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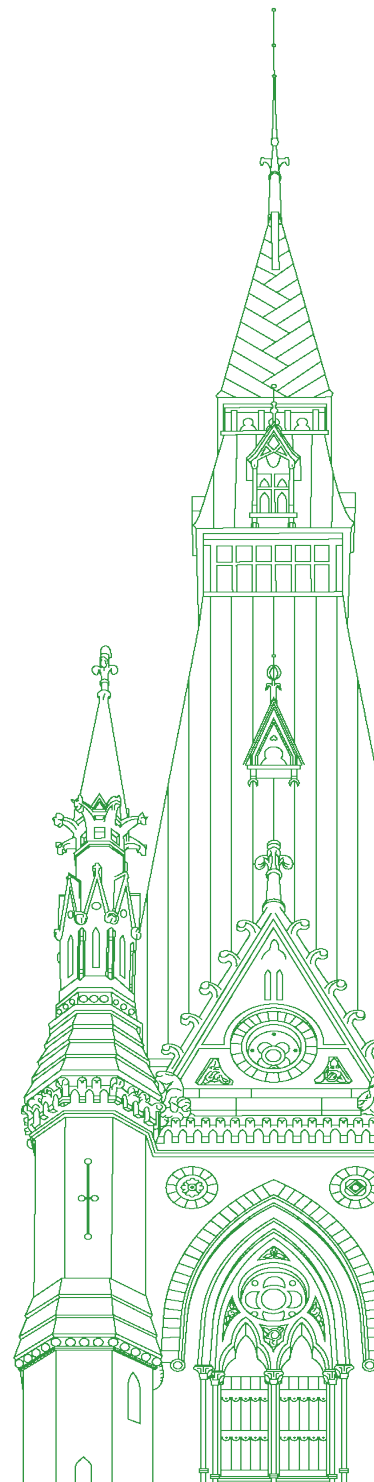
Standing Committee on Indigenous and Northern Affairs

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Chair: Terry Sheehan



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• (1530)

[English]

The Chair (Terry Sheehan (Sault Ste. Marie—Algoma, Lib.)): Welcome, everyone, to this meeting.

Before I begin, I'd like to acknowledge that we are gathered on the traditional unceded territory of the Algonquin Anishinabe nation. Thank you for sharing your land with us today.

There are some housekeeping items.

For the folks who are in the room, welcome. You have interpretation. You have an earpiece. If you're not fluent in both official languages, please keep your earpiece in your ear, because questions will switch back and forth in the official languages. As well, make sure that you set your mic to the language of your preference. If you have problems, my friend here will help you.

The sound check has been done for the folks online.

Welcome to you as well.

Welcome to meeting number 40 of the House of Commons Standing Committee on Indigenous and Northern Affairs. Pursuant to Standing Order 108(2), the committee is meeting on Arctic affordability.

I would now like to welcome our witnesses.

From the Council for the Advancement of Native Development Officers, we have Patrick Brooks, president, and Aiden Kindopp, program officer, by video conference. From the Nunavut Association of Non-Profit Organizations, we have in the room Erin Strachan, the executive director. From Qulliq Energy Corporation, we have James T. Arreak, vice-president.

We're going to do a round. We'll have three presentations of five minutes. The clerk, Graeme, is keeping time. When you have 30 seconds left, I will say so. If you don't get out all your notes, you have 45 more minutes, approximately, to get those thoughts across in questions and answers.

Without further ado, we'll hear from the Council for the Advancement of Native Development Officers, please.

Patrick Brooks (President, Council for the Advancement of Native Development Officers): Thank you, Mr. Chair and members of the committee.

I'm joining you from the unceded territories of the Lekwungen and the W̱SÁNEĆ people in Victoria, B.C.

My name is Patrick Brooks. I'm from the St. Mary's First Nation of the Wolastoq territory, also known as Fredericton, New Brunswick.

I'm speaking on behalf of Cando, the Council for the Advancement of Native Development Officers, a national indigenous-led, non-profit organization focused on building capacity in indigenous communities through training certification and partnerships.

Lori Idlout (Nunavut, Lib.): I have a point of order.

The Chair: Patrick, just one moment please. We have a point of order.

Lori, what's your point of order?

• (1535)

Lori Idlout: There's a lot of echo feedback going on. I wonder if the issue can be fixed and he can start again.

The Chair: Absolutely, Lori. I'm going to look to the technical people to address that, please.

I have a thumbs-up, Patrick, so we're going to take it from the top.

Patrick Brooks: Thank you, Mr. Chair, and members of the committee.

I'm joining you from the unceded territories of the Lekwungen and W̱SÁNEĆ people in Victoria, B.C.

My name is Patrick Brooks from the Wolastoqey Nation of St. Mary's First Nation, also known as Fredericton, New Brunswick.

I'm speaking on behalf of Cando, the Council for the Advancement of Native Development Officers, a national indigenous-led, non-profit organization focused on building capacity in indigenous communities through training, certification and partnerships.

Cando has been working with indigenous communities across Canada since 1990 to provide a national network of economic developers led by an elected volunteer board representing regions across Canada. Economic development officers, also known as EDOs, are the people in communities who help build and establish local economies. Cando trains, certifies and maintains communications with these EDOs through its membership of over 250 EDOs across the country and a network of over 8,000.

Cando's research reveals that nearly 40% of first nations either do not have a dedicated EDO or rely on staff who must balance economic development responsibilities alongside multiple competing roles. Cando has worked with indigenous communities and government bodies to help advance community priorities, whether that is in participation in the defence sector or green energy sector or in addressing food security.

Cando helps equip nations to solve issues from affordability to transportation. Further, Cando helps regional economies build competitive advantages wherever they are.

Cando has listened to previous standing committee meetings. There is no sense in repeating the issues we've heard. Affordability is a major issue in the north.

Mr. McBryan of Buffalo Airways spoke to the importance of where dollars get spent, and we agree. Lynne Couves of the Pembina Institute asked you to invest in early-stage project development and local capacity. Shannon Joseph of Energy for a Secure Future asked you to use indigenous loan guarantees for infrastructure near national projects. Warden Daren Jones told you his communities are entrepreneurial but always roadblocked by programs that are hard to reach.

There is a common thread in these recommendations. Solutions that work are community-led. Someone must find the opportunity, write the application, read the loan guarantee terms, negotiate the equity share, connect local workers to training and make sure local businesses can bid on contracts. In most communities, that person is the EDO, the economic development officer.

Cando is proposing a program to support these community-led solutions that includes three main features.

First is stable, multi-year funding for an economic development position so that communities can hire and maintain this position and keep skilled staff working for the community.

Second is the focus on major projects. Timing has never been more critical for making investments in these communities to ensure that someone is there to answer the phone when one of these opportunities comes calling.

Third is the own-source revenue model, wherein communities are positioned to cover costs of the position as own-source revenue grows, with the aim of self-sufficiency and not dependence. A member of this community asked what would help remote communities become less dependent on subsidies and more economically self-sufficient. Our answer is regional economic development capacity.

Subsidies manage high costs. EDOs help communities build the ownership and revenue that bring costs down and allow them to begin addressing the social issues that are at the forefront of many northerners' minds.

This model was built on a proven funding program in northern Ontario already being run by ISED—Innovation, Science and Economic Development. It can offer significant economic growth in northern communities, especially those around major projects.

In closing, we ask the committee to include three recommendations in its report.

● (1540)

One, recognize community economic development capacity, including economic development officers, as a core part of northern affordability. Two, fund economic development officer positions on a stable multi-year basis so that communities can build the own-source revenue that sustains those positions over time. Three, link economic development officer support to major projects, indigenous loan guarantees and federal procurement so that northern communities are ready to take part.

Thank you, Mr. Chair and committee. We look forward to your questions.

The Chair: Thank you, Patrick.

Now we will go to Erin, please.

Erin Strachan (Executive Director, Nunavut Association of Non-Profit Organizations): *Ullukkut.* Good afternoon. *Bonjour.*

Thank you, Mr. Chair, for the invitation to appear as a witness on the topic of affordability in northern Canada.

My name is Erin Strachan. I am executive director of the Nunavut Association of Non-Profit Organizations, or NANPO. I have worked alongside Inuit and other indigenous communities for almost 20 years. NANPO represents Nunavut's non-profit sector. Our work is grounded in Inuit *Qaujimaqatuqangit*, Inuit traditional knowledge, including the value of *piliriqatigiinni*q, working together for a common cause.

I sometimes say that I have three children—two humans and one non-profit. Ten years ago in Baker Lake, I was one of the community members who helped start the Abluqta Society food bank in response to some of the highest rates of food insecurity in Canada. Abluqta began the way many Nunavut non-profits do: Community members saw a pressing need and organized to meet it.

This brings me to my main message today. Affordability in Nunavut is not just a household issue. It is also a non-profit sector issue. Non-profits have been described as the social infrastructure that holds communities together. For example, Ilisaqsivik Society in Clyde River was started by a group of elders in 1997. It offers Inuit-led counselling services. Today it provides jobs for 28% of the community's working-age population and has contributed \$6.5 million to the local economy through its social enterprise.

In Nunavut, non-profits are essential infrastructure, as important to a community as an airstrip or a health centre. However, that infrastructure is under pressure. When food, housing and transportation become more expensive, people struggle. When people struggle, they turn to non-profits for help. At the same time, those same rising costs hit non-profits in rent, fuel, freight, staffing and staff housing. Demand for services goes up; the cost of providing those services also goes up. In many Nunavut communities, a non-profit is the only provider of a critical service—the only food bank, the only shelter, the only day care. If this organization becomes unsustainable, a community can lose an entire lifeline.

What can be done? From NANPO's perspective, I would suggest four priorities.

First, northernize federal funding. A dollar simply does not go as far in Nunavut as it does in southern Canada. It goes even less far in our smaller communities. Federal programs need northern cost adjustments that reflect the real cost of freight, travel, rent, staffing and housing.

Second, provide stable and flexible multi-year funding. Communities need reliable services, but organizations cannot provide them if they are always applying for the next short-term grant. Everything takes longer in the north. Hiring takes longer. Finding staff housing takes longer. Equipment may need to be ordered a year in advance for sealift. Multi-year core funding allows organizations to retain staff, plan ahead and respond to what communities need.

Third, treat housing and space for non-profits as workforce infrastructure. A non-profit cannot deliver a program if it cannot hire a person to deliver it. In Nunavut you can't hire someone if there's nowhere for them to live. We also need appropriate affordable space for non-profits to deliver their programs. Federal infrastructure investments should include non-profit staff housing and program space. Non-profits should have access to surplus federal buildings.

Fourth, invest in community-led solutions. Nunavut communities know what works locally—country food initiatives, community kitchens, youth programs, housing supports and cultural programming grounded in Inuit knowledge. During COVID-19, these organizations proved how essential they were. Investing in them builds local jobs, capacity and resilience.

I want to be clear that non-profits cannot solve Nunavut's affordability challenges alone. We need action on housing, food, energy and incomes, but non-profits are already part of the solution. When adequately resourced, they help communities respond to rising costs, create local jobs and deliver services that are community-led.

I will leave you with one question: If we want to make life more affordable for northerners, how do we also make it possible for the

organizations serving them to survive and thrive? Those two things are connected. We need to address both.

Thank you. *Merci. Ma'na. Quana. Qujannamiik.*

● (1545)

The Chair: Thank you very much, Erin.

We're going to go to James, who's sitting right beside you.

Go ahead, James. You have five minutes.

James T. Arreak (Vice-President, Qulliq Energy Corporation): *Qujannamiik unusakut.* Thank you and good afternoon, Mr. Chair and members of the committee.

My name is James Takaogak Arreak. I am the vice-president of corporate services at Qulliq Energy Corporation in Nunavut, Nunavut's electricity utility.

My message today is simple: Making electricity more affordable in Nunavut requires reducing the cost of providing reliable power. Our small customer base cannot carry the full cost of renewing the infrastructure our communities depend on.

QEC serves 25 communities. Each has its own separate electrical system. There is no transmission grid connecting them, and there is no connection to neighbouring territories. If a community power plant fails, we cannot bring in electricity from somewhere else. We depend heavily on diesel. Fuel and equipment arrive by sealift or air, and specialized workers often travel long distances.

These costs must be shared among our small customer base. This is a starting point to understanding the affordability issues in Nunavut when it comes to electricity.

The financial picture shows the pressure clearly. QEC's revenues are about \$179 million; long-term debt is \$263 million, and there is more than \$30 million in accounts receivable. Our long-term debt is nearly one and a half times our annual revenues. At the same time, outstanding customer balances put pressure on the cash available to operate and maintain our systems, and this also indicates that our customers are struggling to pay their monthly bills. These figures show affordability must be considered alongside the utility's financial capacity.

We must maintain reliable service, replacing aging infrastructure and managing debt, but recovering these costs through higher electricity bills adds more pressure on households, businesses and community organizations. Electricity costs also reach beyond the power bill. They affect the cost of housing, water services, health care and running a business.

Delaying investment is not a lasting solution. In an isolated northern microgrid, a generation failure is a life-threatening emergency. In Nunavut, reliable electricity is essential to heat homes and keep basic services running. Emergency repairs can cost more than the planned maintenance. We need to renew our infrastructure without placing the entire burden on our customers.

QEC is committed to reducing diesel dependence. Renewable energy can help, but the transition must protect reliability and improve long-term affordability. Funding a wind or solar project is only part of the job. We also need the equipment, the controls and the storage that allow reliable power to work cohesively. Federal support must cover the full system, including the infrastructure that's needed to connect community-led and independent power projects.

We are seeking a sustained federal partnership with three priorities.

First, help fund the replacement of aging power plants and essential infrastructure. Major capital costs cannot fall entirely on the small customer base. Funding and cost-sharing requirements must reflect our northern costs and limited financial capacity.

Second, work with us on debt relief and financing options that strengthen QEC's financial position while reducing the pressure from debt that would limit the costs that must be recovered through electricity rates.

Third, fund the grid upgrades, controls and battery storage needed to integrate renewable energy safely while reducing diesel use.

● (1550)

These priorities belong together: reliable infrastructure, sustainable financing and practical energy transition. Nunavut's electricity infrastructure deserves recognition as essential national infrastructure. It supports every home, every public service and every opportunity for economic development in our territory. The goal is reliable power that Nunavummiut can afford. A sustained federal partnership would help us renew our systems, reduce diesel dependence—

The Chair: You have 30 seconds.

James T. Arreak: —and ease long-term pressure on customer bills.

Qujannamiik. I welcome your questions.

The Chair: Thank you, James.

We're going to start the six-minute round. We have MP Marc Dalton.

Welcome to the committee.

Marc Dalton (Pitt Meadows—Maple Ridge, CPC): Thank you very much.

Thank you to our guests for joining us today.

I'll start my first few questions with James and QEC.

Can you tell me a little more about QEC? How long has it been in operation? Just to clarify, you're in 25 different communities. Is QEC the sole provider of energy in those different communities? Also, while you're at it, what is the biggest community of those 25?

I'm throwing out a few questions here.

James T. Arreak: Thank you for the questions.

QEC dates back to the sixties and transitioned to Nunavut. It is the only electrical utility in Nunavut, and it provides electricity to 25 communities.

Marc Dalton: It is a private company. Is that correct?

James T. Arreak: It is owned by the Government of Nunavut. That is the sole owner.

Marc Dalton: Okay. It's owned by the government.

You were talking about investments. Has there been a real lagging hesitancy about improvement, or is it just very slow? They're not keeping up with the demands.

James T. Arreak: The biggest challenge has been in asset management. Ten of our power plants—meaning 10 communities—have gone past their asset policy life and need to be replaced. What used to cost \$30 million about five years ago has now doubled to \$60 million. This puts a big strain on our debt and balance sheet. We are forced to leverage our debt capacity, going forward, to replace plants.

We have another challenge with ongoing replacements of what we call gensets, which are generators.

Really, these are some of the bigger, heavy-lifting items we have to purchase, in terms of infrastructure, to ensure that we keep the lights on.

● (1555)

Marc Dalton: Diesel is the only fuel used in these generators. Is that correct?

James T. Arreak: Right now, diesel is the only technology that gives us the ability to provide reliable, safe electricity at -40°C.

Marc Dalton: I know the way of supplying diesel up north does not work as it does everywhere else. You receive it once or twice a year, I believe.

My question is on the big spike in diesel prices. I'm from the Vancouver area, where we saw it shoot up to \$3.

Has that big spike been felt yet in the communities in Nunavut, or is it still to come?

James T. Arreak: The Government of Nunavut has a petroleum products division. We buy fuel from them. They purchase their fuel in bulk maybe once a year, and we buy it off them.

Oftentimes, the biggest challenge is keeping track of the changes in the fuel prices as they increase. This puts pressure on our rates. We have a mechanism to allow for such changes, but we don't always have a mechanism to change the rates all the time. We have a fuel rider that helps us try to facilitate dealing with the gap when it comes.

Marc Dalton: On the topic of affordability, are we seeing a big impact on the residents, communities and businesses as far as these fuel cost spikes go?

James T. Arreak: [*Inaudible—Editor*] \$30 million of our accounts receivable is in our books, and a majority of that is structural, meaning that people can't pay their power bills. This reflects, I believe, the macroeconomics, or the conditions that we are faced with in Nunavut.

Marc Dalton: Thank you.

Erin, I have just a couple of questions.

You're representing non-profits. Are the non-profits primarily funded by the government, or are you also receiving significant funding from the private sector?

Erin Strachan: The funding sources are mixed. We have some from the Government of Nunavut, some federal funding that we apply for and then some from foundations and charitable donations.

Marc Dalton: Okay.

My next question is specifically on food banks.

I know we're seeing the demand and the pressures on food banks everywhere in Canada really climb. Can you speak to that in terms of the demand and the ability to provide for the needs of the people who are coming to them?

The Chair: You have 20 seconds, Erin.

Erin Strachan: The demand has been increasing a lot in the north in recent years. It's putting a lot of strain on those food banks.

Marc Dalton: Thank you.

The Chair: Thank you very much, MP Dalton.

Next we have Lori, who is online, for six minutes.

Lori Idlout: *Qujannamiik, Iksivautaq.* Thank you, Mr. Chair.

I'll be asking my questions first to James and second to Erin.

James, it's good to see you virtually.

[*Member spoke in Inuktitut*]

[*English*]

I want to ask about a couple of letters that your minister, the Nunavut minister responsible for Qulliq Energy Corporation, wrote to federal ministers regarding a request for some funding—\$988 million—and the importance of using the funding to make sure that when power plants are beyond their life expectancy....

I wonder if you can speak to that a bit more, about why it's so important to make sure that this \$988-million request is met and about what would happen if the funding didn't come through.

● (1600)

James T. Arreak: *Qujannamiik*, Lori.

[*Witness spoke in Inuktitut*]

[*English*]

The question asked is a very vital question for QEC going forward. When power fails in the communities, it becomes a life-threatening emergency. This is what we're dealing with, with the \$988-million ask from the federal government.

I said before that about 10 power plants badly need replacing, but we've also been carrying some legacy-related debt that goes to the infrastructure challenge. We feel that the QEC infrastructure deserves national attention in the way that you, as Government of Canada, have invested heavily in other transmission projects and hydro projects across Canada. This is part of the challenge we're facing. We've reached that cap, or the debt has reached that federal or legislated cap. At this point, we are running out of opportunity to keep up with the needed changes. We're now at the point at which safety is a concern for us, and this is something that needs critical attention.

Thank you, Lori.

Lori Idlout: Could you explain what would happen if these power plants were not upgraded, and they reached their end of life? What would happen if they weren't fixed? What would happen if you didn't get the funding you need to get them fixed and upgraded?

James T. Arreak: Thank you, Lori.

If these plants didn't get replaced, then.... We are doing our best to manage these plants. We have several plants that we do our very best in maintaining. When they are past their asset life, we take extra measures to ensure we do our part to be responsible. At the same time, there are times we get very scared and nervous because things start to fail—the mechanics, all the engineering designs—when they start to reach their end of life.

Many times last year, we had a couple of situations in which.... There was a power outage in Arviat, for example, for three or four days because of weather and parts not being there. Recently, we had another issue in Gjoa Haven in which an aged mechanical situation caused a bit of a safety issue and a reliability issue in the community, and the community had to try.... We tried to engage them so that they could help us manage the curve. The lunchtime curve causes a big spike because everybody is at home at lunchtime. How can we manage that?

When it comes to this, I get really nervous. This is when we write letters to you, Lori, and to the ministers at the federal level to try to get their attention to our need, which is sometimes reaching dire situations.

Thank you.

Lori Idlout: *Qujannamiik*, James.

In my last minute, I'll ask Erin to describe, in more detail, the importance of her recommendations and the labour that the non-profit organizations rely on.

Erin Strachan: Thank you, Lori.

Too often, the non-profit sector is seen as an afterthought. We are lucky to receive whatever funding is left after the serious economic decisions are made. Charities and not-for-profits are employers and providers of vital services. They provide food, shelter, mentorship, services, recreation, care, connection and belonging, so it's very important for us to get the multi-year funding because we can't do our work if we're constantly chasing the next short-term grant. This is why the multi-year flexible funding is so important for the non-profit sector.

• (1605)

The Chair: Thank you very much.

Next is Madame Gill.

[*Translation*]

Hello. You have the floor for six minutes.

Marilène Gill (Côte-Nord—Kawawachikamach—Nitassinan, BQ): Thank you very much.

I would like to thank all the witnesses for being here today.

I have listened carefully to all the testimonies. They all resonate, in one way or another, with my experience as an MP for the east and the north.

Ms. Strachan, I found the whole issue of non-profit organizations very interesting. Obviously, the situation may be different in my constituency in Quebec compared to Nunavut, but the fact remains that you provide front line services. I know your association is of

the utmost importance, as your organizations ensure that people can live well in their own communities.

You also spoke about adapting grants and program funding to the realities of the north. That interests me greatly as well. Could you tell me what these programs and grants are?

I also have a question regarding a measure that is neither a grant nor a program: tax allowances for residents of remote areas. I can see you nodding, but I'm not sure if that means people in your region aren't entitled to them. These allowances haven't been indexed for several years—eight years, I believe. When I visit the north, quite a few people mention this to me. I know it doesn't just affect non-profit organizations, but I wonder if this is also part of the recommendations you're referring to.

I'd like you to set out your recommendations in order of priority. I imagine one of the first things would probably be the mission grant. That's more or less what I've gathered. This would give you a clear outlook and mean you wouldn't be constantly bogged down with grant applications.

So, if you could provide the committee with a number of recommendations, we could take them into account in the report we're going to write.

[*English*]

Erin Strachan: It would be really great for us to submit something in writing that could help with answering that one. In Nunavut, groceries cost two to three times as much as they do in southern Canada. I don't know about you, but I find that it's not easy to pay grocery bills here in the south either. The costs for our organizations are also very high. We have 77% of Inuit children living in food-insecure homes, and 47% of Inuit live in overcrowded housing, so these non-profits provide essential and life-saving services every single day.

Thank you.

[*Translation*]

Marilène Gill: I would be grateful if you could send us a list of any ideas you may have on the subject.

You also mentioned factors specific to the north that need to be taken into account. Could you tell us more about that? There is, of course, the issue of energy, which varies from place to place. I'd like you to tell us about all the factors that drive up costs. There's been a great deal of discussion about transport, for example. I'd like you to give us a rough idea of the scale of these costs for you in Nunavut, although I imagine they vary somewhat from one community to another.

[*English*]

Erin Strachan: I think this is a question for....

[Translation]

Marilène Gill: I mentioned energy, for example, but my question concerns everything to do with non-profit organizations. I know there are indirect costs that affect you and individuals. However, what is really important to you, and what measures might help you?

[English]

Erin Strachan: Recognizing non-profits and charities as essential infrastructure is really important, as is funding them accordingly. Non-profits and charities strengthen social cohesion. They understand local needs. They create practical ways for Canadians to help each other and work together. In the north, they are life-saving services as well. As you know, in Nunavut, suicide rates are 11 times the national average, and a lot of times, the non-profits are providing those life-saving supports to Inuit and community members.

• (1610)

[Translation]

Marilène Gill: You have my utmost admiration and gratitude.

As I said earlier, I come from a constituency in the north. It has the highest suicide rate in Quebec. So, people there also face quite difficult circumstances.

I am interested in the type of organization you run. I know that Quebec is very different from Nunavut. What characterizes non-profit organizations in your region? Listening to you, I got the impression that there are several services under one roof. So I wonder how we might draw inspiration from these organizations. As far as essential organizations are concerned, this could be innovative.

[English]

Erin Strachan: What characterizes our sector is that we are the closest to the communities, and we are meeting those essential needs, as you said. I'm sure it's as true in northern Quebec as in Nunavut and other fly-in communities.

[Translation]

The Chair: Thank you very much.

[English]

Now we'll go to MP Zimmer for five minutes, please.

Bob Zimmer (Prince George—Peace River—Northern Rockies, CPC): Thank you, Chair.

It's good to be back. I was in Greenland a couple of weeks ago, and I saw some of the food prices up there. They're definitely a lot cheaper than they are in Nunavut.

My questions will be for James. I know you have a profession and a job in which there's an official question that we should be asking you, but I want to ask you this on a more personal level. How much does it cost your family for food every month?

James T. Arreak: That's a big question for every family. It depends on where I shop. If I shop at the local store, then I have to pick and choose what I buy. If I shop down here while I'm here, I go to Costco and pick up stuff to try to make ends meet. At the end of the day, we're spending, for a family of six kids, \$3,500.

Bob Zimmer: Is that per month?

James T. Arreak: Yes, it's one month. This is what I pay for food at home.

Bob Zimmer: Wow. I know what to look for in the airports because I've been up there so many times. You look for the rubber-maid bins coming back from trips. They are full of goods from Costco and other stores down here.

I have another question for you. Affordability is what this study is about. I'm appreciative that our committee got this study put forward. How much does it cost for you to heat your home per month? For people watching who haven't heard this yet, is Clyde River where you live?

James T. Arreak: I live in Iqaluit.

Bob Zimmer: Okay.

How much does it cost to heat your home in Iqaluit per month?

James T. Arreak: Based on the fuel rates we have, I spend about \$1,000 a month to put fuel in my tank. It's higher in the winter and lower in the summer.

In relative terms, anything that costs five dollars here is \$15 up there. When there is inflation, it impacts us, so two dollars here is six dollars up there.

Bob Zimmer: This is a bit of a politically loaded question: Have prices gone down since Mark Carney became Prime Minister?

James T. Arreak: I've measured this over the last five years. On average, inflation has risen just over 4% a year. This tells you that things haven't gone down.

Bob Zimmer: I spoke in the House today about this. Some say that prices have always been expensive in the north. The Prime Minister promised that he was going to be measured by prices at the grocery store. He didn't say, "except in Nunavut", "except in Iqaluit" or "except in any of the territories". It was a promise to all Canadians.

I'll just affirm what you're saying: The prices haven't gone down, really. They continue to rise.

I will ask you the second part of this.

Your job is with the Qulliq Energy Corporation. I'm sorry, but I missed your earlier comments. You're asking for \$200 million from the federal government to balance the sheet at the Qulliq Energy Corporation because of the higher fuel costs.

Why are those fuel costs so high right now?

• (1615)

James T. Arreak: I'll correct your \$200 million amount to over \$900 million. This is what is being asked for in order to make things.... It's for accumulated debt and self-sufficiency. It's for a long-term debt reached on our balance sheet. It's for an acute infrastructure deficit rather than operational inefficiency.

Commercial self-sufficiency relies on a dense customer base. We don't have this, so we don't have many options when it comes to maintaining 25 independent microgrids. Assets will degenerate and reliability will get impacted. Really, we're at the point that we've reached our debt cap. Now we're looking for creative ways to try to finance the infrastructure projects that are impacting the lives of Nunavummiut.

Bob Zimmer: Therefore, it's already been on the rise.

The recent rises—whether in gasoline or diesel—must have impacted you even more profoundly. I know you buy your fuel on a yearly basis. I'm not sure when you're going to have to purchase your fuel for the winter, but I'm assuming it was this summer.

How much is that impacting this percentage-wise? How much more is it costing you?

James T. Arreak: That's right. The—

The Chair: Excuse me. You're going to have to put that in writing because we just ran out of time.

Bob Zimmer: I apologize.

The Chair: No, that's okay.

Put it in writing and send it to the clerk.

Now we have MP Hanley for five minutes.

Brendan, go ahead, please.

Brendan Hanley (Yukon, Lib.): Thanks. I'll try to be brief because I'd like to ask questions of all the panel members.

Thank you, all, for appearing.

I'll go to Mr. Brooks.

I wonder if you can talk about the relationship—probably in more recent years—that you've had, as an organization, with development corporations versus indigenous governments. Have you seen an evolving role for EDOs in relation to development corporations in this regard?

Patrick Brooks: Yes. Thank you for that question.

Indigenous economic development corporations are an important part of the Cando delivery model. In particular, when you're an economic development corporation, you become an associate member of the organization, rather than a full member, which would be the status of an individual economic development officer.

We have members such as those in the Joint Economic Development Initiative in eastern Canada. It's the territory where I come from. We also have PrairiesCan, which is an economic development corporation that contributes to the delivery of Cando programs and services to EDOs.

Similarly, in Alberta and British Columbia, economic development corporations also work with Cando to assist with economic development capacity building. CanNor is another economic development corporation that we are in partnership with.

To answer your question, Ec Dev corps are a very important part of the model and are necessary for collaboration in the regional delivery of our programs and services.

Brendan Hanley: Thank you very much.

Ms. Strachan, thank you for your presentation and your overview in understanding the challenges across the territories—and, in fact, countrywide—that non-profits are facing. As you said, they are often the closest to the community and identify the most with community needs.

In these difficult economic times, where have you seen successful adaptations of non-governmental organizations, of non-profits, to the economic reality? Long-term funding is something that I hear about often from non-profits in my own territory as an answer to needs, but where you see adaptation to the economic reality, realizing that not everyone is going to get everything they need, do you see some successful practices that you can share?

• (1620)

Erin Strachan: Yes. Some non-profits are starting to branch into social enterprises, and they're doing some fee-for-service models for some of their delivery, but this is clearly not an option for every non-profit.

I would draw your attention to the ITK poverty reduction strategy. I can include it in the materials I send over. They talk a lot about the social determinants of health specifically for Inuit, and they talk about three ways of reducing poverty—specifically, economic participation, cost of living and income security—and then social services and essential infrastructure. I would say that non-profits do all three of those things.

Sometimes Inuit are put in a really difficult situation, as James was saying, about how much it costs to feed their families. Sometimes people have to decide between taking a job and filling their freezer for the winter by hunting. That's not an easy situation for people to be in, but it's the reality. You can't necessarily do both, but with the cost of things going up so much, people can't afford the fuel and the equipment to go hunting unless they have a job, and they can't feed their family without going hunting as well.

Brendan Hanley: Absolutely.

I guess I'm out of time for my third panellist.

The Chair: Yes.

Erin Strachan: I'm sorry.

Brendan Hanley: No worries—that was an excellent answer. Thank you very much.

The Chair: Thank you.

We'll go online to Madame Gill for two and a half minutes, please.

[Translation]

Marilène Gill: Thank you, Mr. Chair.

Mr. Brooks, I know that you mentioned at the very start of the meeting that you would not be going over all the challenges and difficulties facing the north. However, you did speak about your organization and what you needed. I would like to know if you could also share with us any best practices that the committee might find useful and include in its report recommendations. So, on the one hand, we need to know what you require, and on the other, the work carried out by economic development officers and what is beneficial for all communities.

[English]

Patrick Brooks: I apologize, Madame Gill.

[Translation]

I cannot speak French.

[English]

Perhaps you can repeat the question.

[Translation]

Marilène Gill: Mr. Chair, has Mr. Brooks been shown how?

The Chair: Excuse me.

[English]

Patrick, please make sure in front of you that the interpretation is set to English. Can you see it? I'm going to suspend.

• (1620) _____ (Pause) _____

• (1620)

The Chair: I'm going to reconvene.

[Translation]

Marilène Gill: Thank you very much, Mr. Chair.

Mr. Brooks, thank you for your patience. Obviously, we do not all speak every language.

You mentioned how your organization is able to help first nations. There was talk of empowerment. You have called for the network to be strengthened. I would like you to give us some examples of what your organization is doing to reduce the cost of living in the north. Obviously, that is the subject of our inquiry. So please feel free to elaborate on the outline you presented to us at the start of the meeting.

• (1625)

[English]

Patrick Brooks: Thank you for that question, Madame Gill.

I'm going to refer that particular question to my associate, Aiden Kindopp. I understand that we have some experience in northern

Canada in program delivery related to similar matters to those we're discussing today. If I may, I'll refer that question to Aiden.

Aiden Kindopp (Program Officer, Council for the Advancement of Native Development Officers): Thank you, Patrick.

Can everyone hear me okay?

Thank you, Ms. Gill, for the question.

I'm happy to expand on exactly what we're asking for from the federal perspective in terms of how to get more benefits into community, especially with relation to these major projects.

What we're hearing in the north is that working with economic development officers is a really strong way to reduce costs, but the effect is not overnight. Economic development officers really work to solve a lot of the core issues that cause affordability problems in terms of ownership, energy supplies, food security and transportation availability. All these sorts of things are what economic development officers work to solve.

What we're looking to do with our program is replicate what's already being done in northern Ontario with their community investment initiative for northern Ontario. It supports economic development officers for over five years using an own-source revenue model to sustain a position post program, and we'd like to expand this across the north, especially in tandem with these major projects as they move forward in order to make sure that communities participate at some level.

The Chair: Thank you very much for that.

Now, we go to MP Goodridge for five minutes, please.

Laila Goodridge (Fort McMurray—Cold Lake, CPC): Thank you so much, and thank you to our witnesses for being here.

My name is Laila Goodridge. I'm the member of Parliament for Fort McMurray—Cold Lake, so I'm not nearly as far north as you guys are, but I'm further north than most people who are sitting around many of the tables in Parliament.

Mr. Arreak, I could really relate. Two weeks ago, when I was flying back to Fort McMurray, I filled my suitcase with strawberries because the strawberries and the quality of the produce I get in Fort McMurray are far less lovely than the quality of the produce here. It's something that often strikes me because in Ottawa, they'll often complain about groceries and the cost of living crisis, but the cost is amplified as we go farther north. We feel it in the southern part of the country, and I know that it's even worse farther north. It's not just the cost; it's the quality. That's one of the big pieces.

Both you and Ms. Strachan talked about the food insecurity and that piece. I was wondering if you could talk about what that means for families in the Northwest Territories and in Nunavut and the people you guys are serving in terms of not being able to afford to provide their children with the food they would choose because of the cost. What does that do to their mental health?

Perhaps we can start with you, Erin.

Erin Strachan: Thank you for the question.

It's not easy at all on people. They don't always have a choice of what kind of food they eat. Unfortunately, the unhealthy food is more affordable than the healthy food. It's a real challenge. Diabetes is a factor as well.

Laila Goodridge: James...?

James T. Arreak: We spend a large part of our resources at QEC to support our staff because the challenges they face every day become mental health issues. This is just the tip of the iceberg. The majority of the challenges we face up north become chronic. It becomes a poverty trap. This is what we're trying to change in Nunavut, but the conditions make it very challenging. People struggle not just to put food on the table but also to cope with things that haven't turned out well. Everybody has that, but, particularly, how do you move on in life? That's the big challenge going forward.

• (1630)

Laila Goodridge: I want to commend both of you for being here and being so up front and honest about this. This is the reality that so many people in Nunavut face on a regular basis, and most people don't necessarily always hear or see it, because they're used to going to the grocery store and getting to pick among 15 kinds of apples, not choosing whether they want apples or no apples, or bananas or no bananas.

I really think that is a problem.

Erin, James was asked this question, but have you seen any costs go down in the last year for produce?

Erin Strachan: No, and often you will be paying three times as much for a head of lettuce that is already rotten. No one wants to eat that. I don't want to eat it. You probably wouldn't either.

Laila Goodridge: No.

The Prime Minister said to judge him by the price at the grocery store. Is the price at the grocery store improving since he formed government, or has it gotten worse?

Erin Strachan: I would say that this is not a partisan issue.

Laila Goodridge: It's not about being partisan. I'm just asking the question. Has it gotten better in the last year, or has it gotten worse?

Erin Strachan: It has steadily gotten worse, under both the Liberals and the Conservatives. It's steadily gotten worse.

Laila Goodridge: I appreciate that.

Part of this is because of the reality that the government is spending a lot of money and making a lot of announcements, but people can't feed their families with announcements. They can't feed their children promises that one day maybe it will get better. The reality today is that a lot of families are suffering and struggling.

I'm not trying to do this in a partisan way, but all that spending, all those announcements, are they translating into successes on the ground?

James, have you seen any success or improvement in the last year after all the different promises?

The Chair: James, you're going to have to put that in writing to the clerk, because that's all the time we have for this.

Thank you very much.

Now, for the last question or two, it is MP Hanley.

Brendan Hanley: Thank you once again.

Let me continue briefly on this theme. We know there are a number of federal supports that, despite the challenges, have made an enormous difference in food affordability in the north. As you know, the nutrition north program is under intense review at the moment to look at what has been successful and where improvements need to be made, including the possibility of more regionally focused programming.

The harvester support grant, Ms. Strachan, is one example. I don't know if you're familiar with that and the impact it has on communities. You referred in your last testimony to the importance of support for harvesting and hunting.

Can you elaborate on the successes achieved through the harvester support grant and how we can perhaps amplify or augment that support?

Erin Strachan: The harvester support grant has helped local communities in Nunavut to access country food. Country food is the preferred food for a lot of Inuit, but gaining access to it has gotten harder over the years, because you have to have the money to buy a snow machine, you have to have money for fuel, and a box of bullets costs a lot of money. This is a challenge for people, for sure.

Some of our non-profits, such as Qajuqturvik, run community food centres. I think you've heard from Joseph Murdoch-Flowers at this committee. They do country food access programs that are really appreciated by the community. Those harvester support programs are critically important.

• (1635)

Brendan Hanley: Thank you. Yes, we did hear from Joseph Murdoch-Flowers. Some of us had the opportunity to visit the site in the summer as well, and there's an example of a highly successful and "close to the community" organization.

Mr. Arreak, maybe I'll turn to you. Much of what you say about the energy challenges in Nunavut that you face as a corporation are certainly very familiar to me, as someone who comes from the Yukon territory, although we do have the advantage of much more connectedness to a grid. The infrastructure challenges, the rising costs of fuel—all of those elements certainly resonate across the three territories.

When we look forward, one of the major projects identified is the Iqaluit hydro project. My understanding is that eventually, as a corporation, Qulliq will have a purchasing agreement. Can you talk about the potential benefit to off-load the diesel consumption once Iqaluit hydro gets realized? I wonder whether you can also talk about the importance of off-grid community projects. I know the Sanikiluaq wind turbine project was just achieved as well. As you look forward to the potential for renewables in Nunavut, how will that help? Where do you see the federal investments being the most useful in that regard?

James T. Arreak: Thank you for the question.

We consume over 53 million litres of diesel, and 15 million of that is in Iqaluit. If hydro were to go in Iqaluit, this would alleviate a good portion of that 15 million litres of fuel. That really would go a long way in terms of using less fuel.

In the communities, through our IPP program.... We have several communities, actually. Nauyasat, for example, just connected with their solar energy, and they're going to be using about 400,000 fewer litres of fuel. When I try to explain this in the community, I say "milk cartons": 400,000 milk cartons of diesel won't be used anymore. This goes a long way in trying to help understand the benefits going forward.

However, the challenge to capitalizing on renewable energy is that it's cyclical and it can cause variance in our small microgrid system. We're hoping that the control systems will be the ones that help us manage that spike.

The Chair: Thank you so much, James.

Thank you, everyone, for that excellent testimony.

We will suspend and get ready for the next panel. Thank you.

• (1635) _____ (Pause) _____

• (1645)

The Chair: Welcome back. I'll ask everyone to grab their seats as I introduce our next panel.

In the room we have, from Arctic Energy Alliance, Mark Heyck, executive director. In the room we also have, from the First Nations Education Steering Committee, Jenna MacIver, manager, executive services and administrative support, and Deborah Jeffrey, executive director.

Unfortunately, a couple of folks who were online did not pass the test, so we will be going with the people in the room for the testimony. Each of you will have five minutes, please.

We will start with Mark. Thank you.

Mark Heyck (Executive Director, Arctic Energy Alliance): Wonderful. Thank you very much for the opportunity to share some thoughts on the subject of northern affordability.

I'll focus my comments today on the issue of energy affordability in the Northwest Territories. The Arctic Energy Alliance is a non-profit organization with a mandate to help NWT residents, businesses and governments reduce their energy costs and their green-

house gas emissions. We're based in Yellowknife, but we have regional offices across the Northwest Territories.

While all of our programs endeavour to help northerners reduce their energy costs, I'd like to highlight three successful programs that are focused specifically on low- to medium-income residents and households.

First, in the winterization walkthrough program, staff from Arctic Energy Alliance visit low-income households, inspect the homes for potential energy efficiency improvements and make minor repairs on the spot, such as air-sealing cracks and gaps in the home. This improves the energy efficiency and comfort of the home, thereby reducing the amount of money needed to be spent on heating.

Second, our firewood access program provides chainsaw safety training to enable northerners to safely harvest their own firewood. This program also includes instruction on how to start a small business for those who might want to start a wood harvesting business in their community, as well as training on fire-smarting to help communities become more resilient to the effects of climate change and the threat of wildfires. As we speak here today, we are offering this training in Fort Smith, the Prime Minister's hometown.

Third is the community wood stove program, in which Arctic Energy Alliance partners with community governments to provide and install modern, efficient and safe wood stoves to community members at no cost to the recipient. While we are not currently offering this program, we hope to bring it back soon in a modified form, substituting wood pellet stoves for cordwood stoves. This program saw approximately 300 wood stoves installed in communities throughout the NWT between 2019 and 2024.

More generally on the subject of energy affordability in the Northwest Territories, we are headed for a very difficult winter. The price of diesel heating oil, the most common source of heating fuel in the Northwest Territories, has shot up nearly 50% year over year. This will result in thousands of dollars in extra expenditures for NWT households this coming winter.

Power prices are also very high in the north, an issue sure to be compounded by the increased price of diesel, which is used to generate electricity in many of our communities. Low-income households will be especially hurt by these increases in energy costs.

Over the past several years, the Government of the Northwest Territories and the Arctic Energy Alliance have accessed the Government of Canada's low carbon economy leadership fund to enhance our existing programs and to create new programs that filled gaps in our funding offers. We've created a web-based tool called the NWT energy map that shows the results this funding has helped us achieve in terms of cost savings and reduced greenhouse gas emissions in every community in the Northwest Territories. The map can be found at energymap.aea.nt.ca.

While we're very grateful for this support from the federal government, the program guidelines for the low carbon economy leadership fund do pose some challenges to supporting northerners, two of which I'd like to highlight.

First, the program has what are called ultimate recipient caps, which limit the amount of federal funding that can be rebated as a percentage of total project costs. For businesses, this cap is set at 25%, meaning northern businesses must put up 75% of the total project costs, be it for energy efficiency improvements to a business' building or a renewable, lower-cost renewable energy system, such as solar panels or a biomass heating system. This presents a major barrier for many small businesses in the Northwest Territories, and as a result, these businesses must pass on their higher energy costs to their customers in the form of higher prices.

Second, fossil fuel-based heating systems are no longer eligible for federally funded rebates under the LCEF. The Arctic Energy Alliance has supported clients wishing to replace older, inefficient oil-burning furnaces and boilers with modern, high-efficiency furnaces and boilers—a switch that burns far less oil, resulting in lower heating costs and GHG emissions.

A typical Yellowknife home that moves from an 83% efficient oil-burning furnace to a 97% efficient propane furnace would see annual savings of between \$2,000 and \$3,000, a substantial amount. However, we no longer offer these rebates, due to the change in program guidelines that accompanied the renewal of the LCEF in the past year.

Lastly, I'd like to touch on the impact that climate change itself is having on affordability in the north. There are, of course, the obvious costs of having to fight increasingly aggressive wildfires over much longer wildfire seasons, which impact all orders of government. Then there are the costs associated with evacuating entire communities due to wildfires or flooding, an almost annual occurrence now for us in the Northwest Territories. I don't believe we've yet identified the total cost of evacuating the entire city of Yellowknife in 2023, but it surely stretches into the tens of millions of dollars.

• (1650)

These evacuations and the threat climate change poses to northern communities have driven up insurance costs substantially for residents and businesses. Stats Canada has reported that, across Canada, home insurance premiums have increased 45% between 2019 and 2025.

The Chair: You have 30 seconds remaining.

Mark Heyck: While community-level data is not available for Yellowknife, I know from my own experience, and from that of

others who live in Yellowknife, that many households were hit with 40% to 50% increases in their premiums following the evacuation of Yellowknife in 2023.

All of this points to the need for increased support from the Government of Canada, for both climate change mitigation and adaptation, to help our communities strengthen their climate resilience.

Thank you.

The Chair: Thank you, Mark.

Next, we'll go to the First Nations Education Steering Committee.

Deborah Jeffrey (Executive Director, First Nations Education Steering Committee): Thank you, Chair.

Good afternoon to the committee.

I want to respectfully acknowledge the traditional, unceded territory of the Algonquin and Anishinabek people.

We appear before you today to discuss an urgent and outstanding matter relevant to your study.

My name is Deborah Jeffrey, the executive director of the First Nations Education Steering Committee, known as FNEC. I'm a teacher, a lawyer, a former president of FNEC, a mother and, most importantly, a grandmother. I'm a proud member of the Lax Kw'alaams first nation.

I also want to share regrets for our president, Tyrone McNeil, who wanted to be here today.

We're here to discuss the need for the federal government to approve the renewal of the BC Tripartite Education Agreement for a 10-year term in budget 2026.

Briefly, FNEC is the lead policy and advocacy body for first nations in B.C. We work to advance quality education for the approximately 6,400 students who attend 141 B.C. first nation schools, as well as the 8,000 students who live on-reserve and the 64,000 indigenous students who live off-reserve and are enrolled in B.C. public schools.

The renewal of our tripartite agreement is a matter of material interest to your study of affordability challenges in northern Canada. Access to education is a well-established determinant of social outcomes. While there is an abundance of research, let me highlight a couple of studies for the committee.

The OECD's 2025 report on education notes that higher education attainment is often linked to greater earning potential. The Bank of Canada observes a wage premium for those who attain higher education.

Since 2012, FNEC, the Government of B.C. and the Government of Canada have worked together through two successive tripartite agreements, the most recent being BCTEA. BCTEA is intended to promote improved student outcomes for 204 first nations through systemic shifts supported by sustainable and sufficient funding. BCTEA is the primary source of funding for first nation student tuition and schools, using a model based on the B.C. public education funding model, with adaptations. This ensures equity and allows first nation schools to match the opportunities offered by other education settings.

In addition to improving education outcomes, BCTEA addresses affordability by also including student transportation, the national school food program and other important opportunities to support the development of indigenous students. In our surveys of first nation schools, remoteness is frequently identified as a challenge for school bus operations and school food programs. Many first nation schools in B.C. are located in rural, remote areas, with 62% being located significant distances from the nearest urban area or having no year-round road access to one. First nations in more remote areas reported challenges in maintaining their school buses, recruiting drivers and feeding students. According to Statistics Canada, 39% of first nations people in B.C. faced food insecurity in 2022, and 15% faced severe food insecurity.

The funding formula for BCTEA includes important components to address unique geographic factors, which I can provide more details about during the Q and A.

While first nations expected a 10-year renewal to the BCTEA in the 2026 spring economic update, Canada, instead, delivered its third one-year extension of the agreement, now expiring June 30, 2027. FNEC is calling for a 10-year term for a renewed BCTEA. This would be consistent with Canada's ability to enter into 10-year agreements with first nations, FNEC and the First Nations Health Authority. A 10-year term would be essential to allow for appropriate planning for the fundamental components of an effective education system. The federal government's unilateral decision for a one-year extension is eroding the ability to plan for education programs and recruitment. We can provide more details on these concerns.

Education is a fundamental human right, and Canada must approve the renewed BCTEA in the upcoming federal budget to ensure that the education of first nation students is not needlessly disrupted. Education is a crucial social determinant and a known contributor to higher income and better health, which are essential to addressing affordability in the north. To quote the late Honourable Murray Sinclair, "Education got us into this mess. Education will get us out".

Thank you. We welcome your questions.

• (1655)

The Chair: Thank you very much.

We will proceed to the first round of questions from the Conservatives.

We have MP Dalton for six minutes.

Marc Dalton: Thank you very much for joining us here today.

I'm a B.C. schoolteacher by profession—although not right now—so what is happening is certainly very interesting to me. I know there have been disagreements. It has sometimes been a bit of a hot potato between the province and the federal government, in terms of some of the funding challenges and taking responsibility for schools on first nations.

Can you tell me a bit about that? Is this ongoing? I used to be the parliamentary secretary in education years ago, as an MLA. Can you speak about some of those challenges?

Deborah Jeffrey: Thank you for the question.

To be frank, there are no disagreements.

Marc Dalton: That's wonderful.

Deborah Jeffrey: The tuition for students attending public schools is paid by the federal government. The federal government pays for the students attending first nations schools. All the formulas, amounts and processes attached to this are set out in a very detailed tripartite agreement among FNEC, the federal government and the province.

I would say that, since 2012, things have been moving very smoothly with respect to funding flow and payment issues.

Marc Dalton: That's one star.

You talked about some of the challenges, specifically for busing and transportation, such as diesel. Maybe you can talk about diesel prices and their impact on those. Can you explain how this is working out for you, the first nations and the schools?

Deborah Jeffrey: We've heard all afternoon about the rising costs and the increased pressures put on people, communities and families. Certainly, that's no surprise with respect to diesel costs.

When looking at diesel costs in Vancouver, in terms of diesel's use for buses, it's \$2.51 to \$2.76 per litre. When we look at Dawson Creek, it's \$1.75 to \$1.90. Cranbrook, surprisingly, is \$2.71 to \$2.77. A few weeks ago, I was noticing that the price of diesel in Vancouver was \$2.99.

Absolutely, diesel prices are impacting transportation. Of course, we have transportation components in our agreement. There is approximately \$3 million allocated for buses as well.

Marc Dalton: Can you talk a bit about the national school food program and the impact you're seeing there?

• (1700)

Deborah Jeffrey: Yes, I can, for sure. Thank you for that question as well.

There's about \$3 million coming into our tripartite agreement through the national school food program. That, of course, was the announcement from the federal government in terms of the national school food program. Certainly, our students benefit from this. A portion is allocated through our tripartite agreement. It is absolutely making an important difference with respect to food. As I stated, food insecurity for first nations in British Columbia is concerning.

Marc Dalton: Okay.

Because you are involved with all the communities, you have a sense of, or a pulse on, affordability. This study is on affordability challenges for people in the north and on first nations.

Can you reiterate how things have been going, even in the past year or two? Has there been increased or significant pressure on families and individuals?

Deborah Jeffrey: I can speak to education.

Marc Dalton: Okay.

Deborah Jeffrey: In terms of information from across the country, there has been significant investment put into education by provinces and territories. If you look at those amounts, they help alleviate some of those pressures. If you look at the amount of money that has gone into British Columbia's public education since 2018-19, it has increased, on average, by 7% per year. B.C. is third in the country, behind Quebec and the Yukon, in terms of increased funding.

The funding model in our tripartite agreement is based on the provincial funding model. When the province puts in more money, Canada is obligated to put in the same amount, because we're based on the provincial funding formula. That helps alleviate some of those pressures.

Marc Dalton: Thank you.

I'll go to you now, Mr. Heyck. You're based out of Yellowknife but are throughout the Northwest Territories. The previous witnesses were more focused on Nunavut. Maybe you could talk a bit more about the impact on individuals of fuel costs in the Northwest Territories.

Mark Heyck: For sure. Certainly, we're a very diverse territory geographically. People experience different high energy costs. Typically, the further north you go, the higher the costs. It's the same situation people are facing across the country. The north isn't necessarily unique. For people, it comes down to making some tough choices in terms of purchasing food, purchasing fuel and purchasing medication. This is particularly harmful to low-income households.

One of our primary focuses, over the last couple of years in particular, has been looking at how we might redesign our programs to focus more on low-income households. Traditionally, our programs have been kind of open across the board to anybody who wants to

apply in the Northwest Territories, but we recognize that these higher fuel costs in particular are having an impact.

The Chair: Thank you.

Thank you very much, Marc and Mark.

We will now move online.

Lori, you have six minutes, please.

Lori Idlout: *Qujannamiik, Iksivautaq.* Thank you, Chair.

Thank you to the witnesses for appearing on today's important study on Arctic affordability.

I had been interested in hearing specifically from the Arctic Children and Youth Foundation witness. They were supposed to be on this panel. I hope they can appear at a later date.

Deborah Jeffrey, with regard to your testimony in the area of education, I'm quite curious; I'm glad to hear that the national school food program is having a positive impact on the outcome of students who are learning, but I wonder if you could share with us whether there are other federal investments supporting positive educational outcomes.

Deborah Jeffrey: Thank you for the question.

It's important that we underscore the unique nature of our agreement. It's tripartite. We work closely with the province; we work closely with Canada, and we work closely with first nations to improve outcomes and make systemic change. The fact that our funding model is based on the provincial model with adaptations reflects the needs and circumstances of our communities. For example, 31% of the funding for first nations schools is based on the unique geographic factors in the funding formula. This speaks to the unique nature of our communities. They're small and they're remote. The funding formula accommodates that, and we appreciate that. This is why it's urgent to renew the agreement.

The other important piece is that we work closely with the province. The province, for the first time, is funding first nations community-based teacher education programs. The province, for the first time, is funding \$6 million annually for first nations post-secondary institutes. In our work with the province, we've co-developed amendments to the school act—three of them—and through this important agreement, we achieved substantive advancements in first nations education. For the first time, 50,000 teachers annually in British Columbia are required to do professional development in indigenous education, which is a significant advancement with respect to anti-racism education and reconciliation.

Those are just some examples of things we've achieved by working collaboratively on a tripartite basis. We certainly want to continue this important work under our tripartite agreement so that we can continue to strive to meet the needs of our learners and our communities.

● (1705)

Lori Idlout: Thank you so much for that, Deborah.

I am curious: With the tripartite agreement.... I'm not sure when it was signed, but it sounds as though, even with that tripartite agreement, you were able to access a federal program like the national school food program. Is that correct?

Deborah Jeffrey: Yes. In terms of all the funding with respect to before- and after-school care, the education partnerships programs and the national school food program, all of those are accessible to our learners in B.C. Some of them are through our agreement. Some of them are outside our agreement.

Lori Idlout: I'm wondering if you could share with us what some of those federal programs are so that we can have them on the record as some of the successful initiatives we can learn from at the federal level.

Deborah Jeffrey: Of course, I'd be happy to do that.

We have approximately \$4 million that we get from the education partnerships program. The money is distributed to first nations with respect to education governance so that first nations can work within their communities with local school districts, with their own education committees and councils, and with the first nations education processes to strengthen education, whether it's for students in first nations schools or students in public schools. The money has been greatly beneficial to support our first nations in effectively engaging in education discussions within the community and outside the community.

We also benefit from the before- and after-school program, which is another federal program in which money is utilized for a number of different initiatives to support student learning. A number of our communities use it for tutoring. A number of them use it for various after-school programs.

Of course, the \$3 million we get is distributed for the national school food programs within our funding formula. Those are all incredibly beneficial to our learners and our families. We want to continue that with the renewal of our agreement so that funding is protected. When I think of the 615,000 students in public schools in British Columbia, I know they don't have to worry about funding for next year. Our students shouldn't either. In 2026, there should be no double standards when it comes to education, which is a basic fundamental human right for our children. We're asking for nothing more and nothing less with respect to a quality education for our learners.

The Chair: Thank you very much.

Lori Idlout: In my remaining time—

The Chair: You have 20 seconds if you can squeeze something in.

Lori Idlout: I was going to ask if you could provide us with some recommendations for this study, so we can make sure that

we'll continue to learn from the good work your steering committee is doing.

Deborah Jeffrey: We'd be happy to provide that in writing.

The Chair: Thank you ever so much.

[Translation]

Mrs. Gill, you have the floor for six minutes.

● (1710)

Marilène Gill: Thank you very much, Mr. Chair.

Ms. Jeffrey, you mentioned that you work a great deal with children. You work in the field of education. Now, we are discussing the whole issue of the cost of living, particularly the insecurity that families may face and the issue of food security.

So, I would like to know what you have observed among young people in the communities. In what ways are they particularly affected by the cost of living? Of course, families are affected, as I said, but what is particularly difficult for young people, whether as students or as children?

Your answer could help us find solutions that are suitable for everyone by examining the issue from an intersectional perspective.

[English]

Deborah Jeffrey: The challenges in our communities for our learners are challenges felt by all learners across the provinces and territories, as well as globally. We're seeing, unfortunately, dramatic declines in outcomes. We really have to begin to look at what's happening with our learners and begin to effectively support them to be successful learners and critical thinkers.

With respect to the work I do—

[Translation]

Marilène Gill: Ms. Jeffrey, please excuse me for interrupting: I may not have been clear enough. My question concerns the cost of living, given that this is the subject of the committee's inquiry. I was wondering how young people in northern communities, in particular, are affected. That is why I am referring to intersectionality. So, in the north, how are children affected by the cost of living compared with the rest of the population?

[English]

Deborah Jeffrey: When you look at the food insecurity, which I had raised with respect to first nations communities, and the high number with severe food insecurity, of course it's going to impact our children in terms of the amount of food and the quality of food. Many of our communities.... I'll just speak for mine. We often supplement our diets with our traditional foods. When you look at what's happening, often that is also declining with respect to the quantity of salmon that's available. It's alarming. When we look at our traditional diet.... Our elders used to say that when the tide is out, the table is set. It's not the same anymore.

When you look at the world we're living in now with respect to the impact of climate change on our food sources, it is deeply concerning. This is why the important food program supplement within our funding formula helps our communities and our schools to provide supplements through food programs.

[Translation]

Marilène Gill: Thank you very much, Ms. Jeffrey. We are experiencing the same thing on the east coast. When the tide goes out, it's different from how it used to be.

Mr. Heyck, you also raised the issue of climate change and the environment. I would like to hear your views on the impact of these changes. You mentioned, for example, wildfires and insurance. Could you provide an overview of all the current implications and make recommendations to the committee to address any shortcomings in this regard?

Mark Heyck: Thank you for the question.

[English]

As I mentioned earlier, the impacts of climate change are felt differently in different parts of the Northwest Territories. What we're seeing—and we're talking about affordability now—is that there's a human element and a human toll from the impacts of climate change. When communities are uprooted and forced to leave their homes for weeks at a time, that's a huge disruption to the community. It's a disruption to youth in those communities. When Yellowknife was evacuated in 2023, the evacuation took place in mid-August, and the first month of school for students had to be deferred. Of course, this is all on the heels of the disruptions that came with the COVID pandemic. Those effects, particularly around the wildfires and flooding we're seeing, which are uprooting communities on virtually an annual basis, are creating mental health issues in our communities. It's causing trauma in our residents.

In terms of recommendations on how to address it, I would like to see a renewed focus from the Government of Canada on fighting climate change. It's a battle that requires consistent effort and resources. As I mentioned in my opening remarks, we've been grateful for the support we've gotten from the Government of Canada to try to get people off fossil fuels as much as possible while also reducing their energy costs, but we need to be doing more on that front, quite simply.

• (1715)

[Translation]

The Chair: Thank you.

[English]

You have 10 seconds.

[Translation]

Are we done? All right.

[English]

Now we go to MP Goodridge for five minutes, please.

Laila Goodridge: Thank you, Mr. Chair.

Thank you to our witnesses for being here today.

Ms. Jeffrey, I want to sincerely thank you for sharing a part of your story with us and for the value you put on being a grandmother. It's very touching, and I'm sure your grandchildren at home are very proud of the work you've done, not just in your family, but in your community and in a broader space in British Columbia.

I'm curious. Have you gotten any answers as to why the Government of Canada is looking to extend this for only one year and not have a longer-term contract?

Deborah Jeffrey: To be frank, no. We had been advocating for renewal. We had been advocating, and we were hopeful that the spring economic update would provide a longer term.

When you look at all provinces, territories and education systems all with their respective school acts, they're not year to year. They're not every two years. They're ongoing. We're simply looking for, at this point, a 10-year commitment from the federal government, so we can have that sustainability and predictability, as other education systems have in this country. Our kids deserve no less.

Laila Goodridge: It's a question. I'm assuming there have to be additional administrative costs that are borne by your organization, which means less money to go to the kids if you have to go back year after year to negotiate a contract.

What are the real-life impacts on the students as a result of these yearly contracts, rather than longer-term funding agreements?

Deborah Jeffrey: You'll be happy to know that the money doesn't come to FNEC. The money goes directly to first nations. The money that comes to FNEC is to provide second- and third-level services. If you have a school in one of our communities and you have an enrolment of 60 students, the money will go directly to those communities.

The other important aspect of our funding agreement is that, as I indicated, the Province of British Columbia has continued to put additional funds in public education. Canada is then obligated to follow suit because that is one of the commitments in our agreement. Kudos to the federal government. Since 2012, it has continued to honour that commitment and ensure that our students are receiving the same level of funding and supports as other students in British Columbia—with some adaptations, of course.

Laila Goodridge: Thank you.

Mr. Heyck, I'm the member of Parliament for Fort McMurray—Cold Lake, so I don't have quite the same northern experience as many, but I understand what it's like and how costs seem to be amplified the further north you go. There has been many a time when my family and I were down in Edmonton at Costco, behind a family from Yellowknife doing their yearly haul and literally filling up a U-haul to bring up the cheaper goods so that they can afford to feed their family the food they're choosing.

Right now, the Conservatives are asking the federal government to consider removing all tax from diesel because it's having a massive impact on Canadians' being able to get from point A to point B. Do you think removing taxes on diesel right now would benefit people in the Northwest Territories?

Mark Heyck: I would imagine lowering the cost of diesel should have a knock-on effect on prices. However, I'm not sure that a blanket removal of taxes on fuel is necessarily the answer.

Laila Goodridge: It's specifically on diesel.

• (1720)

Mark Heyck: It's on diesel, sure, but it rewards people who are not using fuel efficiently. Those who are taking individual or collective action to reduce their fuel usage in situations like that are basically subsidizing those who are continually using fuel inefficiently.

Targeted relief would be a much better approach, toward both low-income households and perhaps those businesses that are dependent on long distances to transport their goods. I'm not sure that simply removing fuel taxes is the answer.

The Chair: You have 15 seconds.

Laila Goodridge: That's fair enough. We're going to have to agree to disagree, because most of the other witnesses we've heard from have indicated that it would impact families. I guess you're okay with higher costs for people in the north.

The Chair: Thank you very much.

Next, we have MP Hanley for five minutes.

Brendan Hanley: Thanks.

I'll continue with you, Mr. Heyck.

The variety of projects your organization is undertaking is really interesting. I have lots of questions, but I'll try to keep them brief.

On the big picture, certainly one of the challenges we're having in the Yukon territory—no doubt, you have conversations with your peers in the other territories—is that the constraints of some of... There's the desire to increase electrification, but the existing grid capacity is at the max.

I wonder if you can address how important increasing the hydro capacity in the NWT will be to allow for some of the shift away from heating fuel, for example, toward electrification and, ultimately, expanding the grid capacity where the grid exists.

Mark Heyck: For sure. Thank you very much for the question.

As you alluded to, we have electrical grids only in the southern part of the territory. The rest of the communities in the north are essentially microgrids unto themselves, using diesel for generation. The government in the Northwest Territories has climate plans that incorporate.... Electrification plays a large part in them. However, if everyone in the Northwest Territories were to switch to electric heat tomorrow, for example, we would need to double our generating capacity to meet that demand.

There is a project being looked at to connect the Taltson grid, which is on the south side of Great Slave Lake, to the Snare grid on the north side of the lake. That would increase the capacity we would need for the widespread electrification of things such as heating systems and transportation, quite frankly. The other benefit that electrification brings us is allowing our utilities to sell more of their product. It would help to stabilize rates, because what we've seen over time is very dramatic increases, oftentimes in concert with the increase in fuel prices.

Using more electricity for our energy needs, as opposed to fossil fuels or other sources of energy, would allow us to both stabilize rates and, I hope, provide more price stability in the future for those kinds of things, but it is dependent on a dramatic increase in our generating capacity.

Brendan Hanley: At a household level, in previous testimony, you talked about pivoting somewhat to supporting more at an affordability level, whereby you're concentrating efforts on retrofits. That's been more of a focus of the federal supports, from the broader green energy retrofit to being more focused on affordability.

How are you seeing the federal supports playing out, and where would you suggest expanding or augmenting for household retrofits and to reduce demand?

Mark Heyck: On the efficiency side, as I mentioned in my opening remarks, one of the things our organization has long supported is people becoming more efficient in the way they're using energy, even if that energy is coming from fossil fuels, so encouraging people to really push the envelope on the efficiency of their furnaces and boilers is a key element. The Canada greener homes affordability program is a really positive step in the right direction.

I'm in Ottawa this week for the Home Energy Justice Conference. We had Senator Coyle this morning announcing some news about Bill S-251, if I have the number correct, which is a bill working its way through the Senate to require the government to create a framework for a strategy to address energy poverty specifically in the country.

Those kinds of mechanisms at the federal level are important. They build accountability. The federal government has an ability that no other government has to collect data, analyze data and set those kinds of thresholds so that we know how we should be focusing our time and resources to have the greatest impact.

• (1725)

The Chair: You have 12 seconds.

Brendan Hanley: I would love to bring up more on the insurance rates that you mentioned and what the NWT or you might be considering in terms of insurance and incentives related to fire-smarting, but if there's anything you could submit later as a written submission in that regard, it would be great.

The Chair: Thank you very much.

For our last spot, we have Madame Gill for two and a half minutes, please.

[*Translation*]

Marilène Gill: Thank you very much, Mr. Chair.

Mr. Heyck, you just mentioned a program that enables people to use energy more efficiently in their homes, for example. However, earlier, during the first panel of witnesses, someone said that the various programs needed to be adapted to the north. I am not familiar with all the programs available to the public, but do you think they are suited to the north?

This can take various forms. It is not necessarily a question of the amounts involved. For example, we know that sometimes inspections have to be carried out in homes. It can take an enormous amount of time to obtain a tax credit, for instance. So, is there also work to be done on this front to make it worthwhile for people, in the short term, to adapt their homes to make them more energy efficient?

[*English*]

Mark Heyck: I would like to give credit where credit is due. The civil service, in the various departments that administer energy

programs, has done an excellent job, in my opinion, of listening to the concerns of northerners and organizations like ours about how to better tailor programs to meet northern realities. There are programs within Natural Resources Canada, Crown-Indigenous Relations, and Environment and Climate Change Canada in which genuine steps have been taken to make their programming and their funding more flexible to meet us where we are in the north.

Some of the issues are the minutiae of program guidelines that tend to be barriers, but as I said, we have been heard and some of what we've said has been acted upon, which has been great. At this point, it's really more a matter of adding additional resources to what has already been invested to take us that next mile. Allow us to expand our efforts to more communities and help more northerners address energy poverty in particular, but the high cost of energy in general.

Thank you.

The Chair: That's perfect.

There are 15 seconds left.

[*Translation*]

Have you finished, Mrs. Gill?

Marilène Gill: Yes.

The Chair: Thank you.

[*English*]

Okay.

Thank you, everyone.

Thank you to our witnesses today for providing some very important testimony on a very important study. Thank you for sharing your time with us.

Thank you to the committee.

I wish you all the best.

We are adjourned.

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