

WHAT WE HEARD AND RECOMMENDATIONS

REPORT OF THE NWT Economic
Opportunities Strategy
Advisory Panel

SUBMITTED TO
NWT Economic Opportunities Strategy Governance Committee

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LETTER OF TRANSMITTAL

To succeed, any economic strategy for the Northwest Territories will need to be responsive to changing circumstances and address, in some way, business opportunities in all regions of the NWT.

In order to capitalize on the many extraordinary economic opportunities that exist, however, we must first know where they are - and what is needed to translate them into investment, business growth, training and jobs for our people and communities.

In our capacity as an independent advisory body to the Economic Opportunities Strategy Governance Committee, we sought to engage NWT residents, their governments and the private sector in a series of discussions on exactly this subject.

Between December 2012 and February 2013 we held over 80 public forums and meetings in all regions of the NWT. We met and talked with hundreds of informed and insightful residents encouraging them to speak frankly about barriers and impediments but, most importantly, asking for their suggestions about economic opportunities.

People responded. We were impressed with the high level of interest and enthusiasm. Many expressed a sense of immediacy and a desire for action.

In addition to documenting our engagements, this report includes our considered advice towards the eventual development of the NWT Economic Opportunities Strategy.

We encourage the Governance Committee to consider these observations and recommendations as fundamental to the success of its strategy - and to include in their document a formalized plan to ensure and oversee the implementation and delivery of this strategy for a minimum of two years.

Above all else, we have prepared our report on the principle that economic opportunities and development must be considered in terms of the benefits they will bring to the NWT and its people.

We know that this strategy cannot in itself address all of the issues that exist in our territory's challenging economic environment. Instead, it is only one of several strategies that must be brought together in order to realize the 17th Assembly's vision of: "strong individuals, families and communities sharing the benefits and responsibilities of a unified, environmentally sustainable and prosperous Northwest Territories."

NWT Economic Opportunities Advisory Panel





Photo Bill Braden

EXECUTIVE SUMMARY

Background

The Northwest Territories (NWT) is on the brink of political and economic transition. As NWT residents take stock and consider the opportunities and challenges that lie ahead, one of their foremost questions is how and where to grow the NWT economy.

While the NWT abounds with economic opportunity, it is challenged to convert this potential into real and tangible economic development – the kind that can supply jobs and economic benefits at the community and territorial level.

Regional economic disparity is growing but population isn't and the NWT's once-new and emerging diamond industry is today approaching middle age. The lingering impacts of a global economic recession serve as a reminder that, even with a wealth of natural resources, the NWT's resource-dependent economy is vulnerable to the "boom and busts" of the world economy.

There has never been a more important time to address these challenges. Land claim and self-government negotiations, regulatory improvements, and the transfer of authorities over northern lands and waters to the Government of the NWT are all occurring simultaneously. Meanwhile, the last NWT economic development strategy, *On Common Ground*, was released over a decade ago.

The need for a strategy to diversify and strengthen the NWT economy was recognized by the 17th Legislative Assembly in its vision: *Believing in People and Building on the Strength of Northerners*.

In the spirit of collaboration embraced by its Members, work to prepare this strategy the NWT Economic Opportunities Strategy, began in 2012 under the responsibility of the Minister of Industry, Tourism and Investment and guided by a partnered Governance Committee comprised of the NWT Chamber of Commerce, the Northern Aboriginal Business Association, the NWT Association of Communities, Canada's Northern Economic Development Agency (CanNor) and the Government of the Northwest Territories' (GNWT) Department of Industry, Tourism, and Investment (ITI).

An independent four-member Economic Opportunities Advisory Panel was tasked with engaging NWT residents, the private sector, governments and other key stakeholders in a series of discussions about the economy. Their findings, observations and recommendations, reflected in this report, will serve to guide the development of the NWT Economic Opportunities Strategy.

Themes

The results of the Advisory Panel's engagements and discussions are compiled and represented under five broad themes.

1. Renewable Resources and Small Business;
2. Non Renewable Resource Developments;
3. Our Most Important Resource: People;
4. Infrastructure; and
5. Government Policies and Programs.

Many elements of these themes, like the economic opportunities and barriers that they highlight, are inter-connected: tourism and mining are more viable if a network of well-maintained roads is in place; business ventures in agriculture, alternative energies and the traditional economies can have a net benefit on the cost of living; and northerners need functional literacy, life skills and a healthy lifestyle to secure the jobs and income that will underpin our territory's economic growth.

Common to each of these themes - as it was to engagements in every single region, is awareness that the cost of doing business in the NWT is prohibitive to attracting development. NWT residents, however, are equally resolute that solutions can be found.

There is a collective desire to realize more effective uses for renewable resources like power, wood pellets, farm produce and fish. In addition to local employment, economic initiatives based on these under-utilized resources have added value in import substitution (i.e. replacing goods and services currently being transported at a cost from southern Canada.)

Similarly, there is an urgency to reduce the number of jobs that continue to "leak south" while much of the NWT's emerging work force remains under-educated or unprepared for work.

Renewable Resources and Small Business

The economic health of the NWT will hinge on its diversity and there is a pressing need to realize the incredible and varied potential that exists outside of our territory's rich non-renewable resource sector: in areas such as the traditional economy, commercial fishing, agriculture, forestry, manufacturing, arts and crafts and tourism.

Strong support exists for the GNWT's Genuine Mackenzie Valley Fur Program (GMFP) and its centralized government purchasing of product and guaranteed income support. It was often highlighted as a model for other renewable resource industries including fisheries and arts and crafts.

In 2012, NWT commercial fishermen harvested less than 20% of the available harvest. While Great Slave Lake holds a huge and sustainable resource capable of supporting many people, the industry barrier is not the number of fish but the diminishing number of individuals that can balance high operating costs relative to the revenue they realize from their day's work.

There is interest in finding ways to harvest and better market products such as muskox and other traditional or country foods.

Of remarkable note is the strong and widespread interest in agriculture and the apparent resurgence of enthusiasm for locally grown vegetables and market gardens. While agricultural history and potential is strong in communities as diverse as Fort Smith, Hay River, Fort Simpson, Lutsel K'e, Norman Wells and Yellowknife, access to land will continue to be a barrier until outstanding claims are settled.

The emerging market for biomass fuel, meanwhile, offers opportunity and incentive to address and overcome barriers like the availability of land, regulatory uncertainty and extended distances to market that have long confronted operators in the NWT forest industry.

Growth in the NWT's manufacturing industry is challenged by limitations in infrastructure and the access to affordable power. It could be enhanced with improved enforcement of Socio Economic Agreements (SEAs) and the Business Incentive Program (BIP) – both of which were established by government to provide support in this area.

Finally, it is tourism which may hold the greatest potential for community-based economic opportunity and employment in the NWT. Fuelled by the success of northern-themed television programs and the potential for more film-making in the NWT, residents from Tuktoyaktuk to Fort Smith are infused with ideas to host and entertain visitors enticed by the NWT's rich cultural heritage, world class National Parks and historic sites, abundant lakes and rivers, wildlife and vibrant hospitable people.

With programs to supply local craft materials and the means and venues to showcase and market the NWT's Aboriginal culture and heritage, the NWT's tourism potential can also be leveraged to realize economic growth in the NWT's arts and crafts sector as well as its traditional economy.

Formalized training is needed for tourism operators and those working in the hospitality industry. A convention bureau would better facilitate the growing number of business meetings and conferences looking North and serve to coordinate and connect visitors with events and attractions that lie beyond the NWT's regional centers.

Non-renewable Resource Development

For the past decade and a half, the NWT's economy has been driven predominantly by non-renewable resource exploration and development. The historic and ongoing importance of mining remains prevalent in many of the NWT's communities - as is the huge potential for oil and gas development particularly in the Sahtu and Beaufort Delta.

But while there is significantly more resource wealth to be realized in the NWT, the North remains the most under-mapped jurisdiction in Canada and new investment is hampered by languishing exploration activity, a complex regulatory environment and the challenges of facilitating Aboriginal consultation and land access.

Steps to increase regulatory certainty and timeframes are essential. Assured access to land and resources is very important, to investors. Unsettled land claims and the lack of approved regional land use or community development plans throughout the NWT are contributing to industry apprehension and impede the realization of economic opportunities from resource development.

The establishment of a Major Projects Advocacy Office could allow proponents of major projects to work directly with government, restoring much needed confidence and certainty while serving to attract, establish, develop and maintain large industry investment and the benefits and opportunities that it will provide for the NWT economy

Our Most Important Resource: People

Above all else, the NWT's greatest and most important resource is its people. Yet this resource, like others is underutilized and in danger of diminishing. Among the most important investments to be made in growing the NWT economy are those to develop and retain a healthy, trained workforce.

Increasingly, young NWT residents and their families are leaving their communities for jobs in southern Canada. The lack of formal education, up-to-date training and issues of community wellness means the employability of NWT residents is far too low. The troubling refrain: "people without jobs and jobs without people" holds true.

In some cases, existing training courses have not been a match for industry needs. The Sahtu is an apparent case-in-point. With the economic potential of oil and gas exploration at its highest level in years, residents and businesses seem unprepared and there is a pressing need to help them take better advantage of their opportunities.

In terms of human capacity and training there are lessons to be learned from the mining industry and the earlier "boom and bust" of the oil and gas industry. Effective and continued education and training is key to realizing development and employment opportunities.

Meanwhile, more work is needed to align GNWT programs with industry, schools and career development. While there is a prevailing demand for labourers and tradespersons throughout the NWT, focus must also be given to nurturing home-grown engineers, managers and decision makers.

It is worth noting that there is a collective willingness to address and change the North's historic social patterns - and to work in partnership to pursue solutions that can provide lasting positive impacts both for the economy and the wellness of NWT communities.

Infrastructure

Low population levels and the great distances involved in moving goods and people contribute greatly to the high costs of living and doing business in the NWT. It follows that projects aimed at developing and expanding transportation, communications and affordable energy infrastructure in the NWT will serve to enhance long term economic opportunities particularly in areas of increased resource development and tourism.

Reducing energy costs in the territory will, however, require bold thinking. The high cost of power is a common concern to all NWT residents - and particularly in Hay River, Fort Providence, Behchoko and Yellowknife, is driving interest and demand for major infrastructure investment to connect these communities to surplus hydro power that currently spills unused over the Taltson Dam.

Government Policies and Programs

NWT residents have access to a plethora of government programs and services in support of business and economic development. There is, however, a need to clarify the roles, responsibilities and accountabilities of the varying government bodies that deliver them.

A profusion of entities (federal, territorial, Aboriginal, municipal, boards and corporations) have come to a point where programs and services must now be consolidated to restore measures of responsiveness, effectiveness and accountability.

There is a need to improve and enhance programs like tax incentives and the federal Northern Residents Deduction that can work to recruit and retain people and businesses to the NWT.

Finally there is a common view that social support programs in the NWT are too generous and, in fact, a disincentive to seek employment, particularly in the short-term.

Recommendations

In addition to their observations, the Advisory Panel has provided recommendations to further guide the development of the Economic Opportunities Strategy; a strategy they hope will be implemented in a manner that allows the NWT to keep pace with its incredible opportunities and growth potential; position its leaders to guide and manage investment and growth; and work to build economic capacity and sustainability for its communities and people.



Photo Tourism Parks, ITI



LIST OF ACRONYMS

BDIC	NWT Business Development and Investment Corporation
BDOs	Business Development Officers
BIP	Business Incentive Policy
CDETNO	Conseil de développement économique des territoires du Nord-Ouest
CFO	Community Futures Organization
EDOs	Economic Development Officers
ECE	Department of Education, Culture and Employment
ENR	Department of Environment and Natural Resources
GDP	Gross Domestic Product
GNWT	Government of the Northwest Territories
GTC	Gwich'in Tribal Council
GMVF	Genuine Mackenzie Valley Fur Program
HRSDC	Human Resources and Skills Development Canada
IRC	Inuvialuit Regional Corporation
ITI	Department of Industry, Tourism and Investment
LKFN	Liidlii Kue First Nation
LNG	liquefied natural gas
METC	Mineral Exploration Tax Credit
MGP	Mackenzie Gas Project
NTGO	Northwest Territories Geoscience Office
SEA's	Socio Economic Agreements
SEED	Support for Entrepreneurs and Economic Development
SFA	Student Financial Assistance
SRFN	Salt River First Nation
TDOs	Tourism Development Officers

1. INTRODUCTION

1.1 Background to Development of the Strategy

In its vision: *Believing in People and Building on the Strength of Northerners*, the 17th Legislative Assembly of the Northwest Territories identified the need to develop an economic development strategy in support of their priority: to Strengthen and Diversify the Northwest Territories Economy.

Within the GNWT, the responsibility for developing the Economic Opportunities Strategy was given to the Minister of Industry, Tourism and Investment (ITI).

Recognizing that this strategy is one of pan-territorial impacts and importance – and not one that could be completed in isolation; and further mindful of the need for collaboration in both developing and implementing the Strategy, a formal partnership (the Economic Opportunities Strategy Governance Committee) was established between the NWT Chamber of Commerce, the Northern Aboriginal Business Association, the NWT Association of Communities and the Canadian Northern Economic Development Agency (CanNor) and the GNWT's Department of ITI.

In December 2012, on the advice of this Governance Committee, the Minister of ITI appointed the four of us as an independent Advisory Panel to engage NWT residents, the private sector, governments and other key stakeholders in a series of discussions on the economy.

We were asked to identify – not just the economic opportunities that exist in our territory's regions and communities - but also the strengths, weaknesses and threats that exist in each area. And then to forward a report to our project's Governance Committee to inform their drafting of a final Economic Opportunities Strategy.

NWT Economic Opportunities Strategy Governance Committee

NWT Chamber of Commerce
 Northern Aboriginal Business Association (NABA)
 NWT Association of Communities (NWTAC)
 Canadian Northern Economic Development Agency (CanNor)
 GNWT's Department of Industry, Tourism and Investment

Economic Opportunities Strategy Advisory Panel

Joe Handley (Chair)	Consultant and former Premier of NWT
Gordon Van Tighem	Former Mayor of Yellowknife, NWT
Heather Bourassa	Small Business Owner, Fort Good Hope, NWT
Rory Campbell	Former Deputy Minister Agriculture and Economic Development, Government of Alberta

1.2 What We Did

Over 100 specific invitations and opportunities were provided to NWT residents and organizations to engage with our Panel.

Between December 2012 and February 2013, we held over 80 meetings with residents and stakeholders in all regions of the NWT. Thanks to the NWT Association of Communities, representatives from outlying communities were also able to travel to meetings in regional centers and to contribute to our overall understanding of economic circumstances and opportunities throughout the NWT.

As a Panel we made ourselves available to listen to residents and organizations when requested. We held sessions with elected leaders, Aboriginal governments and councils, chambers and associations, and non-government organizations. Additionally we received input through our website and in separate written submissions. (A summary record of all of these meetings is available at: www.NWTOpportunities.com).

We discussed our work in relation to other initiatives and sought the input and advice of researchers and other subject-matter experts before drafting our recommendations which are contained in Section 2 of this report.

1.3 State of the NWT Economy

Much has changed in the NWT since the last territorial economic development strategy "*Common Ground: NWT Economic Strategy*" was released over a decade ago. This is a time of change for the NWT economy.

Our territorial governance structure and systems continue to evolve simultaneously with the negotiation and settling of land claims and self-government agreements with Aboriginal peoples, the Government of Canada's actions related to regulatory improvements and the pending transfer of land and water responsibilities from Canada to the GNWT.

The recession served as a reminder that our economy is part of a global economic marketplace – one that is changing and evolving and – even with a wealth of resources, prone to the rise and fall of the world economy. The Mackenzie Gas Project has not advanced as expected. The once new and emerging diamond industry is now approaching middle age.

Across the NWT, regional and personal economic disparity is growing but the population isn't. Mineral exploration and deposit appraisals are up from 2011, but well below the marks set in 2007.

Demographic and economic projections for the NWT – an indicator of future demand for GNWT services, jobs and the pool of employable residents, are sobering. The education level, particularly of Aboriginal youth, is well below the national average. And while the average income for NWT residents is relatively high, the disparity between the highest and lowest is extreme.

Many NWT youth are leaving their communities for jobs in southern Canada. As disconcerting is the number of youth that remain unemployed while northern jobs are filled by those who don't live in or pay taxes in the NWT.



Photo courtesy Diavik Diamond Mines Inc.



Photo Bill Braden

2. WHAT WE HEARD BY THEME AND SUB-THEME

This section of the report provides a summary, by theme and sub-theme, of what we heard, followed by our recommendations. With the overwhelming response that we received, it is not possible to identify all of the positive and creative suggestions that we were given, however, a more detailed accounting is provided in the *Notes and Findings from Public Forums and Stakeholder Meetings* posted at www.NWTOpportunities.com.

“Do something now” was a common message in many of our sessions.

We have compiled what we heard in our various forums and meetings into five key themes and sub-themes:

1. Renewable Resources and Small Business;
2. Non-Renewable Resource Development;
3. Our Most Important Resource: People;
4. Infrastructure; and
5. Government Policies and Programs.

“The mines are big, but it is small business and diversity that helps hold people in town.”

2.1 Renewable Resources and Small Business

NWT residents are proud of their territory and its incredible inventory of resources but recognize that most resources are not being used to their sustainable potential. We heard many suggestions for more effective use of renewable resources like power, wood pellets, farm produce or fish. A pervasive theme was to “promote northern first.”

The current reliance on resources and people from the south is not conducive to the economic health of the NWT. It does not make economic sense, for example, to simply accept high energy costs in a territory characterized by excess hydro resources and stranded natural gas. Traditional foods go largely un-harvested when they could be supplied to stores, restaurants and government institutions; and importing wood pellets from Alberta seems counterproductive when resources are locally abundant.

There is a realization that people tend to “follow the money”. It is recognized in the historic boom and bust reality of mega projects.

Across the NWT, however, we sensed a renewed awareness and desire to promote business opportunities that will sustain the local economies of NWT communities. In all regions, residents pointed to opportunities and business potential in tourism and agriculture as “do-able” examples.

2.1.1 Traditional Economy

There is strong support for the Genuine Mackenzie Valley Furs Program (GMVF) and its centralized purchasing of product which guarantees income support for harvesters. Indeed, we heard that the fur harvesting program could serve as a model for other sectors like commercial fishing and arts and crafts. There is potential in branding and marketing other high quality NWT products (beyond furs) and establishing a stronger link between tourism and traditional activities.

Inuvialuit Regional Corporation (IRC) representatives highlighted the Inuvialuit Harvesters Assistance Program (IHAP) and the Community Harvesters Assistance Program (CHAP) as helpful in defraying operational costs.

From Ulukhaktok, we heard that the muskox harvest is decreasing despite a very healthy herd. In part, the region is challenged with selecting a new vendor to transport their processed products which include meat, qiviut and hides.

Beaufort Delta residents expressed considerable interest in harvesting and marketing muskox, reindeer and other traditional foods. Some questioned why NWT public institutions (like hospitals) don't purchase these traditional foods. A hunters' market in Iqaluit that facilitates the buying and trading of traditional foods was identified as a model.

It was felt that local vendors, in particular, should be selling traditional foods. It would serve to support local harvesters and additional opportunities could be created in processing and preparing these foods for sale.

We heard of many possible links between the traditional economy and tourism. In Fort Simpson, however, we were given the example of a sheep hunting and outfitting business based in the south – and from which virtually no northern economic benefits are being realized.

There is a need for training – especially related to tourism and hospitality services, to allow NWT residents to pursue similar opportunities

2.1.2 Commercial Fishing

Representatives from the NWT Fishermen's Federation told us that they harvested less than 20% of the available harvest last year. In fact, commercial fishermen have not met their quota in 20 years. Great Slave Lake is a huge sustainable resource that can support many more fishers. High operating costs, however, relative to revenue, deter many from entering this sector.

There is strong demand for Great Slave Lake fish sold through the Freshwater Fish Marketing Corporation yet a number of fishers say they are selling locally because it is more profitable. Fishers told us they need to be able to market, package and process the fish locally to be economically viable. Representatives of the NWT Fisherman's Federation indicated their desire to establish a new fish plant in Hay River "built and owned by northerners."

Local food is important to NWT residents and there is a need to understand why restaurants and government institutions in the NWT are importing fish.

The Hay River Chamber of Commerce suggested that the GNWT needs to be involved in marketing fish and should develop a marketing strategy for the NWT fishing industry. There was also a request for government to address barriers that prevent shipping fish to Alberta - or through Alberta, to other provinces. Fishers referenced the GMVF model and questioned whether the concept could be applied to the fisheries.

There was discussion around the issue of tax exemptions, particularly a gas tax exemption (such as farmers receive) for boat fuel.

"Everybody says there are no fish in the lake, but there are fish, there are just no fishermen. It's an untapped resource."

South Slave



Photo ITI, Sahtu Office

2.1.3 Agriculture

Members of the Panel were frankly surprised at the widespread interest in agriculture and the apparent resurgence of enthusiasm for locally grown vegetables and market gardens. While communities are operating at many different levels, Lutsel K'e and Hay River, in particular, are significantly advanced and passionate about gardening.

There was support voiced for Hay River's successful egg industry and discussion of other commodities that could be pursued (i.e. honey). A member of the Territorial Farmers Association suggested focusing on what has worked. For example, re-examining local farming and finding ways to create and support a viable market by leveraging economies of scale and transportation. One recommended approach was to start small and work towards a marketing system.

Until land claim negotiations are concluded, participants in the South Slave and Dehcho Regions said that access to land remains an issue. Others pointed to the lack of experience and business acumen as barriers.

There was consensus that communities could do more, and that creativity and entrepreneurial spirit would have results (i.e. successful potato farming in Norman Wells). Several people mentioned the value of the Growing Forward program – a joint initiative between the GNWT and Federal Government.

A spokesperson for Ecology North highlighted the success of a local food learning and leadership program supported by that organization.

"The price of fuel in the next 10-20 years will likely increase to a point where we won't be able to import food from the south the way we do now."

South Slave



Photo Investment, Economic Analysis, ITI

2.1.4 Forestry

The most recent forest inventory for the South Slave and Dehcho Regions suggests that available resources allow for a sustainable harvest of over 700,000 cubic meters of wood annually. Several participants called for an updated inventory of the NWT's full forest resources.

Discussions in many communities centred on the growing success of the GNWT's Biomass Strategy. Often, they highlighted the counterproductive practice of importing wood pellets when NWT resources are seemingly abundant.

Our meetings identified a number of challenges facing the NWT's forestry industry. They include: distance to markets, the availability of land and regulatory uncertainty. Increasing the term of land leases (sometimes available only to a maximum of 5 years) would make it easier to obtain financing for a business enterprise.

Power costs were identified as a barrier to development in both Enterprise and Fort McPherson where proposed wood pellet plants are being discussed.

In Fort Resolution we heard the idea of a community woodlot - supported by forestry initiatives and producing a variety of products from lumber to firewood and biomass. It led to discussion about adapting aspects of the GMVF Program to woodlot management.

People applauded the work of the Aboriginal Skills and Employment Training Strategy (a federal program that provides funding to organizations delivering

training programs) suggesting the need for funds to develop a forestry program similar to that used for mine training.

Other suggestions for advancing the forestry sector included subsidizing the cost of homeowner insurance for residents using wood stoves and better coordinating the work of GNWT departments involved in aspects of forestry including permitting, training and business development.

2.1.5 Manufacturing

Our discussions with the NWT Manufacturer's Association in Hay River highlighted how relatively limited the industry is.

Some of the impediments to growth that were identified to us are:

- the apparent "softening" of socio-economic agreements SEA's with industry;
- the need for consistency in GNWT products (i.e. the specs for road signs differ regionally);
- the need for government to enforce its own compliance with BIP; and
- extend its application to procurements made by communities and entities funded by the GNWT.

It was suggested that the Manufacturers Advisory Committee to the Minister (ITI) be re-vitalized as a regular forum for dialogue between manufacturers and senior government personnel.

"Unfortunately, there are many people within government who think they are doing a good job if they can get a widget \$50 cheaper in Edmonton. They think they are saving money but not when you consider the broader implications for the North."

NWT Manufacturers Association

2.1.6 Fine Arts and Crafts

The IRC advised us that support for this sector must be focused on maintaining the highest possible quality of traditional arts and crafts in the NWT. This was echoed many times in our meetings and forums.

It was suggested that the GNWT work in closer partnership with artists to support and promote awareness to the quality of genuine traditionally crafted NWT product and that a centralized agency could improve the dissemination of these products as a component of the NWT's tourism industry.

While there is good program support for local artisans in the NWT, it was noted that personal industriousness and entrepreneurship is effectively "punished" by restrictions in the GNWT's income support and housing programs. People suggested that traditional artisans should be able to keep a greater share of their earnings before deducting them from their income support payments.

Many artisans commented on the need to secure reliable local supplies of raw materials like moose hide, horns and antlers which are very difficult to find. Artisans said they would benefit from a program that collects and distributes northern raw materials. We heard that the creation and supply of traditional arts and crafts is being threatened by the diminishing number of people that are practicing, learning and passing on traditional skills.

“To be successful, it has to be your life: you have to be a good guide, but also an entrepreneur ... and have a good sense of people and hospitality.”

DehCho

At one time traditional arts and crafts were purchased and marketed through organizations including the Arctic Co-operatives and the NWT Development Corporations and Arctic Coop. While there has been a move away from this approach, NWT artisans told us that they cannot effectively market their products individually and that it is resulting in instability and less participation in the sector. The Business Development Corporation (BDIC) funds an arts and crafts centre but does not market products.

Our Panel heard a lot about the success and potential for more film-making in the NWT.

A local Yellowknife filmmaker highlighted the strong connection between the film industry and tourism. He noted an exit survey at the Yellowknife airport revealed that many people were influenced to come to the NWT through exposure to television shows like Ice Road Truckers, Arctic Air and Ice Pilots.

NWT filmmakers must compete for their share of business program funding (SEED) that is allocated on an annual basis. In a variety of meetings, we heard that filmmakers, and the territory itself, would benefit greatly from separate and increased multi-year funding and other financial incentives (i.e. tax breaks).

One artist observed that very little has been invested in support or promotion for jewellery manufacturing in the NWT.

2.1.7 Tourism

Tourism was a dominant topic of discussion in all regions. There was a consistent “buzz” regarding the level of international exposure that the NWT is realizing from media and television programming. The universal enthusiasm for tourism is very much aligned with the opinion heard throughout our engagements that we should focus on sustainable industries based on our natural resources.

We heard many references to the opportunities and potential that exist in our world-class National Parks (i.e. Nahanni, Wood Buffalo) and historic sites, majestic rivers, abundant lakes and hospitable northern people.

There is optimism in Inuvik that they can boost tourism with a stronger tie to the Yukon. This can be done by expanding and developing local tourism products to draw visitors up the Dempster highway from Whitehorse and on to Tuktoyaktuk and other outlying communities.

Aboriginal residents are enthusiastic about the potential for niche tourism adventures centered in traditional and cultural activities. We heard optimism regarding the recently formed Aboriginal Tourism Champions Council. It is recognized that a lack of experience, business skills and financial resources are a common barrier to launching such endeavors but there is confidence that they will be overcome.

There is an opportunity to increase tourism by attracting more business travellers. There were many suggestions that a convention bureau (or some form of centralized organization) is needed to attract and facilitate the organization of conferences and large meetings. We had a number of discussions about establishing a call centre that would link prospective organizations or groups with the full suite of available tourist “adventures” across the NWT.

There was also discussion of creating “tourism packages” to provide bigger and more inclusive products. To help liaise tourists with local operators, it was suggested that band councils or hamlet offices could act as local booking agents, in coordination with ITI.

Several participants spoke of instituting a hotel tax or levy which could fund marketing efforts.

The NWT has many community events and activities that we can build upon. Some of the ones we heard about are: aurora viewing, Folk on the Rocks and other music festivals, Yellowknife’s Long John Jamboree, the annual Paddlefest in Fort Smith and the Inuvik Arts Festival.

The potential for continued growth in our tourism sector was well represented by other ideas as well:

- Finding ways to market beyond summer and into the other nine months of the year. Promoting snow and winter activities in Wood Buffalo park or a weekend of activities around Inuvik’s Return of the Sun Festival in early January;
- Forming a non-profit group (i.e. Friends of Wood Buffalo or Friends of Nahanni Park) that could work in partnership with government, to help do what Park staff cannot do alone because of budget and staff cuts in Parks Canada;
- Attracting Eco-tourists and photographers to special places and species in and around Wood Buffalo National Park as keenly discussed by the Salt River First Nation (SFRN);



Photo Bill Braden



Photo Fran Hurcomb

- Offering tourists a glimpse into traditional Aboriginal lifestyles, including on-the-land experiences such as moose hide tanning and trapping; and
- Using unifying themes to build NWT-wide travel packages; for example, the flow of the river that highlights the fundamental importance of water and the reason why communities are where they are.

Clearly, our meetings highlighted the link between tourism and infrastructure. People in virtually all regions spoke about the advantages that new and improved infrastructure could bring. Suggestions included a road from Fort Smith, through Wood Buffalo National Park, to Garden River, Alberta. In Inuvik, there was discussion of how the road to Tuktoyaktuk could enhance tourism - although concern was also expressed about the poor condition of the Dempster Highway that makes it subject to closure without notice. In Yellowknife, we heard arguments for expansion of the Yellowknife airport to accommodate larger international flights. Participants from a number of smaller communities discussed the importance of opening something as simple as a local restaurant.

We also heard from individuals who told us about barriers that prevented their success or participation in the tourism industry. They included the administrative costs of licensing, insurance and complying with Workers' Safety Compensation Commission (WSSC) regulations. We were asked if government had a role to play in reducing these barriers.

One South Slave participant told us: "in the NWT, hospitality is a four letter word". It is important that operators understand the fundamental importance of customer service. Aurora College could help by re-establishing tourism courses and programs focused, in part, on meeting tourist expectations for exemplary service, hospitality and operator conduct.

"Government funding is helpful in the beginning but we need to encourage local businesses to stand in their own moccasins. Seeing just one Aboriginal operator become independent will encourage others..."

Dehcho

2.1.8 Recommendations for Renewable Resources and Small Business

1. GNWT coordinate “made in the North” arts and crafts that enhance the recognition and sale of quality NWT products - through support for the provision of raw craft materials, training of artisans and developing NWT products.
2. GNWT also provide centralized coordination of arts and crafts such as quality control, purchasing, marketing and sales of arts and crafts that provide consistent availability of products and help prevent the loss of traditional skills within NWT communities.

The Genuine Mackenzie Valley Fur Program (GMVF) should be considered as a potential model.

3. Determine the viability of meeting health and other standards for fish processing to allow products to be sold to wholesalers and retailers within the NWT and elsewhere.
4. Promote and grow the market for NWT fish through direct support and by facilitating the consumption of local fish products in public institutions.
5. Determine the viability of developing a distinct NWT brand and effective distribution system to help penetrate the regional wholesale and retail fish market.
6. Investigate the application of the GMVF model to the commercial fishing industry in matters such as freight subsidies, value of product (i.e. filleting fish) and other means of meeting operating challenges and increasing profits.

“If these Dene values could be applied to business - the sheer determination, the will to stay alive, the will to bring something home – we would thrive...”

Dehcho

7. Work with the NWT Fisherman’s Federation to develop a fish plant in Hay River that can process, package and market Great Slave Lake fish products.
8. Investigate a mentorship-style program that would help attract young people to a career in commercial fishing.
9. Support and expand small-scale agriculture enterprises intended to replace imports of vegetables and other agricultural products.
10. Develop programming to stimulate the development of community greenhouses and gardens as a means to replace imports, promote community well-being and lower the cost of living.
11. Governments collaborate to provide long-term secure access to agriculture lands that will help qualify prospective enterprises for bank financing and provide operational security.
12. Determine the means to address standards for the commercial harvest and sale of country foods, and develop a plan for the distribution of country foods within NWT public institutions that serve meals.
13. Support school programming on agriculture within the NWT school system, including Aurora College.

14. Complete forest inventories in the South Slave Region to determine allowable harvests, and phase in inventories in the Dehcho region as the foundation for determining the sustainability and economic viability of potential commercial enterprises.
15. Grant harvesting permits of at least 15 years so that proponents have greater operational security and potential to qualify for bank financing.
16. Institute policies and incentives to encourage import substitution of wood, wood products and biomass fuel products.
17. Reinstate the Manufacturers Advisory Council to the Minister of ITI-GNWT to provide a regular opportunity for industry representatives to discuss their issues and concerns with senior government.
18. Strengthen SEAs or contracts with large project proponents that can provide northern enterprises with appropriate business opportunities.
19. Consider ways and means to reduce the freight and other operating costs of NWT manufacturing businesses.
20. Encourage the development of a manufacturing policy for “buying north” that applies to all governments and related government agencies using government funding.
21. Support NWT manufacturers who export products outside of the territory.
22. Reinvigorate the diamond polishing industry as a secondary industry that provides value added benefits to the NWT in addition to the primary mining activity.
23. Consider a centralized approach to the branding and marketing of quality, locally-made arts and crafts products.
24. Consider ways and means (i.e. multi-year funding, tax incentives) to enhance an NWT-based film industry.
25. Maintain and expand the means to supply local craft materials (i.e. bone, antlers, moose hide) using experience gained through the GMVF program.
26. Develop a plan (including funding) to provide comprehensive long-term support to the cultural and fine arts sectors in the NWT economy.
27. Make more funding available for tourism product development and promotion, including a modest levy on hotel rooms earmarked for the promotion of tourism in NWT communities.
28. Develop tourism packages of sufficient quality to attract international travellers and other high-end clients. Focus marketing efforts on those potential clients to provide a higher rate of return.
29. Establish and support a convention bureau to attract and facilitate the organization of large meetings, including provision of associated cultural and tourism opportunities.
30. Upgrade and expand on a 1-800 call centre with a mandate to effectively coordinate expressions of interest from tourists with relevant tourism providers throughout the NWT.

“People now can buy houses, drive skidoos and boats. Industry made a big difference in our lives... I don't see our people going back trapping...”

North Slave

31. Fully integrate performing and visual arts and cultural events into tourism marketing efforts.
32. Aurora College reinstate tourism training for operators and tourism providers that includes a component on hospitality.
33. Investigate the potential of securing group insurance for tourism providers (i.e. outfitters and ecotourism operators) as a means to reduce individual operating costs.
34. Make available a one-day fishing licence for tourists.

2.2 Non-Renewable Resource Development

For the past 15 years, the NWT's economy has been driven largely by non-renewable resource exploration and development. The historic and ongoing importance of mining is prevalent in many of the NWT's communities - as is the huge potential for oil and gas development particularly in the Sahtu and Beaufort Delta.

2.2.1 Mining

The mining sector brings unparalleled wealth and business opportunities to the North. In communities like Fort Resolution, Fort Simpson and Behchoko residents were supportive of proposed new mining projects like Gahcho Kúe, NICO, Prairie Creek and Nechalacho.

Frustration was often expressed regarding "fly-in-fly-out" workers and the reality that NWT residents are still significantly unprepared to fill many jobs in the mining sector.

Photo courtesy Diavik Diamond Mines Inc.



"The MGP seems stalled but the gas is still there; the energy is still there."

Inuvik

In our meeting with the NWT and Nunavut Chamber of Mines, we heard that the North is the most under-mapped jurisdiction in Canada and grassroots mineral exploration is languishing. Limited exploration efforts reflect the perception of investors that the NWT's regulatory system is "fraught with roadblocks and delays."

The Chamber of Mines introduced the ideas of re-instating NWT exploration incentives and establishing a trust fund from mining taxes and royalties to invest in subsidizing high energy costs for mines. (We note that the federal government has extended its 15% mineral exploration tax credit for investors through flow-through shares until March 31, 2014.)

Opportunities could be realized by working in partnership with other jurisdictions. For example, Nunavut mines bordering the NWT could be accessed more affordably by NWT businesses that already have a trained workforce and significant northern mining experience.

The Conseil de développement économique des territoires du Nord-Ouest (CDETNO) raised the potential of building business alliances with, and learning from, experienced mining companies operating in northern Quebec (Nunavik).

Our panel heard of concurrent efforts to prepare an NWT Minerals Development Strategy that will address the NWT's opportunities and challenges in the mining sector. And while developing and opening new mines is key to the NWT economy, we note that there are also economic opportunities to be realized by extending the life of existing mines.

2.2.2 Oil and gas

Our engagements in Inuvik reflected a general sense of disappointment and frustration with the lack of any progress on the MGP and the dormant state of the oil and gas industry in the Beaufort Delta Region.

Nevertheless, there is optimism. IRC representatives highlighted opportunities that could be realized from the new road to Tuktoyaktuk. They include increased natural gas exploration and the viability of a port in the Tuktoyaktuk harbour.

Our Panel visited the Sahtu during the peak of this year's (2013) oil and gas "exploration boom." Many in the region seemed surprised by the onset of activity. We heard that if oil and gas reserves are proven viable in the next 3-5 years, the Sahtu will be challenged to be ready for this development. There is a pressing need to help local people take better advantage of such opportunities.

The notion of a government-designated "special economic zone" was raised in the Sahtu. It would facilitate the immediate flow of government funding and programming to help prepare specific regions (zones) identified or targeted by industry, for significant development. Some residents called on the GNWT to identify definitive policies on "fracking" in the NWT.

We had many discussions about industry's efforts to find qualified local workers and train local hires. As in other sectors and regions, we heard that there is a need to better align government-funded training programs with projected industry requirements – and to work with educators to anticipate and direct youth towards courses and training that will help them take full advantage of future development in their communities.



Participants in Norman Wells suggested a pilot project or a mentorship program to increase skill levels and the presence and reliability of qualified people. We heard: “there are jobs to be had in oil and gas but youth first need to learn life skills and how to hold a job.”

In terms of human capacity and training, there are lessons to be learned from the mining industry as well as earlier “booms” in the oil and gas industry. Much of the NWT’s training investment has been focused on the mining industry. By comparison, fewer programs are designed specifically to prepare residents for jobs in the oil and gas sector.

While there is ongoing work to develop a number of related strategies for the NWT, a standalone strategy for the oil and gas sector is not currently in development. Participants highlighted the need for the GNWT to undertake this work.

2.2.3 Regulatory and Land Certainty

Assured access to land and resources is key to prospective investors. Yet from residents and industry representatives in almost every part of the NWT, we heard that there is uncertainty resulting from unsettled land claims, limits on land availability, inconsistent regional and community planning and an imperfect regulatory system.

“Capital flows to where it can grow - and investors are avoiding the NWT like the plague.”

North Slave

A member of the NWT Chamber of Commerce stated that at a meeting of prospectors and developers in Europe, “it was well known that if you want to invest in mining, you don’t come to the NWT.”

Steps to increase regulatory certainty, particularly process timelines, are essential. Many NWT residents seem hopeful, but uncertain, that the devolution of resource management responsibilities from the federal to the territorial government will help address this challenge.

We heard from industry that regulators “pick and stick” to a regulatory process with clear and fixed timelines because the certainty of the timing is more important than the actual length of the process.

There was frustration expressed regarding the length of the federal regulatory review, how little change has come of it and how we are just “immersed in process with no apparent urgency and no established time frames”.

A common theme expressed in several communities, was the importance of having completed land use plans signed. We heard of only one finalized and approved regional land-use plan in the NWT.

Likewise, we learned that most community economic plans are either out of date or entirely lacking. Such community plans could go hand in hand with implementing an NWT Economic Opportunities Strategy and many people encouraged the GNWT to revitalize the development and implementation of these plans.

Several participants highlighted the need for funding to facilitate inter-agency communication and planning. It was suggested that this would serve to improve community preparedness and communicate to investors and others that communities and regions are open and welcoming to business.

2.2.4 Recommendations for Non-Renewable Resource Development

35. Government facilitate the continuation of existing mines, which may be more certain and cost-effective than creating new mines, by exploring energy costs and infrastructure that will reduce the mine operating costs.
36. Address the limited geoscience mapping of the NWT in part by having the NWT Geoscience Office (NTGO) convene a workshop with mineral and petroleum industries to help identify a 5 and 10 year plan for geoscience research.
37. Establish tax credits or other exploration incentives to re-invigorate mineral exploration activity in the NWT.
38. NWT to collaborate with neighbouring jurisdictions such as Nunavut and Yukon to pursue economic opportunities that will benefit both jurisdictions, including the enhancement of secondary industries (i.e. transportation, supplies).
39. Set aside a percentage of mining royalty revenues to invest in initiatives (i.e. energy; infrastructure) that will reduce the operating costs of mine development and help meet the infrastructure needs of NWT communities.

40. GNWT use its existing Heritage Fund to accept a portion of its non-renewable resource royalties and use funds to encourage renewable industries and as a contingency for potential adverse economic circumstances.
41. Strengthen northern procurement, contracting and hiring of northern workers through more aggressive monitoring, enforcement and reporting on SEA's or contracts.
42. Develop a standalone NWT strategy to guide and inform decision making for oil and gas development into the future; and to ensure these resources continue to be developed in a manner that ensures sustainability and benefits NWT residents.
43. Undertake further research and provide information on the potential physical impacts of gas fracking in the NWT.
44. Re-establish the successful oil and gas training partnership between industry, GNWT and Canada used in the early 2000's to partner with industry in providing training programs.
45. Develop a communication forum between government and industry to better predict industrial exploration and development activities and associated needs to allow adjustments in local business preparation, related infrastructure and training programs.
46. Review territorial capital cost allowances for pipelines and determine if changes to the tax system would help with pipeline development.
47. Establish a Norman Wells Oilfield Transition Team with members from the federal, territorial and municipal governments and Esso to review the current status of the field, its planned demise and the most economical use of the field's assets (i.e. pipelines) to support new development in the region.
48. GNWT establish a Major Projects Advocacy Office, located within the Premier's Office, to assist developers, land owners and stakeholders to understand the NWT regulatory system, and to monitor industry commitments under the SEA's and contracts. This Office would play a central role in major projects from marketing the NWT to potential investors to "path finding" monitoring and reporting through to project closure.
49. GNWT undertake an internal government-wide regulatory review to eliminate any duplication or lack of clarity in its existing permitting processes. The review should include a comparative analysis of neighbouring jurisdictions so that GNWT is not at a perceptual disadvantage relative to these jurisdictions.
50. GNWT, as part of its regulatory review, ensure that entrepreneurs have assured access to resources (land, timber, etc.) for a sufficient duration so as to provide operational certainty.
51. The federal government complete its regulatory review in a timely manner so that the NWT has greater certainty, particularly with respect to the time frames of regulatory processes.

"There is a distinct lack of long term planning, we are just reacting to opportunities..."

Sahtu

52. Support the updating and implementation of existing community economic development plans as the basis for pursuing appropriate economic opportunities.
53. Facilitate and support the systematic preparation and implementation of new community economic development plans in communities where none are in place.

2.3 Our Most Important Resource: People

Our panel was reminded again and again that the NWT's most important resource is its people. It is critical that labour development is integrated with economic development.

In the absence of a vibrant growing population, economic growth will not be sustainable. It follows that community wellness will be reflected in a healthy economy. Among the most important investments to be made in growing the NWT economy are those to develop a healthy, trained workforce.

Yet, the NWT is the only jurisdiction in Canada where the population is decreasing. Increasingly, young NWT residents and their families are choosing to leave their communities for the south.

Across the NWT, there is frustration about the significant number of jobs that continue to "leak south" while much of the NWT's emerging work force seems under-educated or unprepared for work.



Photo Bill Braden

NWT residents feel strongly that economic development in the NWT must be focussed on providing sustainable opportunities for people and their communities – and should work to counter “boom and bust” scenarios which do little to keep people in the North or foster healthy working lives.

2.3.1 Education and Training

The important connection between economic growth and education levels is clearly documented. However, statistics indicate that the education level and graduation rates, particularly amongst the NWT’s Aboriginal youth, are well below the national average.

We heard that NWT Grade 12 certification may sometimes be equivalent to only a grade 10 or 11 in southern jurisdictions. We heard stories of high school graduates who left to pursue jobs or secondary education only to return home disappointed because they were not sufficiently qualified. There is growing concern that many young people graduate high school today with no meaningful expectation of finding long term employment.

Many ideas and suggestions were brought forward to re-connect NWT students with a sense of purpose and hope and improve the link between schools, teachers and industry. Residents suggested using local business people in schools to reinforce the connection between education and future job opportunities. Many supported a greater emphasis on career planning at the high school level.

The NWT Manufacturer’s Association, for one, noted that it is difficult to find trades people in the NWT and that there are opportunities for youth who are encouraged and motivated to enter “the trades”.

In Fort Simpson, we heard that opportunities for employment with the Canadian Zinc Mine will be tremendous for residents in that area but while the mine will be operational in about three years, there is concern that local residents will not be ready to realize these opportunities.

Across the NWT, residents and business owners told us that training opportunities do not always match the needs of the NWT’s changing workforce or accurately reflect projections for future employment opportunities. A concerted effort is required to address this disconnect and better position NWT youth to benefit from economic development as it is realized. Federal training programs, which could have positive impacts, commonly require trainees to have predetermined employment opportunities and are therefore limited in their effectiveness.

A number of participants spoke in favour of facilitating on-the-job training opportunities. One participant spoke anecdotally of the valuable training that had been gained by residents working with Enbridge to clean up the oil spill near Wrigley. The Dehcho Bridge was cited as a project through which a high percentage of northern workers acquired valuable accreditation and skills. In Inuvik, we heard the suggestion of bringing mobile training units into the communities.

In Yellowknife, participants spoke to the value of having an Arctic University. One resident suggested taking advantage of northern labs and training facilities as a step towards a physical university that would help build the NWT’s knowledge based economy.

“The three E’s of economic development are education, education and education.”

South Slave

“Students need strong family support and parents need to get more engaged in the education of their children. We need to adjust the overall mind set.”

Sahtu

2.3.2 Employment and Work Readiness

While almost all residents should be able to work in the NWT, the all too common refrain in many of our meetings was “there are people without jobs and jobs without people.”

Among the most consistent concerns expressed to the Panel were those related to the NWT’s growing reliance on fly-in fly-out workers. We heard that an estimated \$370 million is being lost annually from the NWT economy to commuters from Alberta and other provinces.

We were often reminded of the success of the “Hire North” program (implemented from 1973-1976 and 1979-1982) which involved on-the-job training and skill development for highway construction.

Particularly in smaller communities, however, business owners spoke of their difficulty in finding reliable local staff and often commented that work ethic “seems to be lacking in much of the NWT’s younger generation.” We heard of a prevailing sense of entitlement and the reluctance to assume personal or collective responsibility. We were reminded, repeatedly, that some of the biggest impediments to employment for NWT residents are issues of community wellness and substance abuse. We also heard examples of competition and conflict within communities that have undermined the pursuit of economic opportunities.

We are troubled, in some instances, by the high expectation that government should “fix the problem” with no apparent acknowledgement that solutions could be sought from within.

However, we are also encouraged by the number of people who publically recognized that the lack of cooperation between community organizations, communities themselves or between corporations and individuals is an impediment to all parties. There exists in our territory an overwhelming willingness to address these negative trends and to work together towards solutions that can provide lasting social and economic benefits.

2.3.3 Aurora College

Aurora College is broadly recognized as an excellent facility but one that is not being utilized to its full capacity. In part, this may be a result of NWT students choosing to attend southern colleges and universities instead of staying in the NWT.

Instead of competing with southern learning institutions for NWT students, it was suggested that Aurora College increase enrollments by adapting its program offerings to reflect areas of specific or unique economic opportunities to the NWT. Suggestions included made-in-the-NWT courses in tourism, hospitality, emergency preparedness and entrepreneurial training for small business operators.

The SRFN told us about their initiative to establish certification courses relating to moose hide tanning, traditional medicine and the Natural Resources Technology Program.



Photo Fran Hurcomb



Photo Bill Braden

A representative of the NWT Construction Association suggested that Aurora College could partner with the Northern Alberta Institute of Technology (NAIT) or the Southern Alberta Institute of Technology (SAIT) to provide satellite campuses in the NWT. He highlighted that NWT youth need access to more than just plumbing, carpentry or heavy equipment programs and reinforced the need for NWT engineers, scientists and managers as well.

Participants in the Dehcho noted that Norman Wells and Fort Liard have provided in-town oil and gas training and wondered if Aurora College could extend such programs to their region.

An individual in Inuvik suggested that the Gwich'in Tribal Council should pursue a partnership with Aurora College to operate a mobile trades training centre.

Unfortunately, implicit in all of these discussions is a common perception that the College is presently out of sync with industry and employment needs. A number of people told us they would support a review of Aurora College in the interest of providing training that better reflects anticipated NWT development and hiring opportunities.

2.3.4 Training and Employment Opportunities Database

We heard that there is a lack of data or key measurements in the NWT to help improve workforce capacity or support economic development. One spokesperson relayed the difficulties of tracking NWT students receiving Student Financial Assistance (SFA) because very little statistical information is available.

Members of CDETNO recommended completing a forecast study of labour needs, by sector, to better target efficient recruitment activities. They described the successful "Projet Place aux Jeunes" in Gaspé - a data base of students and their training that ensures local students are kept aware of employment opportunities, internships, tax incentives and other advantages to returning home with their newly acquired training and skills.

A number of NWT residents, including representatives of the Fort Simpson Chamber of Commerce and the Liidlii Kue First Nation (LKFN), provided similarly compelling reasons to develop a database of required skills and trades in the NWT.

2.3.5 Recommendations for Our Most Important Resource: People

54. Support more aggressive efforts to prepare, employ and retain NWT residents by reconsidering the purpose and effectiveness of the current personal taxes and benefits to provide incentives to residency in the Northwest Territories. This could include:

- Implementing a Payroll tax rebate for NWT residents;
- Increasing the Northern Residency tax deduction;
- Reducing personal income tax rates for NWT residents;

- Adjusting child tax deduction to include advanced payments (Quebec model) to encourage participation in training and the labour force; and/or
 - Implementing training grants to NWT residents participating in selected training programs.
55. Implement programs aimed at better integrating residents with physical and developmental disabilities into the NWT workforce.
 56. Encourage industry to communicate its expectations regarding northern workers and better inform youth of the requirements for being hired.
 57. Strive to make school programming more relevant to the needs of NWT society by increasing student awareness of potential job opportunities and providing work opportunities for youth.
 58. GNWT expand the relationship with the Aboriginal Entrepreneurship Program that encourages students to stay in school and develop the knowledge and skills necessary for success, but also provides entrepreneurial skills necessary for business ownership.
 59. GNWT reinstitute the Western Arctic Leadership Program or a similar regional program to develop leadership skills and provide added support for academically motivated students who represent our leaders of tomorrow.
 60. Promote a University of the North to be established in the NWT.
 61. Explore ways of minimizing the use of “fly-in/fly-out workers” by encouraging industry and government to hire north, by developing programs to qualify northern residents and by helping them maintain their certifications once obtained.
 62. Better promote programs offering incentives to employers to hire NWT high school students for summer or part-time employment with on the job training.
 63. Consider the development of summer work “boot camps” where young adults are employed on projects and are exposed to ‘real-life’ work experiences and expectations.
 64. Provide more opportunities for management training to increase (gradually) the percentage composition of NWT residents in management positions.
 65. Review policies with respect to support for students including:
 - Financial assistance for persons who wish to take academic upgrading; and
 - Financial support for correspondence courses leading to accredited certification.

“People have to see someone standing firm for them and leaders have to get the people excited ... People are stuck to the rim of the pot, but you have to get in there and stir that pot.”

Dehcho

66. Establish a Business Advisory Council that will inform the development of Aurora College programs to better align with business and societal needs (i.e. the need to reinvigorate the tourism and hospitality program).
67. Aurora College expand its efforts to reach out to students in all communities so that they are fully aware of the programs and opportunities provided by the College.
68. Encourage southern academic institutions that offer programs not addressed by Aurora College to establish satellite campuses in the NWT so that students may remain closer to home.
69. Review policies with respect to support for students including:
 - Summer housing support for local students that plan to return to school in the fall;
 - Daycare support for student parents; and
 - Expanding requirements and incentives related to the remission of SFA funding to all NWT students.
70. Develop a database and tracking system for NWT students following graduation, including those outside of the territory, to monitor their progress and provide information on job opportunities in the NWT.

2.4 Infrastructure

There are high costs associated with living and doing business in the NWT.

Projects aimed at developing and expanding transportation, communications and affordable energy in the NWT will themselves provide economic opportunities but, as importantly, serve to underpin the development of all economic sectors and to reduce these costs.

2.4.1 Transportation

The great distances involved in the movement of people and goods is further complicated in the NWT by the lack of road systems and the great cost of air travel. We were provided numerous anecdotal examples of high freight costs and exorbitant fuel prices.

While there were varying examples cited, roads were commonly highlighted as key to promoting tourism, large and small economic development projects, and reducing the cost of living.

Many participants in our meetings argued that the NWT needs the Mackenzie Valley Highway to be completed. We heard suggestions that it be built in small increments to allow community-based contracting companies to participate and give real employment to community residents. The “Hire North” program was cited as an effective model for both building the road and providing training.

In Inuvik, residents and businesspersons agreed that the Inuvik-Tuktoyaktuk highway will bring economic opportunity to the region in the form of jobs, training and increased exploration.

“Everyone who doesn’t have one (road) wants one – everybody that has one, wants a better one...”

Sahtu



Photo Bill Braden

In Fort Smith, building a road to Garden River, Alberta is seen as a way to increase tourism, decrease the cost of living and increase community safety in the event of a forest fire. There is an understanding that this is a costly proposition that would require partnering with both the province of Alberta and the federal government.

Hay River business people talked of the need to maintain and upgrade the existing railway link and encouraged CN to make this more of a priority. Participants also discussed re-establishing the railway into Pine Point to facilitate Avalon's proposed Hydromet facility. Government was encouraged to work in partnership with the Northern Transportation Company Limited (NTCL) to explore means of dredging the harbour in Hay River while in Inuvik a representative of the IRC suggested dredging the Tuktoyaktuk harbour to facilitate a port to compliment the new highway.

2.4.2 Energy

The high cost of power was identified consistently as a barrier to development. We heard varying opinions, however, as to whether means can be found of addressing this challenge.

Inuvik's energy situation, in particular, is in a near-crisis. Supply needs to be stabilized to ensure people and businesses can heat their houses. Inuvik is considering all options for generating heat and power including those involving biomass, nuclear, propane and liquefied natural gas. We heard of plans to convert the region's abundant natural gas into electricity for the town – and to offset costs by expanding the market for this power down the Mackenzie Valley and into Alberta.

While a number of participants suggested that reduced power rates for industry could work to anchor the NWT economy, the NWT Power Corporation has no mandate or way of providing rate incentives. This needs to be addressed.

Our Panel heard that there is currently 8-10 megawatts of excess hydro power being “wasted” over the spillway of the Taltson dam. Many reasons were offered to justify investments to bring this surplus power to Hay River, Fort Providence, Behchokø and Yellowknife.

There is some economic opportunity to be realized in alternative energy sources. The Arctic Energy Alliance noted that the territorial government has played a fundamental role in expanding the use of biomass - a very productive development for the NWT and a positive example of government influence.

We heard consensus that solar power and wind energy are not yet viable in the NWT but the recent success of windmills at the Diavik Diamond Mine is generating renewed interest along with power. We also heard about the potential for geothermal power in some communities

2.4.3 Communications

Establishing a fibre optics link along the Mackenzie Valley will realize social and economic benefits for communities along its path and stimulate investment in Inuvik’s satellite facilities. This priority of the 17th Legislative Assembly is proceeding and we heard from many residents and businesses who are anxious to realize opportunities offered by this technology. They include improved communications that may work to reduce the economic disparity that exists between regional centres and more remote NWT communities.

2.4.4 Communities

In many of our meetings the lack of adequate community infrastructure was brought forward. Residents noted how difficult it is to keep families in the North when there are few facilities (banks, senior facilities, sports centres or restaurants) to add to their quality of life.

Participants in a number of our public forums highlighted the lack of private housing as a limiting factor to attracting and keeping people in their communities.

Leaders in Behchokø told us they are trying to encourage people to live and work there but young people cannot get mortgages and the availability and cost of local housing is a challenge. Because they are often the lowest priority for available housing, young families move to Yellowknife where costs are more reasonable.

2.4.5 Recommendations for Infrastructure

71. Begin and fund a plan to expand NWT transportation infrastructure to support resident and industrial purposes. Begin with construction of the Wrigley-to-Fort Good Hope portion of the Mackenzie Highway modelled on the “Hire North” project building out from each community.
72. GNWT continue to implement its multi-modal strategy and consider applying aspects of the ‘Hire North’ model to its initiatives.

“We have hydro systems because the federal government built them – so that industry would come... If we wait for new mining activity it is already going to be too late.”

73. Review the feasibility of the Tuktoyaktuk harbour being used as a deep water port.
74. Explore the feasibility and potential economic advantages (such as tourism) of extending the length of the Yellowknife airport runway to accept international flights.
75. Determine the most-cost effective, and environmentally and socially acceptable, means to use the surplus hydro power from the Taltson dam. Consider extending power through the South Slave region to Fort Providence from where it can ultimately be linked with the Snare power system.
76. GNWT consider a more flexible approach to setting commercial power rates including a separate rate for industry that could have a positive impact on operating costs and encourage investment.
77. Continue to reduce reliance on imported hydrocarbon fuel through increased use of NWT biomass resources (i.e. woodchips and pellets).
78. Continue to explore the viability of other power generation initiatives (solar, wind, Liquid Natural Gas (LNG), nuclear and geothermal) to further reduce our collective reliance on imported fuels.
79. Continue without delay to implement the Mackenzie Valley fibre optics link including connections to each community, to support educational, health and social initiatives through increased band width. Another primary purpose would be to facilitate the further development of the Inuvik satellite station benefitting both Canada and the NWT.

"It comes back to the fact that it is too expensive to live... The energy piece is fundamental to give the tools to business. Without that piece we will be sitting around this table talking well into the future."

South Slave

2.5 Government Policies and Programs

We found that communities in the NWT are generally over-governed. NWT residents say that the profusion of government entities (federal, territorial, aboriginal, municipal, boards and corporations) can be confusing.

When it comes to accessing business programs, many residents confessed to being unsure of "who is responsible for what" and suggested a need to clarify the roles, responsibilities and accountabilities of governing bodies while revisiting the delivery structure of some government programs.

It is felt that government has a role to play in recruiting and retaining an overall NWT workforce. To that end, government should be doing more to reduce the cost of living and doing business in the NWT.

2.5.1 Import Substitution Policy

The Panel was given a very definite message to "promote the North first."

The NWT is a resource-rich territory and we need to develop ways to use these resources and retain more of their benefits. As discussed in other sections of this report, our Panel heard a great deal of comments regarding the amount of resources which are readily available in the NWT (such as fish, lumber, wood pellets, garden produce and especially people) but continue to be imported from the south.



Photo Bill Braden

Many residents said that government needs to support import substitution with better actions, policies and incentives. In particular, we were strongly encouraged to address the “leakage of jobs” to the south.

2.5.2 Government Economic Incentives

Most NWT residents feel that government could do more to support and encourage small businesses with tax incentives, cheaper power or other means of countering high costs. A tax (price) adjustment for fuel used in off-road vehicles (forestry and farming) or boats (fishing) was raised.

In Inuvik, the Panel heard that large or combined contracts (i.e. the new school) are often too big for community-based businesses to compete for. Instead, the GNWT’s mandate to promote economic opportunities would be better served by looking past apparent cost efficiencies and issuing multiple contracts in “bite-size pieces” that ensure greater benefits are realized to the community.

We heard that competition exists between Aboriginal economic development corporations and private entrepreneurs. In the interest of giving everyone a chance to compete for work, residents of Behchokᑭ said that the GNWT should tender all of its contracts rather than awarding them directly to the Tłıchᑭ government.

A number of business representatives commented on how difficult it is to keep employees because they cannot compete with government or industry wages and benefits. Particularly in communities, there is a need to support local and small businesses who offer sustainable jobs in the service industry, municipal works and the trades. These small businesses, we were reminded, serve to keep our communities growing.

The NWT Manufacturers Association noted that northern tendering is a viable way of encouraging economic development and should be part of the evaluation criteria in awarding large projects. Generally, support was voiced for other incentive programs as well including sole source contracts to Aboriginal companies and the Business Incentive Policy (BIP).

There is a common view in our territory that existing GNWT social support programs are, in fact, too generous and can be a disincentive to seek employment, particularly in the short term

Finally, we heard suggestions for incentives to entice people to move to, and stay, in the NWT. They included adjustments to the payroll tax and Northern Living Allowance. The Northern Living Allowance could be scaled according to distance (from the south). In discussions regarding recruitment and retention, it was noted that existing NWT benefits (i.e. minimal tax, health care benefits and SFA), while generous and attractive to young families are not promoted enough.

The Northern Residency Tax Deduction no longer has a strong impact for individuals living in the north as it has not kept pace with the cost of living in the North.

2.5.3 Government Business Programs

Generally, residents in NWT communities are aware that business support programs are provided by the GNWT and CanNor and know who to approach about them in their community. We were surprised, however, by the degree to which this information was lacking in some regions. Government support programs are helping but need to be better known and understood.

There is confusion about the roles, responsibilities and accountabilities of various government funded “development officers” including EDOs, BDOs, TDOs and CFOs (see list of acronyms).

The GNWT’s SEED Policy is the most commonly recognized funding program. Most residents said they are significantly reliant on government staff to navigate the system and provide assistance in areas such as completing applications and proposal writing. Their comments underscore the importance of having individuals in these positions that both understand, and are familiar to, the communities in which they work.

This sentiment was further reflected in comments that the BDIC is too centralized and decision-making should be directed back to the regions. A number of participants told us that BDIC decision-making process is too slow.

The panel heard recommendations that there be a review of both the size and effectiveness of government funding programs, with a view to finding more effective ways to measure their impacts on the economy (i.e. key performance indicators). A major impediment to the effectiveness of federal funding (CanNor) is that it arrives very late in the fiscal year to complete the work it is earmarked for.

“We need some diversity in the economy. It can be as simple as hair salons, or small mechanics. ... Little things like that add up and help the economy. There is no one large solution, but rather it’s about creating jobs here and there”.

Inuvik

There must be a commitment to workers living in the north. We need to keep jobs in the north. Right now we are just helping someone else's economy."

North Slave

Our panel heard widely varying opinions on the GNWT's BIP.

While there is support for the concept of the BIP and the GNWT's intent to purchase in the NWT, several business owners and organizations said they believe some "tweaks" could make it more effective. An Alternatives North representative suggested the Yukon's BIP was a successful model from which improvements might be identified.

We were told that while the policy itself is strong, policing and enforcement of that policy is absent. Business owners in the South Slave highlighted how municipalities make their own decisions and do not necessarily abide by the BIP even though they are spending GNWT funds. (i.e. a community may buy a water delivery truck from Edmonton rather than Hay River). It was felt that this was not in keeping with a policy of supporting northern businesses and manufacturing.

Some business owners wondered out loud if there is a full understanding of the policy even within the GNWT.

An IRC representative stated that the GNWT needs to crack down on southern contractors and "store front operations" and advocated a more complete net-benefit analysis when bids are being reviewed.

Finally, we heard a suggestion to separate the manufacturing section of BIP from the retail section.

2.5.4 Recommendations for Government Policies and Programs

80. Undertake a review of the cost of living and doing business in the NWT (i.e. freight rates, cost of fuel, groceries, building supplies and other products). Determine the amount and reason of the cost differential between NWT communities and similar communities in northern Alberta and elsewhere.
81. Adopt a policy of 'import substitution' with respect to goods, services and workers as the foundation upon which to begin addressing cost differential and building a more vibrant NWT economy. By necessity, this is a long-term goal that should inform many of the future policy decisions of the GNWT.
82. GNWT undertake a limited review of its BIP, such as separate BIP programs for materials vs. labour, to determine if the program is meeting its objectives operating transparently and being effectively monitored for compliance.
83. In terms of government procurement policy, the GNWT consider whether the NWT economy can be better served through the issuance of several smaller contracts (rather than a single large one) for large projects. This could increase the potential for smaller northern businesses to bid on such work.
84. Re-focus small business support programs on the longer term through the provision of ongoing business counselling and mentorship support to help ensure sustainability and profitability of the business.
85. Review and streamline NWT business support programs and establish clear goals, objectives, performance measures and evaluation timelines for the restructured programs.



Photo Bill Braden

86. Develop performance measures for all NWT business support programs and collect appropriate information so the program may be evaluated with respect to its success in meeting the goals and objectives.
87. Review the effectiveness of the BDIC in supporting NWT economic development.
88. Undertake a review to clarify the roles, responsibilities and reporting relationships with respect to various program delivery officers and positions with similar functions.
89. Consider providing multi-year funding for eligible performing and visual artists and organizations so that they may have resource certainty with respect to organizing and advertising their products and events.
90. Consider increasing the funding available in business support programs following the reviews described above.



3.0 Recommendations

As an independent Panel advising the Governance Committee, we view our recommendations as fundamental to the success of the Economic Opportunities Strategy. We also know of previous Strategies that have “sat on a shelf” while recommendations have languished. We believe it is important to set out an implementation plan and establish accountability for delivering such a plan.

You will notice that most of the Panel recommendations are directed at the GNWT as they fund and deliver most programs relevant to the Strategy. However, the intent of these recommendations cannot be realized by the GNWT in isolation.

It is the advice of the Panel that:

- All members of the Governance Committee review and consider how their organizations and other groups can collaborate to deliver a strategy that reflects the intent of the recommendations provided; and
- The Governance Committee and the Minister of ITI appoint an implementation committee charged with developing an implementation plan and overseeing the delivery of that plan for a minimum of two years from the release of the Strategy.

Following in Appendix A is the complete list of recommendations.

The following background and support documents are available at: www.NWTOopportunities.com

- Northwest Territories Economic Opportunity Strategy - Discussion Paper: Working Together. Winter 2012-2013. 24 pages.
- Northwest Territories Economic Opportunities Strategy: Industry Profiles (and SWOT Analysis). Winter 2012-13. 85 pages.
- The Northwest Territories Economic Strategy Literature Review. Fall 2012. 31 pages.
- Northwest Territories Economic Opportunities Strategy Engagement Meetings: Draft Notes and Findings. Six (6) Reports: South Slave, Yellowknife, Fort Simpson, Inuvik, Norman Wells and North Slave. December 2012 – February 2013. 116 pages.

“What do we want to develop the economy for – obviously, it is for the people of the NWT.”

North Slave



Photo James Mackenzie

APPENDIX A:

List of Recommendations

1. GNWT coordinate “made in the North” arts and crafts that enhance the recognition and sale of quality NWT products - through support for the provision of raw craft materials, training of artisans and developing NWT products.
2. GNWT also provide centralized coordination of arts and crafts such as quality control, purchasing, marketing and sales of arts and crafts that provide consistent availability of products and help prevent the loss of traditional skills within NWT communities.

The Genuine Mackenzie Valley Fur Program (GMVF) should be considered as a potential model.
3. Determine the viability of meeting health and other standards for fish processing to allow products to be sold to wholesalers and retailers within the NWT and elsewhere.
4. Promote and grow the market for NWT fish through direct support and by facilitating the consumption of local fish products in public institutions.
5. Determine the viability of developing a distinct NWT brand and effective distribution system to help penetrate the regional wholesale and retail fish market.
6. Investigate the application of the GMVF model to the commercial fishing industry in matters such as freight subsidies, value of product (i.e. filleting fish) and other means of meeting operating challenges and increasing profits.
7. Work with the NWT Fisherman’s Federation to develop a fish plant in Hay River that can process, package and market Great Slave Lake fish products.
8. Investigate a mentorship-style program that would help attract young people to a career in commercial fishing.
9. Support and expand small-scale agriculture enterprises intended to replace imports of vegetables and other agricultural products.
10. Develop programming to stimulate the development of community greenhouses and gardens as a means to replace imports, promote community well-being and lower the cost of living.
11. Governments collaborate to provide long-term secure access to agriculture lands that will help qualify prospective enterprises for bank financing and provide operational security.
12. Determine the means to address standards for the commercial harvest and sale of country foods, and develop a plan for the distribution of country foods within NWT public institutions that serve meals.
13. Support school programming on agriculture within the NWT school system, including Aurora College.
14. Complete forest inventories in the South Slave Region to determine allowable harvests, and phase in inventories in the Dehcho region as the foundation for determining the sustainability and economic viability of potential commercial enterprises.

15. Grant harvesting permits of at least 15 years so that proponents have greater operational security and potential to qualify for bank financing.
16. Institute policies and incentives to encourage import substitution of wood, wood products and biomass fuel products.
17. Reinstate the Manufacturers Advisory Council to the Minister of ITI-GNWT to provide a regular opportunity for industry representatives to discuss their issues and concerns with senior government.
18. Strengthen SEAs or contracts with large project proponents that can provide northern enterprises with appropriate business opportunities.
19. Consider ways and means to reduce the freight and other operating costs of NWT manufacturing businesses.
20. Encourage the development of a manufacturing policy for “buying north” that applies to all governments and related government agencies using government funding.
21. Support NWT manufacturers who export products outside of the territory.
22. Reinvigorate the diamond polishing industry as a secondary industry that provides value added benefits to the NWT in addition to the primary mining activity.
23. Consider a centralized approach to the branding and marketing of quality, locally-made arts and crafts products.
24. Consider ways and means (i.e. multi-year funding, tax incentives) to enhance an NWT-based film industry.
25. Maintain and expand the means to supply local craft materials (i.e. bone, antlers, moose hide) using experience gained through the GMVF program.
26. Develop a plan (including funding) to provide comprehensive long-term support to the cultural and fine arts sectors in the NWT economy.
27. Make more funding available for tourism product development and promotion, including a modest levy on hotel rooms earmarked for the promotion of tourism in NWT communities.
28. Develop tourism packages of sufficient quality to attract international travellers and other high-end clients. Focus marketing efforts on those potential clients to provide a higher rate of return.
29. Establish and support a convention bureau to attract and facilitate the organization of large meetings, including provision of associated cultural and tourism opportunities.
30. Upgrade and expand on a 1-800 call centre with a mandate to effectively coordinate expressions of interest from tourists with relevant tourism providers throughout the NWT.
31. Fully integrate performing and visual arts and cultural events into tourism marketing efforts.
32. Aurora College reinstate tourism training for operators and tourism providers that includes a component on hospitality.
33. Investigate the potential of securing group insurance for tourism providers (i.e. outfitters and ecotourism operators) as a means to reduce individual operating costs.

34. Make available a one-day fishing licence for tourists.
35. Government facilitate the continuation of existing mines, which may be more certain and cost-effective than creating new mines, by exploring energy costs and infrastructure that will reduce the mine operating costs.
36. Address the limited geoscience mapping of the NWT in part by having the NWT Geoscience Office (NTGO) convene a workshop with mineral and petroleum industries to help identify a 5 and 10 year plan for geoscience research.
37. Establish tax credits or other exploration incentives to re-invigorate mineral exploration activity in the NWT.
38. NWT to collaborate with neighbouring jurisdictions such as Nunavut and Yukon to pursue economic opportunities that will benefit both jurisdictions, including the enhancement of secondary industries (i.e. transportation, supplies).
39. Set aside a percentage of mining royalty revenues to invest in initiatives (i.e. energy; infrastructure) that will reduce the operating costs of mine development and help meet the infrastructure needs of NWT communities.
40. GNWT use its existing Heritage Fund to accept a portion of its non-renewable resource royalties and use funds to encourage renewable industries and as a contingency for potential adverse economic circumstances.
41. Strengthen northern procurement, contracting and hiring of northern workers through more aggressive monitoring, enforcement and reporting on SEA's or contracts.
42. Develop a standalone NWT strategy to guide and inform decision making for oil and gas development into the future; and to ensure these resources continue to be developed in a manner that ensures sustainability and benefits NWT residents.
43. Undertake further research and provide information on the potential physical impacts of gas fracking in the NWT.
44. Re-establish the successful Oil and Gas Training Partnership between Industry, GNWT and Canada which was used in the early 2000s to partner with industry in providing training programs.
45. Develop a communication forum between government and industry to better predict industrial exploration and development activities and associated needs to allow adjustments in local business preparation, related infrastructure and training programs.
46. Review territorial capital cost allowances for pipelines and determine if changes to the tax system would help with pipeline development.
47. Establish a Norman Wells Oilfield Transition Team with members from the federal, territorial and municipal governments and Esso to review the current status of the field, its planned demise and the most economical use of the field's assets (i.e. pipelines) to support new development in the region.
48. GNWT establish a Major Projects Advocacy Office, located within the Premier's Office, to assist developers, land owners and stakeholders to understand the NWT regulatory system, and to monitor industry commitments under the SEA's and contracts. This Office would play a central role in major projects from marketing the NWT to potential investors to "path finding" monitoring and reporting through to project closure.

49. GNWT undertake an internal government-wide regulatory review to eliminate any duplication or lack of clarity in its existing permitting processes. The review should include a comparative analysis of neighbouring jurisdictions so that GNWT is not at a perceptual disadvantage relative to these jurisdictions.
50. GNWT, as part of its regulatory review, ensure that entrepreneurs have assured access to resources (land, timber, etc.) for a sufficient duration so as to provide operational certainty.
51. The federal government complete its regulatory review in a timely manner so that the NWT has greater certainty, particularly with respect to the time frames of regulatory processes.
52. Support the updating and implementation of existing community economic development plans as the basis for pursuing appropriate economic opportunities.
53. Facilitate and support the systematic preparation and implementation of new community economic development plans in communities where none are in place.
54. Support more aggressive efforts to prepare, employ and retain NWT residents by reconsidering the purpose and effectiveness of the current personal taxes and benefits to provide incentives to residency in the Northwest Territories. This could include:
 - Implementing a Payroll tax rebate for NWT residents;
 - Increasing the Northern Residency tax deduction;
 - Reducing personal income tax rates for NWT residents;
 - Adjusting child tax deduction to include advanced payments (Quebec model) to encourage participation in training and the labour force; and/or
 - Implementing training grants to NWT residents participating in selected training programs.
55. Implement programs aimed at better integrating residents with physical and developmental disabilities into the NWT workforce.
56. Encourage industry to communicate its expectations regarding northern workers and better inform youth of the requirements for being hired.
57. Strive to make school programming more relevant to the needs of NWT society by increasing student awareness of potential job opportunities and providing work opportunities for youth.
58. GNWT expand the relationship with the Aboriginal Entrepreneurship Program that encourages students to stay in school and develop the knowledge and skills necessary for success, but also provides entrepreneurial skills necessary for business ownership.
59. GNWT reinstitute the Western Arctic Leadership Program or a similar regional program to develop leadership skills and provide added support for academically motivated students who represent our leaders of tomorrow.
60. Promote a University of the North to be established in the NWT.
61. Explore ways of minimizing the use of “fly-in/fly-out workers” by encouraging industry and government to hire north, by developing programs to qualify northern residents and by helping them maintain their certifications once obtained.

62. Better promote programs offering incentives to employers to hire NWT high school students for summer or part-time employment with on the job training.
63. Consider the development of summer work "boot camps" where young adults are employed on projects and are exposed to 'real-life' work experiences and expectations.
64. Provide more opportunities for management training to increase (gradually) the percentage composition of NWT residents in management positions.
65. Review policies with respect to support for students including:
 - Financial assistance for persons who wish to take academic upgrading; and
 - Financial support for correspondence courses leading to accredited certification.
66. Establish a Business Advisory Council that will inform the development of Aurora College programs to better align with business and societal needs (i.e. the need to reinvigorate the tourism and hospitality program).
67. Aurora College expand its efforts to reach out to students in all communities so that they are fully aware of the programs and opportunities provided by the College.
68. Encourage southern academic institutions that offer programs not addressed by Aurora College to establish satellite campuses in the NWT so that students may remain closer to home.
69. Review policies with respect to support for students including:
 - Summer housing support for local students that plan to return to school in the fall;
 - Daycare support for student parents; and
 - Expanding requirements and incentives related to the remission of SFA funding to all NWT students.
70. Develop a database and tracking system for NWT students following graduation, including those outside of the territory, to monitor their progress and provide information on job opportunities in the NWT.
71. Begin and fund a plan to expand NWT transportation infrastructure to support resident and industrial purposes. Begin with construction of the Wrigley-to-Fort Good Hope portion of the Mackenzie Highway modelled on the "Hire North" project building out from each community.
72. GNWT continue to implement its multi-modal strategy and consider applying aspects of the 'Hire North' model to its initiatives.
73. Review the feasibility of the Tuktoyaktuk harbour being used as a deep water port.
74. Explore the feasibility and potential economic advantages (such as tourism) of extending the length of the Yellowknife airport runway to accept international flights.
75. Determine the most-cost effective, and environmentally and socially acceptable, means to use the surplus hydro power from the Taltson dam. Consider extending power through the South Slave region to Fort Providence from where it can ultimately be linked with the Snare power system.

76. GNWT consider a more flexible approach to setting commercial power rates including a separate rate for industry that could have a positive impact on operating costs and encourage investment.
77. Continue to reduce reliance on imported hydrocarbon fuel through increased use of NWT biomass resources (i.e. woodchips and pellets).
78. Continue to explore the viability of other power generation initiatives (solar, wind, Liquid Natural Gas (LNG), nuclear and geothermal) to further reduce our collective reliance on imported fuels.
79. Continue without delay to implement the Mackenzie Valley fibre optics link including connections to each community, to support educational, health and social initiatives through increased band width. Another primary purpose would be to facilitate the further development of the Inuvik satellite station benefitting both Canada and the NWT.
80. Undertake a review of the cost of living and doing business in the NWT (i.e. freight rates, cost of fuel, groceries, building supplies and other products). Determine the amount and reason of the cost differential between NWT communities and similar communities in northern Alberta and elsewhere.
81. Adopt a policy of 'import substitution' with respect to goods, services and workers as the foundation upon which to begin addressing cost differential and building a more vibrant NWT economy. By necessity, this is a long-term goal that should inform many of the future policy decisions of the GNWT.
82. GNWT undertake a limited review of its BIP, such as separate BIP programs for materials vs. labour, to determine if the program is meeting its objectives operating transparently and being effectively monitored for compliance.
83. In terms of government procurement policy, the GNWT consider whether the NWT economy can be better served through the issuance of several smaller contracts (rather than a single large one) for large projects. This could increase the potential for smaller northern businesses to bid on such work.
84. Re-focus small business support programs on the longer term through the provision of ongoing business counselling and mentorship support to help ensure sustainability and profitability of the business.
85. Review and streamline NWT business support programs and establish clear goals, objectives, performance measures and evaluation timelines for the restructured programs.
86. Develop performance measures for all NWT business support programs and collect appropriate information so the program may be evaluated with respect to its success in meeting the goals and objectives.
87. Review the effectiveness of the BDIC in supporting NWT economic development.
88. Undertake a review to clarify the roles, responsibilities and reporting relationships with respect to various program delivery officers and positions with similar functions.
89. Consider providing multi-year funding for eligible performing and visual artists and organizations so that they may have resource certainty with respect to organizing and advertising their products and events.
90. Consider increasing the funding available in business support programs following the reviews described above.

APPENDIX B: Advisory Panel Biographies

Mr. Joseph L. Handley (Chair)

Mr. Handley joined the Government of the NWT in 1985 and served as Deputy Minister in a wide number of portfolios including: Education; Renewable Resources; the NWT Housing Corporation; Transportation; and Resources, Wildlife, and Economic Development. In 1999, he was elected to the NWT Legislature and became Minister of Finance, Chair of the Financial Management Board, Minister Responsible for the Workers' Compensation Board, Minister of Transportation, and Minister Responsible for the NWT Power Corporation. In 2003, Mr. Handley was re-elected to the Legislature and was Premier until he retired from territorial politics in 2007.

Mr. Gordon Van Tighem

Born in Calgary, Alberta, Mr. Van Tighem is a graduate of the University of Manitoba. He moved to Yellowknife from Edmonton in 1992 with his family to work in a senior position at a bank. In October 2000, Mr. Van Tighem was elected Mayor for Yellowknife and held this position until his retirement in 2012.

Ms. Heather Bourassa

Ms. Bourassa was born and raised in the NWT. The family business, Arctic Circle Enterprises Ltd., was formed in 1998 and received its first contract in 2000. Besides working as a full-time co-owner of the company, Ms. Bourassa also takes part in many community boards. She has served as a Director of the Yamoga Land Corporation for five years and President for one year. Ms. Bourassa also held a position as Director of North-Wright Airways, and mostly recently as the Chair for the Sahtu Land Use Planning Board.

Mr. Rory Campbell

Mr. Campbell began his political career as a Cabinet Committee Secretary in the Alberta Premier's office in 1979. Over the next three decades, he held progressive leadership roles in a wide range of Alberta Ministries, before becoming Alberta's Deputy Minister of Economic Development in 2003, and Deputy Minister of Agriculture and Food in 2006. Mr. Campbell retired from the Government of Alberta in 2008.



