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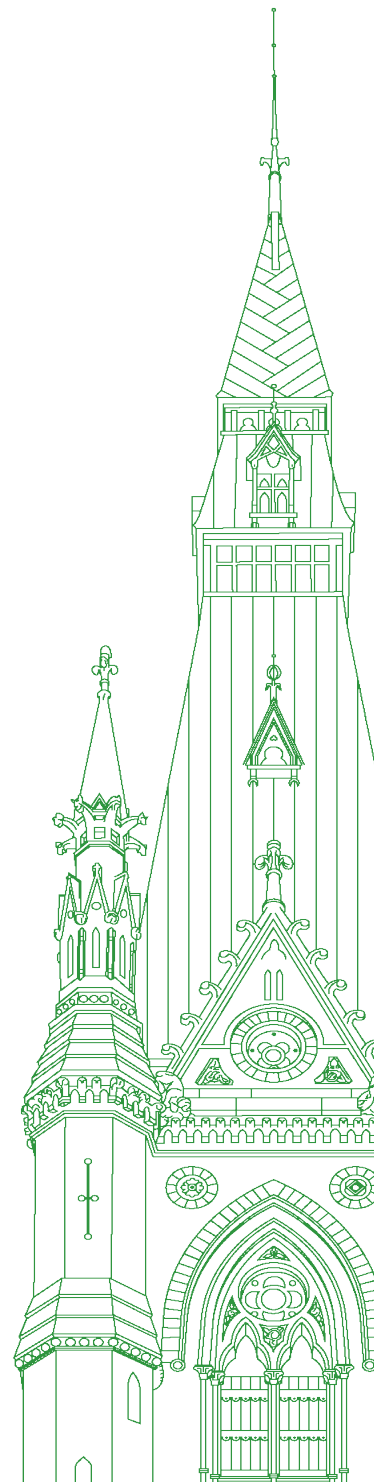
Standing Committee on Indigenous and Northern Affairs

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Chair: Terry Sheehan



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● (0815)

[English]

The Chair (Terry Sheehan (Sault Ste. Marie—Algoma, Lib.)): I call this meeting to order.

Welcome to meeting number 41 of the House of Commons Standing Committee on Indigenous and Northern Affairs.

We are gathered on the unceded territory of the Algonquin Anishinabe nation.

Pursuant to Standing Order 108(2), the committee is meeting on Arctic affordability.

Today's meeting is taking place in a hybrid format pursuant to the Standing Orders. Members are attending in person in the room and remotely using the Zoom application.

Before we continue, I will ask all in-person participants to consult the guidelines written on the cards on the table. These measures are in place to help prevent audio and feedback incidents and to protect the health and safety of all participants, including the interpreters.

Thank you very much to our wonderful interpreters.

Their health and safety is of utmost importance, and I will manage that. Thank you.

There's a QR code on the card that links to a short awareness video.

I would like to make a few comments for the benefit of the witnesses and members.

Please wait until I recognize you by name before speaking.

For those participating by video conference, click on the microphone icon to activate your mic, and please mute yourself when you are not speaking.

For those on Zoom, at the bottom of your screen—you went through it in sound check, but I'll go over it again—you can select the appropriate channel for interpretation: floor, English or French. For those in the room, you can use the earpiece and select the desired channel.

I would like to remind witnesses that the committee members may ask questions in either French or English. If you will need interpretation, please take a moment now to prepare your earpiece and select the listening channel you need in advance in order to take full advantage of the time allotted for questions and answers.

I remind you that all comments should be addressed through the chair.

For members in the room, if you wish to speak, please raise your hand. For members on Zoom, please use the “raise hand” function. The clerk and I will manage the speaking time and order as best we can, and we appreciate your patience and understanding in this regard.

I would now like to welcome our witnesses.

Bob Zimmer (Prince George—Peace River—Northern Rockies, CPC): I have a point of order, Mr. Chair, before we get going, because I don't want to interrupt the witnesses.

Just to let you know, we've been having some significant issues with the video quality in the room. It's low resolution, which is one problem, but another problem is that when we.... Even when we had a video with James Arreak, the camera was noticeably shaking.

We've complained about it. It doesn't seem to be changing in any way. It's like, “Well, this is just the way it is”, and I don't think it's acceptable. INAN is a very important committee that should have top quality in terms of video coverage, but also, that's the way we reach members of the Arctic—through our social media.

I ask that you or maybe the clerk check to see what can be done about bringing up the quality of video in the room.

Thanks.

The Chair: Thank you very much, MP Zimmer, for raising this with me.

Having heard this right now, I certainly share your concern. If the issue is this room, I will ask the clerk to find another room where perhaps there's better video. Maybe it's even in another building.

Leave that with us over the constituency week, and we will make sure to address the situation. We will run tests. Is that okay?

Bob Zimmer: Thanks.

The Chair: Thank you.

Bob Zimmer: I'm sorry to have interrupted.

The Chair: No, it was an important point of order. Thank you.

I'll go back to the witnesses. We have, from Housing Northwest Territories, Konstantin Khasanov, director, finance and administration, by video, and Mischa Malakoe, manager of housing projects. From Nunavut Tunngavik, we have Gloria Uluqsi, president. From Uqutaq, we have Laurel McCorriston, chief executive officer.

You will each have five minutes to present. When you have about 30 seconds, I'll say, "Thirty seconds", so you can wrap up your thoughts. Remember, we have lots of time for questions and answers, when you can get out your ideas as well.

Thank you very much.

First off, we'll have Housing Northwest Territories.

Please proceed for five minutes.

Konstantin Khasanov (Director, Finance and Administration, Housing Northwest Territories): Thank you.

Good morning, chair and members of the standing committee. Thank you for the opportunity to appear before you today on behalf of Housing NWT. We appreciate the committee's decision to undertake this study of affordability challenges in northern Canada.

Affordability remains one of the most significant challenges facing northern communities. Households across the Northwest Territories face high costs related to housing, food, transportation and heating, all of which are influenced by geography, remoteness, climate and persistent cost escalations in delivering essential goods and services across the territory.

Housing NWT's mandate is housing. Accordingly, our perspective today is that housing is a fundamental component of northern affordability and that addressing housing needs is one of the most effective ways Canada can improve affordability outcomes for northern residents.

Housing shortages in the north worsen affordability pressures. When housing is unavailable, households may be forced into overcrowded living situations, hidden homelessness, and delayed or higher cost housing options if and where available.

When housing is unaffordable, households lose a larger portion of their income to shelter costs, leaving them with less income to address other basic needs, such as food and clothing. The most direct solution for these affordability challenges is to expand affordable housing options in the north. However, implementing that solution is not so simple.

Housing in the Northwest Territories is substantially more expensive to build, repair and maintain than it is in southern jurisdictions. Transportation costs, labour shortages, limited contractor availabilities, short construction seasons, climate-related risks and supply chain challenges all increase the cost of housing delivery in the north. Housing NWT estimates total average hard construction cost roughly \$820,000 per unit, with some remote communities experiencing costs that are significantly higher. This reality means that the same level of investment that might produce a substantial increase in housing elsewhere in Canada delivers fewer homes in the north.

These cost escalations in housing construction, repair and maintenance contribute to wider affordability challenges in the north.

Every dollar required to address cost escalations and premiums is a dollar that cannot be used to expand the supply of affordable housing. As a result, housing deficits persist, social housing portfolios age and households continue to face affordability pressures. Climate change is adding further pressure. Wildfires, flooding, permafrost degradation, coastal erosion and transportation disruptions are increasing both the cost of maintaining existing housing and the cost of delivering new housing.

Northern jurisdictions must increasingly contend with these environmental challenges and associated costs. Despite these pressures, progress has been made. Through partnerships among housing corporations, the Government of the Northwest Territories, the Government of Canada, indigenous governments, community organizations and housing providers, significant investments have supported new housing developments, social housing modernization, community housing planning, transitional housing and indigenous-led housing initiatives. These investments are making a difference; however, significant work remains.

The affordability challenges facing the Northwest Territories are not temporary market conditions. They are long-term structural challenges that territorial governments cannot overcome alone. High construction costs, aging housing stock, climate adaptation requirements, limited housing markets and persistent housing shortages require sustained federal engagement. To this end, Housing NWT's written brief offers actionable recommendations to support sustained long-term federal investments to address the housing shortages. Addressing housing needs is one of the most important and immediate actions available to address affordability challenges in northern communities.

● (0820)

Chair and members, housing is more than shelter. In northern communities, housing is affordability infrastructure. When households have access to safe, suitable and affordable housing, they have greater financial capacity to meet other essential costs, such as food, clothing and transportation. Housing stability supports healthy communities, stronger local economies, workforce retention and improved quality of life. For northern residents, addressing affordability challenges begins with improving access to housing.

● (0825)

The Chair: You have 30 seconds.

Konstantin Khasanov: That's my presentation. If you have any questions, we're ready to answer.

The Chair: Thank you.

Next up, we have Gloria.

You have five minutes.

Gloria Uluqsi (President, Nunavut Tunngavik Incorporated): Good morning. On behalf of Nunavut Tunngavik Incorporated, thank you for the opportunity to appear before you this morning to discuss affordability challenges in northern Canada.

My name is Gloria Uluqsi. I'm the president of Nunavut Tunngavik Incorporated, or NTI. I will be focusing on the realities facing Inuit in Nunavut.

When we talk about affordability in Nunavut, we are not talking about whether families need to cut back on luxuries. We are really talking about whether parents can put enough food on the table, whether children can go to school well fed and whether families can find a safe and stable place to live. The affordability crisis in Nunavut is rooted in long-standing structural inequities that continue to affect Inuit communities today.

Food insecurity is rooted in the harmful effects of colonialism on Inuit food systems and food sovereignty, compounded by a high cost of living, insufficient income supports, limited employment opportunities and a chronic absence of housing supply. According to the Government of Canada's own calculations, a family of five in Nunavut requires more than \$92,000 per year to achieve a basic standard of living, yet a family relying on available income supports receives under \$40,000 annually. The result is a gap that leaves far too many families struggling to meet even their most basic needs.

In Nunavut, 43% of people live below the official poverty line. In 2023, the poverty rate in Nunavut was higher than in any other province or territory, more than twice that in the Yukon and the Northwest Territories, and more than four times the rate of Canada as a whole. This burden falls disproportionately on Inuit. Inuit in Nunavut are three times more likely to live on low incomes than non-Inuit. The consequences are felt most deeply by children. Nearly eight in 10 Inuit children in Nunavut live in food insecure households, and seven in 10 live in homes in which adults regularly skip meals, eat less or purchase lower-quality food simply to make ends meet. No children in Canada should have to experience that reality.

Food costs remain one of the clearest examples of the affordability crisis facing Nunavut. Because of limited retail competition, high transportation costs, infrastructure gaps and the long distances food must travel, grocery prices in Nunavut are roughly double those in southern Canada. Research that we supported in partnership with the Arctic Children and Youth Foundation found that, on average, food prices in the Qikiqtani region were nearly twice the national average. For healthy foods such as fruits and vegetables, prices were almost two and a half times higher. In communities like Grise Fiord, the costs are even greater.

Families feel these pressures every day, and while federal programs exist, they have not been enough to address the scale of the

challenge. We continue to see families denied access to food supports on the basis that existing government programs are available to meet their needs, yet the evidence tells us otherwise. Food insecurity remains widespread. School food funding is insufficient to meet demand. Income assistance levels do not reflect the true cost of living in Nunavut.

At the same time, the high cost of hunting equipment, fuel and transportation makes it more difficult for Inuit to access country food and maintain traditional food systems. As a result, many families are forced to depend on expensive southern supply chains that were never designed with Arctic realities in mind.

Housing presents another dimension of the affordability crisis.

• (0830)

Nunavut Tunngavik Incorporated remains committed to advancing practical, community-led solutions through the Nunavut Roundtable for Poverty Reduction. Inuit youth, elders, harvesters, governments, organizations and industrial partners have all told us the same thing: The status quo is not working.

Matna.

The Chair: Thank you, Gloria.

Next up we have Laurel, please. You have five minutes.

Laurel McCorriston (Chief Executive Officer, Uqutaq Society): *Ullaakut, bonjour*, good morning, Mr. Chair and esteemed committee members. Thank you for this opportunity to speak about housing affordability in the north.

Before joining Uqutaq Society, which is a non-profit dealing with housing and homelessness, I was the general manager of public housing in Iqaluit. I was also a territorial property manager for the energy corp, managing their employee housing and other buildings, so I've got a well-rounded view of housing in Nunavut.

Uqutaq Society operates two shelters, transitional housing and affordable housing. It has three projects in the pipeline: an expansion of shelters and transitional housing, a supportive housing project, and a mixed-use building of affordable housing and commercial space for non-profits. The majority of these projects and programs are the first of their kind in Nunavut.

We know that Nunavut has the worst housing crisis in Canada, and it always has had, largely because there is no actual rental housing market in Iqaluit. New rental buildings are leased by the federal government, the territorial government or corporations well before occupancy, and according to the 2017 data from CMHC, this leaves approximately 10% of the rental market available for private individuals. I suspect this is the same in the other two regional hubs, Cambridge Bay and Rankin Inlet.

The most recent CMHC “Northern Housing Report” showed that the high shares of units rented by the public sector and private companies as employee housing are 44% and 14%, respectively, and a further 22% is public housing. Therefore, there is very little housing supply in Iqaluit, and there is even less affordability. New two-bedroom units that came available in the last year were renting for \$4,600 per month. Using CMHC's benchmark of 30% of gross household income, it would require an annual income of \$184,000 to rent that apartment. The high rental market is the legacy of governments paying whatever the market asked since Iqaluit began to be developed, and this continues today. This is now exacerbated by the rising costs of construction and costs of operating in the north,

As noted, a large portion of housing is tied to employment and is most often provided to managerial-level public sector employees, people who have the salaries and could afford to pay in the rental market. What about the mid- and lower-level workers and people who are not working? The majority of Nunavummiut, 60%, rely on public housing, according to the Auditor General's “Public Housing in Nunavut” report from May 2025, and 45% of those households are overcrowded. Young people, both singles and young families, cannot leave their parents' home, because of the low supply and the high cost of available housing. Overcrowded, multi-generational homes are common, and so are homes shared by several unrelated households.

I remember that, when I was general manager of Iqaluit housing, there was a one-bedroom unit with nine people living in it and a three-bedroom unit with three families living in it. They managed this by sleeping in shifts.

Some households in public housing earn more than the maximum allowed to qualify, because their household income has improved during their tenancy, which we are, of course, happy about. They could afford market rents, but the housing program has no requirement or incentive for them to move out, and there is no supply or other option for them to move to.

The non-profit, non-market and below-market housing sector is very small in Nunavut. Before Ukuutaq Society's recent growth, there was only one option: a housing co-op that was developed in the early 1980s. Outside public housing, Ukuutaq Society is currently the only organization expanding the non-market housing options. We know that safe, adequate and affordable housing is the major social determinant of health.

How can Nunavut free itself from the reliance on public housing and employment housing? We need to offer deeper and better support for the non-profit housing sector to help it with development costs and not just construction costs. We could also ask the government entities that lease housing in Nunavut to understand the effect they have on the rental market and to act accordingly.

Nakurmiik, merci, thank you for your time and attention today.

• (0835)

The Chair: Thank you very much.

First off, we have MP Zimmer. Bob, you have six minutes, please.

Bob Zimmer: Thank you, Mr. Chair.

My first question is for Konstantin. We had a previous guest from Nunavut, who said the average house price in Iqaluit is about \$1 million. I've seen it. I was just looking at the real estate page. Even a condo or townhouse type of place is around \$750,000. That's quite expensive for an average family, no doubt. You said that the average price to build in the Northwest Territories is how much?

Konstantin Khasanov: It's \$820,000.

Bob Zimmer: I couldn't hear that.

Konstantin Khasanov: It's \$820,000.

Bob Zimmer: It is \$820,000...?

Konstantin Khasanov: Yes. That's on average, but in some communities it's even higher.

Bob Zimmer: What would it be in a place like Tuktoyaktuk, where we were this summer?

Konstantin Khasanov: Mischa can help with that. He's more involved in project management of those construction activities, and he can provide more details.

Bob Zimmer: Go ahead.

Mischa Malakoe (Manager of Housing Projects, Housing Northwest Territories): Hi, Bob. I'll respond to that.

Obviously, \$820,000 per unit is an average cost. That encompasses, territory-wide, all 32 communities. As you alluded to, when we get into more remote communities farther north, like Tuktoyaktuk, we would see prices exceeding that \$820,000, so we could be into the million-dollar-per-unit cost.

Bob Zimmer: How many homes has the federal government built, in the last two years, in Northwest Territories?

Mischa Malakoe: I don't know that metric off the top of my head.

Konstantin, go ahead.

Konstantin Khasanov: In the last two years we've supported building, probably, about 40 to 60 units.

Bob Zimmer: How many have actually been built, though?

Konstantin Khasanov: We're still at the construction level of activities.

Bob Zimmer: Is there no number?

Konstantin Khasanov: There are no numbers available.

The construction period is from two to four years. We have a really short construction period. If we are not able to complete it in a few months, then we have a whole year's delay. For example, in 2023, it was wildfire season, when 75% of the population—

Bob Zimmer: I'm a carpenter myself and have built many houses, so I know that the season, normally, is the summer season.

I'm going to move quickly to Gloria. My time is short. Gloria, I completely understand the food price concerns you have. I've met many of the residents from different parts of Nunavut, like Cambridge Bay, Kugluktuk and other areas, where it's even more expensive than a place like Iqaluit.

You represent NTI. Is that correct?

Gloria Uluqsi: Yes, that's correct.

Bob Zimmer: I know that some of the price for food...the affordability factor is based on revenue of the territory, and money can be disbursed to help people who can't afford food to buy it. Who gets the resource revenue in Nunavut?

Gloria Uluqsi: I'm going to clarify. To be honest, in terms of the affordability and cost of food, prices...in all 25 communities it's very expensive, even in Iqaluit. We certainly know that the food subsidy program, the northern—

Bob Zimmer: The question was, who actually gets the resource revenue in Nunavut? I believe NTI gets a substantial amount of that resource revenue from mining and other things. Is that correct?

Gloria Uluqsi: Yes, the royalties.... Yes, the NTI provides that, but we funnel it through the regional Inuit associations for them to—

Bob Zimmer: I know that the government often gets asked to provide, and that's an obligation of government. However, I think that, of the resource revenue in Nunavut, for example, very little, if any, goes to Ottawa. Most of it lands at the Inuit organizations, like yours. I've asked your leadership before and I've asked the premier, and I want to ask this: What is NTI doing in terms of helping your members with affordable food?

Gloria Uluqsi: We've recently provided \$4 million to the education coalition to provide funding for breakfast programs, but there are definitely more activities, more program services we need to provide. This should really be in consultation with both governments, as well as Inuit partners. We need to collaborate more. We need to work together more because the affordability...costs are so high for food and housing.

The revenue that you were speaking about is split between NTI and the RIAs, as I mentioned earlier.

• (0840)

Bob Zimmer: I see that it's about \$167 million that NTI gets, I think, annually. Everybody needs to help, of course, especially for those in need in Nunavut. I was asking specifically about what your organization is contributing, and I appreciate your breakfast programs and all the rest, but I wanted a bit more information on that.

I look forward to maybe speaking with you in Nunavut sometime when we're back up there.

Gloria Uluqsi: Yes, certainly. I look forward to speaking with you too. *Quana.*

Bob Zimmer: Thank you.

The Chair: Thank you very much.

Next up we have Brendan for six minutes, please.

Brendan Hanley (Yukon, Lib.): Thank you very much. Thanks for all the testimony so far. This is really important to describe the spectrum of affordability challenges in the north.

I'll start with Northwest Territories.

Mr. Khasanov, thanks for the presentation. In the brief from Housing Northwest Territories there are a number of fairly specific recommendations of where there could be either renewal or extension of federal supports. I don't think you had a chance to delve into those recommendations, but I wondered if you wanted to highlight some of the aspects to which you feel we should be paying more attention.

Konstantin Khasanov: Yes. We discussed a lot of what we need and how we can solve the issues. We have several recommendations. The first one is to renew the federal housing and homelessness bilateral agreement beyond 2028, because that creates an actual financial cliff for us in 2028 and 2029. We're going to lose around \$17 million in funding that we're receiving right now from the Government of Canada. We're looking forward to an extension and long-term agreement.

We also have a social housing agreement that originated in 1997. It's a really long-term agreement. It's perfect, but the problem with long-term agreements is that if there are no inflation adjustments, they do not work properly. This one still provides funding based on prices in 1997, with around \$11,000 per unit to maintain it over the year—provide repairs, support utility costs.... It's not enough for us to have long-term agreements; we also need to have inflationary adjustments.

As another thing, we need to establish a dedicated northern housing affordability fund, because we're not really the same as down south. I can provide an example. With a 500-kilometre distance to bring a house from a manufacturer to a community, down south it's probably five hours of driving. Up north it's going to take two to three days because on an ice road, you cannot drive more than 20 to 25 kilometres per hour. There are specific requirements for ice roads. It takes three days for a person to deliver the same unit that could be delivered down south. The cost escalates everywhere for any units that we're trying to deliver.

Another thing we're trying to bring attention to is that we're receiving a lot of funding right now for new construction, for new units. We almost have an agreement in place with BCH to deliver around 400 units. What about the units that were already built and have to be maintained? There is no real support for existing units, and we expect around 437 units will be out of their useful life in the next few years. Those units will be lost, so even delivering new units, it's not going to improve the situation for the housing build situation up north. We need to have funding streams that support new construction, because we have 1,000 people on the waiting list, and we need to support existing units that we're trying to maintain.

Another—

• (0845)

Brendan Hanley: Thank you. I have to cut you off in the interest of getting to the other panellists, but thank you for the written submissions as well. I'm glad you had a chance to highlight at least two or three of them.

President Uluqsi, I wanted to come back to you. Congratulations on your recent election, and I look forward to meeting you in person.

I think you also didn't get a chance to finish where you were hoping to finish off, particularly around recommendations for ongoing federal partnerships, where you would like to see us working more together and where you would like to highlight further federal support.

Gloria Uluqsi: Do I speak now? Is that for me?

The Chair: Yes. Go ahead.

Gloria Uluqsi: Thank you for providing this opportunity.

Yes, you're right. I did not complete my five-minute opening. Thank you for recognizing that.

I'm really looking forward to having further discussions with you, as well as the other members. Coming in and being new in this leadership, I really value and believe in collaboration, in working together with the governments and with the other Inuit partners and organizations to tackle this affordability issue in northern Canada.

I know it's very broad, but the Government of Canada has really committed to reforming nutrition north Canada. We believe that work must focus on dismantling the structural inequities that contribute to food insecurity while supporting Inuit food systems and food sovereignty.

We have also requested support through Build Canada Homes to support the delivery of the 400 units of housing. We must invest in housing, strengthen income supports, improve food access and support to harvesters, and ensure that northern infrastructure really meets a northern reality.

At NTI, we remain committed to advancing practical, community-led solutions through the Nunavut Roundtable for Poverty Reduction. Inuit youth, elders, harvesters, governments and organizations, including industrial partners, have all told us the same thing: Reducing poverty is not simply about increasing income or lowering costs. It's about creating the conditions for healthy families, thriving communities, meaningful economic opportunities—

The Chair: Thank you very much.

Gloria Uluqsi: —strong cultural connections and food and housing security for future generations.

Qujannamiik.

The Chair: Thank you very much. I'm sure you'll have an opportunity to expand on that in future questions.

[*Translation*]

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

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

First, I'd like to address my questions to Ms. Uluqsi.

Ms. Uluqsi, I would like to talk about the cost of living, of course, but also about the poverty rate in Nunavut, which is the highest in Canada, a country that prides itself on being prosperous and strong. I'm struck by the level of poverty that exists there. As Ms. McCorriston also noted, access to adequate housing and nutritious food are basic necessities and key determinants of health.

You spoke about traditional foods, a subject that has also been raised by other witnesses throughout our study, as well as hunting equipment and the cost of fuel. Are there other factors that should be considered?

Let me give you an example. In my region, which is not as far north as yours, traditional seal hunting was once commonly practised. With climate change, however, the ice is disappearing, making hunting more difficult and requiring different approaches. We certainly want these traditions to continue. You mentioned colonialism, but I'd also like you to speak about hunting, which is very likely one of the solutions for people in Nunavut.

I will now give you the opportunity to elaborate on this. Thank you very much.

• (0850)

[*English*]

Gloria Uluqsi: *Matna.* Thank you for the question, Ms. Gill.

Absolutely. In Nunavut, as Inuit, we definitely rely on our traditional food, whether it's seal, caribou, walrus or beluga. We really value our culture and our tradition. It's very much a part of our lives, where we go camping and hunting.

At NTI when we receive royalty monies, we help the regional Inuit associations to funnel funding through them, and through the regional Inuit associations they provide funding to their communities towards the Nunavut harvester support program. Therefore, we provide funding to the hunters in the communities.

Especially in the Qikiqtaaluk region, we're starting to see the Nautiluqtiit, who are the stewards of the land and of the sea, and we're starting to have stewardship infrastructure, whereby the stewards' employees go out hunting and provide traditional food to the communities, to Inuit in those communities. It really supports food security and our food sovereignty with our traditional foods.

[Translation]

Marilène Gill: All of the witnesses would no doubt agree that financial support is important, but there was another aspect to my question, namely the availability of the resource itself. Is the resource under threat?

Last Tuesday, we heard testimony about salmon. Of course, that discussion concerned British Columbia rather than Nunavut. In my region, for example, there are concerns about caribou, whose numbers are declining for a variety of reasons, some of which remain unclear, although climate change is certainly a contributing factor. Based on your knowledge of your ancestral and traditional lands, I would therefore like to know whether you are also seeing changes affecting the resource in your region.

Are you observing changes in the availability of marine and terrestrial resources in Nunavut?

[English]

Gloria Uluqsi: *Matna* for the question.

In relation to the 25 communities that I advocate for at NTI on behalf of Inuit, for thousands of years, we Inuit have lived on the land and monitored it. Inuit are intelligent people. They will not kill multiple animals such as caribou, beluga or seals just for the purpose of killing. They will kill only enough to feed people, Inuit, in the community.

[Translation]

Marilène Gill: My question wasn't about that, Ms. Uluqsi. I apologize. I wasn't suggesting that Inuit harvest too many fish, animals or marine mammals. Rather, I'm asking whether you're seeing changes in the abundance of the resource. You mentioned belugas, for example. Are belugas still readily accessible? Is it more difficult to harvest them now than it was in the past?

Again, this isn't intended as criticism in any way. On the contrary, I'm trying to determine whether the resource remains as available as it once was or whether there have been changes. I referred to climate change, which may be making the resource less available than before and contributing to increased food insecurity among northern residents, as several witnesses have also indicated to the committee.

[English]

The Chair: Gloria, we've run out of time, but could you submit that in writing? Madame Gill has clarified the question, and if you could please respond in writing, that would be great. Thank you.

Next up is MP Morin.

Billy, please, you have five minutes.

Billy Morin (Edmonton Northwest, CPC): Thank you, Chair.

Thank you to our guests for coming today.

I want to go to Laurel first. I'm doing a bit of research and looking up the society that you serve. It's great in terms of transitional, long-term and shelter housing.

Can you expand on some of the aspects of housing and homelessness?

I understand that there are some ever-increasing substance abuse challenges across Canada and especially in the north. I'd imagine they're a challenge in the north, but in your service that you provide in housing, what are the additional challenges with recovery, addictions and how things are working in the north, particularly with the services you provide?

• (0855)

Laurel McCorriston: Thank you for the question.

We are seeing an increase in addiction to hard drugs, which is fairly recent compared to southern urban centres. There is a recovery centre that's opening up in Iqaluit this year, and that's the first of its kind in Nunavut. The other services we have basically depend on the Government of Nunavut mental health outreach and their addiction workers. Compared to southern urban services, for what we call wraparound services in the sector, Nunavut has very few available. We do have a small fetal alcohol syndrome organization that has high demand on it.

The best we can do is partner with what's available currently and then advocate further with the Government of Nunavut.

Billy Morin: Beyond partnerships specifically, would you like to see more recovery workers or more training? It's good that a recovery centre is opening. I'm sure it's not going to be the silver bullet, but I'm glad it's opening. Is there anything beyond this? It's one recovery centre in one community. How do we get these services to other communities? Nunavut's so vast.

Laurel McCorriston: That is the issue about being remote. It's a matter of the Government of Nunavut's finding both the financial resources and the human resources, because we don't have well-trained people in Nunavut.

We need to do things on several fronts. We need to expand mental health and addiction services, including in the non-profit sector. The shelter system in Iqaluit, such as it is, has only two organizations and very few across the territory. Though it's expanding thanks to NTI support, we aren't funded enough to have our own health care or mental health counsellors within the shelter system itself.

Billy Morin: Thank you for that.

Konstantin, you talked a lot about the lack of units getting built and the prices. Can you talk about the specific capacity to build houses in the Northwest Territories? We were up there in Inuvik, Tuk, Norman Wells and Yellowknife. I heard a little about how the local communities would like the opportunity to have skills.

Are you aware of any innovations? How do we get the local capacity in those nations ready to be carpenters, plumbers, or tradesmen or tradeswomen?

Konstantin Khasanov: The housing corporation provides support for apprenticeship programs all around the Northwest Territories. We have dedicated funding for apprentices. I believe our apprenticeship program is one of the best in Canada. It provides a lot of support for people not only to travel to learning centres but also to meet families when they're back for a few days. It also provides salaries during study time. It provides support to purchase equipment, computer equipment and studying materials. It's quite successful. It works really well.

Intake is not always stable. To have an apprenticeship, you need to have a mentor. In the small communities, if there are no people who already have the Red Seal, they cannot be mentored by anybody. The opportunity for those communities is really low. That requires people to move from one community to another, for at least four or five years, to study. With the lack of housing, people are not able to move. They cannot move one person from a family or have the whole family living for years in another community.

The communication and transportation between communities is really expensive. There is no direct communication between those small communities. It's always through regional centres. The challenge is to retain people and improve education in those communities.

There are lots of other innovations in construction that Mischa could provide.

• (0900)

The Chair: That's the time we have. Thank you very much.

Next up, we have Lori online for five minutes. If there's any problem with the Internet connection, we'll go inside the room.

Go ahead, Lori.

Lori Idlout (Nunavut, Lib.): *Qujannamiik.*

Ullaakkut. It's great to see all the witnesses. With my limited time, I will ask two questions, one of Gloria and one of Laurel.

Gloria, I followed your campaign. I'm so impressed that you got great election results, and with 72% voter turnout, which is quite high in Nunavut.

I wonder if you could share with us what you learned the strengths are of Inuit and what the federal government can do to better recognize them so that we can better support the economic independence of Inuit.

Gloria Uluqsi: *Matna.* Thank you, Lori, for the question.

I'm really excited to be here and to have been elected.

I have learned a lot from Inuit. I went in there right from the beginning with the idea of honestly and truthfully listening. I really learned from campaigning in the regions that Inuit had a lot of ideas and recommendations to offer in terms of housing, elder care, affordability and the high cost of food, and our language.

They're just waiting there. They're open and really waiting for leadership to advocate for them and to provide good communication. For example, now that I'm at NTI, I'm really working towards strengthening the communication between NTI and Inuit and providing our ideas and recommendations in terms of services and supports that NTI can offer.

I heard loud and clear from Inuit in all the communities that it's very important for the upcoming president to collaborate with both governments. Also, leadership and accountability were my priorities. Inuit really wanted a president to collaborate with the governments, the Inuit organizations and other not-for-profits that are in Nunavut.

In saying that, I honestly believe it as well. My role, and my job, is to collaborate with the elected officials and the leaders on how we can better work together. How can we at NTI fill the gaps? It's really important that we collaborate with one another and share ideas so that we know better how we can help the people of Nunavut and Inuit, including Inuit who are in the southern centres like Ottawa, Winnipeg, Edmonton and Yellowknife.

The Chair: Thank you.

Go ahead, Lori. Okay, I think her screen is frozen.

Next, I'll go to Ginette, who will have one minute and 35 seconds to ask questions for the Liberals.

[*Translation*]

Ginette Lavack (St. Boniface—St. Vital, Lib.): I'd like to thank all of the witnesses for being here today.

Ms. McCorriston, I'd like to discuss the housing continuum in remote communities. We know that homelessness presents a number of challenges. In your view, where are the greatest needs? Is there a greater need for transitional housing, emergency shelter spaces or affordable housing, for example?

As a follow-up, what measures could be taken to address those needs?

[*English*]

Laurel McCorriston: Thank you for the good question.

It's affordable housing and the options for that. The option that is provided by non-profit housing or housing co-operatives is long-term affordability. For instance, in a co-op in downtown Toronto, which is where I got my housing start, you can get a one-bedroom apartment for \$1,100 right downtown. Those were built in the late seventies and early eighties. That long-term affordability is done through the non-profit sector.

The other piece on the housing continuum that is required is supportive housing. I've really lost my interest in transitional housing because, especially in the north, there's nowhere to transition to. That's why Uqutaq is now pivoting towards supportive housing, which provides support where the people live. They don't have to go anywhere else, and it's not a time-limited program. That's how communities could benefit.

• (0905)

The Chair: Thank you very much.

Next, we have Madame Gill for two and a half minutes in our final slot before we transition to the next panel.

[Translation]

Marilène Gill: Thank you, Mr. Chair.

Earlier, I referred to a report by Polar Knowledge Canada on climate change and the availability of resources in the north. The report is available in Inuktitut. It's a fascinating study, and that's what I was referring to.

I'd now like to turn to Mr. Khasanov and Ms. McCorriston regarding housing.

I represent a riding that is also partly northern, and we face challenges related to the housing shortage. For example, some housing units are owned by mining companies, as there is significant mining activity in my region. Workers are brought in from outside the region, and because the companies own the housing, there's a kind of scarcity that drives up housing prices. I know Ms. McCorriston spoke about affordable housing. Is increasing the supply of housing part of the solution?

I'd also like to hear Mr. Khasanov's comments once again on housing rehabilitation and maintenance, because we're experiencing similar challenges. We're losing a considerable number of housing units that have become substandard due to a lack of funding for maintenance.

Therefore, I'd like to hear your views on both the fly-in/fly-out phenomenon and the issue of housing rehabilitation and maintenance.

Ms. McCorriston, perhaps you could respond first.

[English]

Laurel McCorriston: Sorry...I was thinking about your question for Mr. Khasanov.

The question was about affordable housing. Is it a realistic or a good option for the north? I believe it is, for both affordable home ownership and affordable rental. NTI has started a new corporation called Igluvut Corporation, which will have programs for both of those.

However, I believe we need everybody in the housing sector—non-profits, NGOs and levels of government—to be doing these things. There's a model called Options for Homes in which you purchase a condo based on the actual cost of the build. That's worked well in southern environments. This kind of thing could also work well in the north as far as home ownership goes. As far as affordable housing goes, it really needs to be seeded by the govern-

ment and by NTI across the territory in whatever way they can. We have a good example of our work in Iqaluit, and this could be exported.

[Translation]

The Chair: Thank you very much.

[English]

That is the two and a half minutes.

Thank you very much, everyone. We're going to suspend and transition to the next panels.

Thank you to our panellists. Again, congratulations, President Gloria. Your face does look familiar. You ended up in one of my social media feeds. Congratulations.

We'll suspend.

• (0905)

(Pause)

• (0915)

The Chair: We're back.

For the benefit of the next panel, I'm going to review some of the audio and interpretation guidelines.

We're in a hybrid format. We have people inside the room, and we have people online. I ask all participants to consult the guidelines written on the cards on the table. These measures are in place to help prevent audio and feedback incidents and to protect the health and safety of all participants, including our wonderful interpreters. You'll also notice a QR code on the card that links to a short awareness video.

Please wait until I recognize you by name before speaking. For those participating by video conference, click on the microphone icon to activate your mic, and please mute yourself when you are not speaking. For those on Zoom, at the bottom of your screen, you can select the appropriate channel for interpretation: floor, English or French. For those in the room, you can use the earpiece and select the desired channel.

I'd like to remind witnesses that committee members may ask questions in either French or English. If you will need interpretation, please take a moment now to prepare your earpiece and select the listening channel you need in advance in order to take full advantage of the time allotted for questions and answers.

I'll remind you that all comments should be addressed through the chair. For members in the room, if you wish to speak, please raise your hand. For members on Zoom, please use the "raise hand" function. The clerk and I will manage the speaking order and the time.

First off, we'll go to the witnesses, and there will be five-minute presentations.

For the witnesses, I'll let you know when you have about 30 seconds left so that you can finish up your thoughts, and there will be plenty of time for you to get out what you like through the question and answer period.

I'd like to welcome our witnesses. We have, as an individual, Dr. Alexandre de Barros, professor of transportation engineering, department of civil engineering, University of Calgary. As an individual, we have Dr. McCartney, professor, school of urban and regional planning, Toronto Metropolitan University, by video conference. As well, we have Michael Beaulieu from The North West Company. He is vice-president of Canadian store operations.

Let us begin with Dr. de Barros for five minutes, please.

Dr. Alexandre de Barros (Professor of Transportation Engineering, Department of Civil Engineering, University of Calgary, As an Individual): Thank you, Mr. Chair.

Members of the committee, good morning. Thank you for the invitation to appear here today.

I appear in connection with the 2023 research paper called "Air Connectivity and Airport Infrastructure in Northern Canada", which was prepared for the Canadian northern corridor research program at the University of Calgary's school of public policy. The paper examined 146 remote communities inside the notional northern corridor area—communities for which air is often the only reliable year-round link for people, medical evacuations, food and essential goods. The findings remain directly relevant to the cost of living pressures that this committee is examining.

Air transportation is not a luxury in the north. It is a foundational part of the supply chain that determines the price of groceries, fuel, housing materials and medical travel. When air service is infrequent, expensive or constrained by infrastructure limitations, those costs are passed on to northern households and communities.

I will list some of the key findings from the study.

Nearly all 146 communities that were included in the study have an airport or aerodrome within 20 kilometres by road. Only a handful rely solely on seaplanes or face longer road distances. Infrastructure is, however, uneven: 83% of the runways are gravel or crushed rock, and only 15% are paved; 42% of airports lack published instrument-approach procedures and can operate only in visual meteorological conditions; 20% have no passenger terminal building; and roughly 30% offer no winter runway maintenance.

On connectivity, 82% of the airports had regular charter or scheduled service at the time of the study—109 had scheduled service and seven had charter only—and 18% had none. Even where scheduled service exists, frequencies are often low, and aircraft are predominantly smaller turboprops. Only a minority can accommodate larger aircraft capable of meaningful cargo volumes. Cargo capacity is therefore severely limited at most locations.

At the time of the study, we found no federal essential air service policies comparable to those in other places. Routes and fares were left to commercial supply and demand, with only ad hoc funding for specific issues.

We also performed a limited weather analysis of cloud ceiling data at 21 airports over 17 years and found no clear evidence that climate change had reduced operational availability through that particular factor. Other climate-related risks—such as permafrost thaw affecting runway integrity, or changing precipitation and surface conditions—remain real and require ongoing attention. They were not included in the study.

These infrastructure and service gaps translate directly into higher costs. Limited runway length and surface restrict aircraft size and payload, raising the unit cost of flying in food, fuel and building materials. Infrequent service and the need for itineraries with multiple legs increase both passenger and cargo expenses.

The absence of instrument approaches and winter maintenance can leave communities without reliable access during poor weather, the very periods when medical and supply needs are often most acute.

The paper recommends a case-by-case evaluation of targeted upgrades, such as instrument approaches, terminals, the paving or strengthening of runways and reliable winter maintenance, as well as a clear policy framework for northern air services. It also notes that air connectivity alone does not meet all transportation needs. Ground options remain essential where feasible.

A fuller comparison of the costs and benefits of improved air infrastructure versus other corridor investments was left for future work. It was not included in the study.

● (0920)

In the broader context of this committee's affordability study, including food security, fuel costs, housing construction, medical travel and the high cost of living in remote communities, air infrastructure and service reliability are structural drivers, not peripheral issues. Improving the capacity, reliability and cost-effectiveness of northern air links—

The Chair: You have 30 seconds.

Dr. Alexandre de Barros: —can help lower the landed cost of essential goods and reduce the financial burden on northern families and indigenous communities.

Thank you very much.

The Chair: Thank you very much.

Next, we have Dr. McCartney. You have five minutes. Please proceed.

Dr. Shelagh McCartney (Professor, School of Urban and Regional Planning, Toronto Metropolitan University, As an Individual): Thank you very much for having me.

Hello. My name is Shelagh McCartney. I'm a professor of urban and regional planning at Toronto Metropolitan University. I'm also a licensed architect.

For the past decade, my research has taken place in partnership with indigenous communities and indigenous-serving organizations in the provincial and territorial north. I've heard of the challenges of exercising local control over local housing matters, securing funds to build up local housing expertise and navigating funding models that, too often, are disconnected from the expense of homes over their life cycles, and I've worked with communities to find solutions. I've completed projects with youth exploring their pathways into and out of homelessness, researched the unique challenges of building accessible housing in northern contexts, co-developed housing policies to establish local governance and taken on community-identified housing projects.

Through these and other projects, I've had the chance to spend time in many northern communities and visit the homes of hundreds of community leaders, housing providers and community members. To all those I've met, housing improvement is of urgent importance. The views I will share today build on the experiences that have been shared with me, and it is my hope that the recommendations I share honour the community members I've been invited to work with.

I want to acknowledge that, as this committee has heard, housing-related costs are growing across the country, and disproportionately in the north, due to the rapidly rising costs of materials, labour and transportation. I take it that within this committee, these and other factors relevant to northern housing affordability, such as Dr. Christensen's testimony on the inappropriateness of existing tenure models, are generally understood. Instead, I want to focus my time on how housing unaffordability has also been a manufactured policy and program outcome.

In my experience, the housing currently being built in the north cannot be affordable in the long term for communities, occupants and governments. This is not a new phenomenon. For decades, the same problems have arisen, driven primarily by short-termism. By short-termism, I mean an overfocus on quickly producing low-capital-cost housing in alignment with federal programs and fiscal years.

This often forces communities into rushing procurement decisions and settling for lower-cost, inappropriate architecture. Houses are being built with foundation systems not suited to soils, leading to near-immediate structural damage. Insulation values are far below what are required for the climate, creating high energy demand for occupants. Materials and construction techniques are not sufficiently durable for northern extremes. Spatial arrangements don't recognize unique northern lifeways or family compositions. The re-

sult is housing with extremely short lifespans—as low as 10 to 15 years, in many cases—requiring premature replacement and with especially high energy and maintenance costs for the occupants.

Most importantly, perhaps, these sporadic, short-term cycles do not allow communities to invest in the skills training needed to develop the capacity to build, maintain and manage housing locally. Short-termism prevents communities from developing a local housing economy, which is a critical component of long-term, sustainable affordable housing in the north. Instead, communities are dependent on outside consultants and labour. This leads to higher costs and the flow of money southward.

There is an urgent need for funding to bring existing northern homes to an acceptable standard. However, if policies and programs do not fundamentally change, the northern housing system will continue to produce homes that are impossible to affordably heat and maintain, make occupants sick and generate the poor mental health outcomes associated with overcrowding and homelessness.

My decade of research leads me to believe that the long-term housing affordability that communities and families need is not achievable without the following three major shifts in housing delivery.

The first is greater community control, allowing communities to make better, more context-specific housing decisions and build homes that are appropriate for their need.

The second is skills training and economic development so that communities can manage, build and maintain housing stocks affordably and without the continued economic leakage to the south. To make these investments, long-term, predictable funding is necessary over many years.

The third is a transition toward life-cycle costing models that reflect the true expense of housing over time, allowing for houses to be built specifically for northern climates, geographies and lifeways. Maximum unit pricing and other artificial price caps on federal indigenous programs, which are not used in other federal housing models, will need to go in order for this to happen.

These shifts would constitute a meaningful acknowledgement that the housing system has failed those living in northern communities and be a starting point for making a difference in the lives of the people I speak and work for as part of my research.

● (0925)

Thank you very much for having me.

The Chair: Thank you very much.

Next we have the North West Company for five minutes. Please proceed.

Michael Beaulieu (Vice-President, Canadian Store Operations, The North West Company): Good morning, Mr. Chair and members of the committee. Thank you for the invitation to contribute to your study.

My name is Mike Beaulieu. I am the vice-president of Canadian store operations for the North West Company.

Through our Northern and NorthMart stores, every day we see that affordability in the north comes down to two things: what it costs to get goods into remote communities and the programs that are in place to offset the cost.

This morning I'd like to speak to both nutrition north Canada, a program that works but hasn't kept pace, and the infrastructure behind the underlying cost of everything we ship north.

Nutrition north Canada was launched in 2011 and has been strengthened by governments of different parties since. It lowers the shelf price of food for northern families every day, but the program has never been indexed. The subsidy rates haven't meaningfully increased since May 2020. Since then, Canada has experienced its steepest run of inflation in four decades, and northern freight costs have risen faster still. The government's own evaluation recommends reviewing the subsidy rates, which aren't tied to inflation or freight costs.

It's worth taking a moment...for how the funding works. The subsidy is paid per kilogram shipped, so when northerners buy more, the program costs more at the same rates. This means program spending can go up without prices coming down. That's what the \$30-million top-up in February covered—higher consumption at existing rates. It was needed, but it didn't lower the price of a single item. Only higher subsidy rates can do that.

On top of this, fuel prices have climbed sharply since the escalation in the Middle East in late February. Since then, we've been paying fuel surcharges of 20¢ to 50¢ a pound on air freight. On a four-litre jug of milk, that's another two to five dollars just to get it on the plane. A family in the south feels that at the pump. A family in the north feels it on everything that arrives by air. This is why inflation protection matters more now than ever.

This isn't only about price; it's also about trust. As the subsidy loses value, shelf prices rise even though the program is in place. People understandably conclude that it isn't working or that someone is keeping the money. That loss of trust hurts the program; it hurts government, and it hurts retailers like us in the eyes of our customers.

We support transparency on how the subsidy reaches customers, but the most effective way to restore trust is to keep the program whole. We don't know yet what the planned reforms will look like, but we do welcome the government's focus on building a northern food economy, which will increase capacity in northern communities.

In the meantime, adequate funding can deliver results right now. We saw this recently, when existing nutrition north funding was rebalanced to maximize impact for select communities. For example, on September 1, a four-litre jug of milk in Coral Harbour went from \$11.99 to \$6.89. That came from reallocating existing funding—not new money. Imagine what indexed funding could do in all 124 NNC-eligible communities.

We're recommending three things that can make a difference right away.

We're asking the government to tie nutrition north subsidy rates to inflation every year—not just the budget but the rates themselves—and to restore the value they've lost since 2020.

We're also asking that subsidy rates be rebalanced to reflect the specific remoteness and cost profile of each community. As September showed, it is possible.

We'd also like to see the surface transportation subsidy extended to remote communities served by rail, such as Churchill, Pukatawagan, Moosonee, Moose Factory and Schefferville.

The other half of the equation is infrastructure. If nutrition north helps with the cost of getting goods north, infrastructure is what makes getting them there cheaper and more reliable in the first place. Short runways and outdated navigation equipment cause food delivery disruptions and drive up costs for northern residents.

● (0930)

The Chair: You have 30 seconds.

Michael Beaulieu: Where new Arctic infrastructure dollars go really matters. We'd like to see them directed to paving and extended runways for larger cargo aircraft, modern navigation, de-icing and weather systems. Those investments serve affordability, safety and Arctic sovereignty at the same time.

The good news is that the foundation is already in place. Nutrition north works. Giving it funding that keeps pace with rising costs would make a real difference for northern families. We welcome the chance to work with the committee and government to get there.

Thank you. I look forward to your questions.

The Chair: Thank you very much.

First off, we have MP Zimmer for six minutes.

Bob Zimmer: Thank you, Mr. Chair.

My questions will be for The North West Company and Michael.

Hi, Michael. How are you today?

Michael Beaulieu: Good morning, Bob. How are you?

Bob Zimmer: I'm good.

I have an article from Cabin Radio from earlier this year that says, "North West Company warns of price increases as costs soar". It says, "The North West Company says prices of goods sold in its stores are likely to increase [with] rising fuel prices worldwide."

It also says, "'Rising fuel prices are already pushing up freight and transportation costs across our network,' said Brigitte Burgoyne", the spokesperson for your company. Another quote says, "Those pressures hit northern and remote communities the hardest, where goods rely on air and long-distance shipping."

You alluded to it earlier, but I'm going to ask a very basic question: Why are grocery prices so high in the north?

• (0935)

Michael Beaulieu: Well, grocery prices are higher in the north due to the related operating costs of the north, such as getting goods to the north with air freight costs, as well as scale in our remote markets. There's a significant amount of infrastructure required to operate a retail store in a small community, and those operating costs are burdened upon a small population. Part of it is the economics of scale and the cost of remoteness and geography.

Bob Zimmer: Thanks.

Transportation is a significant part of that cost, as the article alludes to. Is that correct?

Michael Beaulieu: Yes.

Bob Zimmer: You said this in your comments, and I'm glad you brought up inflation, because it isn't just the increased transportation cost. That's inflationary in and of itself, but there's also inflation on top of it that's not necessarily related to fuel.

I have a basic question: Are food costs going up in the north, or are they going down?

Michael Beaulieu: Food costs are going up in the north.

Bob Zimmer: Okay. Thank you for that straightforward answer.

I have a simple question. It's a bit more of a direct question, and you alluded to it earlier. Mark Carney said he would be judged by prices "at the grocery store". I said that this week in committee as well. He didn't exclude Yukon, the Northwest Territories or

Nunavut. He made that commitment to all Canadians when he was campaigning in the last election.

What can Mark Carney do right now to lower food costs in the north? What's an easy one...? Even the excise tax has been temporarily suspended. We asked for more to be done on diesel. Even the clean fuel standard, which costs six cents to 11¢ per litre, still exists. Such things are still causing food prices to be high. Is there something that Mark Carney can do right now to lower those prices? Maybe you can speak to the broader aspects of this. I ask, what can he do right now to lower food costs?

Michael Beaulieu: The excise tax is four cents a litre on diesel. It hardly makes a difference at all in our freight rates, and the impact of that action for the north is very limited.

As I made reference to in my opening comments, indexing the nutrition north program to inflation at the subsidy rate level, not at the budget level, would have a significant and immediate impact.

In terms of the one reference I made for Coral Harbour, we saw similar types of impacts with a small rebalancing in communities like Nauyasat and Cambridge Bay. It's the easiest trigger the government could pull to immediately make a difference in the lives of northerners. Take a serious look at rebalancing the subsidy and indexing it to inflation. We're also asking that they go back to 2020 and look at the inflation that's occurred over the last five and a half years.

Bob Zimmer: Michael, I appreciate that.

I think nutrition north was an effort by our government to address expensive food costs back in 2011. It's not perfect by any means. It sounds, from your end, as though it needs some revisions.

I want to get back to the fuel specifically. You said it was negligible, but I'll just read from a trucker's quote in an article I used this week in the House. It said that "from Montreal to Toronto"... "the cost increase" because of increased fuel prices, or diesel specifically, for about "1,000 kilometres" has almost doubled from "\$850 on Jan. 1".

That's only 1,000 kilometres. The same trip that provides things from a source such as a warehouse to a remote community like Tuktoyaktuk isn't 1,000 kilometres. It's 7,000 kilometres. Just imagine the cost increase of that. Do the math. That goes from about \$600 times seven: \$4,200 per trip. That is a huge cost in food. We witnessed this in Tuktoyaktuk and Inuvik, where a jug of regular milk is \$18 at one of your stores. It's \$20 for chocolate milk. You know, that's hardly negligible.

Michael Beaulieu: I agree with you, and there's another nuance that most people aren't thinking about. It's that a truck driving 7,000 kilometres north has a revenue that it generates by delivering cargo north, but there's nothing on the return leg. Essentially, when we're negotiating rates with carriers, we're not negotiating a 7,000-kilometre run; we're negotiating for 14,000 kilometres. Those trucks come back from the north empty, but you're still paying for the mileage, and that's burdened into the operating costs of retailers like North West.

● (0940)

The Chair: Thank you very much.

Next up we have MP Hanley, please.

You have six minutes.

Brendan Hanley: Thank you.

The breadth of the topics covered in this panel shows the complexity and the interconnections among all of these areas in terms of infrastructure, aviation, transportation, fuel, and global drivers of fuel costs and how they impact food prices in small communities.

I wish I had more than a few minutes, but I would like to start, Dr. de Barros, with you.

Thank you for your part in producing this report and for speaking to some of the highlights. You mentioned so many important aspects of northern aviation. I was interested in two areas. I note that you do research on transportation efficiency and network performance. As we think of health care and what we can do with the system we have, recognizing that there are limitations to how much more money we can put into it, I wonder if there are similarities with aviation. If you're looking at transportation efficiency and network performance, you recognize that there are some real infrastructure needs—paved runways, for example—that we need to put into strategic locations where they don't exist. What recommendations can you offer in terms of how we can do better with the aviation network that we have in the north?

The other part that perhaps you could reflect on briefly is that you talked about a northern policy framework. I know that often southern-based policies don't match the realities in the north. Maybe you could talk a bit about that.

Dr. Alexandre de Barros: Regarding improvements to services in the north, there are several things that you can do. You could work with paving runways at specific locations but also on improving instrument flight procedures at certain airports, which would probably be a lot less expensive than just providing paved runways.

There is also the issue of winter maintenance. Winter maintenance is essential to keep these airports running through the winter. There are a few kinds of investments with varying levels of costs.

Paving a runway is a lot more expensive than providing instrument flight procedures, for example, that allow airports to operate year-round, and winter maintenance as well.

I like the parallel with the health care system, because it's basically the same issue. It's about how much we want to achieve and how much we are willing to spend on that. Providing infrastructure in the north, especially airport infrastructure, is very costly. How much are we willing to spend to improve it? That's the million-dollar question.

In terms of policies, I always say that airlines are businesses, so they are always looking for profit, and it's very unlikely that they will reach high levels of profit with transportation to the north. If you want to have a policy to increase services there, you need to provide subsidies. Without those subsidies, there's really very little that you can do to increase the so-called efficiency of the network.

Brendan Hanley: Those are great ideas, along with many of the recommendations from the report. We'll certainly take that into serious consideration.

Dr. McCartney, I had the opportunity—and this is just as an example—over the summer to travel to Cambridge Bay. There's a lot going on in housing there. There's clearly an acute need, as there is around the territory and in the three territories, for that matter.

What I was interested in is this. You talk about housing planning and design. There seems to be a variety of different models of housing that have been built, for instance, in Cambridge Bay, over the last few years and even if you look at the last two or three decades—very interesting models.

What I wasn't quite sure of is how these are evaluated in any systematic way as to what works best for local, community-designed, northern-adapted housing. It almost seems as though there's a natural experiment going on with various models that have been built. They're very impressive looking, but I don't know whether there's any systematic way of evaluating—or whether this is part of your research and whether you could comment—what's on the ground, what works and what can be better adapted and scaled.

● (0945)

Dr. Shelagh McCartney: Thank you very much for your question.

When we think about design, we need to think about what is affordable and what is appropriate. When we're considering communities' control over their housing to make those planning and design decisions, I would say they are able, through a unit mix, to think about what understanding their local needs means, whether it's understanding that mix, local means of affordability or soil conditions.

We're seeing a lot of designs attached to programs that are being implemented in the north. This is sometimes when we see the innovation that is happening live.

I would argue that there's a lot of innovation already within the populations in the north in how to design and plan for their communities without exterior, southern programs dictating exactly what the finances are tied to, in terms of design and planning.

When we think about the appropriateness as well, we need to think about the actual building skin and the ability of the building to stand up to its climatic equations.

I would argue, in terms of appropriateness as well, there are social development needs. We've seen the mixes that I talked about in terms of one-, two-, three-, four- and five-bedroom units, multi-generational—

The Chair: Doctor, if we could get you to submit the rest of it in writing, that would be very much appreciated.

Thank you very much.

[Translation]

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

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

Having listened to all of the witnesses, I must say that much of what I've heard reflects the realities of the north that I know and the realities of my own riding.

Mr. de Barros, I'd first like to ask you about your study.

Of the 146 communities served by the airports you referred to, seven are located in my riding. If I understood you correctly, you indicated that there's currently no federal policy in this area and that it would be beneficial to have one. I found that observation particularly interesting, and I would appreciate hearing your thoughts on it.

My second question concerns efficiency. You suggested that there may be limited opportunities to improve efficiency further. However, when we discuss economic development, for example, and the role that airport infrastructure can play in supporting it, could investments in that area form part of the solution?

I'd also like to raise a third point. The federal government has sought to divest itself of certain airports. We have seen this in the case of airports in my riding, which I have spoken about previously, as well as in other communities such as Schefferville, Chevery and Harrington Harbour. The same issue arises with port and wharf infrastructure.

Do you believe that divesting of these assets is a good approach, or at least a viable approach, for northern communities?

I realize I've put several questions to you at once, but I know you'll be able to address them, and your response will be all the more interesting for it. Thank you very much, Mr. de Barros.

[English]

Dr. Alexandre de Barros: Let's talk first about the last question. It's right on my mind, the privatization of airports.

Privatization normally works for very large airports. For very small airports, you might get some private operators interested in taking operations if they get enough subsidies. That wouldn't really be a privatization in that case.

Some of the airports that you mentioned before...I did mention that there's a handful of communities that don't have access to airports, but they do have access to some other modes of transportation. From a network perspective, it's important to remember that we're not just talking about air transportation.

It's important to consider what we can do in terms of ground transportation access as well. It's not just what we need to spend to improve airport infrastructure—and I think there's much that we do need to spend to invest in airport infrastructure—but we also need to look at how it all connects with the ground transportation network and see if there are ways that we can improve the whole transportation system, not just the air transportation system.

Thank you. I hope I answered your questions.

● (0950)

[Translation]

Marilène Gill: Yes, you answered one of my questions. I realize it was fairly broad.

Obviously, the airports won't be privatized. My concern, however, is that they may simply be abandoned by the government. You also referred to road transportation. In the communities I mentioned, there is no road access. They rely on air service and, alternatively, on marine resupply vessels, but the wharves may also be abandoned by the federal government. The government is divesting itself of infrastructure that's critical to these communities. In fact, that infrastructure is essential to their survival.

I'd therefore like to know what your recommendation would be. It may be a nuanced one, and you may wish to reflect on it further, but I'd like to know if something should be done. Should these facilities be maintained and rehabilitated?

You spoke about a network. Should we be looking at other ways of establishing such a network, through road links, for example, as you suggested? That's what interests me. Can we really afford to abandon these communities?

[English]

Dr. Alexandre de Barros: I hope we do not abandon those communities. We need to invest in keeping that infrastructure, because it is critical infrastructure for many of those communities. For many of them, it's the only link that they have with the outer world. Yes, we do need to keep them running, and to do so requires investment.

[Translation]

Marilène Gill: Thank you very much.

Mr. Beaulieu, you mentioned Schefferville, which is also located in my riding. I'm thinking in particular of the northern stores.

You also raised the issue of nutrition north Canada, and I am very pleased to hear that come up. While some communities are served by rail, rail service is not always reliable in Schefferville, Kawawachikamach and Matimekush—Lac-John.

You also referred to the indexing of the deduction for those living in northern or remote areas. There are two categories, zone A and zone B. If I am not mistaken, that deduction has not been indexed since 2018. Obviously, this affects not only passenger transportation, rather than freight transportation, but also people's ability to purchase essential goods.

Do you think that indexing this tax deduction could also help northern communities, if the government decided to index it?

[English]

The Chair: That's all the time we have, and if anyone wishes to submit more in writing—

[Translation]

Marilène Gill: Yes, I would encourage them to do so. Thank you very much.

[English]

The Chair: Go ahead. We'll take all submissions in writing. It's an excellent way to continue the testimony.

Okay, next we have MP Dalton for five minutes, please.

Marc, go ahead.

Marc Dalton (Pitt Meadows—Maple Ridge, CPC): Thank you very much, and thank you to our guests for joining us today.

Michael, you're one of the vice-presidents within The North West Company, and I have a sense of personal connection with the company. My great-uncles and great-great-uncles managed some of the stores and were *coureurs de bois*—Métis—so my connection goes back a long way.

I'm new to this committee, and I didn't even realize.... I've had limited travel to the north, just to Fort Simpson, so I wasn't aware that you even had the stores. It's very interesting.

How many stores are there in the company up north?

Michael Beaulieu: Across northern Canada, we operate about 145 stores in 125 communities. The difference is that, in some markets, we have separate operating convenience stores. We serve 125 communities in Canada.

• (0955)

Marc Dalton: You have a very good sense of cost, prices and inflation. Are your costs going up on food and goods, especially in the north?

Michael Beaulieu: We've just come through, as I mentioned in my opening comments, a number of years of high inflation impacting not only the cost of goods but transportation.

Marc Dalton: Things have gotten more difficult for you financially, as far as the costs go. You have to recoup those costs and make a profit to sustain operations. That's being passed on to the customers. What's your observation of the impact of these rising costs upon the populations in the north?

Michael Beaulieu: It's certainly making affordability, which is the topic of today's committee, harder and harder for our northern families. It's getting more and more difficult to afford basic essentials for families.

I spoke about indexing the nutrition north Canada program to inflation, but there are other income streams and government funding programs. Even the Canada child benefit isn't indexed to a family living in Pond Inlet or Arctic Bay. The family living in Ottawa would be funded on the same formula. This, arguably, may be an opportunity for government to look at other programs through a northern lens and provide indexing that is more appropriate for their cost of living environment.

Marc Dalton: Thank you.

Things are getting more difficult. We have a government that's been in power for 11 years, and it hasn't been getting easier. I'd like to emphasize that.

I'll go to Dr. de Barros.

Thank you for your commentary. You mentioned the importance of the airline industry and flights, chartered and regular flights, related directly to affordability.

I have a question. There have been no comments on this at all, so I'm not sure where this will go. Do red tape, regulations and bureaucracy impact your industry at all, or are they non-factors?

Dr. Alexandre de Barros: Yes, they certainly do. I wouldn't necessarily call it red tape. We have to remember that safety is extremely important when flying an airplane, so there is a lot that an airline needs to go through to get licensed to operate.

Marc Dalton: I won't say bureaucracy and red tape. There's certainly safety. We don't want that to be compromised but, from your perspective, are there regulations or challenges that are just slow-down procedures or company services that are adding to the cost unnecessarily?

Dr. Alexandre de Barros: It's very expensive to start an airline to begin with. The difficulties you will have in starting one mean that there are only a handful that are able to operate in Canada in general, not just in the north.

Marc Dalton: Thank you very much.

I'll go to Dr. McCartney.

You talked about short-termism within housing. I'm wondering about what your solution specifically is with housing.

Are prefabs used extensively in the north, and how good are they as housing options?

Dr. Shelagh McCartney: Prefab development is used in the north. I wouldn't say it has been used continually. It's been used many different times over the last decades.

When I spoke about short-termism, I was speaking about the fact that programs that are being used to implement housing will provide housing for one year, and then the community has to apply again for housing for the next year. Then they have to apply again for housing the next year.

That type of instability creates higher costs, because you're not able to make an economic system around it.

The Chair: Thank you very much.

Thank you very much, MP Dalton.

We'll now go to Lori.

Lori Idlout: Thank you so much to all the witnesses. *Qujan-namiik*.

I'll be asking my questions of Michael Beaulieu.

It's good to see you again. We last saw each other in Arviat. I can't remember if you told me. How long have you worked at The North West Company?

• (1000)

Michael Beaulieu: I've been working with North West for 33 years.

Lori Idlout: Oh, that's amazing.

I'm sure you've always kept track of the profits the North West Company has had over the last 33 years. Has the North West Company been showing profits in the last 33 years? What's the trend? Can you describe that for us?

Michael Beaulieu: Well, we're a publicly traded company, and we are profitable. We post our results publicly, as all publicly traded companies do. If you think about retained earnings to sales, on a dollar basis, it ranges between four cents and five cents. It's similar to other industry participants in the grocery sector.

Lori Idlout: Thank you.

You've basically remained profitable over the last 33 years that you've worked there.

Michael Beaulieu: Yes. I don't have a chart of the 33-year history in front of me to refer to, Lori, but generally, that would be correct.

Lori Idlout: Thank you so much.

I want to point to a conversation we had in Arviat. You'll recall that when I visited there, one of the questions was about how frequently prices are changed. I was glad to hear that local managers don't have the ability to change prices, because that's such a concern for consumers who are struggling with affordability.

Can you share what the policy is? How do you determine when prices change at the local stores?

Michael Beaulieu: At the high level, we have category managers who maintain relationships with our vendors. They manage the assortment that we put into our stores. They're making decisions about what products we sell in what stores and at what locations. They're responsible for the relationship and the cost negotiation with vendors.

We have a separately operating pricing department that takes the products that are decided upon by the category teams and works on margin models based on each category and product type. We also look at competitive factors and other competition in the marketplace when establishing our pricing.

Pricing is downloaded centrally from our home office to stores. Stores collect competitive feedback and customer feedback. They are routinely providing that to us. Those factors are embedded in

our pricing decisions, but the managers at each of our business units aren't manipulating the pricing themselves.

Another large input is freight cost. We've seen significant increases in the freight cost related to fuel surcharges. It's certainly escalated dramatically over the last eight or nine months. Those ultimately get passed on as a straight cost put-through on an item basis. As freight rates come up, prices in stores also rise, and as freight rates come down—we're hoping some of these fuel surcharge rates are going to decrease at some point—we'll equally see prices come down.

How we set pricing.... This is done before we add freight and before we take off the nutrition north Canada subsidy. Neither freight nor the subsidy is impacted by the margins we put on the products we sell.

Lori Idlout: Okay. It's great to understand this, given that there continue to be concerns about changes to prices, especially when there are programs the federal government provides, like the Inuit child first initiative or the nutrition north program you that mentioned, for example.

Were there any changes made to your pricing after the federal government made decisions about the Inuit child first initiative or Jordan's principle?

The Chair: You have about 15 seconds, so you might want to put that in writing. That's a pretty long—

Michael Beaulieu: Neither of those programs impacted our pricing or modelling.

The Chair: Okay. Well, there you go.

• (1005)

Michael Beaulieu: I'll respond in writing in more detail, but neither program did.

The Chair: Thank you very much for that brief answer.

Madame Gill, you have two and a half minutes.

[Translation]

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

I would like to direct my final question to Dr. McCartney. I fully agree with her that construction in the north must be adapted to local conditions and that decisions should be made by the people who live in those communities.

I have an interesting example to share. A little regional pride is sometimes welcome in committee. In Fermont, there is what is commonly referred to as "the wall". It is a residential complex housing a large number of residents. Originally, virtually everyone lived there. The complex includes a swimming pool, municipal offices, fire services, schools and health services, all under one roof. It was built in the north to shelter the development of additional housing to the south by protecting it from the elements. So it is possible to design infrastructure adapted to northern realities. The building dates back to the 1970s, but the principle remains relevant today.

Dr. McCartney, I'd be interested in hearing your thoughts on the issue of money flowing south and the impact that has on housing in the north. I believe you concluded your opening remarks by touching on that point, and I would welcome further details.

Thank you very much.

[English]

Dr. Shelagh McCartney: Thank you very much for the question.

The thing I wanted to direct you to in terms of thinking about money going toward the north is that with all housing, when we are thinking of its success, we want to look at the life-cycle costs and the ability to develop a workforce attached to it.

When we think about local decisions being made and predictable funding, we can begin to make a housing economy that can build a workforce. There's no point in doing skills training if there isn't a way for people to make businesses and make a living in a way that they can provide for their families. When we're thinking about the life-cycle costs of this, building southern models and building in a southern way, with outside contractors that fly in, stay for a week and then fly out, or that come and stay for one hour and then fly out, very much increases the cost and drives a lot of the funds into southern environments.

To expand on this to thinking about housing as a community need...you spoke about the idea of a pool and community centre within that. We need to think of housing not just as the box of a house, but as an entire community and its needs.

The Chair: Thank you very much.

Our last questioner for three minutes will be from the Liberals.

Tanveer, you have three minutes.

Tanveer Shahnawaz (Beaches—East York, Lib.): Thank you, Mr. Chair.

My next question is for Dr. McCartney.

You mentioned in your opening remarks about youth pathways out of homelessness. I was wondering if you can elaborate and tie it back to your recommendations about greater community control and how the federal government can play a role in helping address some of those needs and gaps.

Dr. Shelagh McCartney: It's my pleasure.

Homelessness is outside of what I emphasized in my statement. Nevertheless, it's of great concern to me, as you said. Indigenous young people in the north experience homelessness more than any other demographic in this country. From my experience researching indigenous youth and pathways out of homelessness, I've learned that these housing trajectories cannot be understood independently of the broader systems of failure, including health care, education, family and youth services, and the justice system.

When we think about youth getting involved with housing, it involves seeing and making a future, and taking pride in what they are building. We see many youth programs within that, but it's about giving our youth a way to think about their own homelessness and a way to contribute positively to a housing economy and

see their future within it. When I bring up the topic of short-termism, that is something to think about in this. If the same amount of funds were delivered for housing, I believe it would bring greater affordability, because it would allow for economies to build in situ, and it would allow for youth to participate in that system and, we hope, find a way out of homelessness.

I'd be happy to elaborate much more about youth homelessness and about the pathways and the programs we see that cause an issue. I really want to emphasize that it cannot be undertaken by thinking of housing only for meeting that need. It needs to include health care, education, family services and the justice system.

Tanveer Shahnawaz: Thank you for that.

Do you mind tying this back to long-term, predictable funding? Specifically, has there been success in creating opportunities for youth? Where can we see pathways toward that?

• (1010)

Dr. Shelagh McCartney: Absolutely. We can think about short-termism and my larger comments around that. As I said, short-termism means that.... You can actually build housing. It's not just one program that gets housing in 10 years and then you wait another five years and then more housing comes.

For youth to see their future in their community and to build a life, they need.... I believe housing is one of the greatest economic development tools available in the north. That's why when we talk about the money going out of the communities and going towards the north, we're losing one of those great economic opportunities.

When we think about programs that initiate with youth to.... There are some programs in which youth work at building their own housing. They learn some of the carpentry, mechanical and electrical skills along with that. We've seen evidence of that. We've also seen youth get involved with the research we've undertaken within community and go into leadership positions within the community and have a voice.

Youth have a very different perspective than heads of household, so it's important to include them within census data, hear their opinions and really think about the engagement that can happen.

When I tie that to short-termism, I'd say we want to make sure that we're paying attention to building long-term economies that can support the youth so that, as they're coming out of homelessness, or within their families, they can see a future for themselves and their communities.

The Chair: Thank you so very much. That concludes our meeting.

Thank you very much to our panellists. That was very informative for our study.

Some hon. members: Agreed.

Seeing no other business, do I have permission to adjourn?

The Chair: The meeting is adjourned.

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