

Ministre des Affaires indiennes et
du Nord canadien et interlocuteur fédéral
auprès des Métis et des Indiens non inscrits



Minister of Indian Affairs and
Northern Development and Federal Interlocutor
for Métis and Non-Status Indians

Ottawa, Canada K1A 0H4

~~JUN~~ 5 2009

Ms. Heather Douglas
President and CEO
Calgary Chamber of Commerce
100 – 6th Avenue SW
Calgary AB T2P 0P5

Dear Ms. Douglas:

It was a pleasure speaking to your members on March 26, 2009, in the context of the Chamber's Aboriginal Workforce Symposium - "Strengthening Organization, Partnership and Education." I appreciate the opportunity to continue our discussions related to the interests and concerns of the Calgary business community.

Please find enclosed responses to the questions forwarded to my office subsequent to my presentation.

I trust that they will respond fully to your members' questions.

Sincerely,

Chuck Strahl

Encl.

Heather,

Thanks for following up on this -
and for your ongoing interest in
Aboriginal issues.

All the best,

Canada

Answer to Question 1 for Chamber of Commerce

1. Why would the federal government invest in skills training but consider cutting dollars to post-secondary funding? Isn't the investment in First Nations education, as a whole, an important issue to the Government?

The Government of Canada provides significant support for post-secondary education with investments of \$9.8 billion in 2008-2009 through transfers, direct spending and tax measures as follows:

- \$3.2 billion for post-secondary education in 2008-2009 to provinces and territories through the \$10.6 billion Canada Social Transfer, increasing by 3 percent annually as announced in Budget 2007.
- \$1.8 billion to help students and families save for their education and deal with tuition and other costs via the tax system, including the tuition, education and textbook tax credits and carry-forward of unused credits.
- \$2.1 billion to help students deal with the costs of education through grants, scholarships and loan programs.
- Over \$2.7 billion to fund research and development in post-secondary institutions, including support provided through the university research granting councils, including the Canadian Institutes of Health Research, and the Canada Foundation for Innovation.

All Canadians can benefit from these investments in post-secondary education. While eligible First Nation and Inuit students can access a range of programs and services related to post-secondary education, included in the \$9.8 billion is an investment of \$314 million targeted specifically for eligible First Nation and Inuit students.

In Budget 2008, the Government of Canada committed to review this program to ensure that it is co-ordinated with other programs and that it provides the support that First Nation and Inuit students need to stay in school and complete their education.

Through the review, the Government of Canada wants to determine how best to increase student access to post-secondary education and to ensure that the maximum number of students are benefitting from the resources that are currently available. The review will also look to ensure that funding reaches the students who most need it, and that the program is accountable to Aboriginal students and all Canadians.

Governments, parents and students agree that education is key to success and prosperity in today's knowledge-based economy. The review of the Post-Secondary Education Program for First Nation and Inuit students presents an opportunity to enable more of them to pursue their educational goals and make a greater contribution to their communities and to Canada.

Answer to Question 2 for Chamber of Commerce

2. There has been a big emphasis from all three levels of government on economic stimulus plans. What initiatives, specifically, are aimed at Aboriginal economic development?

Canada's Economic Action Plan included a number of measures that are either targeted for Aboriginal peoples or through which Aboriginal peoples will be able to benefit through spin-off opportunities. They are organized along major thematic lines: infrastructure and housing, human resource development, industry development, and programs of general application.

Further, the new federal Framework for Aboriginal Economic Development will seek to make linkages with these measures and co-ordinate a federal approach among all stakeholders with an interest in Aboriginal economic development.

Infrastructure and Housing Measures to support infrastructure can be classified into two broad categories: infrastructure in First Nation communities (on reserve) and infrastructure elsewhere.

Infrastructure and Housing in First Nation Communities:

- \$400 million to address First Nation on-reserve housing by supporting construction, remediation, and complementary activities such as lot servicing;
- \$515 million to support First Nation communities with urgent on-reserve infrastructure needs, which will concentrate on school construction, improving access to safe drinking water, and the remediation and replacement of crucial health and policing infrastructure including \$150 million over the next two years for the construction and renovation of First Nations critical community services infrastructure (health clinics, nurses' residences, etc).

Other infrastructure and housing:

- investment in provincial, territorial, and municipal infrastructure (\$6.5 billion);
- investment in knowledge infrastructure (\$3.9 billion, includes \$225 million for extending broadband coverage to unserved communities);
- investment in federal infrastructure (\$1.5 billion);
- measures to support home ownership, social housing and retrofits (\$5.4 billion, including tax credits);
- assistance to Canada's parks with \$75 million over two years for improvements and enhancements to Parks Canada's visitor facilities, such as campgrounds and visitor centres;
- provision of an additional \$75 million to Parks Canada for upgrades to National Historic Sites, including a number of sites connected with the 200th anniversary of the War of 1812.

For all infrastructure and housing spending announced in Canada's Economic Action Plan, there are potentially significant procurement opportunities for Aboriginal businesses.

Human Resource Development

The major initiatives are as follows:

- \$200 million over three years to support Aboriginal skills and training to ensure Aboriginal readiness for opportunity-driven initiatives and to improve labour market outcomes for Aboriginal peoples:
 - o \$100 million over three years to the Aboriginal Skills and Employment Partnership initiative;
 - o \$75 million for the new two-year Aboriginal Skills and Training Strategic Investment Fund;
 - o \$25 million to maintain the Aboriginal Human Resources Development Strategy until April 2010;

- \$20 million for First Nations Child and Family Services. Skills development is a fundamental determinant of economic prosperity. There will be an ongoing effort within the government to design programs that respond to the demand side of the labour markets. Moreover, this provides an opportunity for First Nations apprenticeship and efforts to link labour market development with social assistance programs.

Industrial Development

The government is providing support to sectors of the economy that are of particular promise to Aboriginal businesses and workers:

- \$170 million over two years to secure a more sustainable and competitive forest sector;
- \$500 million for an agricultural flexibility program that will help the sector adapt to pressures and improve its competitiveness;
- \$50 million over the next three years to strengthen slaughterhouse capacity across Canada; amending the *Farm Improvement and Marketing Cooperatives Loans Act* to help make credit available to new farmers, support inter-generational farm transfers, and modify eligibility criteria for agricultural co-operatives;
- Providing \$37.6 million in support of environmental assessments, regulatory co-ordination, science, and Aboriginal consultations related to the Mackenzie Gas Project;
- Extending for one year the temporary 15 percent mineral exploration tax credit to help companies raise capital for mining exploration.

These measures could have a bearing on Aboriginal business activity in the natural resources sector, which highlights the links to consultations and accommodation, business partnerships, modern regulatory regimes, commercial infrastructure and community economic planning.

Programs of General Application

Canada's Economic Action Plan includes the following investments:

- Increasing access to credit for small businesses through proposed amendments to the Canada Small Business Financing Program and the Business Development Bank of Canada;
- Providing \$30 million over two years for the Canada Business Network and \$10 million to the Canadian Youth Business Foundation;
- Investing \$500 million over two years in a Strategic Training and Transition Fund to support the particular needs of individuals who do not qualify for EI training, such as the self-employed or those who have been out of work for a prolonged period of time;
- Responding to skilled labour shortages with \$40 million a year to launch the \$2,000 Apprenticeship Completion Grant.

These programs focus on access to capital and skills development. Access to capital measures may increase business opportunities for Aboriginal peoples who are not constrained by section 89 of the *Indian Act*. Some Aboriginal peoples might be well served by programs designed to help individuals with weak labour force attachment histories or those who are seeking apprenticeships/trades opportunities to improve employment outcomes.

Answer to Question 3 for Chamber of Commerce

3. What progress is being made in transferring resource royalties in the NWT to NWT governments?

The manner in which resource royalties are transferred to governments in the Northwest Territories differs between First Nation governments and the Government of the Northwest Territories.

For First Nations, each of the land claims settled in the Mackenzie valley since 1993 (Gwich'in, Sahtu, Tli'cho) includes a provision for Royalty Sharing. The provisions in each claim are similar, being x percent of the first \$2 million and a smaller y percent of anything above \$2 million. The x and y numbers depend on population at time of signing so vary slightly between the claims. All royalties collected (oil, gas and minerals) are subject to these clauses. For example, the Gwich'in First Nation receives 7.5 percent of oil and gas revenues for the first \$2 million generated, and 1.5 percent on any amount above \$2 million in revenue. The Tli'cho First Nation receives 10.429 percent on the first \$2 million generated, and 2.08 percent on any amount above \$2 million in revenue. According to the latest annual reports for the Sahtu and Gwich'in claims, about \$7.5 million has been paid to each of these claim groups since 1993.

For the Government of the Northwest Territories, the parties to the devolution negotiations are working toward an agreement in principle on the transfer of land and resource management responsibilities in the Northwest Territories and discussions are progressing. The sharing of resource royalties with the Government of the Northwest Territories is one of the elements of the devolution discussions.

Answer to Question 4 for Chamber of Commerce

4. Minister Strahl spoke about integrating First Nations people into the mainstream workforce and creating inclusive workplaces to retain First Nation workers. What policies, programs and strategies are in place to support mainstream employers in order to achieve those objectives?

Leading up to the Economic Action Plan, Prime Minister Harper met with First Ministers on January 16, 2009, to work together on a number of important actions to provide stimulus to the Canadian economy. The First Ministers also met with Aboriginal Leaders on January 15, 2009, and they agreed to:

- Take quick action to ensure the Aboriginal (First Nation, Inuit, and Métis) labour force is well prepared for the future with skills training and support; and
- Identify ways Aboriginal peoples can benefit from infrastructure projects, including in terms of employment, skills upgrading and business opportunities.

The Prime Minister's commitment to promote greater participation by Aboriginal peoples in the Canadian economy and to address the specific challenges and opportunities they face are well-reflected in the government's Economic Action Plan. More precisely, the Economic Action Plan announced \$1.4 billion in investments related to Aboriginal-specific programming including skills and training.

Human Resources and Skills Development Canada currently has three programs which assist Aboriginal peoples across Canada to obtain the skills, training and employment that they are seeking: the Aboriginal Skills and Employment Partnership; the Aboriginal Skills and Training Strategic Investment Fund, and the Aboriginal Human Resources Development Strategy.

Aboriginal Skills and Employment Partnership

Aboriginal Skills and Employment Partnership is a nationally managed program geared to providing Aboriginal peoples with the skills they need to participate in economic opportunities such as northern mining, oil and gas, forestry, and hydro development projects across Canada. Aboriginal Skills and Employment Partnership's overall objective is sustainable employment for Aboriginal peoples in major economic industries, leading to lasting benefits for Aboriginal communities, families and individuals.

Aboriginal Skills & Training Strategic Investment Fund

The Aboriginal Skills and Training Strategic Investment Fund of \$75 million, which will strengthen opportunities for partnership and targeted training for Aboriginal peoples, was launched on April 17, 2009.

The Aboriginal Skills and Training Strategic Investment Fund will focus on three main objectives: first, entering into a limited number of training-to-employment projects leading to concrete, guaranteed job opportunities by establishing partnerships with small- and medium-size employers; second, supporting projects to assist Aboriginal peoples with barriers to employment, including literacy and essential skills challenges; and finally, the Aboriginal Skills and Training Strategic Investment Fund will support pilot projects to test innovative approaches to Aboriginal labour market programming, as well as projects that are national in scope.

The Aboriginal Skills and Training Strategic Investment Fund increases the Government's investment in Aboriginal skills development while laying the groundwork for the next generation of Aboriginal labour market programming focused on employer partnerships and concrete results. This investment will assist Aboriginal peoples, who may be particularly vulnerable to the impacts of the economic downturn, to acquire the necessary skills to adapt to the changing labour market environment and secure long-term jobs.

Aboriginal Human Resources Development Strategy

The Aboriginal Human Resources Development Strategy provides funding to Aboriginal Human Resources Development Agreement holders for labor market programming (e.g., finding a job or upgrading your skills). Each Aboriginal Human Resources Development Agreement holder has programs best suited to the community it serves. The Economic Action Plan designated \$25 million in 2009-2010 to extend the Aboriginal Human Resources Development Strategy for one year.