

Response to Follow Up Request from the Standing Senate Committee on Aboriginal Peoples – 1 November 2017

Question/Request #1:

Senator Patterson: [...]

'You mentioned the problem of Nunavut communities reliant on diesel and you talked about the program that your department is undertaking to implement renewable energy projects in off grid, indigenous and northern communities getting off diesel.'

"Nunavut is the poster child of diesel reliance amongst the three territories. [...] It is totally reliant; there are no alternative energy sources. [...] carbon pricing in Nunavut will start under the Pan-Canadian Framework [at the end of the year], which Nunavut boldly committed to participating in."

"Here is the problem: There was to be a joint study on the impact of that tax. The government and the Prime Minister promised there would be accommodation for the special needs of Nunavut but we haven't seen the results of that study."

"We burn about one fifth of our roughly \$2 billion budget in diesel, sadly. This carbon pricing is looming and it will hugely impact the cost of everything, including housing."

"I want to ask you, minister, [...] We don't know the impacts and everyone is concerned about the impacts that carbon pricing will have on already sky-high costs of living — the highest in Canada — including the cost of housing."

"[...] I think **Nunavut should be exempted from the application of this tax** — I will call it the price — **until we know the impacts and until we get further along in building alternative energy**. The carbon price is supposed to drive people into alternative energy but we don't have any yet, or even the plans for it, in Nunavut. [...]"

Ms. Philpott: [...]

[...] "...obviously a time for a new government to settle in at the same time as these new mechanisms are taking place."

Some of this falls into the category of Minister McKenna. She has worked hard in taking the lead in our government on the Pan-Canadian Climate Change Framework. [...] There is no question that a place like Nunavut is arguably more vulnerable than probably almost any other place in Canada in terms of the impact that will have. There are resources now in a low-carbon fund that will support places like Nunavut to be able to implement those new technologies. It is not an area that I have tremendous familiarity with yet, but **I would be very happy to get back to you on the specifics of how that will roll out. I would also be happy to speak directly with Minister McKenna about your concerns about the impact this will have on the people of Nunavut.**"

[...].

Answer:

As committed to in the Pan-Canadian Framework on Clean Growth and Climate Change, the federal government collaborated with the Yukon, Northwest Territories, and Nunavut to analyze the potential impacts of carbon pollution pricing in the territories. To meet this commitment, Government of Canada officials from Environment and Climate Change Canada and Finance Canada worked with their territorial counterparts, including Nunavut officials to assess potential impacts from pricing carbon in each of the territories.

This work is complete and the results of the analysis have been shared with the territories. This analysis will help the territorial governments make decisions about carbon pricing. Federal officials (ECCC/FC) continue to provide technical support as needed.

As I indicated, Minister McKenna is leading the federal government's work with the provinces and territories on carbon pollution pricing. The federal government is engaging with Inuit as part of the Pan Canadian Framework through the Inuit- Canada table on Clean Growth and Climate Change. This table is seeking to share information and align federal programs and policies with the needs of Inuit, including those living in Nunavut.

Northern communities know the effects of climate change firsthand. Pricing carbon pollution is just one of many initiatives being taken by the federal government and the territories to address this. For example, Budget 2017 provided:

- \$220 M to reduce reliance on diesel in remote communities;
- \$53.5 M to continue the Northern Responsible Energy Approach for Community Heat and Electricity Program (Northern REACHE).
- \$31 M over 5 years to Nunavut through the Low Carbon Economy Leadership Fund for projects that reduce emissions from buildings and industry, as well as other priorities Nunavut identifies, which could include reducing reliance on diesel.

A sustainable, low-carbon economy is necessary for our collective prosperity, health, and security, and we will continue to work together to meet our shared goal of combatting climate change while building a cleaner and more sustainable economy.

In Nunavut, the Northern REACHE program is working collaboratively with the territorial government, Qulliq Energy Corporation and a number of communities to support clean energy projects and capacity building initiatives. Since 2016, the Northern REACHE program has funded 9 clean energy initiatives in Nunavut, including energy efficiency, wind, solar and heat recovery projects.

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Question/Request #2:

Senator Patterson: [...]

“In the government response on the National Housing Strategy, the corporation talked about a key next step is a northern housing forum planned for January 2018, which will bring together federal, territorial, provincial, indigenous and northern stakeholders.”

“Could you please tell us if that forum is on track for January 2018? Will members of this committee be able to participate or observe the forum? Will there be a summary of discussions made available to the public?”

Mr. Van Dine: [...] “The specific reference was relating to our colleagues at CMHC involved in an ad hoc northern technical research committee involving the National Research Council, our colleagues at Natural Resources Canada, this department and our colleagues at Polar Knowledge Canada.

“I understand they have had an organizing discussion around that and their plans are to convene, but with your encouragement tonight **we will absolutely come back to the organizers of that event to find out whether they are on track or not.**”

“The participation that they’re looking at having involved in this includes federal, territorial and provincial indigenous and northern stakeholders. I don’t know how that extends beyond to include other interested members of the community, including members of the Senate, but **will endeavour to find out what their intentions are and how wide they are extending their invitations.**”

“In terms of their summaries and where they will be available, given the topic I would be surprised if they were not, but not being in the driver’s seat of this event **I will again take that question and find out to what extent the documents for that will be made available subsequently.**”

Answer:

The planned Northern Housing Forum will be led by Polar Knowledge Canada is now scheduled for May 1 and 2, 2018. The forum has been focused and they are now proceeding with a smaller, targeted knowledge-based forum. The event will bring together experts from federal, territorial and local levels of government, academia, industry, northern housing corporations and community members. The working group list is still in development. The request for a representative from the Committee to participate or observe is under consideration.

The objective of the forum is to focus on and share best practices from across the North to provide solutions to the technical, social and financial housing barriers that have been identified in recent forums and northern housing reports. Recommendations coming out of the forum will be made available to governments, housing corporations and northern

communities to inform next-generation housing designs and implementation decisions moving forward.

Question/Request #3:

So we [APPA] made a recommendation to the department to let the money [from Budget 2016] go directly to the people. Thank you very much for letting that happen. That made a big difference to the community.

By doing that, we created a bit of a problem [...]. On the provincial side, the Province of Quebec was reluctant to deal with the maintenance [of housing] that is normally provided. Has that been rectified? [...]

[...]

Senator Dyck: Senator Watt, you had two questions. Ministers, if you would like to respond.

Mr. Duclos: Thank you. I will be able to answer two of your questions, and the third one I will ask my CMHC colleagues to provide precision.

[...]

[...] about the fact that[...] in Quebec when it was decided, based on the input that we have received in part from your distinguished group of people (APPA), that the transfers would go directly to Nunavik, then, as you said, there was a little anxiety on the part of Quebec. There was an important discussion —

Senator Watt: Has it been rectified? That was my question.

Mr. Duclos: That's why I'm turning to my CMHC colleagues who are well aware of this issue.

Mr. MacArthur: I'm going to have to get back to you. We are aware that that was an issue in the N.W.T., and I know in the N.W.T. it was rectified. I would have to talk with SHQ, and we can come back to you

Senator Watt: So it is a possibility that it is still not rectified?

Mr. MacArthur: I'm not sure. I don't want to speculate.

Answer:

Through Budget 2016, ISC provided \$80 million, over 2 years, directly to Inuit land claim governments and organizations for housing in the Inuit regions of Nunavik, Nunatsiavut and Inuvialuit. The funding authorities and mechanisms utilized provide Inuit recipients with maximum flexibility, authority and autonomy to address the housing needs that they identify at the regional level.

Budget 2016 funding is not tied to Inuit land claim agreement obligations; it is provided in support of the Government of Canada's social policy objective of ensuring Indigenous

communities have infrastructure comparable to other Canadians in order to facilitate healthy, safe and thriving Indigenous communities, and fulsome Indigenous participation in Canada's political, social and economic development.

In Nunavik, \$50 million over two years was provided directly to Makivik Corporation, which used the funds to construct 144 social housing units. Makivik Corporation has approached the Government of Quebec to request that the Province enter into a cost-sharing arrangement for the ongoing operations and maintenance of these new units, similar to what exists under the Nunavik Housing Agreement (which is a commitment pursuant to the *James Bay and Northern Quebec Agreement*). Under that agreement, Canada pays for construction costs and Quebec pays for the operations and maintenance of housing units. Given that the Budget 2016 investment is outside of the Nunavik Housing Agreement, Quebec does not have a legal obligation to agree to such an arrangement.

ISC, supported by CMHC, is working with the Province of Quebec and Makivik Corporation to facilitate a mutually acceptable solution amongst the parties and develop long-term solutions that will safeguard the sustainability of the housing stock in Nunavik. Discussions are ongoing and the establishment of a committee (Government of Canada, Province of Quebec, Kativik Municipal Housing Bureau and Makivik Corporation) has been proposed to examine issues such as roles and responsibilities, long-term housing stock imperatives and sustainability so that current and future investments yield the best results for the residents of Nunavik.