

Sustaining Growth through Energy and Natural Resource Development

Hon. Jake Ootes

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Aboriginal Energy and Resource Development Expo - Calgary

Introduction

Thank you Darrell Beaulieu and sponsors for the invitation to speak today.

This Resources Expo is giving everyone an opportunity to gain insight into the potential that areas such as energy, petroleum, natural gas, hydro and mining have to offer Aboriginal people.

From a Northern point of view this conference is very beneficial and informative as it allows us to review and explain the potential that our Territory has to offer.

On Tuesday you heard about the Mackenzie Valley Gas Pipeline and later this morning you'll hear about the opportunities that our diamond mines have to offer.

The resource sector of mining, oil/gas, pipelines and hydro is where these opportunities lie.

Mega projects such as Northern Diamond mines and Mackenzie valley oil and gas exploration provide great opportunities to improve the economic and social well-being of Aboriginal people.

And that must be one of the priorities.

As a government, we are focused on maximising benefits to NWT Aboriginal people.

We're doing this in many ways – through support for Land Claims processes and Self Government initiatives, support for Impact Benefit Agreements with resource companies, capacity building as well as skill development and training initiatives.

If we want a balanced, diversified, stable and vibrant economy, we need northerners in control.

It was only 35 years ago that the North started on its path of independence from Ottawa, when Yellowknife was named the newest capital in Canada and a Territorial administration was established on the ground.

Between 1967 and 1970 the GNWT took over the administration of the Mackenzie Valley, the Central and Eastern Arctic from federal bureaucrats in Ottawa.

The Aboriginal population of the day had little or no input into the decision making process. It was the need to address social, political and economic issues and land ownership that initiated the formation of Aboriginal organization such as COPE, the Native Brotherhood of the NWT and the Inuit Taparitsat.

Over time, these organizations became political forces with great influence on their respective jurisdictions and people.

The northern government of the day was lead by the Council of the NWT, a quasi-political body which consisted of a mix of elected and some federally appointed members, presided over by a Commissioner appointed by Ottawa. In essence they were a rubber stamp body with little political clout.

That all changed in the late 1970's when the Legislative Assembly became a fully elected body,

a more responsible system of government, which was run by Northerners.

Over a period of years, they assumed responsibility for areas such as Education, Social Services, Health, Economic Development, Renewable Resources and others.

Many of our leaders were previously active in the Aboriginal Rights movement and land claims negotiations.

Over time, they began to see the Territorial government in a different light and became involved in politics at a Territorial level.

They were no longer recipients of government programs and services, but the architects.

For the first time, Northerners were developing programs for Northerners and to address the pressing social issues like housing, educational needs, health concerns, etc.

Our system at the territorial level is unique in that it follows the traditional system of aboriginal process of consensus. We don't have political parties. Each member is elected as an individual. We then come together and select our Speaker, followed by the Premier and 6 Cabinet Members to form the Executive Council. The Premier assigns Cabinet portfolios.

Today more than two-thirds of the 19 seats in the Legislative Assembly are held by Aboriginal members. Six out of seven Cabinet members are Aboriginal. Our Member of Parliament is Aboriginal, as is our Commissioner and Senator.

As you can see, we have established a representative Aboriginal political leadership that stands as an example to all of Canada.

Our public policy and government programs recognize and promote Aboriginal cultures and needs.

This new reality is also evidenced by the many leaders and communities who are putting their unique stamp on the map of the North as a statement of culture and identity.

What was once Fort Norman is now Tulita, Snowdrift is now Lutsel K'e, Arctic Red River has become Tsiigehtchic, and Fort Franklin is now Deline.

TERRITORIAL IDENTITY

I am proud to say that last year, the Northwest Territories became the first jurisdiction in Canada to recognize National Aboriginal Day as a formal statutory holiday.

By that action, we reinforced our government's commitment to bring people and cultures together to celebrate the many contributions of the Dene, Gwich'in, Metis and Inuvialuit in the development of the North and Canada.

ECONOMIC ACHIEVEMENT

So what are the opportunities for Aboriginal People?

We in the NWT have a number of mega projects either on the go or on the horizon and I'd like to review some of them with you.

Mining

Twenty-five years ago, mining was in full swing. But companies received their mineral rights

and approvals to open and operate mines from the federal government with virtually no consultation with the affected Aboriginal communities.

There was very little in the way of training and employment opportunities for Northerners.

Things really got going in the NWT with the discovery of diamonds in 1992.

This resulted in tremendous exploration activity for several years followed by the establishment of Canada's first diamond mine, the Ekati diamond mine operated by BHP Billiton.

In the course of the environmental review, the company developed a socio-economic impact agreement with our government and Impact benefit agreements with the affected Aboriginal groups.

The socio-economic agreement stipulates the need for business opportunities and sets hiring levels of northerners.

Over the years of operation, the company has met those levels.

Today, Ekati is in full operation and employs 700 individuals directly as well as 700 through numerous contracts.

The Diavik diamond mine is now nearing completion and will be operational by February 2003.

In addition, DeBeers Snap lake project is scheduled to come on stream within the next 5-6 years.

The employment levels from the Diavik and DeBeers projects will more than double the total number of individuals employed in the diamond mines, reaching into the thousands.

The range of opportunities for Aboriginal business spawned by these mining projects is impressive.

Apart from the normal camp construction and catering and air services, Aboriginal businesses provide a wide range of services such as engineering, project management and environmental services.

Today we have a world-class diamond mining industry.

We are projecting that we will be producing 15% of the world's diamonds. The employment opportunities will range in the thousands between the three mines.

Perhaps the most rewarding development however, has been the establishment of three diamond-cutting and polishing plants and a diamond-training program.

This is a first for Canada.

As a government, we wanted to ensure that value added industries were established in the North that would benefit the northern economy.

After overcoming hurdles required to gain federal support, we today have a total of three diamond cutting and polishing plants in Yellowknife. Two of these plants are owned (either in part or wholly) by Aboriginal organizations.

Based on one operating mine, these ventures create employment of upwards of 100 people.

As more diamond mines become operational, these numbers are expected to increase dramatically. It would not be unrealistic to anticipate employment in the value added area of up to 500 or more.

In support of this industry, my Department, through Aurora College, has developed a mine training course specifically for Northern and Aboriginal people to become diamond cutters and polishers.

Also, it maybe of interest for you to know that we have developed diamond cutting occupational standards and have become world leaders in this area.

Oil and Gas

A generation ago, the oil and gas industry was not much different from the mining industry when it came to opportunities for Aboriginal people.

But today, we have come full circle from a generation ago.

Stephen Kakfwi, our Premier, was then a young leader opposed to the original Mackenzie Valley Pipeline proposal.

Many of the same people who stood before Judge Berger to voice their concerns now sit around a board table developing business plans for equity participation in the pipeline proposal. The revival of oil and gas exploration up and down the Mackenzie Valley is resulting in tremendous employment and business opportunities. For example, last year's employment levels in the oil and gas sector reached 1800 – many of whom were local northerners.

As a Department of ECE we supported the establishment of a rig-training facility in Inuvik. With the support of industry we were able to graduate about 80 students from this investment.

I think of the people of Fort Liard who have teamed with the oil and gas industry, not only to build but also, to have equity ownership in two gas pipelines in their region.

The Inuvialuit who have built and now own a share of the first buried chilled gas pipeline in North America.

Hydroelectric Power Generation

Another source of potential development flows daily through the Northwest Territories' many river systems.

Already, the Dogrib Group of Companies owns a power generation facility on the Snare River, north of Great Slave Lake.

They sell this power to the NWT Power Corporation – a wholly owned subsidiary of the Northwest Territories government.

There is also a substantial hydro system on the Talston River, south of Great Slave Lake, which has the potential to provide Aboriginal business opportunities.

These opportunities could assist in meeting the growing demand for electricity in the Northwest Territories, and possibly also in neighboring jurisdictions.

New hydro development in the Northwest Territories will proceed providing we have confidence in long-term electricity markets, we have meaningful opportunities for involving Aboriginal

business interests and the development can be advanced with acceptable impacts on our northern environment.

The activity in diamond mines and oil and gas exploration has made the NWT the jurisdiction with the highest economic growth in the country during 2001 at 19.2 percent. That compares to an average 1.2 per cent for the rest of Canada.

Labour demand of all these projects is outstripping our available skilled workforce – herein lies the challenge for us in the NWT.

While the NWT has the highest employment rate in the country at 73 per cent and the lowest unemployment rate at 6 per cent there remain many challenges especially to those in our more isolated communities.

Many have been able to take advantage of the economic opportunities, while others have not been able to participate fully in the wage economy because they lack the skills and/or are coping with a myriad of social problems. In fact, the gap between the have and have not communities may be growing.

Although our unemployment rate is low, we still have many people in the communities who have never been in the workforce. While they number in the thousands, these people are not counted as unemployed.

As well, many of our northern people, especially Aboriginals, are in seasonal and entry-level jobs.

A distinct need exists for cooperation between Aboriginal, Federal and Territorial groups to ensure that partnerships aimed at developing the skills and knowledge of northerners be supported. Action committees such as those designed to address the mine training committee and the Territorial oil and gas training committee are excellent examples of partnerships involving both the public and private sectors as well as Aboriginal organizations.

From our perspective, an area that requires attention is additional federal financial support in the areas of training and skill development.

As a government, we have proposed to HRDC a Human resource development plan in support of our training and skill development needs in the neighborhood of \$12M.

CAPACITY BUILDING

Capacity building is a huge issue for all northern governments. To maximize economic opportunities and participate fully in political and economic development processes we need to ensure that our people are well, possess the skills to take advantage of opportunities and maintain a basic infrastructure that can cope with the present pressures.

The GNWT is lobbying the federal government to fund their capacity needs in the area of infrastructure and training.

CONCLUSION

Our government has made a tremendous investment in numerous areas to address the social and capacity issues associated with development. We have made investments in a number of strategies – literacy, Aboriginal languages, early childhood development, school improvement and maximizing northern employment. Our investment in our base funding has been increased by \$25M per year in my department alone.

It is important no matter what we do in the Northwest Territories, in the businesses we set up, in the government programs that we run, in everything we build - that our cultures and traditions as Northern peoples are manifested in our institutions. It is important that twenty-five years from now, the unique cultures, languages and traditions of the people who live in the Northwest Territories are still alive - respected and valued enough to be reflected in the very institutions that serve them.

This is what is going to mark us as unique and different in Canada.

From the beginning, as development starts to come, we are moving arm in arm in partnership with our Aboriginal people to make sure that they benefit, they participate and they are fully involved in the decisions that are required to make the development of the NWT's non-renewable resources beneficial for all Canadians.

That is not to say that we can or want to do this alone. In fact, we can't. As Grande Chief Joe Rabesca put it.... Neither industry, the federal government, Aboriginal governments nor the GNWT can do this alone - we all need each other. That is why opportunities like this one are so valuable. For us, it is a chance to articulate the types of things we are working on, the areas in which we would like to forge new trails and the partners we would like to forge these trails with.

For the last two years, we have been inviting the federal government to share in the benefits that large-scale resource development will bring to the lives of all Canadians. An investment of \$235 million against a return of tens of billions of dollars from resource royalties and taxes over the life of our gas fields.

The steps we are taking towards self-reliance in the Northwest Territories will be of benefit to all Canadians. They are steps that we want to take in partnership with Ottawa, with Aboriginal governments and with business across Canada.

But they are also steps that we must make take in balance with our environment and with our people and in a way that will enhance and protect the well-being and identity of our people.

The Aboriginal people of the Northwest Territories have gone from being trappers to diamond cutters in less than a generation. Along the way they have changed and continue to change the economic, environmental and political fabric of the communities, territories, and country in which we live.

Our emerging "have" territory, rich in resources and culture, with its empowered Aboriginal governments and industry partnerships, reflects the very principles of nation building identified so often as the foundation of a strong and unified Canada.

Long after the diamond mines have come and gone and natural gas pipelines are common place, I hope we will still find the Northwest Territories, diverse in its cultures, languages and traditions - alive and thriving in a mosaic that will be unique not only in Canada but in the World.

Then we'll know... we did it right.