



## SPEAKING NOTES

### To Federal Standing Committee on Finance – Pre-Budget 2018 Consultations Yellowknife, NT – October 5, 2017

Thank you very much Mr. Chair to you and the committee for inviting us to appear.

And please accept our kudos for coming north to Yellowknife for this meeting.

My name is Tom Hoefer, Executive Director of the Chamber of Mines.

I'm joined by Gary Vivian, our President who is also Chair of the largest northern mineral exploration consulting company.

We represent the NWT and Nunavut minerals industry, and so we will be speaking on issues of interest to both territories.

We have provided a deck for you, and will paraphrase it in the next 5 minutes.

There are a number of key messages that we want to leave you with today, in hopes that they will find their way into the budget.

First, our minerals industry is the largest private sector contributor to the economies of both territories. In a strong market year, our diamond mines contribute nearly half of the NWT's GDP. Gold and iron mining is growing too along a similar path in Nunavut.

**MOST IMPORTANTLY**, our industry continues to make significant strides with socio-economic benefits. Game changing we would say, as we have made some of the most significant economic contributions to Indigenous communities, and their businesses, residents and governments over the past 20 years. We have really helped create and bolster a growing middle class.

Slide 7 in particular speaks to these benefits, which include 13,000 person years of Indigenous jobs, nearly \$6 billion in Indigenous business, and over \$100 million in scholarships and donations to communities. Our mines even generate taxes and royalties for Indigenous governments today, besides payments to public governments. (On that slide 7 is a thumbnail of a Mining North document, which we have also provided you today that details those benefits).

It is very important that we all work to sustain and grow these northern benefits.

To that end, we are asking for your help in 5 areas, described in more detail in our submission:

#### **1. First is investment in road and power infrastructure.**

The North has Canada's largest infrastructure deficit. We have few to no roads, and few to no hydropower facilities in NWT and Nunavut.

Canada was a willing partner in resource development providing infrastructure like roads, hydropower, and rail from the 1940s through the 1970s. For some reason, that investment dried up. Over the past 40-years our mines have been supplying their own roads, power, airports, marine ports, and communications, and that makes us less competitive.

We are thankful for Federal commitment to the Tlicho All-Season Road in the NWT.

We are also hopeful for Federal investment in the Grays Bay Road and Port in Nunavut and the Slave Geological Province road in the NWT. They would open up a mineral-rich area similar to the very rich Abitibi of northern Ontario and Quebec. It would also link Nunavut by road to Canada, a nation building concept if ever there was one.

We also seek your help in seeing the North represented on the Canada Infrastructure Bank.

All-season roads will allow us to use greener fuels, which current seasonal transportation prevents us from using. That is why we are asking for a carbon tax reprieve in the North until infrastructure catches up.

## **2. Second, we are asking for help to enhance mineral exploration by:**

Firmly extending the Mineral Exploration Tax Credit for three years;

By investing in Geoscience Research, which is the R&D of our industry;

And by settling outstanding Indigenous land claims. These unsettled claims have contributed to the NWT missing out on \$1 billion in exploration investment in the last 10 years, a big hit on many of our businesses and on our economy.

## **3. We are seeking help too in Building Community Capacity**

We are facing huge employment needs for several reasons:

- In the NWT, replacement and expansion demand will require from 28,000 to 37,000 jobs over the next 15 years.
- In Nunavut, a baby boom is growing the youngest population in Canada.
- Infrastructure construction and resource development will help provide job opportunities.

We thank the government for their current support, ask that the Budget ensure and protect that ongoing training support.

Today, we have a moderate ask of around \$1 million to purchase portable simulators that we can transport to our remote communities to train equipment operators.

## **4. Our fourth ask is in helping Improve our Regulatory Environment**

Our territories are leaders in Canada in environmental legislation and process. That's because our processes are based in land claims, they are inclusive and transparent, and are very thorough.

The environmental review panel that Canada struck reported that they wouldn't review the north's system for those very reasons. They even said that the rest of Canada could learn from the North.

Here's the BUT, where we need help. The Harper government made a change to legislation to allow for the recovery from proponents of the "not insignificant" costs for these very thorough processes.

Cost recovery would further hurt our economic competitiveness, something which we desperately need help with.

Please do not support creation of cost recovery regulations in the North. (In fact, strike down any work on it).

**5. Our last ask is for your help with the Arctic Policy that is coming**

In the interests of time, our simplest comment would be to acknowledge the news release and Pan-Territorial Vision for Sustainable Development that was issued jointly by the 3 northern Premiers.

It speaks to an economic foundation of responsible resource development, leading to self-reliance, through infrastructure investments, and job creation.

Most importantly, it asks that we Northerners play a strong and inclusive role in the Arctic Policy's creation.

We totally echo the three Premiers' position on the Arctic Policy development.

I suspect that's our 5 minutes, and we thank the Committee for the opportunity to present, and we look forward to your questions.