



# Inuit Tapiriit Kanatami Pre-Budget Submission **2019**

# About Inuit Tapiriit Kanatami

Inuit Tapiriit Kanatami (ITK) is the national representative organization for the 65,000 Inuit in Canada, the majority of whom live in the 51 communities of Inuit Nunangat, the Inuit homeland encompassing the Inuvialuit Settlement Region (Northwest Territories), Nunavut, Nunavik (Northern Quebec), and Nunatsiavut (Northern Labrador). Inuit Nunangat encompasses approximately 35 percent of Canada's land mass and 50 percent of its coastline.

The comprehensive land claim agreements that have been settled in Inuit Nunangat continue to form a core component of our organization's mandate. These land claims have the status of protected treaties under section 35 of the Constitution Act, 1982, and we remain committed to working in partnership with the Crown toward their full implementation. Consistent with its founding purpose, ITK represents the rights and interests of Inuit at the national level through a democratic governance structure that represents all Inuit regions.

ITK advocates for policies, programs and services to address the social, cultural, political and environmental issues facing our people.

ITK is governed by a Board of Directors composed of the following members:

- Chair and CEO, Inuvialuit Regional Corporation
- President, Makivik Corporation
- President, Nunavut Tunngavik Incorporated
- President, Nunatsiavut Government

In addition to voting members, the following non-voting Permanent Participant Representatives also sit on the Board:

- President, Inuit Circumpolar Council Canada
- President, Pauktuutit Inuit Women of Canada
- President, National Inuit Youth Council

## **Vision**

Canadian Inuit are prospering through unity and self-determination

## **Mission**

Inuit Tapiriit Kanatami is the national voice for protecting and advancing the rights and interests of Inuit in Canada



# Introduction

This pre-budget submission recommends that the key to achieving inclusive economic growth and enhancing competitiveness across Inuit Nunangat is to make major investments in infrastructure, including through the Arctic Policy Framework. Inuit Nunangat experiences a crippling infrastructure deficit that impacts on health and safety, economic development, cost of living, and transportation and connectivity. Investments in infrastructure help create the conditions necessary for societies to thrive socially and economically. Inuit Tapiriit Kanatami (ITK) will focus on the importance of broad infrastructure investments across Inuit Nunangat, as well as measures which enhance the competitiveness of Inuit Nunangat by reducing the high cost of living.

## Inuit Nunangat

Inuit Nunangat is the Inuit homeland in Canada, encompassing 51 communities in the Inuvialuit Settlement Region (Northwest Territories), Nunavut, Nunavik (Northern Quebec), and Nunatsiavut (Northern Labrador). Inuit Nunangat makes up approximately 35 percent of Canada's landmass and 50 percent of its coastline. It is a distinct geographic, political, and cultural region that is co-managed by Inuit and the federal government through governance structures established through comprehensive Inuit land claim agreements.

## Applying an Inuit Nunangat fiscal policy

Budget 2019 should build on progress made in budgets 2016, 2017, and 2018 by continuing to apply an Inuit Nunangat fiscal policy in the allocation of Inuit-specific funding. The inclusion of a section in Budget 2018 on supporting Inuit priorities was a welcome and positive development. Continued application of an Inuit Nunangat fiscal policy creates efficiency, cost savings, and more immediate, positive impacts and benefits for Inuit that in turn benefit all Canadians.

## Enhancing competitiveness through Inuit Nunangat infrastructure investments

Competitiveness across Inuit Nunangat is severely hampered by a serious and increasing infrastructure deficit between Inuit Nunangat and the rest of Canada. This gap limits the potential for local and regional economic self-sufficiency and serves to isolate Inuit Nunangat from the rest of Canada politically and economically. As the infrastructure deficit across Inuit Nunangat currently serves as a major barrier to economic growth, health and wellness, access to justice, and democratic engagement and participation, the marginal return to infrastructure spending would be much greater than in other regions of Canada.<sup>1</sup>

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<sup>1</sup> Report of the Standing Committee on Transport, Infrastructure and Communities, online: <http://www.ourcommons.ca/Content/Committee/421/TRAN/Reports/RP9972812/tranrp25/tranrp25-e.pdf>. At page 17 the Standing Committee concluded, "At a national level, Professor Dahlby noted that a study conducted at the School of Public Policy & Governance "showed a huge return from investment in transportation infrastructure in Canada's north." He argued that focusing some of the \$186 billion infrastructure envelope "on some of these large nation-building projects" would deliver "a very beneficial outcome."

The Government of Canada should build upon the incremental, positive impacts of infrastructure investments across Inuit Nunangat by announcing major investments. The federal government should reprofile existing infrastructure investments to ensure it is making infrastructure investments in Inuit Nunangat which meet the stated priorities of both Inuit and of public governments. In terms of increasing competitiveness, the Invest in Canada plan currently allocates only \$10.1 billion of over \$100 billion to infrastructure to support trade and transport.

A coherent infrastructure fund, devoted exclusively to development of Inuit Nunangat would enable Inuit and public governments to take advantage of synergies between various programs within these funds, while applying them to priorities identified through the Arctic Policy Framework itself.

For example, the Infrastructure Bank of Canada will invest \$35 billion in funding for new infrastructure projects, including up to \$5 billion for trade and transportation corridors. The Infrastructure bank currently lacks any directors or management from Inuit Nunangat, or from the Canadian Arctic. As a consequence, ITK recommends that 35 percent of the funding of the infrastructure bank of Canada be directed to development in Inuit Nunangat. The rationale for a 35 percent allocation reflects the fact that Inuit Nunangat comprises a similar proportion of Canada's landmass, as well as the fact that there is a severe infrastructure deficit throughout.

### Key areas for investment

This pre-budget submission focuses on the following priority areas:

- 1. National Inuit Suicide Prevention Strategy:** The National Inuit Suicide Prevention Strategy (NISPS) was released in July 2016. ITK received \$9 million over three years from Health Canada to initiate implementation of the NISPS. Evidence-based suicide prevention requires a holistic approach with action and investment at both the community and regional levels to address a range of identified risk factors for suicide. Long-term, sustainable federal funding is needed to build on the important work undertaken and led by ITK between 2016 and 2018. ITK is seeking \$50 million over 10 years to continue this important work.
- 2. Social infrastructure:** Social infrastructure investments are needed to enhance the health and safety of Inuit Nunangat communities, support women entering and remaining in the workforce, and to create the environmental conditions necessary for optimal life long development in children. Net outcomes of social infrastructure investments would include reduced income inequality and greater self-sufficiency and competitiveness. The following social infrastructure investments are needed to help achieve these outcomes:



- **Early learning and child care centres:** Access to early learning and childcare is linked to a number of positive outcomes, including: school preparedness and educational attainment, health and wellness, and greater employment among parents and families. In Nunavik, child care availability and cost are among the factors thought to be linked to that region's stronger labour market performance when compared to other Inuit Nunangat regions.<sup>2</sup> Investment in physical infrastructure is required to support greater access to early learning and child care in all Inuit communities.
- **Family violence shelters and transitional housing:** Growing up in a safe and secure environment sets a foundation for lifelong health and wellbeing. Families and children who are safe and secure experience greater educational attainment, employment, and health and wellness outcomes. However, too many families in Inuit Nunangat experience or are exposed to physical and/or sexual violence, creating risk for intergenerational trauma and a host of negative outcomes including under-employment and poverty, low educational attainment, and poor mental health. The severe housing shortage in Inuit Nunangat means the most vulnerable in society often cannot escape violence. Existing family violence shelter capacity is strained. There are currently only 13 family violence shelters serving all of Inuit Nunangat.

Investments in family violence shelters and transitional housing are required to address the twin challenges of household crowding and violence. Transitional housing is needed for those transitioning out of family violence shelters and who may require longer-term support. Transitional housing bridges the gap between family violence and homeless shelters and public or private housing options.

- **Addictions treatment centres:** Completing addictions treatment is often necessary for those struggling to achieve employment, provide a safe and secure home environment, and become productive members of Inuit society. Yet addictions treatment is not accessible to most residents of Inuit Nunangat despite the disproportionate burden of intergenerational trauma faced by Inuit Nunangat communities compared to most other parts of Canada. Nearly all Inuit Nunangat residents who require addictions treatment must leave our homeland for addictions treatment centres in southern Canada, often at great expense to provincial and territorial governments. The limited accessibility of addictions treatment is a disincentive for those who require the most support, and treatment centres in the south are in most cases not Inuit-specific, nor do they provide care in Inuktitut, the Inuit language. Isuarsivik, located in Kuujjuaq, Nunavik, is the only addictions treatment

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<sup>2</sup> See Jasmin Thomas, "Nunavik's Labour Market and Educational Attainment Paradox", *Center for the Study of Living Standards*, 2016.

centre located in Inuit Nunangat. Isuarsivik is a non-profit rehabilitation centre specializing in the treatment of substance, drug and alcohol abuse.

- **Social housing:** Budget 2018 included \$400 million over 10 years for housing in the Inuit regions of Nunavik, Nunatsiavut and Inuvialuit Settlement Region. This was in addition to the \$240 million over 10 years announced in Budget 2017 to support housing in Nunavut.

**3. Marine and air infrastructure:** Inuit Nunangat includes 50 percent of Canada's coastline yet its marine infrastructure is impoverished compared to other coastal regions of Canada. The vast majority of communities in Inuit Nunangat have non-existent or woefully inadequate marine infrastructure despite the fact that all but one of our communities lies on the coast. This results in inefficiencies and costly delays relating to offloading of goods and creates an over reliance on air shipping. This contributes to lost economic opportunities as well as a higher cost of living and its associated challenges. Moreover, the opening of the Northwest Passage to increased shipping traffic creates an added incentive to invest in the marine infrastructure required to provide timely and effective response to spills and other emergencies, monitoring, and to create accessibility for those communities seeking to benefit from tourism.

These gaps extend to air transportation infrastructure. Most airport runways in Inuit Nunangat date from the 1950s and 1960s and are made up of compacted gravel. The only jet aircraft that can use these gravel runways are on average 25-30 years old. In many communities, airstrips can only support smaller aircraft with limited ability to operate in inclement weather and lack lights and technology to support air traffic beyond daylight hours. This has a significant impact on crucial emergency travel not to mention the delivery of goods and services and simple air travel that so many other Canadians take for granted.

**4. Telecommunications:** The dire digital divide in Inuit Nunangat has been noted by the federal government since the 1990s, reiterated most recently in the 2018 report on rural broadband by the Standing Committee on Industry, Science and Technology.<sup>3</sup> Inuit rely on internet connectivity to participate in Canada's economic, cultural, and political life, as do all Canadians. Due to remoteness factors, internet connectivity has a more pronounced role to play in Inuit Nunangat than in most other parts of Canada in enabling access to health, education, and justice services, and in reducing the current overall costs of public service delivery in Inuit communities. In spite of the various initiatives of Innovation, Science and Economic Development Canada (ISED) and Canadian Radio-television and Telecommunications Commission (CRTC), broadband

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<sup>3</sup> Canada. Parliament. Senate. Standing Committee on Industry, Science and Technology. *Broadband Connectivity in Rural Canada: Overcoming the Digital Divide*. 1st session, 42nd Parliament, 2018, accessed August 30, 2018, <https://www.ourcommons.ca/DocumentViewer/en/42-1/INDU/report-11/>.



service in satellite-dependent Inuit Nunangat remains inadequate and expensive compared to other parts of Canada. This digital divide is widening, as illustrated in Figure 1 below, and exacerbating existing socioeconomic inequalities faced by Inuit.

The CRTC's December 2016 ruling that modern telecommunication services, including broadband internet access, are now considered fundamental is a positive and progressive step forward.<sup>4</sup> Investment by the Government of Canada is necessary to create access to broadband internet for the remaining 18 percent of Canadians that lack access to it, including all Inuit Nunangat communities, because the private sector and regional entities lack the capacity to finance projects on their own. The piecemeal approach of incremental improvements to the current satellite-based system cannot bring about the kind of transformative change required.

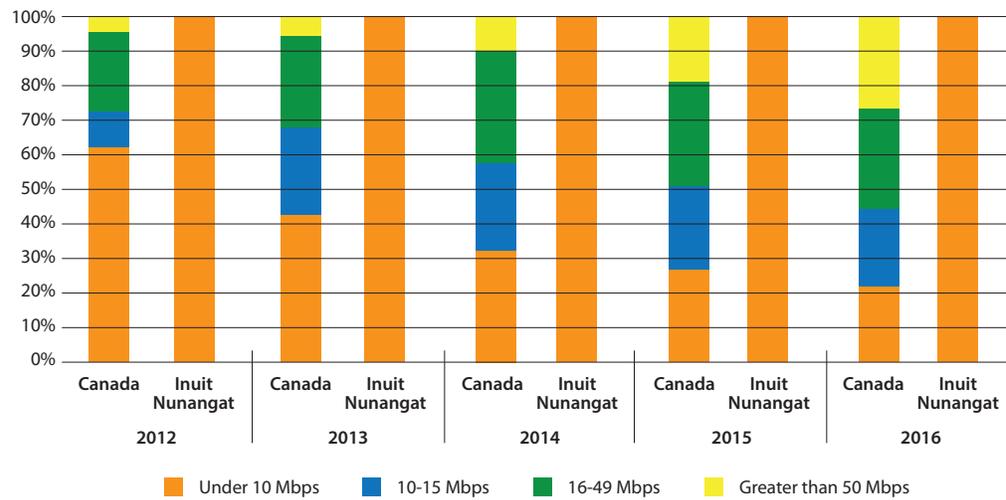
All but one community in Inuit Nunangat are satellite served and, as detailed in the CRTC's Satellite Inquiry Report, satellite bandwidth can represent up to 65 percent of a telecommunication service provider's cost to deliver broadband service in a community.<sup>5</sup> The lack of fibre optic connectivity in Inuit Nunangat means that the communities that would benefit most from high speed internet access have the lowest service levels and the highest costs in the country. Government-supported regional fibre projects are the most viable path forward for Inuit Nunangat. The Innovation, Science and Economic Development Canada's investment of \$62.5 million in the Kativik Regional Government's Tamaani Internet phase 5 project is a positive, exciting step forward for enhancing connectivity across Inuit Nunangat. Similar investments should be made in the Inuvialuit Settlement Region, Nunavut, and Nunatsiavut that incentivize, in the first stages, the development or completion of regional feasibility studies that lay the groundwork for future investments in high speed connectivity. Modern telecommunication infrastructure in Inuit Nunangat is critical and strategic infrastructure, for Inuit and for Canada.

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4 Canadian Radio-television and Telecommunications Commission. Telecom Regulatory Policy CRTC 2016-496: *Modern telecommunication services – The path forward for Canada's digital economy*, 2016, accessed August 30, 2018, <https://crtc.gc.ca/eng/archive/2016/2016-496.htm>.

5 Canadian Radio-television and Telecommunications Commission. *Satellite Inquiry Report*, 2014, accessed August 30, 2018, <https://crtc.gc.ca/eng/publications/reports/rp150409/rp150409.htm>.

**Figure 1: Residential internet service subscriber distribution**



(Source: CRTC Communications Monitoring Report 2017)

**5. Renewable energy:** No community in Inuit Nunangat is connected to the North American grid and, with the exception of Inuvik and Tuktoyaktuk, none are connected to the road system. Each community is served by a local power plant dependent on fossil fuels, predominantly diesel, for power generation. The cost of diesel power generation is staggering and has profound consequences on the cost of living for households, the cost of doing business for private enterprise, and the cost of public service delivery for all levels of government.

The Pan-Canadian Framework on Clean Growth and Climate Change commits to working with Indigenous Peoples and northern and remote communities to reduce reliance on diesel. While the 2017 federal budget included several measures to support energy infrastructure renewal and the reduction of diesel dependence in Indigenous and northern communities, Inuit have limited opportunity to benefit. Funding is being disbursed directly to provinces and territories through bilateral agreements and is consequently inaccessible to Inuit.<sup>6</sup> Inuit communities are shut out from accessing funding because of program thresholds and criteria which do not account of the small size of our communities and the higher cost of infrastructure projects in Inuit Nunangat.<sup>7</sup>

<sup>6</sup> The \$400 million Arctic Energy Fund announced in the 2017 budget (<https://www.budget.gc.ca/2017/docs/plan/budget-2017-en.pdf>, p.131) is exclusively being disbursed via bilateral agreements with provinces and territories for communities north of the 60th parallel. It is thus neither directly accessible to Inuit nor does it cover all of Inuit Nunangat.

<sup>7</sup> Although Inuit organizations are eligible recipients for the \$2 billion Low Carbon Economy Fund, the \$1 million contribution threshold and the primary selection criteria of maximizing GHG emissions reductions per federal dollar invested do not take into account the remoteness, small size and higher project costs of Inuit communities and effectively mean that Inuit are “designed out” of the program. Full application guidelines: <https://www.canada.ca/content/dam/eccc/documents/pdf/lcef-challenge-applicant-guide.pdf>.



There is limited funding targeting remote communities in particular which, by Natural Resources Canada's own account, can only support projects in about 10 percent of the over 200 eligible communities, including all communities in Inuit Nunangat.<sup>8</sup>

Inuit seek energy independence, both in reducing dependence on diesel and in increasing Inuit ownership and governance of energy systems in our communities. To date, Inuit organizations have been largely disconnected from federal, provincial and territorial energy planning. In Inuit Nunangat, energy policy and regulation is under the jurisdiction of territorial and provincial governments. Those same governments own the diesel-powered utilities that serve our communities. While there is interest in deploying renewable energy technologies, a significant barrier to greater deployment of renewables, especially by independent power producers such as Inuit organizations and businesses, is the rate offered by the incumbent utility for renewable energy based on the avoided cost of diesel. Recognizing that there are multiple barriers, a range of policy instruments must be used in combination.<sup>9</sup> In Canada<sup>10</sup> and internationally<sup>11</sup>, Feed-in Tariffs (FITs) have been an effective policy instrument to support community and/or Indigenous renewable energy projects in particular. An Inuit Nunangat feed in tariff for Inuit-owned power projects serving our communities would transcend jurisdictional boundaries and differing energy policies and provide direct support for Inuit renewable energy projects.

**6. Post-secondary education:** Higher levels of educational attainment are linked to greater social and economic outcomes yet only 14 percent of Inuit have a college or university degree compared to 42 percent of non-Indigenous Canadians. Targeted federal investment in post-secondary education is needed to help close this gap and

8 While Inuit organizations are eligible recipients under the \$220 Clean Energy for Rural and Remote Communities program (<https://www.nrcan.gc.ca/reducingdiesel>), NRCan estimates that it will only be able to fund projects in a small subset of the over 200 eligible communities:

Program Component	Expected Range of Funding per project	Approximate Number of Projects	Total Program Funding (% of Total Project Costs)
BioHeat	Up to \$5,000,000	~ 20–40 projects	Up to 100%
Demonstration	\$2,000,000 – \$5,000,000	~ 15 projects	Up to 100%
Deployment	\$4,000,000 – \$8,000,000	10-20 projects	Up to 40%
Capacity Building	\$100,000 – \$400,000	TBD	Up to 100%

(Source: Natural Resources Canada, Clean Energy for Rural and Remote Communities (CERRC) Program Webinar, March 7, 2018)

9 IRENA, OECD/IEA and REN21. *Renewable Energy Policies in a Time of Transition*, 2018, accessed August 30, 2018, [http://www.irena.org/-/media/Files/IRENA/Agency/Publication/2018/Apr/IRENA\\_IEA\\_REN21\\_Policies\\_2018.pdf](http://www.irena.org/-/media/Files/IRENA/Agency/Publication/2018/Apr/IRENA_IEA_REN21_Policies_2018.pdf).

10 MacArthur, Julie L. *Empowering Electricity: Co-operatives, Sustainability, and Power Sector Reform in Canada*. Vancouver: UBC Press, 2017.

11 Lipp, Judith, and Sarah Bale. *Growing Indigenous Power*. Toronto: TREC, 2018.

12 Inuit in Canada with any kind of post-secondary education certification make \$13,190 more per year than Inuit with a high school education alone. Employment rates of Inuit with a university degree are comparable to the non-Indigenous employment rate, with an employment gap of approximately two percent.

enhance Inuit earnings, employment, health and wellness.<sup>12</sup> ITK submitted a funding proposal to Indigenous Services Canada in September 2018 entitled *Inuit Post-Secondary Education: Raising Education Rates* that targets the areas required to remedy the multi-faceted barriers to post-secondary educational attainment among Inuit that were documented through the post-secondary program review undertaken by the department following Budget 2017. In order to remedy these challenges ITK is seeking a federal investment of \$415 million over 10 years plus \$2 million for a ramp-up year (2019-2020), with full implementation to begin in 2020-2021.

- 7. Inuktit language:** ITK is engaged in the co-development of national First Nations, Inuit, and Metis languages legislation with the Government of Canada. Through this initiative we seek to close gaps in resourcing for Inuktit across Inuit Nunangat, especially for the regions of Nunavik and Nunatsiavut that do not currently enjoy federal or provincial financial support for Inuktit.

Budget 2019 should address these issues and invest in priorities identified by Inuit that lay the groundwork for this important bill, including through the following:

- Per-pupil Inuktit funding for K-12 language of instruction in the Inuvialuit Settlement Region, Nunavut, Nunavik, and Nunatsiavut, that achieves equivalency in per pupil spending for French and English.
- Investment in the provision of Inuktit language services, as well as revitalization, maintenance, and promotion activities, in Nunavik and Nunatsiavut, through bilateral agreements with Makivik Corporation and the Nunatsiavut Government.



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