

Smart government infrastructure investments?

I read with interest the recent *News/North* editorial, "Highway to ruin" to describe the recent government announcements to invest \$140 million to advance the Mackenzie Valley Highway.

Investing in infrastructure is a good idea to grow any economy. And it's a particularly good idea in the North, which has the largest infrastructure deficit in the country. Lack of infrastructure is holding back our economic development.

Historically, the Federal government made good decisions to invest in infrastructure for mining development. Mining then helped pay off the infrastructure, which also became a public good after mining was done.

Examples include Canada's investment in Snare hydropower for Yellowknife and its mines; in Taltson hydropower and the Great Slave Lake railway for the Pine Point mine; in roads to resources to mining towns of Yellowknife and Pine Point; and in investment in the world's first ice-breaking cargo ship, the MV Arctic for the Polaris and Nanisivik mines in Nunavut. By supporting and enabling mines and their economic contributions, government recouped their infrastructure investment.

As a bonus, that legacy infrastructure is still serving the North and Canada today. They were good investments by Canada.

Which brings us to the Mackenzie Valley Highway.

Based on a dying oil and gas industry, it predicts a poor return on investment. While communities could benefit, their small size also means a low return on investment. Mining might help, but it's a long way off given there has been insufficient attention paid to attracting mineral investment to the

Mackenzie Valley. Despite having some good mineral potential, investors know little about the region.

And lest one thinks the \$140 million will pay for the highway, there's a long way to go. A 2011 study estimated costs of the highway from Tulita to Inuvik at a whopping \$1,670 million.

The strongest candidate for infrastructure investment that brings a significant return on investment is the Slave Geological Province, one of the richest mining regions in Northern

Canada. Investment in a nation-building highway that would join Nunavut to southern Canada by road through the Slave Province would help sustain our current diamond mines and would reduce exploration and development costs to make new mines possible in both territories. Government would continue receiving good returns to pay off their investment and the mines would provide significant benefits to all Northern residents.

That is why we continue to urge governments to invest in the Slave Province road and Gray's Bay road and port.

However, there remains one other good infrastructure opportunity governments could pursue – cheaper hydropower.

Power is a significant cost to both remote communities and mines and substitution of fossil fuels is not always feasible. The NWT 2030 Energy Strategy includes a vision to expand the Taltson hydropower system to connect the North and South Slave electricity systems, link them to southern Canada and supply communities and mines with cheaper, renewable and green power. Not only would this reduce green-house gas emissions, but cheaper grid power

north and south of Great Slave Lake would reduce community cost of living, could help push the new Pine Point mine into re-opening and would sustain and grow mining in the mineral rich Slave Geological Province.

Cheaper hydropower would generate quick and healthy returns on government investment.

Can we afford to do both?



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