

April 14, 2014



## **The Hon. Bernard Valcourt**

Minister of Aboriginal Affairs and Northern Development

## **INCREASING ABORIGINAL PARTICIPATION IN THE WORKPLACE**

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Chairman: **Noble Chummar**

President, The Empire Club of Canada

### **Head Table Guests**

M.J. Perry, Vice-President and Owner, Mr. Discount Ltd., and Director, The Empire Club of Canada; Anthony Diogini, OPPI Student Delegate, MES Planning Candidate, Environmental Studies, York University; Malliha Wilson, Assistant Deputy Attorney General, Ministry of the Attorney General of the Province of Ontario; Bernd Christmas, Partner, Aboriginal Law Practice, Cassels Brock & Blackwell LLP, and Former CEO of Membertou First Nation in Nova Scotia; Evan Young, Mining Associate, Haywood Securities Inc.; Ted Griffith, Chief Strategist, The Fixers Group Inc., and 2nd Vice-President, The Empire Club of Canada; Bill Saunderson, Senior Vice-President, Public Affairs, Forum Research Inc.; and The Hon. David Peterson, 20th Premier of Ontario, Chairman of Cassels Brock and Blackwell LLP, Chairman of the Toronto 2015 Pan American Games and Former Federal Chief Negotiator for Devolution of Land and Resources of the Northwest Territories.

### **Introduction by Noble Chummar**

Canada was one of the last great frontiers of the Western world. In the late 15th century, European explorers set off on adventures of discovery that eventually led to the development of North America as we know it today. Canada is home to millions of people with ancestral roots from every country in the world. Our cities are rich with diversity reflected in the arts, culture, food and political thought. From coast to coast to coast, our natural resources are among the planet's most rich. We have vast minerals, water, food, oil and forests. Canada was then and is now the greatest geological location on the planet.

European settlers date back approximately 500 years, but human existence in Canada has traced to well over 10,000 years ago. Some say 30,000 years ago. Regardless, there's no debate on who was here first. The reality, however, is that there are one million indigenous people in a society with over 30 million Canadians or non-Aboriginals—two peoples, two histories, one society and one economy. We must live and work together. Our guest speaker will be speaking to us about the importance of increasing Aboriginal people in our work force.

The Honourable Bernard Valcourt is back at our podium; he was here 21 years ago. He was here then as the Minister of Employment and Immigration. Minister Valcourt has spent the last 30 years in public life and practised law when the electorate asked him not to be in politics. David Peterson knows that story too. He has served his constituents in New Brunswick and all Canadians in the House of Commons. He has held several cabinet posts, including Minister of Immigration, Labour, and Fisheries and Oceans. Prime Minister Harper recently appointed him as Minister of Aboriginal Affairs and Northern Development. In the past year, Minister Valcourt has been particularly instrumental in developing relationships with indigenous people across the country. He is a champion of promoting Aboriginal participation in all matters of Canadian life, including promoting the inclusion of our First Nations people in the Canadian work force.

Ladies and gentlemen, please welcome the Honourable Bernard Valcourt, Minister of Aboriginal Affairs and Northern Development.

### **Bernard Valcourt**

Thank you very much, Noble. I will honestly admit that it is a privilege to be with all of you here today and I thank you for your presence. It's a pleasure indeed to be here, but I will tell you that this is sobered by, as you all know, the sudden passing of a great colleague, a sure hand at the tiller as the government had to plow through the recession, a great finance minister, a good friend, Jim

Flaherty. Jim's dedication and commitment to our country, to this province and to his family was truly inspiring and some of you may have had the privilege of meeting and/or knowing him and I'm sure that you, like I, will have fond memories of the time you spent with him. Jim will be missed, but Canadians of all walks of life have benefited and will continue to benefit from his legacy. Jim's footprints on the lives of so many Canadians and their families shall endure because so many of his deeds just flowed from the good soul he was, so our most sincere condolences to his family and friends.

The Empire Club continues to provide one of Canada's premier forums for discussion of the great questions of the day and I thank you again for the opportunity to be here. I was here on my birthday in 1993, February 18, as the then Minister of Employment and Immigration and I'll be honest with you, when I look back at my speech, so many of the things that we were talking about in those days are still relevant today 21 years later. So sometimes you can ask yourself whether governments progress that rapidly.

I'm going to be careful because you have some speakers who go on and on and on and on, so I will watch the tables. I was once at an event, not here, and we had a speaker who was going on and on. My buddy beside me put his head on the table while the speaker was going on and on and on and I said, "John, come on." He didn't move his head off the table. So I bumped him on the head as hard as I could. He said, "Hit me harder. I still hear him." So I'll be watching the tables.

The subject of my remarks, as Noble said, is increasing Aboriginal participation in the work force. This is a challenge for all Canadians—all of us together—government, 314 businesses, industry, communities, Aboriginal and non-Aboriginal. We all have a role to play in making sure that conditions are in place for Aboriginal people to have every opportunity to thrive and establish promising futures for themselves, their children and their communities.

We often hear about those socio-economic indicator gaps between Aboriginals and non-Aboriginals in Canada. It is a fact. It is there but make no mistake, when Aboriginal people have access to the tools that non-Aboriginals have access to that are often taken for granted—education, training, economic opportunities, the need to be a strong presence in the work force—they step up to the plate and all of Canada benefits. In that outcome, we all have a role to play.

As Prime Minister Harper stated at the opening of the historic Crown-First Nations gathering in January of 2012 held in Ottawa, to maintain a growing and vibrant economy Canada will need a skilled and growing labour force in every region—urban, rural and remote. Natural resources development is perhaps the most outstanding example of where we need skilled labour that will, among other factors of course, incent business people to make actual investment decisions for without the skilled work force they need, those investments will not take place. These investments have got to be executed by people. We need a labour force, a skilled labour force.

Right now as we speak, there are hundreds of natural resource projects either underway or planned across Canada over the next 10 years that represent an investment of some \$650 billion and a significant portion of that investment is going to projects that will be on or near Aboriginal communities; projects that will rely on meaningful consultation and collaboration with those communities; projects that will benefit from the skilled work force that these communities can and could offer.

I've had the privilege of travelling to many areas of Canada, many parts of our beautiful country, and in the southern part of our country too many of our neighbours and citizens don't seem to appreciate and know that we have a host of First Nations that live in remote communities and, when we say remote communities, they are communities that cannot be accessed other than by air or during the winter by an ice road. I don't think Canadians

appreciate the challenges that exist to get the people living in those communities, who are Canadians, a crack at participation in our economy.

Yet natural resource development can turn the high cost of isolation into a huge advantage for Aboriginal communities. As a matter of fact, most mines and exploration properties in Canada are located within 200 kilometres of an Aboriginal community and the Ring of Fire here in Ontario is a case in point. You all know that hundreds of thousands of Aboriginal youth will enter the work place over the next 15 years, coinciding with what is projected to be a record-breaking shortage of labour in the resource sector. This is just one example of why it is in your interest, as either successful business people or interested stakeholders, indeed all Canadians, Aboriginals and non-Aboriginals alike, to ensure Aboriginal people have access to the kind of education and training, which are essential conditions for individual communities and businesses to prosper.

So how can we move towards that goal most effectively? It should not be and cannot be a matter for government alone. Business and industry know the skills and the knowledge they need in their work force and they need to partner with governments at all levels, academia, and, of course, Aboriginal communities. They should also invest their resources to create the skilled work force they need and this goes hand in hand with the role the private sector can and must play in assuming meaningful and productive engagement with Aboriginal people, where economic development on or near their traditional territory is proposed.

Certainly, as the government, we must provide leadership and partnership for Aboriginal people. I think we are making significant progress in overcoming challenges and removing some long-standing barriers to success. But in the same breath more needs to be done. The Prime Minister's historic apology in 2008 to the victims of Canada's residential school system—the apology to the victims, to their families, to their communities—was, I

think, a very important step in the rebuilding of the relationship between the Crown and First Nations.

I was in Edmonton last month where I had the honour of participating in the seventh and final national event held by the Truth and Reconciliation Commission. Over the past four years, the Truth and Reconciliation Commission has held hearings in more than 300 communities across Canada, and the strength, determination, and resilience shown by thousands of former students and their families in sharing experiences and in talking about the legacy of the Indian Residential Schools is beyond admirable. But from my own point-of-view, it showed that everything is not lost and what was most encouraging was the recognition by so many of them that while we cannot change the past, we can change the future and the basis of that future has got to be a respectful relationship between Aboriginal Canadians and non-Aboriginal Canadians.

I've been in this portfolio now for a little over a year and together we are moving forward on a number of key issues—education, meaningful consultation, the self-sufficiency of Aboriginal communities across the country and assuring the opportunity for Aboriginal people and communities to participate in and contribute to the growth of the broader economy. Education, of course, is fundamental.

We all recite and have talked for decades about the gaps. The average high school graduation level among First Nations youth is about 40 per cent. Too many First Nations students, who do graduate, often find their academic credits do not satisfy the requirements for post-secondary institutions, skills training or employment opportunities. This must and will change but it will not change by throwing more money, more taxpayer dollars, at the problem. It will change through meaningful reform and taking steps to effectively correct the situation and bring about a much higher standard of living for First Nations. That's why I believe the leadership of First Nations, along with Canada, identified a

joint action plan in 2011 reiterating that education is a shared priority of Canada and First Nations.

Just a few days ago I was proud indeed to introduce in the House of Commons historic legislation that will create for the first time a strong, accountable education system that will support First Nations work to incorporate their language and culture into their own education programming. The children on reserves are the only little Canadians who don't have a statutory right to education. It doesn't exist. Education on reserves is at the policy mercy of the minister currently. So this will change with the bill. It is important that we move this legislation and that we do it quickly because as National Chief Atleo said, "We cannot abandon another generation to a failing system." A very deep consultation process has been started with First Nations, Canada, the provinces and Minister Zimmer. We've been engaged on the education file for years. We have had reports from the Senate Standing Committee. We have had reports from the Aboriginal Affairs Committee. We have had the Auditor General's report of 2011. We have studies all over the place but, more importantly, back in 1971 the Indian Brotherhood, as it was then known, issued a policy paper asking the government of the day to grant the control of education to First Nations.

We talk about the bad graduation numbers, but we have successes among First Nations. In Nova Scotia, 15 years ago, the Mi'kmaq created their own school authority and 15 years later their graduation rate is 90 per cent. It is more than or close to the percentage of non-Aboriginal Nova Scotians who graduate. So the Mi'kmaq were given control and they are getting results. This is what is inspiring this legislation.

I've talked about the consultations. We issued documents, discussion guides, then a draft bill in the fall and the chiefs and the assembly came together in Gatineau in November and decided it would not work. There are five conditions for the success of education. There are five conditions, which any legislative frame-

work must respect if we are going to successfully provide our children on reserves with a good education system.

Those five conditions were incorporated into the draft bill and we now have in front of the House a legislative framework proposal that meets those five conditions identified for success. I hope it gets the support of all Members of Parliament from all sides of the House and in the Senate so that we can pass this legislation speedily in order to get on to the next phase, which will be another tough one—the development of regulation. That will take time. Again, we're committed to ensuring full participation of First Nations in that process and are going to do it through a joint council of education professionals, which the Prime Minister committed to on February 7 when we were in Alberta.

Now the other important consideration is the unilateral oversight of the federal government, the paternalistic approach of the federal government, to always be there to tell First Nation members on reserves what to do, how to do it, what they can do and what they cannot do. They don't want to see that in education. To avoid this unilat oversight of education of children living on the reserves so vehemently decried by the First Nations chief, council, parents and teachers all over the country on the reserves, the Prime Minister in February committed to this joint council of education professionals and it is proposed in the Act they will be experts on education. We have no expertise as such at the Department of Aboriginal Affairs and Northern Development in education. We don't have an education department like you have at the provincial level so this joint council, half of which will be people nominated by First Nations, and half nominated by the federal government, will work as an advisor and a filter.

Unilateral gestures or decisions of the minister are gone. Every decision of the minister will be and must be inspired by the advice of that joint council to ensure that we do, at the end of the day, always have the First Nations' view and perspective on any decision taken.

Funding is indeed very important and especially since the cap that was imposed in 1996—a 2-per-cent cap on all programs at my department. In our last budget economic action plan 2014, which our beloved friend, Jim Flaherty, introduced before leaving us and which shall be part of his legacy, our government has committed \$1.9 billion of incremental new funding related to this proposed legislation, the First Nations control of the First Nations Education Act. This includes \$500 million for an infrastructure fund for schools; \$160 million for an implementation fund because we need a transition to get to the mature system; and \$1.25 billion in core funding which will begin in 2016-17 and will increase annually thereafter according to the 4.5-per-cent escalator on the full amount of the funding at that time.

This will allow stable, sustainable and predictable funding, which will provide First Nations children on reserves with an education that is comparable to what non-Aboriginal children get in provincial schools in similar locations and with similar demographics. What is again important to realize is that for the first time they will get the same level of support which our non-Aboriginal kids get in all provincial systems at the second level and the third level. Now they will have it and that, I am sure, will bring about great results, so this is the right investment for taxpayers because it will result in significant economic benefits down the road.

I was here 21 years ago. We were close to an election. I was soundly defeated a few months later, but we were arguing then for improvements to the Unemployment Insurance Act. We were trying to find and introduce active measures to the Unemployment Insurance Act of the day to stop paying people for doing nothing, but rather incent the training of these people so that they could access jobs that exist. Throughout the country, at the provincial level some years ago, these active measures were implemented. At the federal level, while we spend about \$860 million a year on income assistance for First Nations across the country,

with a dependency rate on income assistance of about 36 to 37 per cent, we have not reviewed our income assistance program ever since.

So in the Economic Action Plan 2013, we made a commitment to work with willing First Nations to improve the federal on-reserve income-assistance program, reflecting the wide-spread recognition that this program can provide more than just income support. Today as we speak, 70 First Nations across Canada are commencing the delivery of financial support and access to personalized skills training for young income-assistance clients on reserves and this is not a great idea of a great minister or a brilliant government in Ottawa. This is the product of First Nations in the country asking for those kinds of measures. Seventy First Nations are commencing this delivery as we speak. The rate of dependency is falling. It's falling and falling quickly, but what's even more important is that these kids, these young men, these young women, are getting the skills they need to get into the labour market and have a much better living.

So these are some of the approaches that we are taking to ensure that First Nations people, Aboriginals, get the chance to be a full participant in our economy. The Urban Aboriginal Strategy and other programs at the federal level, which we have revamped and streamlined into one program with two components where we will work with the municipalities, the provincial government, the private sector, the not-for-profit sector, and the friendship centres, exist throughout Canada. We have a new delivery mechanism where we will be investing \$53 million a year during the next two years to work on this new approach of helping Aboriginals living in the cities; helping them to eliminate those barriers to access the labour market. This is our priority and I believe that this is another important step that we are taking to ensure that the Aboriginal community can indeed participate in our economy.

Now listen, no one is sleeping. No head on the table is a good

sign. I'd like to say that there's not a single initiative that can be taken that will solve the whole problem. We have, however, continued taking important, effective steps along with First Nations to address the problem that we all face. That is why our government continues to work in close consultation with First Nations and continues to move forward with key initiatives that enable First Nations to escape the paternalistic scriptures of the Indian Act. I can't wait for the day that we don't need the Indian Act any more.

For instance, last week the First Nations Election Act just received royal assent and this will address longstanding issues with the current electoral system set out under the Indian Act. Ladies and gentlemen, this new Elections Act will not only extend the term of office for chiefs and council, it will introduce a more robust nomination process, add penalties for defined offences and fraudulent activities, and enable common election days among several First Nations. So this is another step taken that I believe can be helpful in our quest for the progress we all long for. For investors, if you think about economic development and have to do business with First Nations, the political stability and certainty about their governance, because they have the Council in place for four years, will help create new wealth and jobs all across Canada.

We passed last year the First Nations Financial Transparency Act, which will bring accounting standards to First Nations governments in line with those of other levels of government in Canada, further enhancing the accountability and transparency in governance that citizens deserve and investors also deserve. This is about empowering the members of those First Nations. You have to know what your leadership is doing with your money, with the taxpayers' money. You have a right to know and ensure that the leaders have in place the mechanism to protect their best interests. I think that this Financial Transparency Act will again prove to be transformational because members in those commu-

nities will be able to see firsthand what is happening to the resources of their communities.

We continue to take concrete steps to move the agenda forward following the signing of the Métis Nation Protocol Agreement and we will continue to work in partnership with Métis leaders and organizations to ensure that Métis people across Canada continue to share in the economic development opportunities the country offers. I don't know if many of you know, but Métis entrepreneurship is growing fast across the country. Métis organizations and communities are pursuing economic development initiatives and establishing businesses and business relationships with some major corporations. I think of NT Energy, for example, in Northwest Territories, that has partnered with Métis Energy Company Limited and, of course, that brings me to the North. Developing the North is the fundamental part of our future economic prosperity as a country and we have already moved forward on key initiatives.

Last April 1, for example, was the effective date the Government of the Northwest Territories was empowered to deal with their land and resources the way they saw fit and to the best advantage of their inhabitants and also of Canada. We're also making progress on developing those same powers to Nunavut.

So ladies and gentlemen, I wanted today to try to show the importance of all of us at all levels—private sector, non-public sector, governments and Aboriginal communities—to pull together to address this issue of ensuring that we can provide Aboriginal Canadians with the opportunities to get those skills, get that education, that post-secondary education they need, to become full participants, and I humbly submit to you all that I think we are on the right track.

Thank you all.

The appreciation of the meeting was expressed by Ted Griffith, Chief Strategist, The Fixers Group Inc., and 2nd Vice-President, The Empire Club of Canada.