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• (1105)

[English]

The Chair (Mr. Kelly McCauley (Edmonton West, CPC)): I call this meeting to order.

Welcome to meeting number 156 of the House of Commons Standing Committee on Government Operations and Estimates.

Keep your headphones away from the microphones at all times to protect the hearing of our valued interpreters, and do not touch the mic.

We have two opening statements. We'll go to you virtually, Mr. Beaton, first.

Go ahead for five minutes, please.

Mr. Jacob Beaton (As an Individual): Thank you, Mr. Chair.

Everybody, it's wonderful to be here. My name is Jacob Beaton. My travel name is Dzapl Gyiyaawn Sgyiik.

I am Eagle Clan, of Tsimshian, Haida and Heiltsuk descent, from the northwest coast.

Thank you very much for inviting me and for having me here.

I've worked for first nations for my whole career, for dozens of different nations over a couple decades. I'm a first nations business owner and entrepreneur and have been my whole career. I currently own and operate an award-winning business that's indigenous-led. I'll be talking a bit more about that standard—"indigenous-led".

I've been awarded as Young Entrepreneur of the Year, recipient of the BC Land Award, Canada's Food Hero to the United Nations, and, most recently, recipient of the King Charles III Coronation Medal. I'm currently a thought leader to the B.C. Auditor General.

I'm very happy that I've been invited and get to answer some of your questions. I've been successful in business because I don't just identify problems; I come up with solutions. I understand that we're talking about problems and solutions here today. The essence of what business is to me is the identifications of problems and then delivering consistently effective solutions.

I first want to start with the problems that we're trying to solve here.

First of all, I'm sure everyone's aware of the history of systemic economic oppression of first nations and indigenous peoples in Canada. As an example, here in B.C., there's a wonderful old book I picked up for free called *Indians at Work*—

The Chair: I'm sorry, Mr. Beaton. I have to interrupt you for a couple of seconds because we have our vote bells. We have a little procedural thing. Bear with me for two seconds.

Colleagues, we have bells. Can we have UC that we'll continue and perhaps vote virtually in the room so that we can get as much time as possible?

Some hon. members: Agreed.

The Chair: That's wonderful. A couple of minutes before the actual vote, we'll just suspend, and then, once everyone has successfully voted, we'll gavel back in.

Some hon. members: Agreed.

The Chair: Perfect, thanks very much, everyone.

Mr. Beaton, go ahead, sir.

Mr. Jacob Beaton: No problem. I was warned, so I'm not surprised. Thank you.

Yes, there are some challenges. Here on the west coast, for example, first nations were very active in parts of the economy and then were systemically removed. That's not just due to the Indian Act but also collusion on the part of churches, for example, provincial governments, corporations and individuals.

One example of it in my sector is the pass and permit policy under the Indian Act, which wasn't repealed until 2014. It forbid indigenous first nations people specifically from purchasing anything to do with food production, or selling, trading or giving away food. The ghosts of the Indian Act and Indian Act policies currently reverberate throughout institutions and manifest many times as institutionalized racism.

I have a quote here from my friend George, who's first nations from here, this territory, and he says, "Indigenous procurement is economic reconciliation, an opportunity to heal wounds created by racist patriarchal legislation gone unchanged for too long."

There's lots of work that has been done. No more studies are needed. I just wanted to say that. The Royal Commission on Aboriginal Peoples, starting in 1991, was very exhaustive, as was the Truth and Reconciliation Commission. They have excellent recommendations to do with this. We don't need to rehash those.

How are we doing? Not well. Socio-economic indicators have been flatlined and, in some cases, are worse. If we look at the Corporations Canada report, we see that less than 1% of corporations in Canada that are publicly traded generally have indigenous people on their boards of directors—0.07%. Less than 1% of senior staff—half a per cent, actually—at publicly traded companies in Canada are Métis, first nations or Inuit.

The average life expectancy among first nations people in B.C. has plummeted, and has dropped by more than six years between 2017 and 2021. First nations unemployment generally has hovered between 10% to 15%, unchanged over the last couple of decades, and it's been double that on reserves.

We just need to look at data. How are we doing? Not very well. The procurement strategy is not working, and I want to give you a few reasons why.

First of all—and I've heard this as I watched some other recordings—it's easy to fake it, and it's easy to say “Hey, it's pretendians,” and kind of focus on that, but that's really not the main problem. It's not a whole system of pretendians that's causing problems. Current systems and policies encourage corruption and fraud, and of course I have examples of this.

One example is procurement based on indigenous ownership. It is common practice for existing non-indigenous businesses to look for and grab an indigenous equity partner just for the purpose of landing a bid. Another example is the GP/LP structure, which is used, for example, to make ventures 99% indigenous owned but give 99% of operating powers to non-indigenous general partners. The standard profit share offered to nations or indigenous partners is 5%, and that's an open secret. This often results in higher job costs, as that 5% then acts as a tariff or additional tax on contracts and jobs.

Critically, there's no active auditing, oversight or enforcement, so it is common practice for promises to be made in a bid and then not delivered, and there are no consequences for that. An example is the minimum indigenous participation within job opportunities. The enforcement falls on already stretched nations, in what I've seen throughout my career. In my whole career, my indigenous heritage and that of my initiative have only ever been audited once, and that was by another first nations organization.

Procurement currently favours legal first nations governments as well, and excludes grassroots entrepreneurs like me, so many first nations struggling with capacity issues lean heavily on non-indigenous professionals and suppliers. Conflict of interest is the norm, with non-indigenous controlling partners putting their interests above that of indigenous partners' values and priorities.

Those are the problems. Now let's talk solutions.

• (1110)

The Chair: I'm sorry, but I have to get you to wrap up, Mr. Beaton.

Mr. Jacob Beaton: Yes. I'm at the end here. Thank you for listening.

We indigenous people should be the only arbiters of who is indigenous and who is not. Indigenous-led is a spectrum. It's easy to define, easy to audit and easy to score. Indigenous-led initiatives are proven to create real results and real change on the ground. There are tons of data behind that, and there are precedents, where we have standards, such as the First Nations Management Act. First nations meet them and then have access to preferred rates and opportunities.

We have already developed—

The Chair: I have to cut you off there, Mr. Beaton, because we need to allow time to get to our meeting.

Thanks, Mr. Beaton. I'm sure you will get an opportunity—

Mr. Jacob Beaton: Okay. Thank for listening.

The Chair: We'll have you for a full hour, so there will be lots of opportunity to continue.

Mr. Jacob Beaton: I just want to say that I welcome questions.

Thank you.

The Chair: Thanks.

Mr. Pelletier, go ahead, please, for five minutes.

• (1115)

Mr. Lorne Pelletier (Senior Economic Advisor to the President, Manitoba Métis Federation): Good morning, everyone.

Thank you, Mr. Chair and committee, for the invitation.

My name is Lorne Pelletier. I'm a senior economic adviser to President David Chartrand of the Manitoba Métis Federation. I join you from Winnipeg, the heart of our homeland.

I'm joined in the room by my colleague Marc LeClair, who is the chief executive officer of our affiliate, Métis N4 Construction.

As the committee knows, the Red River Métis are a recognized aboriginal group under section 35 of the Canadian Constitution. Our people were and continue to be Canada's partner in Confederation.

Our people have always been known for our strong work ethic and entrepreneurship, going back to the days of our buffalo hunts. The Manitoba Métis Federation is the national government of our people, as outlined in our constitution, reflected in our democratic processes and acknowledged through the Manitoba Métis Self-Government Recognition and Implementation Agreement signed with Canada in July 2021.

I'd like to begin my opening remarks by commending the Government of Canada for introducing the 5% indigenous procurement mandate in 2021. The policy reflects true and tangible indigenous reconciliation and has the potential to advance the economic participation of Red River Métis in meaningful ways.

While the policy is a good one, the committee is aware of the issues and barriers in its administration and delivery, as mentioned by others. Our Red River Métis businesses continue to face some of those barriers to participation in Canada's indigenous procurement. I would suggest to the committee that the Manitoba Métis Federation is prepared and ready to be part of the solution. The committee may not be aware, but the Manitoba Métis Federation has its own established Red River Métis business registry and an online Red River Métis business directory administered by our affiliate, the Louis Riel Capital Corporation.

Our Red River Métis business directory currently has 770 registered businesses in it. To register, businesses go through a verification of majority ownership process administered by our Louis Riel Capital Corporation, the Manitoba Métis Federation's indigenous financial institution. For the committee's awareness, the Louis Riel Capital Corporation just celebrated its 32nd anniversary of serving Red River Métis businesses. Through our process, a Red River Métis business owner or owners are equally validated for their citizenship with the Manitoba Métis Federation's citizenship registry, which is administered by our central registry office. All businesses on our Red River Métis business directory are verified for majority ownership and validated for citizenship with our government.

The issue is that our directory is not currently recognized as a valid source for confirming an indigenous business by the Government of Canada. As a result, any contracts established between Canada or one of its prime contractors looking to subcontract with a Red River Métis business do not count against the federal department's 5% requirement. The effect is that our Red River Métis businesses are disregarded and not given an opportunity or encouraged to register on the federal indigenous business directory.

As the committee is aware, the indigenous business directory registration process can be onerous. Moreover, these businesses are already registered on our government directory, so, in essence, it becomes a matter of principle pertaining to self-government, self-determination and ensuring that we're positioned to identify, recognize and promote Red River Métis businesses.

I would ask that the committee give strong consideration to recognizing our Red River Métis business directory as a legitimate source for indigenous procurement.

Thank you again for the invitation.

The Chair: Thank you, gentlemen.

We'll start the six-minute rounds with Mr. Genuis.

Go ahead, please, sir.

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Thank you, Chair.

Thank you to our witnesses for very interesting and insightful testimony.

I want to start with the Manitoba Métis Federation.

We are seeing, I think, a lot of false claims made about indigenous identity and about Métis identity in particular. Of course, there's the recent case of former minister Boissonnault, but I think there are many other cases. It seems that when false claims of indigenous identity are made, very often they're claims of Métis identity in particular.

This might seem obvious, but I think it's important. If you could, tell the committee directly what it means to be Métis. That is, how is Métis identity properly defined? How can a claim of Métis identity by an individual be verified? Why do you think we're seeing a proliferation of these false claims around Métis identity?

• (1120)

Mr. Marc LeClair (Senior Advisor, Manitoba Métis Federation): Lorne, do you want me to answer that one?

Mr. Lorne Pelletier: Yes, thank you.

Mr. Marc LeClair: Thank you for the question.

In 1870, 10,000 of the 12,000 people in Red River were Métis. There would have been another 2,500 Métis up towards the Qu'Appelle Valley up into Edmonton. Canada was supposed to settle with us for that 1.4 million acres of land that we negotiated, and there were scrip certificates there.

In addition, outside of the postage stamp of Manitoba, there was the Dominion Lands Act, which provided scrip to the Métis and the half-breeds. It was delivered around the same time as those numbered treaties were done, so if you want to be on our registry, you have to show either those scrip records or parish records. It's very clear who the Red River Métis are, and it's very clear who they're not. We've seen all of that in Ontario, Quebec and eastern Canada; those people aren't Red River Métis.

We have our own registries with verification systems that are in place, and that's what Lorne was talking about. It's not only for our people but for our businesses as well. It's very clear who we are and also who's not Métis. That's an important question.

Mr. Garnett Genuis: Anyone claiming to be Métis who is actually Métis should have a fairly easy time in providing the evidence through the process that you've just described. Is that correct?

Mr. Marc LeClair: Yes. We use the Société historique de Saint-Boniface—

Mr. Lorne Pelletier: Yes.

Mr. Marc LeClair: —and all of the families are connected.

We know who our families are and we know who is not.

Mr. Garnett Genuis: Sometimes we hear Liberals in particular say, “Oh, it’s so complicated. It’s really complicated to know what’s going on,” but basically what you’re saying is that it’s not complicated.

Mr. Marc LeClair: It’s not complicated.

Mr. Garnett Genuis: Okay.

I wanted to ask as well about this issue of the business list.

You have various rights holders maintaining their own lists. Meanwhile, the government has said, “No, we’re going to have our own separate list.” There are people who are not on that list who are actually owners of indigenous businesses and there are people who are on that list who are not owners of indigenous businesses.

It seems to me that this is one of those things that gets called complicated when it’s fairly simple. Can’t the government, instead of creating its own list, simply say, “We are going to have a mechanism whereby those doing procurement can see the lists that we recognize?”

Legitimate nations have their own lists, and we could look at their lists. Organizations that credibly represent Indigenous peoples are also producing lists. Rather than duplicating this work or choosing only one list, the government would simply have the ability to see who’s on everybody else’s list, and that would be the basis of identifying an indigenous business. Wouldn’t that be a lot simpler?

Mr. Marc LeClair: Yes, it would be a lot simpler.

I was here when Ron Irwin introduced this procurement strategy. It wasn’t very effective for a lot of years. Then, when the government came in and put in targets and timetables, it started to work. The problem was that the database of businesses was contaminated right from the start. The fact that the minister said that there are 1,100 that they just kicked out of the database says something about that database as a whole.

In the United States, they created these sector councils. It was Nixon who brought in section 8(a), the business and procurement requirements for minorities, and they created 49 different business councils that do verification of companies. We brought in the Canadian Aboriginal Minority Supplier Council. We were there when we set it up, and it does verification of minority businesses and indigenous businesses. There’s a way to self-regulate it, and Lorne has a point of view on this that’s important.

Mr. Lorne Pelletier: I’ll weigh in very briefly, Marc, and Mr. Chair.

There are two fundamental questions. One is verification of majority ownership, and any party with rights to that company’s information can determine that. It’s on the validation piece related to identity and related to connectivity to a given indigenous nation. That validation process, in my view, sits best when it’s connected with a self-governing indigenous government like the Manitoba Métis Federation.

• (1125)

Mr. Garnett Genuis: I guess the point, though, is that the government doesn’t have to do this work of taking other people’s lists and putting them together themselves. They could just say at the point of procurement that they have a mechanism for accessing all of the lists. They could ask whether it’s on a list, whose list it is on and whether they can verify that it’s a real indigenous business because it’s on a real list.

This seems so simple, and yet it’s being called complicated.

The Chair: Mr. Bains, go ahead, please.

Mr. Parm Bains (Steveston—Richmond East, Lib.): Thank you, Mr. Chair.

Thank you to our witnesses for joining us today.

Maybe I can direct this to any of the guests who’d like to share answers, one by one.

On the 5% minimum target for indigenous businesses, a lot of it was in response to calls from first nations, Inuit and Métis business leaders.

Can you express how important it is and how it’s been received within the nations that you’re mostly working with, and other indigenous leaders that you’re working with? What message does this send to indigenous communities from the federal government?

Mr. Marc LeClair: The 5% minimum is one thing, but we negotiated 15% of the construction with SkyAlyne, the air force training contract, which is a 25-year contract. The minimum is important, but it’s not a ceiling either. We think that this project can be improved, but it’s all in how it gets done.

Mr. Genuis’ question about verifying who is and who is not an indigenous business is critical to the success of that program, and it should be built in to the overall procurement system.

Mr. Parm Bains: Does anybody else wants to share?

Mr. Jacob Beaton: It’s incredibly important.

The worst thing that could happen, Mr. Bains, is that the government could say, “Hey, it’s broken. It’s not working, so let’s just stop. Let’s not do it anymore.” That’s been the history for us. Non-first nations, non-indigenous institutions make mistakes with first nations and indigenous programs and projects and say, “You see? It doesn’t work. Let’s not do it anymore.” That’s not the right path forward.

The right path forward is to take these baby steps forward and to start turning them into adult steps, and getting towards actual “reconcili-action”, where we’re starting to move the needle, where we start looking at the data and we start seeing that there are more indigenous peoples involved in the economy of this country, where we start seeing that....

Do you know what solves the rampant food insecurity of first nations? It’s jobs. Jobs go a long way toward feeding children, 50% of whom in B.C. are food insecure.

We don’t want to step backward. We want to step forward and we want to work together. I think that’s a pretty universal sentiment.

Mr. Parm Bains: As you said, it's not the ceiling. We've heard in certain departments that there has been more than just the 5%.

On the same question, maybe we can hear from Mr. LeClair.

Mr. Marc LeClair: Go ahead.

Mr. Lorne Pelletier: I'm happy to add.

The 5% mandate has been exceptionally well received by Red River Métis businesses and our community. It's now a question of access to opportunity. Next week, we are hosting a business expo with 275 attendees, connecting Red River Métis businesses with Government of Canada departments and PSPC. These are prime contractors that have contracts with the federal government who have inherited that 5% mandate. We're exceptionally excited about it. It will change lives for us.

Mr. Parm Bains: I'll stay with you, Mr. Pelletier.

In your view, who's best placed to determine if a business should be eligible to compete for contracts through the procurement strategy for indigenous businesses?

We've talked a lot about the lists and who should be on the list and these sorts of things. Can you express something?

• (1130)

Mr. Lorne Pelletier: Thank you for the question, Mr. Bains.

To me, there's a need for clarity. I think a previous committee member asked a question about who makes a determination of who holds the list, who authorizes the lists and who legitimizes or validates the list holders. I think that's the crux of it. It's now a shift from the lists themselves to the authorizations around list holders.

I think that's where we come in. From the perspective of the Manitoba Métis Federation, as a self-governing nation with a well-established business directory that is verified and validated, we are looking for that step of acknowledgement by Canada to say, "Yes, we authorize and recognize that the list holder is solid as an indigenous government and from a process perspective."

I think that's the next step that needs to be taken. It's to ensure—again, to the previous committee member's point—that the federal department procurement officer, who's looking at that contract and at businesses to contract with, has access to what has been pre-established by a recognized list of business directory holders.

Mr. Parm Bains: Just quickly—

The Chair: Please be very quick, Mr. Bains.

Mr. Parm Bains: Just very quickly, do you think indigenous businesses are aware? Is it widely known that this program is available?

Mr. Lorne Pelletier: In our Red River Métis business community, it's very well known.

Mr. Parm Bains: Thank you.

The Chair: Thank you, Mr. Bains.

We'll go to Mrs. Vignola for six minutes. Then we'll suspend to vote.

[*Translation*]

Mrs. Julie Vignola (Beauport—Limoilou, BQ): Thank you very much, Mr. Chair.

Mr. LeClair, Mr. Pelletier, on November 16, we marked the 139th anniversary of a very sad event, the one related to Mr. Riel's hanging. I wanted to offer you and the Métis community my full support. In Quebec, a former premier once said, "We barked hard against that hanging. He was called a dog." My heart goes out to you for that. That was 139 years ago, but it's still fresh in our minds.

My first question is for Mr. Beaton, but you can add your comments. I'm sure you'll also have something to say.

Mr. Beaton, you said that it was sometimes necessary for indigenous businesses to partner with non-indigenous businesses for financial considerations. We've heard that from others as well. It's a question of cash flow, and one of the reasons is the Indian Act. It's very difficult for businesses operating on reserves to get financing from traditional banks.

How can we ensure that the indigenous business really has a role to play in the contract obtained as part of an alliance with a non-indigenous business, both in terms of the tasks to accomplish and in terms of revenue sharing? How do we ensure that is fair and true?

[*English*]

Mr. Jacob Beaton: Thank you for the question. That is an excellent question, and you've somewhat answered it by pointing out the problems that exist in accessing capital. In our survey through our non-profit association network, access to capital—in other words, being able to go to a bank and get a loan—was the number one problem, followed closely by access to land and having trained people.

Since I was a child, the promise made in partnership with non-indigenous parties has been that they were temporary and that they would be training the next generation of first nations or indigenous people to take their place. What I've seen over my lifetime is that this is an empty promise that has not happened.

The problems you laid out could be solved through policy. The parts of the Indian Act that are very restrictive are often no longer enforced, and institutions, including the government, can make decisions that are very progressive through policy changes that open the doors to access to capital, for example. I have seen that. I've gone to battle with banks and seen major policy shifts that have opened those doors.

I am a status Indian. I live off reserve, and it's still very difficult for me to get financing because that section of the Indian Act is constantly held as an excuse for why I can't access financing, even though my assets are all off reserve.

Finally, we need to move to indigenous-led as a way, as a standard, so that we have indigenous people making the decisions on a daily basis. That is the definition of indigenous-led, because if we continue to allow non-indigenous controlling interests to have all the space to make the daily decisions, what we see is that indigenous peoples are not given space and opportunities to advance and to take those jobs and positions within those initiatives, contracts and opportunities.

• (1135)

[Translation]

Mrs. Julie Vignola: Thank you.

We are starting to put financial levers in place to support Indigenous businesses. These tools come from Indigenous communities to ensure their development and autonomy.

How can the government provide better support for these initiatives to ensure greater visibility within communities?

How could the Indian Act be amended to ensure the autonomy of communities instead of constraining them? I don't quite know how to describe that law.

I'll start with Mr. LeClair. If there isn't enough time for a complete answer, I'll come back to it in my next turn.

[English]

The Chair: You only have about 15 seconds to solve the Indian Act issue, Mr. LeClair.

Go ahead.

Mr. Marc LeClair: Well, the Indian Act is not our issue, but it does create some restrictions.

I do know that the important part about this policy is making sure that the government enforces it. For example, we negotiated a building for SkyAlyne here. They agreed to take 100 offices from us. It was okay for us to go to the bank and get the \$7 million to buy the building because we have a guaranteed tenant. National Defence actually did intervene and make sure that SkyAlyne is answering the mail on their commitments for procurement, so we know it works, but it's operational as well.

The Chair: I'll cut you off there. We're going to suspend and then vote. Once we've all voted and have been confirmed, we'll gavel back in. Thank you.

• (1135)

(Pause)

• (1145)

The Chair: Thank you for your patience, everyone. We are back.

We're going to go straight to Mr. Bachrach. I'm not sure if we're going to have more bells before we're done, but if we do, I'll just give everyone a heads-up and we'll repeat the process.

Mr. Taylor Bachrach (Skeena—Bulkley Valley, NDP): I'm happy to keep talking until the next vote, if you like.

The Chair: Yes, why don't we just do that?

Voices: Oh, oh!

The Chair: Go ahead for the rest of the session, Mr. Bachrach.

Go ahead, sir. Thanks.

Mr. Taylor Bachrach: Thank you very much, Mr. Chair. It's good to be back at this committee.

Thanks to our witnesses for shedding light on this issue we're studying.

I'm really pleased to have Mr. Beaton here, from northwest B.C., as someone who has a lot of experience as an indigenous business person and has thought a lot about this question of how we ensure indigenous businesses are getting more opportunities and that we're addressing some of the real injustices in indigenous procurement that have persisted for a long time, as he mentioned in his opening remarks.

I know, Mr. Beaton, that when you got to the solutions part, you ran out of time a little bit. I wanted to give you an opportunity to talk about your proposals when it comes to fixing the shortcomings you listed. Perhaps you could focus in on these questions around the pragmatic issues of defining what an indigenous business is and the idea of "For Indigenous, By Indigenous", which I think is really crucial in addressing the problems we've seen in the indigenous procurement system.

I'm happy to give you the remaining minutes to expand on those ideas and to help the committee understand where we go from here.

Mr. Jacob Beaton: Sure. Thank you, Taylor, for the question, and for giving me a bit more time to talk about that.

As I've said, we indigenous people should be the only judges and arbiters of who's indigenous and non-indigenous. I've heard that from my Métis friends here as well, and also that they have a solution.

We have a solution. We know who's indigenous and who's not. We know who's first nations and who's not. It's pretty easy.

As the previous Métis speakers have talked about, it's not complicated. Indigeneity is not a complicated thing. For every single first nations person who knows where they're from and is claimed by a nation, that is who you are. You're first nations or indigenous. That's all it is. Who are your ancestors, and do they know about you?

The next thing I want to talk about that's really critical is that the indigenous ownership piece of course is important, but it's only one piece of being an indigenous company, business or party, and it's a very small piece, because there are actually five critical pieces around being indigenous-led.

The simple definition of “indigenous-led” is that if indigenous people are making the decisions at every level of an organization, those are going to be indigenous decisions. They're going to be in line with indigenous values and perspectives. They're going to benefit the community. They're going to create local jobs. They're going to create jobs for other indigenous people and opportunities to advance, but the indigenous-led standard is not embraced anywhere in federal government that I've come across.

The solution is essentially that we need the indigenous-led standard to be embraced as the standard, rather than indigenous ownership. Then those who are establishing the standard, and even conducting audits, are us: our organizations, our indigenous-led authentic organizations. Then we're going to see things change, because that should be the only test. The whole reason we're here talking about indigenous procurement is that there are historical injustices that have completely marginalized indigenous people in this country out of the economy, and we're trying to fix that.

We need to fix it, guys. We're in this boat together. Canada needs workers. We need strong businesses. We have them in our indigenous population, and we're available and ready. This is like a win-win-win. Everybody wins. Why aren't we having this conversation? Why aren't we engaged in talking about these meaningful groundswell shifts that are actually going to create jobs?

The last thing I'll say, Taylor, is that it has been proven that indigenous peoples globally are stewarding 82% of the world's remaining biodiversity. That's what “indigenous-led” does on less than 1% of the world's resources.

The same thing happens economically when indigenous people are in charge. We create the jobs locally. We benefit the local economy, and you have this huge multiplier effect. Everybody wins, but we need to be the ones at the steering wheel. We need to be the ones driving it, and then we'll actually see those needles move.

Thank you for listening to me on that one.

● (1150)

Mr. Taylor Bachrach: Thank you very much, Mr. Beaton.

I wanted to ask one more question. We have one more minute.

On this piece around indigenous-led, it's something that we've heard the government aspire to. For instance, there was a commitment to a “For Indigenous, By Indigenous” housing strategy that came with significant financial resources, yet we haven't seen any of those resources actually roll out, several years after the original commitment.

Where do you think the government goes off the rails when it comes to empowering indigenous organizations and indigenous governance with these decisions around shaping programs and distributing resources? Where does it fall apart?

Mr. Jacob Beaton: It falls apart in not handing over the reins to an indigenous, authentic and effective organization early on.

In those processes I've been involved with, I've seen these federal budget announcements that are, say, \$30 million or \$50 million for one sector of the indigenous economy, and by the time that actually hits the ground, it's been whittled down to a million dollars by the

time it actually gets to the authentic indigenous organizations. That's what I've witnessed: more studies.

That's why I said in my opening remarks that we don't need to do any more studies. We don't need any more data. The data is there. We just need to get to work, and we just need to have the steering wheel. We need our turn to solve our own problems.

Thank you.

Mr. Taylor Bachrach: Thank you very much.

The Chair: We're right on time. Thanks very much.

We'll go to Mr. Genuis, please.

Mr. Garnett Genuis: Thank you.

First of all, I wonder if folks from the Manitoba Métis Federation could provide us with any reaction to what happened with former cabinet minister Randy Boissonnault's false claims about indigenous identity, about Métis identity. He has now left cabinet but remains a member of the Liberal caucus. Is there any reaction to those events that you want to share?

Mr. Marc LeClair: Well, I think President Chartrand addressed that in a CBC interview the other day. We know who the real Métis are, the Red River Métis, and I don't think he ever claimed to be part of the Red River Métis.

The challenge with this is the self-identification issue, and it's writ large in the federal public service. You just have to say that you identify as indigenous, and then Bob's your uncle. We've always had issues with that, not only on the procurement side but also on the employment side.

It really behooves the government, and this committee, actually.... I'm glad you're looking at these issues, because some oversight is really needed in order to implement these policies and to police the policies as well. The self-identification thing I think really needs to be looked at closely.

Mr. Garnett Genuis: It's not at all surprising that if you have a self-identification framework, you're going to have a certain portion of people who are unscrupulous enough to self-identify as whatever they perceive to be in their interest in the moment. That's fairly obvious.

I want to go to enforcement now. Mr. Beaton made some interesting and I think important comments about enforcement, highlighting the fact that there are publicized cases of people who are outright making false claims of indigenous identity—the Randy Boissonnault case, for example—but there are likely many more claims of deceptive structure. It's not actually a person who is not indigenous saying they're indigenous; it's more a case of a structure that is designed to partially incorporate an indigenous company, but in a way that preserves all of the benefit for the non-indigenous side of that partnership.

Also, Mr. Beaton made the point about a lack of audits, in that claims might be made about indigenous benefits or about how that benefit-sharing or work-sharing process is going to unfold, but those claims are not followed through on and are not enforced.

I wonder if we can get both witness groups to comment on the failure to enforce some of these rules—why there's a lack of enforcement, who should be enforcing them and how we can improve enforcement specifically.

• (1155)

Mr. Marc LeClair: Lorne, do you want to take that one?

Mr. Lorne Pelletier: Yes. Thanks. I'm happy to provide a response.

Again, coming back to my earlier points about who authorizes lists or who validates lists and then how those lists are made available to federal decision-makers in procurement, there has to be a regime that looks at that in terms of making a determination of the list holder and the process they use to verify and validate people on the lists.

Along with that regime comes that back-end piece you're speaking about, which is how each of the different groups or the Government of Canada is going to look at the enforcement component, whether that's through an audit that follows the contracting or whether that's ensuring the right criteria or conditions are met—again, by the list administrators—going forward.

Speaking more generally, I think that on some of these fraudulent activities, we're already seeing the legal action, the legal consequences, to Marc's point about self-identification—

Mr. Garnett Genuis: Yes. I'm sorry. I do want to give some time to Mr. Beaton on this, just briefly.

There's a real discrepancy where you have, on the one hand, 1,100 businesses taken off the list, but on the other hand, you have zero cases of consequences or penalties for those who engage in indigenous identity fraud. There's clearly a problem, but there are no penalties for anyone who is responsible for the problem.

Mr. Beaton, do you want to comment on how we can improve enforcement?

The Chair: Please be extremely brief.

Mr. Jacob Beaton: Yes. It's through audits, absolutely, done by indigenous people. It's very simple.

Also, just keep in mind that the current system is a yes-no in terms of meeting an ownership requirement or a certain percentage

of requirements. “Indigenous-led” is a spectrum, so it's not just a simple yes-no.

Thank you.

The Chair: Thank you.

Next is Mrs. Atwin, please.

Mrs. Jenica Atwin (Fredericton, Lib.): Thank you, Mr. Chair. I hope I'm coming through loud and clear for interpretation.

Thank you again to our witnesses for adding very important testimony to this conversation today. It's been very enlightening, for sure.

I'd love to go back to Mr. Pelletier around the list again, which the organization kind of monitors. Can you speak to that? Has that process evolved since it began, or has it been pretty standard across the board?

Mr. Lorne Pelletier: Thank you very much, Ms. Atwin, for the question.

The process has evolved. We have continued to bring more rigour over the past several years, and increased integrity. Obviously, there's review of the registry as we move forward, given that you may see instances of a change in ownership in a natural part of a business transaction. You might also see some change in citizenship. We're monitoring that on an ongoing basis.

I would say that what's really interesting and really exciting about the list is that we use it to inform our own Red River Métis equitable participation policy and program. We've used it in our major contracts that we've issued. The MMF has done major contracts with non-Métis businesses that have the capability and capacity to undertake them. Then, through that, there's a process by which they can use our directory to support suppliers, subcontractors, etc.

I'll just say that on a recent \$11.5-million energy efficiency retrofit project, our general contractor was Red River Métis and 17 of 22 subcontractors were Métis. We had a 28% on-site workforce of Red River Métis participation. It's substantive.

Mrs. Jenica Atwin: That's excellent. That's a perfect example of how this is supposed to work. That's really great to hear.

Do you think that transferring the list of indigenous businesses away from government would address concerns, perhaps, that we're seeing with organizations such as the Métis Nation of Ontario?

Mr. Lorne Pelletier: Right now, there are six Red River Métis businesses on the federal indigenous business directory. They've secured some contracts in the past, but it's been limited. Some have been on that list from early days, I'll say, and have not seen contracts. Some are being directed there, as per my opening remarks, because we've introduced them to prime contractors.

In one case, we introduced a prime contractor that has three billion dollars' worth of federal defence contracting to a Red River Métis business. They're excited. They have the capability to do what they need them to do. They've said that they're ready to go into contract mode as soon as you get registered on the federal indigenous business directory, which, to me, goes against the principle that they're registered with our government's registry.

• (1200)

Mrs. Jenica Atwin: Thank you for that.

Mr. Beaton, if I could turn to you as well, I think your business sounds really incredible and is addressing some important issues, especially, as you said, in relation to some of the oppressive pieces of the Indian Act and specifically around food security and the limitations there.

Can you speak to some of the ways that your businesses helped to improve the economic activity in communities in your region?

Mr. Jacob Beaton: Yes, I can, absolutely. Thank you for giving me that space.

We're indigenous-led, meaning that our board, our senior staff, our medium staff and our entry-level staff are majority indigenous at every level.

In our first year, we worked in skills training, primarily in trades. I'm not an educator by background—I'm an entrepreneur—but I just saw that there were all these construction sites and all this stuff going on and we were surrounded by unemployed first nations people. Why was nobody working in these areas? I was a general contractor for a while, where I proved it could be done, just like my co-witness here.

Anyway, I just wanted to say that in our first year, we engaged more indigenous people in trades in our province than all government-funded non-indigenous institutions put together, and that was just our first year. We've grown every single year.

Now, one of the questions I didn't get asked is if I'm on the registry and if I've ever attempted to bid. The funny thing is that I used to be, but guess what? My status card expired, and that's a huge problem here. A lack of ID in rural, remote and indigenous communities is a really big problem. That's why I'm not on it.

I'm status. I'm definitely indigenous. I'm first nations. You'll find tens of thousands of people who will attest to my indigeneity and my ancestors here, yet I'm not on the registry because I have an expired status card, which is absolutely ridiculous.

Anyway, yes, the success is big. If anyone wants to check us out, our website is teacreek.ca, like the tea that you drink.

Thank you.

Mrs. Jenica Atwin: That's amazing. Thank you so much for that.

That's really informative as well, just to explain some of the—

The Chair: That's our time, I'm afraid. We're past our time.

Mrs. Jenica Atwin: I'm sorry.

Thank you very much.

The Chair: Mrs. Vignola has the floor, and then we'll finish with Mr. Bachrach.

[*Translation*]

Mrs. Julie Vignola: Mr. Beaton, I'm still astonished—that's the politest word I can find—to learn that an indigenous status card can expire. I'm sorry, but I think there's a problem here. It's like telling me that my birth certificate has just expired. Yet I am still alive. It's ridiculous.

You said there were enough studies. Do you sometimes get the impression that the many consultations and studies are just a way to look good in front of the cameras and to postpone truly solving problems?

Studies have been going on for 50 years. At some point, we have to grasp something and solve the problem.

Do you feel that, ultimately, this is just a pretext?

[*English*]

Mr. Jacob Beaton: Yes, I do, 100%. I think we're in agreement that, universally, studies are important, but they've been done. We have lots of data from, for example, Statistics Canada. It comes out fairly regularly.

As I said, we just need to get going. There are tons of window dressing. My experience and the experience of all the first nations we work with is that reconciliation is currently all talk and no action. We're not seeing the needle really moving in significant ways.

That's really all I have to say on it. We're ready for action. Our Métis allies there are working hard. We're working hard too. We're ready to go. We're just not having the meaningful partners on the other side, in our case, that are ready to go too.

• (1205)

[*Translation*]

Mrs. Julie Vignola: I want to come back to the financial levers currently in place by and for first nations.

How could the government strengthen those and ensure that they are better known by communities across Canada, regardless of their geographic location?

[*English*]

The Chair: I'm afraid that no time is left for a response, but we always welcome written submissions. If you'd like to provide a commentary in writing to the clerk, that would be much appreciated.

We'll go to Mr. Bachrach, please.

Mr. Taylor Bachrach: Thank you, Mr. Chair.

Mr. Beaton, as you know, I had a chance to ride the train from Prince George to Smithers a few weeks back. I was riding with a young man named Justice Moore, who shared with me how his life has been transformed by the work you're doing at Tea Creek.

I want to give this last round to you, for you to just talk about what you're doing with your operation, Tea Creek, and some of the successes you've had in terms of training and empowering local indigenous people with the skills they need to succeed.

You have two and a half minutes. Share with us the story of Tea Creek and how it's been so transformational.

Mr. Jacob Beaton: Thank you.

Well, I decided to put all my business experience to work in terms of trying to transform.... My vision of Tea Creek is to have healthy, resilient and indigenous economies across the country and beyond, based around abundant local food, which is our history. "Our past is our future" is how I sum up Tea Creek. That's the vision.

The nuts and bolts, then, are in retraining our people to take those places within our economy, from top to bottom. There's an excellent documentary about Tea Creek on CBC. It's on CBC Gem. Look for Tea Creek and you'll find it, if you're really interested in solutions that work and what we're doing up here.

I just want to again thank everybody very much for having us, for having me and for listening. I really do look forward to seeing some positive changes and hopefully hearing from folks on the federal side who want to see indigenous-led businesses take root and become a new standard that opens the door to more opportunities and resources that actually make a difference on the ground.

Thank you very much.

Mr. Taylor Bachrach: Thanks so much, Mr. Beaton.

We have 30 seconds more, and I'm going to try to fit in one more question.

You talked about handing indigenous people the wheel, in that it's time for the government to really empower indigenous people when it comes to indigenous procurement.

Are the existing indigenous organizations and indigenous governing bodies sufficient to lead that work, or is there a need for the creation of new institutions, organizations or groupings to administer the process of distributing contracts and managing indigenous procurement?

Mr. Jacob Beaton: Well, I could—

Mr. Taylor Bachrach: We can follow up afterwards.

The Chair: Mr. Beaton, I apologize. There's no time left.

As I said previously, we would really welcome a written response or some thoughts on that question.

With that, colleagues, we'll suspend and bring in our new witnesses.

• (1205)

(Pause)

• (1210)

The Chair: We are back. Thanks for everyone's patience. We'll go to opening statements.

Welcome back, witnesses. We're having some technical issues with Mr. Sergerie, so we're going to continue with our in-person opening statements while we try to get his IT fixed, and we'll go to him third. If we're not successful, we'll just go straight to questioning.

Mr. Carignan, would you like to go ahead for five minutes? I'm going to keep you both to five minutes and no more, please, because we're short on time as it is.

• (1215)

Mr. Denis Carignan (President, PLATO Testing): I'll be as quick as I can.

Thank you, committee, for the opportunity to come back to speak again.

I'd like to acknowledge that I was supposed to be at a different meeting today in Toronto with the Bank of Montreal's indigenous advisory council, and they gave me leave to be here today because of the importance of this subject for communities across Canada.

My name is Denis Carignan. I am president of PLATO Testing. We're an IT services company with about 400 employees across Canada.

I have to ask myself why I'm here and what I'm presenting today, because I've presented once before, and I thought back to my mother. Her name is Leona Cyr, Leona Carignan. She went to the Lebret Indian Residential School for 12 years, along with all of her brothers and sisters. The one thing she taught me was that she acknowledged the past and recognized the past, but always looked to the future and lived in the present.

What that taught me over the course of my life was to check my intentions when presenting, and I thought to myself, "Why am I here today?" It's really so that I can present my experience as a business person in Canada, running an IT services company over the last nine years. Hopefully, some of our experiences and some of our learning can be shared and can help inform the work of this committee, because the work that you do and that the government does is important for us.

The Government of Canada is the largest purchaser of goods and services in Canada, so how it manages procurement is very important. It is very important as a policy tool to incentivize and to help make good things happen for all Canadians.

I also acknowledge, as a business person, that I can't change the policy, and that you here collectively, and the work you do in Parliament, have the power to influence and to make these changes. We're here because a previous policy was put in place almost 30 years ago, and the policy doesn't work for today's standards.

I heard some of the testimony this morning. I was very grateful to hear Lorne Pelletier, a former colleague of mine, speak with great earnestness and a lot of wisdom. I heard a lot of commonalities in the presentation this morning with what we have to say as well.

My business is technology. We work in a technology workspace. We compete globally. We work with companies across Canada, with government organizations across Canada, and collectively we've been trying to work to build careers for indigenous Canadians in technology.

When I consider that and when I look at some of the demographics for our industry, anywhere from 0.5% to 1.5% of Canada's indigenous technology workforce is indigenous, yet there is great opportunity to grow careers.

When I look at previous work that I did as a public servant, I see that one of the challenges we have is how we diversify economies in our local communities. The nice thing about technology is that the work is portable, so if we invest the time and the energy, if we equip people with skills, then work can be brought to different parts of Canada, which can actually help diversify the work.

I have shared a document. It probably isn't through translation yet. It provides a bit of an overview of who we are as a company and of some of the impacts that we have.

One of the pages depicts a case study of our work in Sault Ste. Marie, Ontario. We received some funding from the Government of Canada through FedNor, through the provincial Government of Ontario and through the City of Sault Ste. Marie, totalling a little over \$3 million, and that funding was provided over five years. With those organizations and with Crown corporations and a number of private corporations in Sault Ste. Marie, we've been able to develop a work centre there. To date, we've generated over \$11 million in salaries and benefits to our indigenous team in that community, generating about 400 months of employment. Even as a business person or whoever, it looks to me like it's a pretty good return on investment for everyone.

When I think about it, you wouldn't necessarily think of Sault Ste. Marie as being a hub of technology or technology employment, yet with the proper investment of time, effort and incentives, we can do this in virtually every community in Canada where there is suitable and adequate infrastructure.

I will hopefully provide some recommendations to you. I know I have just a few seconds left.

The first one is to provide incentives for capacity building or building of a talent pipeline in Canada, which is very important. I think that's something that can be done inside of a renewed procurement program.

- (1220)

The second one is really around building business acumen. We're a company that is almost 30 years old. However, to compete on a federal government procurement project, we need to be bigger and more capable. The only way for us to scale to that is having an opportunity to lead projects, as opposed to being a subcontractor on projects.

With that, I will close. I thank you again for the opportunity.

The Chair: Thanks.

Welcome back, Ms. Semaganis. Thank you for making the effort to drive so far to be here again today. The floor is yours.

Ms. Crystal Semaganis (Leader, Ghost Warrior Society): Thank you very much.

My name is Crystal Semaganis, and I'm a leader of the Ghost Warrior Society, which is a grassroots collective. I'm wearing this shirt for a reason, because it's indicative of Inuit, first nations and Métis. That is exactly who we represent.

My involvement in this committee came as a result of my dedication to stopping first nations, Métis and Inuit identity fraud. On the specific issue of indigenous procurement, what we are doing is trying to unravel centuries of colonial interference in who we are as a people. Some of those mechanisms and frameworks—whether they be the Indian Act legislation, procurement systems or programs meant to bridge gaps that currently exist for first nations, Métis and Inuit—are flawed. We are wading through a quagmire of historical exploitations, and they are crippling my people from a grassroots perspective.

There has been much talk of data. There is a data deficit on the impact of first nations, Métis and Inuit identity fraud on our people as we experience it in our day-to-day life. It is robbing us of opportunities, resource building, capacity building, true engagement and our true place in the economies—social and otherwise—of Canadian society. We are a very capable, intelligent, resourceful, beneficial and beautiful nation. We are the first peoples. We are the stewards of our resources and mother earth, and we are here to say, “Work with us when we tell you that this business is not representative of us.”

I'm here to tell you about CPAIN. That acronym stands for Corporations Posing as Indigenous Nations. We are doing data collection among our people on how this is impacting us. Of the top 10 indigenous businesses that have done procurement in recent years, the price tag for those that are fraudulently claiming indigenous identity in order to engage in that procurement is \$2,610,800,000. That figure alone could have alleviated food insecurity in the north. It could have provided clean drinking water for every first nation, Métis and Inuit person who currently does not have it. It could have alleviated child welfare problems across this country.

When you have these kinds of price tags, you look. You study the data and present it. These are the real impacts on our people. You tell us these are the colonial mechanisms that will rule us, and you do not listen to us when we tell you that these people are not indigenous. This is an exploitation of billions of dollars, and you are robbing my people of our true place in this society. We are more than capable of being your equal partner, handling natural resources and being stewards of mother earth.

We are here to say, “Enough”. The Ghost Warrior Society is not going anywhere. We are going to continue our work, and we are going to continue these relationships and opportunities to educate on the real colonial violence that is first nations, Métis and Inuit identity fraud.

Thank you.

The Chair: Thank you very much.

We don't have Mr. Sergerie's IT fix, so we're going ahead to see if we're able to address it.

A voice: It should be okay.

The Chair: Oh, it may be fixed.

Mr. Sergerie, are you there?

• (1225)

Mr. Dave Sergerie (Strategic Projects Coordinator, First Nations of Quebec and Labrador Economic Development Commission): Yes, I am.

The Chair: Go ahead for five minutes, please, for your opening statement.

Mr. Dave Sergerie: Thank you very much. *Kwe. Bonjour.* Good day.

My name is Dave Sergerie. I am Anishinabe from Timiskaming First Nation. I've been working for the Assembly of First Nations Quebec-Labrador for the past 23 years, and I'm currently the strategic projects coordinator for the AFNQL's Economic Development Commission in support of 43 first nation communities in Quebec. Thank you for having me here today.

In the next few minutes, I will quickly address a certain number of issues regarding indigenous procurement. Should you wish to further discuss any topics, my contact information is available on our website.

Indigenous businesses are primarily small to medium-sized, so a lot of them are active mainly in their local markets and have neither the interest nor the capacity to open up to the outside world, to canvass for contracts or to participate in calls for tenders. Please remember this opening statement when we come to address some of the constraints and solutions specific to indigenous procurement.

First, let's take a quick look at the reasons behind this tendency to have smaller businesses.

Indigenous people have a world view that is very much rooted in the present moment. They don't project much into the future, and the same is true for entrepreneurs. They want to be able to provide for their families, to create quality jobs and to provide essential services to local residents. Additionally, first nation entrepreneurs are faced with socio-economic realities and barriers that often prevent them from working 60 to 70 hours a week away from their families. All the ambition in the world cannot eliminate the harsh conditions faced by many community residents and entrepreneurs.

In terms of constraints and solutions, I will first address the capacity level.

Not all indigenous businesses have the capacity to carry out high-value contracts. The lack of human and financial resources makes it difficult even for experienced and competent business owners to comply with the heavy regulation constraints of certain activity sectors, such as construction. Furthermore, because First Nations businesses are smaller and face additional challenges, their

tenders tend to be higher than those of non-indigenous businesses, thus preventing them from winning contracts.

On this last point, we recommend greater flexibility in the criteria for awarding contracts so as to put indigenous and non-indigenous businesses on a more equal footing. However, as a more general solution, we recommend that government buyers largely increase the use of low-value contracting, which, as you know, has an upper limit of \$25,000 for goods and \$40,000 for services. Because these contracts can be awarded without going through the tendering process, this approach has tremendous potential in the context of procurement from indigenous businesses.

By landing \$25,000 contracts, businesses can continue to grow, can hire employees and can develop their expertise. Additionally, this type of lower-value contract allows them to familiarize themselves with the process of government contracting, and as they start to see the concrete benefits of it all, their confidence in the process and in government will naturally increase, thus setting a positive example for their peers.

Implementing this proposed solution presents its own difficulties. For one, low-value contracts can be less attractive from a government point of view, as they require a lot more work, on the whole, than larger-value contracts, while contributing less to the achievement of the 5% target. As a result, they might not be sufficiently valued and promoted within the procurement strategy for indigenous businesses.

In terms of attractiveness, the first aspect I want to talk about is the weight of history. Obviously, indigenous people have seen many government-led initiatives never materialize. A certain mistrust has set in with regard to governments in general.

• (1230)

The procurement process is also largely unknown to contractors. It is a complex process, in the eyes of many of them, that makes it difficult to qualify. Indigenous entrepreneurs need to be supported so that they can more easily navigate the procurement process. Restoring their confidence in the process and showing them concrete examples of contracts that have been awarded to indigenous businesses could convince entrepreneurs that the time is worth investing.

The Chair: I'm sorry. That is our five minutes. I have to cut you off there in order to get our rounds in.

We will be able to get the first round in before we have to vote, but I have to cut everyone off right at six minutes. Watch the clocks, please.

Mr. Genuis, go ahead, please, sir.

Mr. Garnett Genuis: Thank you, Mr. Chair.

First, Ms. Semaganis, thank you for coming here again, and thank you for exposing us to the human cost of this procurement abuse. Sometimes I think there is a temptation around here, when big numbers are thrown out, to just see the numbers, but we need to see the lost opportunity behind every misappropriation of funds. This is cultural appropriation leading to financial misappropriation, and that financial misappropriation has real consequences.

I wonder if you can share your reaction to the Randy Boissonnault affair, particularly what we can learn from what happened. What should we take from what took place and use, going forward?

Ms. Crystal Semaganis: I think the entire situation is indicative of what happens when you have absolutely no deterrence to claiming indigenous identity falsely. When you have absolutely no mechanisms in place to affirm these, you have exploitations. I find this to be an exploitation.

It is very common of the cases we research in our volunteer work, and we do this work with no resources. When you have high-placed people making false claims of first nations, Métis or Inuit identity, and they hold significant political power, it makes that exploitation exponentially harmful. It is a trauma for us to uncover these things, to see these things exposed in the media and to go back over that grift. What has this person been involved in? Where did they divert resources that should have gone to our people? Why is this allowed to happen? We need deterrents. We need frameworks too. We need dispute mechanisms in place for when we challenge a business.

We tried to research indigenous procurement. There is very little information, even when researching government databases, that can authenticate these businesses. There are walls everywhere for—

Mr. Garnett Genuis: Can I ask a quick follow-up question?

You talked about deterrents and consequences. Do you think he should remain in the Liberal caucus or not?

Ms. Crystal Semaganis: No.

Mr. Garnett Genuis: I'm sorry. Could you say that one more time?

Ms. Crystal Semaganis: No, I don't think he should. That's a significant breach of trust—

Mr. Garnett Genuis: Yes.

Ms. Crystal Semaganis: —and a misrepresentation of being serious about engagement and transparency with first nations, Métis and Inuit. Then they have people who represent that in their highest halls of representation.

Mr. Garnett Genuis: Thank you.

I want to proceed to our other two witness groups who were, I think, talking in a similar way about the other barriers that exist for indigenous businesses.

I am reflecting on this. The government says they want indigenous procurement. However, if they make procurement opportunities hard to access for new businesses, small businesses, businesses in rural areas and businesses run by people without political connections, we are going to have low numbers in practice, even if the government tries to massage the numbers in various ways.

Do you agree with that assessment, in general? What steps can we take to ensure procurement is more accessible for new businesses, small businesses, businesses located outside the national capital and businesses run by people without political connections, so that we're truly democratizing the process here?

Mr. Carignan is first. Then we'll go online.

Mr. Denis Carignan: Thank you, Mr. Genuis.

Well, part of the challenge in our sector is that—I already alluded to this—there just isn't a large population of indigenous IT professionals in the country. There are a number of businesses that are listed as IT professional businesses, but I can't speak to the number of employees they have who are actually technical and doing those jobs.

What's the best way to do it? The best way, obviously, is to get more businesses into the space. The question is, how do you get more businesses with people who have the skills into the space?

Part of the challenge is that building skills takes time. We, as a company, looked at this and said, "Well, we'd like to go and hire all the indigenous IT graduates we can find", but we realized there just aren't enough. What we decided to do is build our own. We developed a training program, and we've been spending the last nine years investing in people to try to build this workforce and grow it.

In terms of how this process can benefit that approach, the rules can be structured so that incentives are built in for companies—be they indigenous or non-indigenous—to invest in people. It's about capacity development. I don't mean just training; I also mean jobs and careers.

● (1235)

Mr. Garnett Genuis: Before I give a moment to our colleague online, I'll just say that I really agree with and affirm the importance of the point you made about that talent pipeline. It's so critical.

Go ahead.

Mr. Dave Sergerie: Thank you.

When we were preparing for this, we took it from the angle of government processes. There are three elements that we feel could be improved.

The first one is the way the government's 5% target is presented and perceived: Rather than presenting it as a goal to be achieved by government, it should be presented as a way to help indigenous—

The Chair: I apologize, sir. I have to cut you off again. We're out of time. You mentioned that you have three elements. If you could provide them in writing to the committee, it would be greatly appreciated.

Mr. Sousa, you have six minutes, please.

Mr. Charles Sousa (Mississauga—Lakeshore, Lib.): Thank you, Chair.

Thank you to the witnesses for being here today.

I'm really impressed, actually, because a lot of work has to be done collaboratively in order to achieve success in any partnership, in any kind of business venture, especially with government.

Government has taken the position that it wants to enhance prosperity throughout Canada, to support those in rural and remote communities and to ensure respect for truth and reconciliation and the independence of the indigenous community as we go forward. A lot has been done with respect to that.

I know that the opposition is making a lot of hay about a certain situation that may have arisen as a result of the growing pains of these processes, but they're essential for us to proceed in order to enhance success in our communities throughout Canada. In the past, even when the list was established, very little indigenous procurement, maybe only 1%, was happening. So much more has been achieved consequently throughout, and more has to be done.

Mr. Carignan, you made reference to capacity building and business acumen. That's what this is about. It's to provide a sufficient amount of resources to enable those skills, that training and that advancement to occur.

I've had some discussions with the folks from the First Nations Finance Authority. They're doing extraordinary work independently. They're sourcing capital. They're out in the marketplace. They're doing extraordinary things to provide the resources necessary for indigenous communities and businesses to succeed and partner with some of those major projects, especially projects of sovereignty, not just for the indigenous community but for Canada, especially in the far north and with mineral resources on your lands. We have to take precautions in order to protect all that independence.

I'm looking at what we're discussing today. I don't want to discuss indigeneity. It's up to the nations to determine who's in and who's out. There are lists that have been established. There are lists that are being used separately.

This is what I want to understand: How do we proceed in a way that enables greater success for you? Somewhere in here it discusses CCIB. You're registered in that. Tell me what the difference is in the process of being certified that way and then explain to the committee how you're dealing with it in the private sector outside of government procurement. That's also an opportunity for the indigenous community to proceed throughout Canada and North America—and the world, for that matter.

Can you answer on those two points, please?

Mr. Denis Carignan: For the first one, in terms of the certification processes and the new process we found with CCIB, with CAMSC—which is a separate one—and with the federal govern-

ment's indigenous business registry, they were all very similar. We had to provide information on who we are as a company, what we did, our board construct and our ownership. There was validation in all three circumstances that the principal owners of the company were indeed indigenous, which entitled us to be registered as an indigenous company. I guess that's the answer there.

There were some subtle differences between the three of them, but they were essentially trying to establish who we were, and that we were who we said we were.

I'm sorry. What was the second part of the question, sir?

• (1240)

Mr. Charles Sousa: It was in terms of the private sector.

We're talking a lot about government procurement, but the idea is to facilitate and use that as a platform for you to do a whole lot more.

Mr. Denis Carignan: Right.

In terms of what we've done, call to action 92 really helped us. We found that corporately a lot of businesses across Canada wanted to do something.

I remember talking to a former chief information officer for one of the big oil companies in Calgary. She suggested that all of her colleagues had something to do, because that company liked to give back to communities. They could do it through contracting, through trucking and through different security services, but she as the chief information officer wasn't able to do it in IT. When we presented ourselves and our training model, with our goal to actually bring people into the profession and train them and grow them, she said this was her first opportunity to actually do something that she had wanted to do, which was help that corporation further its own commitments to indigenous communities.

We found that to be the case across Canada with other private corporations as well.

Mr. Charles Sousa: That's great. The idea is to try to promote some indigenous community businesses and so forth to take advantage of the marketplace.

Do they have checks and balances? I mean, we need to do audits. We need to ensure there's integrity in the system. Any bad actors have to be appropriately dealt with.

That happens in procurement. We have over 10,000 contracts or more. I don't even know how many contracts the government has—something extraordinary—so there are a few that are bad actors. We have to deal with them. That's what the procurement office does constantly in post-audits.

Mr. Denis Carignan: Absolutely.

Mr. Charles Sousa: Do they do that in the private sector?

Mr. Denis Carignan: Whether formally or not, they've gone and validated that we're on these registries. That's the first part of it.

The one thing we're able to offer as a company is that if they're engaging with us partly to help indigenous Canadians find work experience, we can present them with professional resources on our team that are actually indigenous. I think that's a differentiator for our company, versus some of the other ones.

Mr. Charles Sousa: I think I have only about 50 seconds left.

To Dave Sergerie, can you talk about the resources for the entrepreneurs, start-ups, businesses, and how the program that's been established by the government over the course of the last few years enabled that to be so?

The Chair: I apologize, Mr. Sergerie. This is becoming a habit. There's no time left. That was our six minutes.

Perhaps Mrs. Vignola can take that up or perhaps you can provide it in writing to us.

Mrs. Vignola, you have six minutes, please.

[*Translation*]

Mrs. Julie Vignola: Thank you very much, Mr. Chair.

Mr. Sergerie, there's been a lot of talk in recent weeks about lists that indigenous organizations keep to identify truly indigenous businesses.

Wouldn't it be more effective for communities to send their lists to a central body and have them compiled there? The government could use that compilation instead of making its own list and constantly having to check.

Mr. Dave Sergerie: Thank you for the question.

That is precisely what was created at the First Nations of Quebec and Labrador Economic Development Commission, or CDEPNQL. It's called the ID1N directory, which bears a label that says "First Nations identification". There are currently 500 members.

[*English*]

The Chair: I'm sorry, Mr. Sergerie. I'm afraid your interpretation is not working now.

Mr. Dave Sergerie: Okay. Do I have to go to English?

The Chair: We won't be able to translate into French, I'm afraid.

Mr. Garnett Genuis: I have a point of order, Chair.

Mr. Dave Sergerie: Thank you.

Mr. Garnett Genuis: Given the time constraints and the IT challenges, maybe there would be agreement to have Mr. Sergerie back at some point as well. I think he has some important testimony, but we are a bit constrained. I think that might be the best way to do it.

• (1245)

Mr. Majid Jowhari (Richmond Hill, Lib.): I'm not saying it's not important, but let's go to other witnesses.

The Chair: Mrs. Vignola, I have to ask you to go to another witness, please.

Mr. Garnett Genuis: I'm sorry. Just to clarify, there's not unanimous agreement because the Liberals don't want us to have him

back, so I guess we just have to move a motion to bring him back at some point.

The Chair: Yes.

Mr. Garnett Genuis: Okay.

The Chair: Mrs. Vignola, go ahead, please.

[*Translation*]

Mrs. Julie Vignola: Thank you, Mr. Chair.

Thank you very much, Mr. Sergerie.

I'm so sorry about the technical problems you're having. Can we try with the other language?

[*English*]

Mrs. Kelly Block (Carlton Trail—Eagle Creek, CPC): I have a point of order.

The Chair: I apologize. We're not getting any interpretation from Mrs. Vignola now.

Can you speak again, please?

[*Translation*]

Mrs. Julie Vignola: Mr. Sergerie, can we try the other language to see if interpretation is possible from English to French, since we're experiencing difficulties from French to English?

[*English*]

The Chair: No. We're not able to pick him up at all. That is the issue.

[*Translation*]

Mrs. Julie Vignola: All right.

I'm sorry, Mr. Sergerie, that you were having these issues.

Mr. Carignan, we've already talked about this, but I'd like to come back to the subject.

How can we ensure that an indigenous company that is contractually associated with a non-indigenous company is used to the full extent of its capabilities, and that it truly receives the revenues it is owed? In other words, that it is not used as a front?

The government tells us that it is making sure, but that is done after the fact. How could we improve that aspect?

Mr. Denis Carignan: The question is a bit complicated, given my level of French. So I will continue in English.

[English]

The challenge when we go with a contract—and it happens not just in government but all over the place—is that we're fairly specialized. If we win, we'll win on a bid with another partner. That partner will be the prime contractor on the contract, so the contract will be in their name, and then we will be the subcontractor.

Part of the challenge with that is that we quite often will have no visibility into what the actual terms of the contract are. If you're in a large project, sometimes the scope will change. Sometimes there's a change in features or a change in legislation, and there could be additional monies that go in and potential opportunities for ourselves as a company to put people on projects. We may or may not know about it, depending on our relationship with the client.

What would be nice for ourselves as a smaller company is if, as part of a set-aside or part of a specific initiative in some other way, we were allowed to be the prime contractor so that we could actually see the whole scope of the project. Then we would subcontract to our partner. They might be bigger than we are, but we could assess whether we're able to fill the role ourselves and grow as a company or whether we must rely on them and their expertise.

[Translation]

Mrs. Julie Vignola: I want to make sure I understood correctly.

Let's take the example of a contract that is reserved for first nations. There's an association between a non-indigenous business and an indigenous business. For a variety of reasons, the non-indigenous company is the contractor. However, the indigenous business—which should be the contractor, since the contract is reserved for indigenous businesses—turns out to be a subcontractor. Most of the time, the company isn't familiar with the contract provisions. If there's a change and they need to hire more people, the indigenous business doesn't even know about it. Sometimes, there aren't even more people working.

How is it effective for communities not to have them at the forefront?

I don't understand how that meets the policy objectives.

[English]

Mr. Denis Carignan: It probably doesn't meet the objective. It is quite often just a difference of scale in the size of the company and the difference in the level of expertise of the company. For us to gain that ability to be the ones in charge of that, we need to get the experience. That's when I spoke to business acumen with regard to actually being the ones who are managing that contract.

There could also be some other requirement that's built in on the part of the organization—in this case, the government—that says, for whatever reason, that the larger non-indigenous company is the lead contractor but that we need to have the participation of the indigenous partner at the contracting table and at any of the senior leadership meetings between the government and that contractor.

• (1250)

The Chair: Thank you very much.

[Translation]

Mrs. Julie Vignola: Thank you.

[English]

The Chair: Mr. Boulerice, you have six minutes.

The vote starts in five minutes. I'm going to suggest that we just continue for the full six minutes, and then we'll suspend to vote.

Go ahead, sir.

[Translation]

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Thank you very much, Mr. Chair.

Thank you to all our witnesses for being with us today to discuss this very important issue for us in the NDP. We believe it is important to be serious and responsible in the context of a reconciliation approach, a nation-to-nation relationship. This is really a priority for us.

As a non-indigenous person, I am fortunate to be part of a caucus that includes first nations representatives. We have Leah Gazan from Winnipeg, Blake Desjarlais, a Métis from Edmonton, and Lori Idlout, who is Inuit and represents Nunavut. So this topic is part of our discussions and proposals.

I also want to highlight the work my former colleague Romeo Saganash did to bring about the acceptance of the United Nations Declaration on the Rights of Indigenous Peoples as part of federal legislation. There's still a lot of work to be done, but we're on that path.

Ms. Semaganis, I really liked your testimony. You became quite passionate, quite emotional even, when you talked about the issue of drinking water and access to water.

Could you explain to us exactly where things stand? What is being done and what is not being done?

What is the reality on the ground for communities that unfortunately don't have access to something as basic as water?

[English]

Ms. Crystal Semaganis: As an activist, to me the issue of clean drinking water is prevalent. I first got into this when I was working with and following the Wet'suwet'en situation from 2019. I was actually here on Parliament Hill when the yellow vest convoy came on February 19, 2019.

I crunched the numbers in Alberta on fracking processes and the amount of water required for a single fracking, and then I crunched the numbers for every indigenous community across Canada that has no potable water or drinking water. It's astronomical.

Government estimates are about 200,000, but it's closer to 300,000 in various communities such as Grassy Narrows, which has mercury and contaminants in the water. The challenges that our communities face just for these very basic human needs.... If they were the cities of North Bay or Toronto, it would be declared a national emergency, but seeing as we are relegated back to the most undesirable land in this country, called reserves, we are a very low priority.

When we have these kinds of exploitation misdirecting much-needed resources away from capacity building.... We do not live on fee simple land. We have these extra economic barriers when we try to leverage mortgages and build capacity.

The Métis Nation of Ontario has significant post-secondary education funding. I don't have a university degree because I don't have access to post-secondary funding through my first nation. It's things like this. We need to increase that talent pipeline. We need to fund that talent pipeline and increase post-secondary funding for first nations, Métis and Inuit.

You need to allocate dollars to study the impact of first nations, Métis and Inuit identity fraud on our people, because once you realize those numbers, there will be much more public support for deterrence, for making legal changes and laws and creating legislation that will stop the grift in its tracks. This is a serious, traumatic misallocation of resources, and it must be stopped.

I thank you for this time at this committee to actually speak to what it means to somebody who does not have access to these colonial regimes and this colonial settler privilege that truth and reconciliation aims to bridge. We cannot pick and choose from these calls for action and say, "Oh, I did this one and this one." No. Look at all of them, implement all of them and make a commitment to all of them. Make a timeline, make a framework, build these relationships and stop first nations, Métis and Inuit identity fraud. Stop it.

Thank you.

• (1255)

[*Translation*]

Mr. Alexandre Boulerice: You talked a lot about the historical exploitation of first nations, Métis and Inuit and colonialism.

When it comes to federal contracts, to what extent do fraud and misappropriation of funds fit into a framework that reeks of colonialism, as is the case with natural resource projects that do not respect the will of first nations as stewards of the land?

[*English*]

Ms. Crystal Semaganis: The impact of fraud is what I referred to earlier in speaking about our data deficit. When you don't measure these things, you don't know the extent of the problem.

Across all sectors, fraud is in the billions of dollars each year. It's absolutely billions of dollars. If you look beyond procurement, it's in the billions of dollars. It is significant. It is detrimental. It is stunting our growth and our capacity. It is trauma for everyday people who live in these indigenous communities and are trying to build capacity and be equal partners, but our resources are pilfered, misdirected and misused.

The general public looks at that and says, "Hey, these indigenous dollars are being wasted," but we're not even receiving the dollars because of this misrepresentation and exploitation.

That's the injustice.

The Chair: Thanks.

I have to cut us off here. We're going to suspend so we can vote, and we'll be back in a few minutes.

• (1255)

(Pause)

• (1305)

The Chair: Thank you for your patience, everyone. We're no longer suspended.

I understand that Mrs. Block wishes to put a motion on notice.

Go ahead, please.

• (1310)

Mrs. Kelly Block: Thank you very much, Chair.

I will be very brief and just get to the motion. The motion is that, "Given recent reports that Global Affairs Canada spent \$523,000 on furniture in a single day on March 31 of this year, and has spent approximately \$25.5 million on furniture since 2022, and considering that this apparent end-of-year budget spending blitz occurs at a time when Canadians are facing financial hardship and accessing food banks in record numbers, that the committee invite senior officials from Global Affairs Canada to a meeting to explain this spending."

Thank you.

The Chair: Thank you.

With that, we are adjourned.

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