



The Mining Association | L'association minière
of Canada | du Canada

Submission to the Standing Committee on Aboriginal Affairs and Northern Development February 5, 2013

Thank you for the opportunity to appear before the Committee and participate in this important consultation process.

I am Pierre Gratton, President and CEO of the Mining Association of Canada (MAC). My presentation will focus on Bill C-47, the *Northern Jobs and Growth Act*, from the perspective of MAC and its members. MAC is the national voice of Canada's mining and mineral processing industry, representing 35 members engaged in exploration, mining, smelting and semi-fabrication across a host of commodities.

Industry Contribution

In 2011, the mining industry contributed \$35.6 billion to Canada's GDP, employed 320,000 workers, and paid \$9 billion in taxes and royalties to provincial and federal governments. The sector also accounted for 22.8% of Canada's total exports in 2011, exporting a record \$102 billion worth of metals, non-metals and coal. Canadian mineral production value also reached a record high in 2011 to \$50.3 billion—a 21% increase over the previous year.

According to recent MAC research, Canada's mining industry is poised to invest upwards of \$140 billion in projects nationwide over the next decade, \$8 billion of which is targeted for Nunavut. This investment could potentially translate into thousands of jobs for local populations and a significant increase in Aboriginal business development. We are hopeful that this new legislation will help these opportunities become a reality. To ensure that the mining industry's contribution to Canada's economy remains robust, a competitive and predictable domestic investment and regulatory environment is crucial. To this end, MAC encourages the government to continue to support Canada's investment climate through regulatory improvement, as demonstrated by moving Bill C-47 forward.

Bill C-47 and the Mining Industry

MAC welcomes the Government of Canada's tabling of Bill C-47. We are particularly optimistic about the inclusion of the *Nunavut Planning and Project Assessment Act*, which resulted from a broad and thoughtful approach to stakeholder engagement.

MAC was involved since the bill's early stages of development, and participated in several rounds of a multi-stakeholder process to provide industry input on the legislation. Overall, we are pleased with the advancements the legislation presents; however, we believe there remain opportunities for improvement in several areas, as outlined below:

Timelines (Length of Project Review Process): Because of the implications for project decisions around planning for development, the length of environmental assessment and permitting processes can have a major impact on project costs and activities. Following several rounds of discussion, industry is gratified to see that the timeframe for completing project reviews is now less than 24 months. However, the bill also includes options to extend certain timelines without specifying a limit to that extension. In order to confirm that the overall length of process will remain within the proposed 24 months, MAC recommends including clear wording on time extensions that will achieve this objective. Additionally, the federal government's 2012 Budget Bill C-38 established the length of time for comprehensive studies at 12 months for projects elsewhere in Canada. While we are conscious of the fact that the Nunavut Land Claim imposes obligations that may make it challenging to meet the same timeline, we have difficulty accepting that a comprehensive study in Nunavut should take twice as long as reviews elsewhere in Canada.

Classes of Works and Activities Exempt from Screening: Jurisdictions typically do not require screening and/or environmental assessment of certain classes of low-impact activities. Schedule 3 of this bill is intended to confirm such classes of projects not required to undergo screening or environmental assessment in Nunavut. However, this schedule has not yet been completed, creating uncertainty as to the details of those classes. MAC, therefore, recommends that Schedule 3 be completed in advance of the bill coming into force.

Minor Variances: Allowing minor variances to land use plans requirements is an important and flexible approach for situations where absolute compliance is not practicable and creates no significant impact as a result of the variance. However, the extensive public process required to obtain a minor variance is overly elaborate and unnecessary. MAC suggests that the Nunavut Planning Commission be provided the authority to grant minor variances at its own discretion, without a full public review process, but with the requirement to publish the Commission's reasons for decision on the public registry.

Offenses under Land Use Plans: The proposal to create quasi-criminal offenses for certain non-compliance activities under land use plans is unusual and unnecessary. Such offenses are normally regulated under various permitting and licensing conditions. MAC recommends that such offenses not be included in this bill.

Implications for Nunavut's Competitive Advantage

The tabling of Bill C-47 is timely with the announcement that Canada will be leading the Arctic Council for the next two years. Through its position as chair of the multinational council, Canada can help demonstrate the positive economic contributions that natural resource projects can bring to the circumpolar region and the importance of having effective legislation in place that allow for responsible development to take place for the benefit of Northern peoples.

This legislation comes at a critical time for Nunavut, with its promising mineral potential and opportunities for economic development never before seen in the territory's history. The bill will result in a framework to determine how environmental assessment and permitting processes in Nunavut will proceed as new land use plans for the territory come forward.

The ideal outcome of the bill would be to have a new regulatory regime that helps enhance the region's economic development, while ensuring mining projects go through a robust assessment and permitting process. MAC believes, therefore, that by implementing the proposed changes, the bill will be significantly improved towards achieving these objectives.

For the foreseeable future, mining will be Nunavut's most important private sector economic activity. Mine development brings critical economic and social benefits – employment, business and skills development, revenues and contributions towards enhancing Nunavut's education and social development programs that will contribute in many ways to improving the quality of life for Nunavummiut. Such advancements bring stability, enhanced capacity, and confidence in the territory's ability to sustain its people's future.

For the mining industry, clarity and certainty around the regulatory framework are paramount. Successful development attracts new investment, but investment cannot be taken for granted. Capital is mobile and competition for it is global. By demonstrating fairness and predictability of process, the new legislation, with the proposed changes, will support a positive investment climate that is critical for Nunavut's economic future.

Nunavut's Opportunity

The positive economic contributions that mining projects bring to the North, are clearly demonstrated by the start-up of the Meadowbank gold mine, Nunavut's only operating mine. Since it began production in 2010, Nunavut's GDP has increased by 12%. The mine employs more than 500 people—38% of which are Inuit. Moreover, through a historic agreement with the Kivalliq Inuit Association, the operator, Agnico-Eagle, has established new business opportunities and provided funding for education and skills development for people of the Kivalliq region.

Nunavut is the least explored region in Canada, and is blessed with very high mineral potential. Currently, there are six major projects moving through Nunavut's environmental assessment and permitting processes that could result in new mineral production within the next five years. With several more projects on the horizon—many of which could be commissioned before the end of the decade—adherence to reasonable timelines for the review of those projects, and the minor, but important adjustments proposed above, are crucial to moving them forward. It will also help to ensure that the Inuit of Nunavut will be able to take advantage of the new employment, training and business opportunities before them.

Mining, and the North's mineral potential, offer an abundance of opportunity for the territory and its people. The people are its future and the advancement of their economic and social advantages will determine Nunavut's ability to compete on the world stage. The completion of the *Nunavut Planning and Project Assessment Act*, as an enabling legislation, is an essential element for the achievement of that goal.