautionary approach.

An essential aspect of this will be an investment in a public study of the impact on Arctic sea ice and wildlife, as well as and the clean-up efforts and funds that would be required in the event of a major spill or blowout. Inuit look forward to the Tanker Safety Panel Report for the region north of the 60th parallel for its contribution to a responsible approach to shipping through Arctic waters.

A Participant Funding Program that permits meaningful public participation in reviews of project proposals, which includes expert input, will also be essential to ensuring a functioning system. Regulatory and assessment bodies must seek, secure and support direct and meaningful input from Inuit with respect to projects that may impact the lands, ice and water of Inuit Nunangat.

### **5. Maximizing the number and types of jobs for Canadians**

There is a critical need for increased funding for specialized training programs and for study at post-secondary institutions. Specialized training programs should be dedicated to teaching skills like the operation of heavy equipment for the mining industry and to construction-related trades. Dedicated funding for infrastructure for training programs, which allow Inuit to train closer to home, will be integral to the success of these programs. As an example of a feasible partnership, the Inuit Community Economic Development Organizations could play a major role in certain aspects of this specialized training.

As Inuit move to urban centers, usually for post-secondary education or employment, and as Inuit communities themselves “urbanize” in their own unique contexts, the requirement for a variety of skills and competencies increases. Inuit want to be prepared to participate in the information economy, for example. Inuit urge the federal government to ensure the Urban Aboriginal Strategy and its Community Capacity Support and Urban Partnership programs are equally as effective in Arctic communities as elsewhere.