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Mr. Colin Mayes

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• (1110)

[English]

The Chair (Mr. Colin Mayes (Okanagan—Shuswap, CPC)): I open this meeting of the Standing Committee on Aboriginal Affairs and Northern Development of Tuesday, February 13, 2007.

Committee members, you have the orders of the day before you. This morning we'll be having a briefing on aboriginal housing. The witnesses today are from the Department of Indian Affairs and Northern Development. We have Claire Dansereau, senior assistant deputy minister, social economic policy and regional operations. She is with Mr. Marc Brooks. We have Fred Caron, assistant deputy minister, office of the federal interlocutor.

We also have with us Canada Mortgage and Housing Corporation, represented by Sharon Matthews, vice-president of assisted housing; Deborah Taylor, director of aboriginal housing.

We also have the Health Canada, represented by Ian Potter, assistant deputy minister, first nations and Inuit health branch.

We'll begin with the brief that has been circulated, and then we'll get on to questions.

Welcome to our witnesses. Thank you very much for your time today. Who would like to start?

[Translation]

Ms. Claire Dansereau (Senior Assistant Deputy Minister, Socio-economic Policy and Regional Operations, Department of Indian Affairs and Northern Development): Good morning.

I would like to thank the chair and committee members for the opportunity to speak on the subject of aboriginal housing.

Aboriginal people represent a very significant portion of the population. There are close to one million aboriginal Canadians including over 600,000 North American Indians, almost 300,000 Métis, and approximately 45,000 Inuit.

All Canadians need safe, decent, affordable housing, and it is well recognized that for aboriginal Canadians, this is all too often not the situation. The federal government's responsibility and involvement in aboriginal housing differs on and off reserve, and in territories.

On reserve, the Government of Canada makes significant contributions to support first nations to deliver housing. These expenditures total \$261 million annually, including \$138 million through Indian and Northern Affairs Canada and close to \$123 million from Canada Mortgage and Housing Corporation.

Although the federal government supports housing on reserve, this funding is not intended to cover the whole cost. First nations share in the responsibility of providing housing in their communities and are required to identify and obtain the necessary additional funding from other sources.

[English]

Off-reserve and in the territories, the provincial and territorial governments have the responsibility for housing.

The brief prepared for the standing committee chronicles the serious housing problems faced by aboriginal people. However, for all the challenges, there have been some real successes, and I would like take the next few minutes to share some of these with you.

Starting in 1996, a new federal policy framework for on-reserve housing gave first nations the flexibility to determine how INAC housing funds should be used. It encouraged first nations control, capacity development, shared responsibility such as shelter charges and ownership options, and better access to private capital. Over 80% of first nations participate in this new policy.

First nations that have pursued these directions are seeing the benefits. They have demonstrated that sound management practices that foster a positive climate for investment enable development of a full range of options, from social and market rental housing to home ownership.

For example, the Mohawks of the Bay of Quinte have produced housing for their members that not only is affordable but has garnered awards from the Ontario Home Builders' Association for the high quality of housing construction and energy efficiency of the homes. Thanks to a strong vision that was implemented by chief and council, over 80% of the homes on this first nation are owned by the occupants, many of whom have obtained loans from the first nation government through a revolving loan fund.

The Lac La Ronge Indian Band, located in a northern, semi-remote area of Saskatchewan, is fostering the creation of a market housing system by selling band-owned housing to first nation families. The sale prices are set at levels that are affordable for employed households. Maintenance of the homes becomes the responsibility of the new owners, many of whom are investing their own funds in renovations and additions.

For those homebuyers requiring loans, the band has made an arrangement with a chartered bank to provide home ownership financing that respects the traditional values of the community concerning communal ownership of the land. Meanwhile, the band is putting the proceeds of the sales toward the creation of new housing for low-income households.

In both of these examples, first nations recognized that they would not be able to resolve their housing shortfall by relying solely on government funding. Instead, they tapped into the resources available among community members to pay rent as well as to buy and maintain their own homes. By pooling the resources from government, the private sector, and community members, these and a number of other first nations have turned housing on-reserve from a liability into a community asset.

Over the last two years, there has been more federal funding for aboriginal housing, which is helping to support these positive trends. Budget 2005 provided \$295 million over five years for on-reserve housing. This has not only increased the number of new houses built each year but has provided downpayment assistance to 2,000 families wishing to realize their dream of owning a home.

The 2006 federal budget provided one-time funding of \$300 million through housing trusts to the territories as a strategic investment in affordable housing. It also included a \$300 million off-reserve housing trust for provinces to increase the supply of rental housing and enhance aboriginal home ownership.

Off-reserve, there are success stories as well. Provincial chapters of the Canadian Real Estate Association in Alberta and Manitoba have worked alongside aboriginal families to acquire inner-city houses in poor repair and refurbish them for home ownership. In cities across Canada there are highly successful aboriginal non-profit and cooperative housing corporations providing good-quality housing for their residents.

Several colleges and other training facilities offer programs for aboriginal people to develop construction skills and enter the trades. And a number of aboriginal construction firms have been successful in stimulating economic development both on- and off-reserve.

Public-private partnerships have also been effective in creating aboriginal housing. The Kamloops Indian Band has used a public-private partnership arrangement with a developer to create the market-based, award-winning Sun Rivers development. The house values are now appreciating at levels equal to or better than similar houses in Kamloops, British Columbia.

It is also recognized that adequate infrastructure—roads, water, schools, and other community facilities—is required to accommodate any increase in housing development on-reserve and in remote and northern communities. Budget 2005 paired funding for housing with the lot servicing funding on-reserve, so that infrastructure was in place to ensure timely housing development.

• (1115)

Another promising development is the emergence in the last decade of several professional aboriginal associations in the two areas of finance and of building inspection, lands management, and housing management on-reserve. These networks actively support their members and each other, providing professional standards of

governance and management in their communities. INAC and CMHC have been pleased to assist in funding the activities of these associations.

[Translation]

The Assembly of First Nations is in the process of examining market-based housing approaches on reserve, including a housing fund that could lever private sector investment and a centre of excellence to build housing management capacity at the first nations level. The Department of Indian and Northern Affairs considers these directions to be promising and was pleased to help in sponsoring an AFN forum on February 6 to 8 of this year for first nations representatives to discuss and consider these proposals.

The thrust of these new proposals is to help first nations move toward a continuum of market-based housing including social housing, rental housing and ownership, placing more emphasis on individual responsibility. This is consistent with the department's approach to fostering a broader continuum of housing for first nations.

In conclusion, we have a vision that aboriginal Canadians will have the same housing opportunities and responsibilities as other Canadians. We realize there is much left to be done, and through this statement I have shared what I believe are some promising avenues such as home ownership, capacity development and support for private investment that can bring the vision closer to reality.

Thank you.

• (1120)

[English]

The Chair: Ms. Matthews is next.

Ms. Sharon Matthews (Vice-President, Assisted Housing, Canada Mortgage and Housing Corporation): Thank you, Mr. Chairman.

I appreciate this opportunity to share with you what CMHC does in the area of aboriginal housing. I will share some of the successes as well as speak a little bit about where we are headed.

As Canada's housing agency, CMHC has a mandate to improve housing conditions for all Canadians regardless of where they live. We fulfill our mandate through the provision of programs and research and by sharing expertise. The federal government, through CMHC, supports some 633,000 existing social housing units in Canada at a cost of nearly \$2 billion annually. In addition, it supports new affordable housing supply through a \$1 billion affordable housing initiative, and \$128 million in annual federal funding is also being provided for CMHC's suite of renovation assistance programs.

In addition, the federal government, through CMHC, has a number of specialized housing-related programs and initiatives targeted to first nation on-reserve communities, specifically the on-reserve non-profit housing program and the residential rehabilitation assistance program and its related suite of programs, including the shelter enhancement program and home adaptations for seniors' independence.

Off-reserve and in the north, much of the funding CMHC receives for housing is administered by the provinces and territories. These off-reserve arrangements recognize that the provinces and territories have the primary responsibility for housing off-reserve and offer an efficient one-window approach to the provision of housing assistance. Provinces and territories are encouraged to direct some of this funding to aboriginal people.

I know this committee is interested in what CMHC has done since the Auditor General cited areas for improvement with regard to on-reserve housing programs in her 2003 report. I am pleased to report that CMHC has taken those recommendations seriously and responded in a manner that the Auditor General subsequently, in her 2006 follow-up report, found to be satisfactory.

For example, CMHC has proactively worked to improve the way in which we horizontally work with partners. We now have standing liaison committees at both the national and regional levels with active participation of INAC and first nation representatives, augmented by other departmental representatives—for example, Health Canada—as the need dictates.

The role of the committees is to oversee the delivery of housing initiatives in first nation communities, with a view to sharing best practices, troubleshooting where needed, reaching out to other partners to advance our mutual goals, and identifying areas for improvement and attention. In 2005, through the national liaison committee, we were able to develop an allocation formula to better distribute CMHC's social housing budgets for new housing units and renovation, using a needs-based model that recognizes the relative suitability and adequacy of housing in first nation communities. This action was in direct response to the AG's recommendation to better target housing resources to those in need.

One area cited in the 2003 Auditor General's report was found to be unsatisfactory in her 2006 follow-up. This was the problem of mould on-reserve. While she acknowledged the activities of each department and agency, including CMHC, in the areas of mould research, education, and training, she did indicate that a comprehensive plan for coordinating departmental efforts was needed.

In response the three departments, together with the Assembly of First Nations, have developed a draft comprehensive strategy, which was tabled with the clerk of the Standing Committee on Public Accounts in November 2006. While the plan is currently a draft in recognition of the role individual communities will play and of the need for more detailed consultation in the delivery of the plan, this does not mean that CMHC and our partners are standing still while these discussions are taking place.

For example, CMHC is continuing its technical research. We are active in information dissemination. Mould is a component of our housing quality training initiative. We also have the systems and

practices in place to require new housing built under our non-profit housing program to be built to code and to be properly maintained, and our renovation assistance can help address mould in the process of bringing a home back to minimum health and safety standards.

CMHC also plays a significant role in capacity development, and I am pleased to say that these initiatives have supported positive change with regard to housing quality and mould. For example, under our housing quality initiative, we have entered into multi-year agreements with band councils. The band leadership commits to improve housing quality by building the skills and knowledge of their members, whether they are leaders, administrators, builders, renovators, or home occupants. We offer a series of 12 modules tailored for the various audiences. They cover a vast array of topics, including indoor air quality, better building practices, and renovation techniques.

• (1125)

Housing is not sustainable unless the occupants know how to maintain it. For that reason, we provide training for home occupants on how to properly maintain a home, addressing topics such as how to prevent and clean up mould.

CMHC's efforts are directed towards strengthening the entire housing system, be it at the sector, institutional, or individual level. For example, we have proactively supported the creation of national associations for two key housing functions: inspections and management. The First Nations National Building Officers Association, FNNBOA, is the result of several years' work with aboriginal inspectors. Currently more than 90% of the housing inspections on-reserve, in support of CMHC programs, are now performed by aboriginal inspectors under a fee-for-service arrangement.

Following in the footsteps of FNNBOA, I am pleased to report, Mr. Chairman, that the First Nations National Housing Managers Association received its letters of patent last week and held its official launch at the AFN conference in Toronto, at which more than 130 managers filled out applications to join. While the statistics clearly demonstrate that there are significant challenges faced by aboriginal people, there are important successes and material progress being made by some communities. At the heart of their success there is usually a community champion. Success is possible, and there are a growing number of examples that need to be shared so others can learn from their successes.

Finally, in terms of where we are going, for the past few years one of CMHC's objectives has been to facilitate market-based solutions on-reserve in a manner that respects the underlying communal ownership of the land. We have worked to facilitate an increase in private sector lending with our mortgage insurance products and have actively explained and promoted the concept of greater reliance on the private market. We've customized training sessions for communities on the merits of home ownership, explained how our mortgage insurance products can assist, and worked to encourage the sharing of successes in this area. We believe that the more we can do to facilitate market solutions for those who can afford it while retaining support for those who cannot, the more first nations communities can benefit from the economic benefits of housing that most other Canadians enjoy.

Thank you again for the opportunity this afternoon. We look forward to any questions you might have.

The Chair: We'll go to Mr. Potter.

Mr. Ian Potter (Assistant Deputy Minister, First Nations and Inuit Health Branch, Department of Health): Mr. Chairman, I'm pleased to be here today before this committee to discuss Health Canada's role with respect to housing on-reserve and the actions we've taken subsequent to the Auditor General's report.

The first nations and Inuit health branch is responsible for a number of health services for first nations and Inuit. We provide public health services on reserve, south of the 60th parallel. We provide primary care on a number of isolated reserves. And we fund the provision of supplementary health services, including pharmaceuticals, dental care, and vision care, for status Indians and Inuit.

In communities north of the 60th parallel, the territorial governments are responsible for public health as the result of territorial transfer agreements on universal health care services. For reserves south of the 60th parallel, Health Canada inspects houses from a public health perspective at the request of the communities. In cases where a health hazard is identified, Health Canada advises the occupants, chief and council, and maintenance personnel, as appropriate, on remedial actions that should be taken to protect public health. Health Canada also promotes the broad concept of healthy housing through awareness education activities in the community.

Healthy housing is defined by the World Health Organization as a place that protects privacy, contributes to physical and psychological well-being, and supports the development and social integration of its inhabitants. Healthy housing is a comprehensive concept that takes into consideration a variety of factors contributing to the quality of housing and housing environments, such as adequate basic infrastructure, adequate space, and a quality of neighbourhood that promotes social interactions through the provision of diverse public places for residents.

[*Translation*]

Following the Auditor General's report of 2003, Chapter 6: "Federal Government Support to First Nations—Housing on Reserves", Health Canada formed a Healthy Housing Working Group to coordinate the work of the branch. In addition we conducted a literature review entitled "Housing as a Determinant of the Health of Aboriginal Canadians". This was to provide all those

involved in housing with the best information available that links health and housing. The findings from this review of research and evaluation studies are not surprising to those who have worked in the area but have confirmed that: increasing occupant density of housing is associated with increased risks of respiratory illness; inadequate water and sanitation increases risks of enteric infections; even though scientific evidence available at this time indicates that mould exposure alone does not appear to cause asthma, mould found in indoor air is associated with decreased lung function and increased frequency of respiratory symptoms; and that mould remediation without attention to environmental tobacco smoke, pet dander and other allergens is unlikely to significantly decrease asthma symptoms.

Health Canada also recognized that an improved information system was needed to keep track of inspection and other activities so that we can better analyze information at a regional and national level. Health Canada has now developed an environmental health information system and expects to be able to better identify problems and patterns of concern. This information system is expected to complement the information that can be generated from INAC's database.

Since appearing before the Standing Committee on Public Accounts in June 2006, Health Canada has worked with INAC, CMHC, and the Assembly of First Nations to draft a strategy to address mould in first nations communities. The strategy builds on education and training already under way to increase the technical expertise among first nations to prevent and address mould problems. It will also provide advice and guidance in the rehabilitation of the affected housing stock and improving construction practices.

● (1130)

[*English*]

The strategic directions in this strategy document include building awareness and capacity to deal with mould through education and training, providing guidance and support to the communities in prevention and remediation of mould in existing housing, preventing mould in new first nations housing, identifying communities with significant mould problems, and building awareness and support for the strategy through proactive communications.

The strategy is a work in progress, as we are still in discussions with first nations. According to the draft strategy, Health Canada will develop and lead a health promotion campaign and monitor the impact of the implementation. The health promotion campaign will encourage communities and occupants to do what is necessary to minimize mould in their homes. We'll aim at changing attitudes and behaviour of the occupants with respect to home maintenance.

In preparation for such a campaign, we are gathering information on the target audience's awareness, attitudes, and behaviour surrounding mould and indoor air quality issues in the household. The overall objective of this research is to establish a baseline against which the health promotion campaign and social marketing results can be measured. The campaign is expected to occur in the next fiscal year. We'll bring together national and regional representatives of the three organizations here, as well as the AFN, to make sure we have developed a campaign that meets the needs of the audience.

After the campaign is launched, we will monitor the impacts and revise our approach. Health Canada's efforts will be complemented by a CMHC strategy to share best practice and success stories with first nations communities. Health Canada is also working with CMHC in reviewing existing training packages to ensure that the CMHC's housing quality training courses and Health Canada's efforts in increasing public awareness of mould and indoor air quality are consistent. We'll bring together our environmental health officers, first nations building inspectors, and technical service providers to review current inspections, to be sure that public health aspects are covered in training material.

Health Canada is working with INAC, CMHC, and the AFN to more fully develop the data on the extent of mould at the community. For example, through inspections upon request, Health Canada is gaining information on communities with mould problems.

Health Canada will continue to work with CMHC and INAC to support first nations communities and organizations in improving the planning and management of housing and enabling first nations to enjoy the benefits of healthy housing.

Mr. Chairman, thank you very much for this opportunity.

• (1135)

The Chair: Thank you very much for that presentation.

Committee members, I could ask the research staff to provide that draft report on mould strategy. It was tabled with the public accounts committee in November. Would you like a copy of that?

An hon. member: Yes.

The Chair: I would instruct the clerk to supply that to the committee members if she could, please.

We'll start our questioning with the Liberal side. Madam Neville.

Hon. Anita Neville (Winnipeg South Centre, Lib.): I'm going to ask a few questions upfront. I know my colleagues have a number of questions, so if I have time, I will share with Mr. Bagnell.

I'm struck. As I'm listening, you all seem to be doing a great deal in the area of housing for aboriginal peoples, both on-reserve and off-reserve, but we seem to be making very little progress. And the needs seem to be growing daily. I will ask what each of you identifies as the most urgent need to address the very severe housing challenges we see for aboriginal people, both on- and off-reserve. That would be my first question.

My second question is to CMHC, Ms. Matthews. I would be interested in knowing more about the market-driven housing.

I will ask all of you how the whole notion of fee simple is entering into your discussions as it relates to housing on reserve.

I'll leave it at that for the moment. I have a lot of questions.

Ms. Claire Dansereau: -Only one question was addressed to us, and I will attempt to answer it.

Obviously you're right, we are very busy, and it looks like we're not making much progress. I think part of the problem is that there's a very significant population growth, and as we run, we can't quite catch up.

There are different approaches to housing, and there's a different level of capacity, unequal capacity, across the country. We tend to take approaches that work in general, but they don't necessarily work on specifics. We're running to catch up on that one as well.

I don't think our work is near completion, but it will continue, and I see progress. You heard some hope in what we talked about today. I think there is real progress in terms of the growth and capacity of first nations. It sometimes tends to spiral upwards as more people know and the more that knowledge is shared.

For us, I think we need to keep up with the population and make sure that as there are more elders, they are protected as well. We tend to focus on the youth a lot, but we also need to protect and work with the elders in the community and to try to work with that.

There's an ancillary problem with the difference in size of the communities we work with. Some solutions that might work for the Kamloops first nations might not work for the Shamattawa in northern Manitoba. Trying to come up with solutions that work, in consultation with first nations, for the varying types of communities is an equal challenge.

Ms. Sharon Matthews: I'll just add a little bit to Claire's answer to the question on most urgent needs.

Certainly CMHC focuses on three real components. We're very active in capacity development and investment in institutions and training and development for aboriginals to work better work to solve their issues. We obviously have certain programs that we want to deliver and we want to make sure those are delivered well. We build to code. We make sure we follow up. We want to make sure that in what we do and what we put on the ground we do well.

The other area—and it leads into your second question, which was directed to me—is a real emphasis on the market side in terms of how we can assist. We know that government won't be able to solve all the problems, and through market-based housing there are opportunities for different communities to perhaps better solve some of their own problems. What we're trying to do is find solutions for those who can afford other solutions in the market, while making sure programs are in place to help those in need.

Specifically to your question in terms of the type of market housing solutions we have, first of all, you have the traditional ministerial loan guarantee that's been in place with INAC for years. Through that initiative, CMHC will provide mortgage insurance. We don't charge a premium on that, as we do with our commercial operations, because we're not taking a risk; it is a ministerial loan guarantee. But by being the party in between, once that ministerial loan guarantee's in place, an off-reserve private sector lender can lend money and not be concerned in terms of the security issues under the Indian Act and their ability to get the covenant and the asset. In addition, there are private lenders out there who are innovative in trying different things. Certainly in our conversations with them we've encouraged them to be doing that. I'll give you a couple of examples.

You have a few lenders out there who are doing, without any band guarantee, 75% loan-to-value lending. They're taking the risk. Now, typically what these banks will do is set an overall cap on the capital that they're willing to invest in terms of lending on the reserves, but they're going to try it without having that credit enhancement, whether it's a ministerial loan guarantee or whatever else.

There's another program that a couple of banks are trying right now—and these private sector arrangements, by the way, are very limited; they're targeted to very select bands and individuals. But the other one out there right now that I could use as an example would be the 80-20. What happens is that a private sector lender will go in and set up an arrangement with a band. They'll select the band; they'll make sure they're comfortable with the financial sophistication of that band. They'll go in and say they're willing to go to 95% lending on-reserve for one or however many of the members, but they want to enter a risk sharing arrangement where the bank will take an 80% risk and the band will take a 20% risk.

So the bank is going in at a higher loan to value on the understanding that there's an agreement in place between the bank and the band to pay that 20%. Now, of course, because of the way assets are held, should that arrangement not work out, that lender would have no legal recourse to those assets. So if the band failed to live up to its obligations, there is no way that bank could deal with that. Again, this is why lenders typically will put a cap in terms of how much capital they're willing to put at risk in that context.

In addition, CMHC in the last couple of years has developed a different risk sharing arrangement from the ones I've described. It basically is a pilot initiative whereby what we would do is enter into an agreement with a band, much like the banks enter an agreement. We set up a trust off-reserve to hold a certain amount of capital, and under those circumstances we would do more traditional mortgage insurance lending. The member who would be borrowing the funds would pay the normal fees and premiums, like any Canadian off-reserve.

• (1140)

The Chair: We're out of time, unfortunately.

We move on to the Bloc, please. Mr. Lemay.

[Translation]

Mr. Marc Lemay (Abitibi—Témiscamingue, BQ): Good morning and thank you for being here with us.

When we started talking about doing a housing study and received the documents, I was not altogether certain, both personally and on behalf of the Bloc Québécois, that it was justified. A very nice document was prepared, which we received from the Library of Parliament thanks to Ms. Hurley. It is a study on aboriginal housing.

I do not know if the people present occupied the same positions in 1992 as they do today. In any case, the Conservatives will not be able to accuse the Liberals of having done nothing on this issue. The Standing Committee on Aboriginal Affairs tabled a report in December 1992 that included 14 recommendations. I will read you recommendation No. 7.

The Committee recommends that the Government of Canada address immediately the health and safety deficiencies of aboriginal and northern housing. These communities must have indoor water supplies, indoor plumbing, adequate sewage disposal systems, and adequate fire protection services.

I will also read you recommendation No. 8, which is intended for the CMHC:

Building codes, design requirements, and material and labour specifications must be more flexible in order to permit the type of housing which meets the needs of aboriginal and northern communities and utilizes local resources.

Would you like to hear some more similar ones? Personally, I am not proud of the situation. We are not going to begin studies that will produce no results. I know as well as you do that there has been a population explosion in these communities over the last 15 years. We are told that tobacco use will likely cause health problems. Within the scope of these studies, no one understood that there was a housing problem in the aboriginal communities, because there were too many people in the houses. Could anyone answer me and state that indeed there are too many people in the houses and that \$300 million or \$400 million more per year are needed? That is what I would have liked to have heard today.

I won't go any further. In fact, we may just be carrying out a study producing the same reports and the same recommendations as 15 years ago. Give me an example, a single one, that proves to me that these recommendations have been followed, and tell me what the situation is today.

• (1145)

[English]

The Chair: Madam Dansereau.

[Translation]

Ms. Claire Dansereau: Of course, I was not in my division in 1992. I think that any study would reveal unacceptable situations. That will always be the case. It happens in the non-aboriginal world as well. I am not saying that this is excusable.

The fact remains that for us, it is impossible to say whether the situation then and the situation now are exactly the same, without having that specific knowledge. In my opinion, improvements have been made, and we are all continuing to improve our efforts.

Mr. Marc Lemay: Listen to this, this was the second recommendation in the 1992 report. We are talking about 1992!

The Committee recommends that the government distribute all the funding for aboriginal housing through a single department or agency.

In the recommendations, this is called “Aboriginal Housing: A Time for Action”, by Mr. Schneider. The recommendation appears at tab 17 in the binder we were given. Fifteen years later, there are still three agencies and two departments involved with aboriginal housing. The Auditor General has said that this was not right. I would simply like to know if there have been any improvements. Will the CMHC be the only agency responsible for aboriginal housing? Will the money be transferred in full to the Department of Indian and Northern Affairs, or, will we carry on in this way for centuries and centuries? Amen.

I'm frustrated, and I hope that this can be seen and heard. I have no other questions, Mr. Chairman.

• (1150)

[English]

The Chair: Madam Crowder, please.

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Thank you, Mr. Chair.

Thank you for coming in for your presentation today.

I'm going to echo Monsieur Lemay's frustration. I was interested to see comments around personal responsibility in this document. I was in a home last summer that was absolutely spotlessly clean; you could have eaten off the floor. But on the outside of the house there was tin covering rotten floor boards that a contractor, who'd been in a couple of years ago looking at the house, didn't repair. He just nailed tin over top of them. We had to leap from the stairs of the front porch into the house because the boards were so rotten that the stairs pulled away. The house was absolutely spotless, but in the bathroom there was a piece of plywood over the floor so you didn't fall through the floorboards. In the second bedroom there was mould growing up the wall and over the ceiling. It wasn't an overcrowded house, which was unusual. The grandmother and her partner lived there, and occasionally the grandchildren stayed there. They would sleep in the living room so they weren't exposed to the mould.

This woman kept the house spotless, so tell me about personal responsibility.

In the Auditor General's report of 2003—and I think we come to some fundamental issues here—she talks about the fact that there are some fundamental differences in who has responsibility for what. She talks about the basic challenges with roles and responsibilities. Then in CMHC's report, “Aboriginal Housing Background Paper” draft, November 2004, it seems that the underlying problem comes down to the federal perspective that the Government of Canada does not recognize universal entitlement to government-financed housing as either a treaty or an aboriginal right, on- or off-reserve. It says, “However, housing challenges faced by aboriginal people greatly exceed those experienced by other Canadians. Consequently, the federal government has an interest in improving the socio-economic conditions for all aboriginal people regardless of location.”

So in that context, and given that we've heard from Statistics Canada that there's a growing crisis around housing, I wonder if any of you would care to comment on whether or not you see first nations, Métis, and Inuit peoples as having a fundamental human right to housing that other Canadians in this country expect as a right. Do you agree that first nations, Métis, and Inuit people have a

human right to housing? If you do, what challenges do you see will face the government if they actually pass Bill C-44, repealing section 67? What's your estimate of what kinds of human rights complaints we might see filed against the federal government for its failure to provide adequate housing in this country?

Take it away.

Ms. Claire Dansereau: As stated in my notes, the federal government views that all Canadians have a right to a certain quality of housing—

Ms. Jean Crowder: Would you live with your children or grandchildren in some of the housing on-reserve currently?

Ms. Claire Dansereau: We are working across the departments with the funds that are available to work with the first nations to change the situation to the best of our ability.

The Chair: Let's try to keep away from personal questions and just look at the department.

Ms. Jean Crowder: So would anybody else in the department live in this housing? We've had cases in British Columbia. People probably remember the great Emery Barnes, who took up the challenge of living on welfare just to demonstrate how inadequate it was. We are living in one of the wealthiest countries in the world, yet we accept conditions here that, I would argue, not one of us sitting at this table would be prepared to live in—not one of us. I would like to see anybody volunteer at this table to live in some of the conditions that people are living in.

We now have international people focusing attention on Canada because of our lack of willingness to address this serious issue. Monsieur Lemay is absolutely right, it is not a new problem, and we continue to tinker at the edges. I'm just wondering how we address the failure to have adequate housing in this country. It's not that we don't have the information.

Maybe the question then is, what is preventing us, stopping us, from addressing this issue? How about that? That's not personal. Does anybody want to take a stab at that one? Is it money? Is it political will? Is it resources? What is it? Why can't we address this?

• (1155)

Ms. Claire Dansereau: Obviously I don't have the answer. I can't pretend to have the answer, and I can't pretend that what you're describing doesn't exist in certain circumstances. I don't have the data that says what the situation was in 1992.

I can tell you—and you may choose not to believe this—that the people I work with on a day-to-day basis spend all of their time worrying about those exact solutions and working with the first nations communities themselves to come up with solutions that are respectful of their decision-making processes and recognize that it will take time. That may not be good enough as an answer, but I can tell you that people are trying very hard to come up with those solutions.

I think there has been progress, and we can take some baseline data to compare the situation now with that in 1992. I suspect there will have been some progress made in some areas and not in other areas.

The Chair: Thank you.

Can we move to the government side and Mr. Blaney, please?

[*Translation*]

Mr. Steven Blaney (Lévis—Bellechasse, CPC): Thank you, Mr. Chairman.

I would like to welcome our witnesses, who are being subjected to a public pillorying today.

Mr. Chairman, I agree with Mr. Lemay and Ms. Crowder when they say that housing for aboriginals is unacceptable. I think we knew that before we undertook the last study. I became aware of it, as did Mr. Brooks, when we participated in the First Nations Socio-economic Forum in Mashteuiatsh, Quebec. At that forum, we concluded that there was a crying need for housing. I share that concern.

However, what I disagree with, colleagues, is the fact that this morning we have made a huge mistake: we have shot the messengers. Responsibility for housing is first and foremost political. If Ms. Dansereau was not in her position in 1993, the Bloc Québécois was in Parliament in 1994. The main responsibility of political parties is to solve problems and to assign public servants their proper role.

Mr. Marc Lemay: You were in power at the time.

Mr. Steven Blaney: This is a political responsibility, Mr. Lemay, and I will not allow you to treat public servants in such a cavalier way. They are simply carrying out the mandate given to them by the government. Your behaviour is unacceptable. I believe this behaviour is unacceptable in the House. I think this deserves an apology.

That said...

[*English*]

The Chair: The chair doesn't disagree, Mr. Blaney, but could you just form a question for the—

[*Translation*]

Mr. Steven Blaney: It did me good to raise that, Mr. Chairman.

You talked about solutions, Ms. Dansereau. I think there are things that can be done. I would also like to say that the solution is not simply to invest money. I have seen progress in these communities. I have worked with the communities from 2001 to 2006. I have seen progress in infrastructure, the treatment of drinking water, in schools, community centres, health care centres, etc. Progress is being made in these communities. We should not simply disregard everything that has been done, but the challenge is considerable, and I think it is one we must meet together. So let us find some solutions, rather than just identifying problems.

One of the problems is that it is not good enough to merely inject funding into the community. We must also ensure that the funds are invested properly to maintain good quality housing. I think this is something that has not been done in the past, and for which new solutions are required. That was one of the conclusions of the Mashteuiatsh forum.

I come now to my question. In your opinion, what are the obstacles to having good quality housing in the communities? How can we get out of this cycle, which has been identified by my

colleagues, and which we acknowledge? You talked about the possibility of ownership, improving the maintenance of housing, and support for private investment. I would like you to talk a little about possible solutions you see that would break this cycle because, as you have demonstrated, the needs are growing as the population changes.

Thank you.

• (1200)

Ms. Claire Dansereau: Thank you for your question. I will try to answer in part, and I will give my colleague from the CMHC an opportunity to answer as well.

There is a great deal of talk about collective solutions, solutions in partnership with the aboriginal communities themselves, because, as we said, the communities are all different and they have somewhat different visions. Of course, we work closely with the AFN, the Assembly of First Nations, and with the APNQL, the Assemblée des Premières Nations du Québec et du Labrador, to find solutions that are culturally acceptable. We can consider market solutions, solutions in the area of collective appropriations, but it will be mainly by working with the aboriginal people themselves that we will come up with the solutions.

It should be said that capacity, education, working together to... For example, if we are talking about mould, you will see in the strategy that much of the solution lies in education: why does the mould exist? What is being done to prevent it from happening? And for each of the issues, we are working to educate the first nations people and to have them assume responsibility for these matters.

Earlier, someone asked what the greatest challenge is. I think there are several challenges: first, the demographic explosion, as we said; next, there are often distance problems. We are talking about small communities that are very remote, so how can we ensure that the housing will be built properly, that people will comply with building codes? These questions have many aspects, and that is why we are working very hard with the First Nations communities themselves. It becomes a shared responsibility, because we will not always be there on a daily basis, and it is up to them to make these decisions. There are no easy answers. I wish there were, but that is not the case.

Mr. Steven Blaney: Perhaps the CMHC has thought about new types of funding for these properties. Some representatives from Statistics Canada came and told us that private housing is in poorer condition than community housing. That surprised me somewhat, because that is the direction in which we are supposed to head. I would like to hear your views on this.

[*English*]

Ms. Sharon Matthews: I'm not surprised, in terms of the comment, that some of the privately built housing may be in worse shape than some of the programmed housing that you get in the system. I think that's because, certainly with the specialized programs that CMHC has on-reserve, we make sure that we work with the community. We do inspections as the building is being built. We have accountability frameworks in place to ensure that the first nation builds to code. Our programs are designed in such a way that there's ongoing funding to facilitate the maintenance and the upkeep. So for us, it's a critical component of our programs to ensure the ability to keep that housing in good shape.

As I said to an answer earlier, we do see that funding from the private sector is going to be key to addressing the issues in the long term. There are opportunities through the different arrangements that we've been looking at to try to facilitate that money coming onto reserve to help upgrade housing there.

I think the AFN would suggest that maybe as much as 30% of the need on-reserve could be addressed through market solutions, and so we're actively talking to them in terms of what can be done. If you could address 30% of those and allow the types of funding that CMHC provides INAC and others, and make sure it's helping those in need, that could really make a dent in terms of solutions going forward. This is one area that we really are exploring, and we're trying to find ways to facilitate the private sector getting money onto the reserves.

Mr. Steven Blaney: Thank you.

The Chair: Over to the Liberals now.

Mr. Bagnell, please, for five minutes.

Hon. Larry Bagnell (Yukon, Lib.): Thank you.

Thank you all for coming. As bureaucrats, I'm sure you're doing the best you can with the resources and the direction you've been given. Thank you for your efforts.

To Ms. Dansereau, in the last budget I believe there was money set aside for aboriginal housing in the north, in the three territories. Can you tell me how much that was?

Ms. Claire Dansereau: It was \$300 million.

Hon. Larry Bagnell: That was for aboriginal housing in the three territories?

Ms. Claire Dansereau: The northern territories?

• (1205)

Hon. Larry Bagnell: Yes.

Ms. Claire Dansereau: I'm sorry, I'm not responsible for the north, so I don't have those answers ready or at hand. But it was for northern housing.

Hon. Larry Bagnell: Yes—for aboriginal people.

Ms. Claire Dansereau: I think it was general northern housing.

Ms. Sharon Matthews: Perhaps I can jump in here.

There was \$300 million for the north, the territories; there was also \$300 million for off-reserve; and then \$800 million, for general affordable, went to the provinces and territories.

Hon. Larry Bagnell: But that was for aboriginal housing in the north, was it?

Ms. Sharon Matthews: It wasn't actually directed necessarily to aboriginal, but clearly the Inuit make up a significant component of the population in the north and, as such, certainly stand to benefit significantly from the \$300 million trust.

Hon. Larry Bagnell: On May 3 the Minister of Indian Affairs, when asked what he'd done for aboriginal Canadians, said, "Aboriginal Canadian are real winners.... We have provided...\$300 million for northern housing...".

Ms. Claire Dansereau: The northern people have just told me the answer: there was \$300 million for the north, and aboriginals make up the majority of the population in the north.

Hon. Larry Bagnell: Okay. The minister kept saying it was for aboriginal people.

The reason I'm asking is that \$17 million, a good huge chunk of it, has been taken away from what the aboriginal people thought they were going to get. But I don't want to dwell on that now; I've got my answer.

My question is on solutions, and I'd like each of the agencies to answer this.

Now, you might be doing good, and making great improvement, but as all four parties have said, there's this dismal situation of housing. There's a huge gap that's totally unacceptable, almost third world in some conditions. So a lot of work needs to be done. As part of solving that problem, we saw during the Kelowna accord some bottom-up solutions. We asked the aboriginal people about the major problems in Canada. Housing was one, and they came up with solutions. Remarkably, the premiers and the federal government and the first nations leaders came together with a package for housing.

To each of the agencies here, if that package were implemented, would it help, or how would it help, the housing situation in aboriginal communities in Canada?

Ms. Claire Dansereau: I came into the department in November, after Kelowna. I've been dealing with the interactions that we have with the first nations as we are today.

As Marc was here, Marc will answer.

Mr. Marc Brooks (Director General, Community Development Branch, Department of Indian Affairs and Northern Development): Sure. Thank you, Mr. Bagnell, I'll do my best to provide an answer.

As you know, under budget 2006, \$300 million was for housing for the north, \$300 million for off-reserve. Under the same budget, \$450 million was for various activities, including housing. Potable drinking water was covered under that, and—

Hon. Larry Bagnell: So how much was in Kelowna for housing?

Mr. Marc Brooks: For housing, I believe the total figure was \$1.6 billion. My colleagues can correct me if I'm wrong, but I believe that was the figure.

Hon. Larry Bagnell: My question was not about all those things that were provided. My question was, would Kelowna have helped the situation if that \$1.6 billion had gone toward housing?

Ms. Claire Dansereau: It's impossible to answer that question.

Hon. Larry Bagnell: You don't think \$1.6 billion would be helpful?

Ms. Claire Dansereau: Well, as you've heard others say, money alone will not solve it. It's how the money is spent, what the relationships are, what the programs are, where it goes.

Hon. Larry Bagnell: Thank you.

To the other agencies, do you think \$1.6 billion would have been helpful at all?

Ms. Sharon Matthews: I'll stick with Claire's answer. I think it's quite impossible for us to say what the implications would have been.

Hon. Larry Bagnell: Would it have helped?

Ms. Sharon Matthews: Money is certainly part of the solution, but I don't believe it's the only part of the solution.

Hon. Larry Bagnell: You're not willing to say it would help at all.

The Chair: You asked your question, Mr. Bagnell, and you got your answer.

Hon. Larry Bagnell: Okay. I didn't—

The Chair: We'll move on to the government side.

Mr. Storseth, please.

Mr. Brian Storseth (Westlock—St. Paul, CPC): Thank you very much, Mr. Chair.

I'd first like to raise a point of order. I didn't want to interrupt the honourable member; I wanted to give him a chance to speak.

The honourable member speaks about this money that's been taken away. I'm just wondering if he could clarify that for the record, or if he has any facts and figures on the exact dollar amount. If not, perhaps he could get them to us.

The Chair: I would prefer that the committee direct questions to the witnesses. This debate can be done either on the floor of the House or else in private. We're here to get the resources from the witnesses we have present.

Mr. Brian Storseth: Thank you, Mr. Chair.

Thank you very much for coming forward today. Obviously it was very interesting and it's a very pertinent topic for our communities.

First of all, I want to apologize for the political gamesmanship that inevitably seems to occur in these halls any time a television camera is pointed on people, especially opposition members who are largely ineffectual in moving government.

You said 30% of the need could be addressed using market solutions. Do we have any measurable results from within communities that are currently utilizing this to see what results we've had, or is the program too new at this point in time?

• (1210)

Ms. Sharon Matthews: Perhaps I can talk about some of the successes.

There are a number of bands out there—MBQ in Southern Ontario, the Kahnawake in Quebec—that actually have, through revolving funds and private sector funding and arrangements that they've worked out with banks.... The MBQ would have a home ownership rate better than the Canadian average. They'd be over 80%. There are serious, real successes out there, and that's why, frankly, we see a lot of potential for the market solutions. It will not be the answer for every reserve in every situation, but we do believe there are real opportunities. When you look at those types of successes like Kahnawake, MBQ, Six Nations, you'll see they have better home ownership rates than the average in Canada.

Mr. Brian Storseth: That leads me to the question of what we need to do to facilitate this program in other communities where it would be equally as effective.

Ms. Sharon Matthews: The challenge is getting the funding onto reserve, and as I said in my earlier answer, we're looking at arrangements so that we can find ways within the Indian Act, which does not allow a private sector lender, for example, to take the asset. It is communal land; you can't take the asset. The Indian Act also protects the band member from their personal covenants, so a lender couldn't take a judgment, for example, if they defaulted. Those are the challenges under the Indian Act, and that's why different arrangements are being explored.

I think everybody wants to respect the communal nature of the land. I don't think anyone wants an arrangement that doesn't respect that. But we want to find tools and innovations that allow the private sector to lend and be comfortable flowing funds—something like the CMHC pilot where there's a risk-sharing arrangement that we work out with the band. We hold some dollars off-reserve and allow a lender to act as if this is just like not being on-reserve. They don't worry; they're now covered in terms of mortgage insurance like in any other lending.

It's also why there are major banks in this country that even without CMHC insurance are looking at ways to do this. There are business opportunities here. The Assembly of First Nations, as I said, would say it's around 30%. It's not proven. We don't know; we would have to see over time. But there's a real interest in trying to facilitate those types of mechanisms, and frankly, I think it's going to end up being a range of tools, and not in every community. This is just not going to work in an isolated community of 20 band members. The idea is that to make this work, you really have to create a market-like situation, so that if in Six Nations or MBQ someone defaults, there is somebody else in the marketplace who is willing to take on that house, take on that responsibility. They are really working to create market-like situations on-reserve. That's where it will make a difference for the market.

I don't think anybody at this table would suggest that those market solutions are going to work in every community. It isn't going to work.

Mr. Brian Storseth: One of the tools the average homeowner utilizes when buying a home, as you talked about, is mortgage insurance. Did you indicate the percentage of first nations homeowners who are utilizing mortgage insurance?

Ms. Sharon Matthews: It's marginal. We call it section 10, the ministerial loan guarantee program. Last year we did about 170 loans—very small numbers. In terms of the private lender examples I gave you, while I don't have access to their numbers, anecdotally, from when I talk to lenders, altogether I would suggest there may be 400 a year under those types of arrangements. So it's very small.

Mr. Brian Storseth: So that's 400 in comparison to what overall number?

Ms. Sharon Matthews: I'd have to get you that, but it's a very small percentage of the Canadian population.

Mr. Brian Storseth: I just want to touch on one other—

The Chair: Thank you. You have run out of time. Sorry.

Mr. Lévesque, please.

[Translation]

Mr. Yvon Lévesque (Abitibi—Baie-James—Nunavik—Eeyou, BQ): Thank you, Mr. Chairman.

In her presentation, Ms. Dansereau said that \$261 million are provided for housing in the north by the Department of Indian and Northern Affairs and by the Canada Mortgage and Housing Corporation. Ms. Matthews referred to a figure of \$300 million.

As we know, there has been a demographic explosion among the aboriginals and Inuit. Efforts are being made to repair the houses. They are over-crowded, there is mould in them and people are developing respiratory illnesses. The houses are being renovated, but the same number of people will continue living in them.

Do you not think that we are wasting money at the moment? Do you not think it would be preferable to commit major funding, to upgrade the houses and to maintain them in the future? Since the houses would be in better condition, the costs related to health care and renovations would be lower.

Have the various departments and the CMHC looked at this? Last year, the CMHC had a surplus of \$4 billion. Could some \$400 million of this \$4 billion in profit not be invested to upgrade the housing, rather than the current sum of \$261 million? The housing could be upgraded quickly, and in the future, the maintenance required would return to a normal level.

I would like to hear what you have to say about that.

• (1215)

Ms. Claire Dansereau: Your questions are not easy ones. These are the questions we ask ourselves every day. How can we go about correcting the situation?

In the past, people said that they would deal with the problem once and for all by building houses for everyone. However, that is not such an easy thing to do. The population is changing, and there are not enough lots available for building houses. People come and go. People are constantly moving back and forth between the reserve and the city. The figures are not always accurate. People are aging, some elders go live with their children, while others cannot do that.

It is impossible that one amount of money would deal with the problem once and for all, particularly if we do not factor in the ability to protect the houses. The average age of the houses on a number of reserves is about 17 years. So we have to find ways of protecting the existing houses and not always build new ones.

For us, these issues are all interrelated. There's the question of housing, but there is also the question of water. We must invest in water supply systems and in education. Investments are required in many areas. Solving a single problem without taking into account the others is not the right approach.

Mr. Yvon Lévesque: I'm going to stop you right there, Ms. Dansereau. At the moment, to do everything you mentioned, an amount of \$261 million or \$300 million has been set aside. Let us say it is \$300 million. That is not adequate. Of course, the population will continue to grow, but can we upgrade the housing immediately, and then do another evaluation to see what maintenance is required

for the houses? That would cost quite a bit less because the houses would not be damaged because of overcrowding. All we would have to do then is maintain the houses.

Ms. Claire Dansereau: All I can say is that we are working with the first nations to try to find solutions.

[English]

The Chair: Mr. Albrecht, please.

Mr. Harold Albrecht (Kitchener—Conestoga, CPC): Thank you, Mr. Chair, and thank you to the witnesses for appearing today.

I don't think there's anybody in this room who doesn't wish we were further along in addressing the shortages of housing on reserves and off reserves, for all Canadians. We share that, and we can continue to be frustrated about the past and continue to blame others or point fingers, but I think today our objective as a committee is to look forward and to see what we can do to advance the cause.

I'm really encouraged by the presentation by Ms. Dansereau, on page 2, where she talks about some of the initiatives that are occurring. She outlines, for example, the Mohawk in the Bay of Quinte, where 80% of the homes are owned by occupants. Then there is the Lac La Ronge Indian Band, using the proceeds of sales toward the creation of new housing.

I ask the question, how can we share these success stories more broadly with a view to having these replicated in other areas? We have to respect the Indian Act and all of the issues that we currently deal with, but how can we share these more broadly and get them implemented all across Canada?

• (1220)

Ms. Claire Dansereau: Thank you, and I agree with you. There is hope. I have that conversation with many chiefs when I go across the country, about those who are really making progress and have real successes, and I ask them to share those stories. There is some of that, and obviously the AFN last week had its forum on housing, where some of these success stories were discussed. Just a few weeks ago there was a socio-economic forum in Saskatoon, where many of these types of stories were discussed. I think that's how we start making progress, through the education work that CMHC is doing and that we're doing.

I think we're on the brink of making some real progress on this, because as successes start to happen, other people learn from them.

Mr. Harold Albrecht: I guess that's the question. Are you getting some updates from communities who are experiencing severe problems, where they see these success stories and say, look, we can use this idea from that particular band and this idea from another one and make it fit our local situation?

Ms. Claire Dansereau: To some extent, yes, and more so in the conversations that we have on community planning, because a lot of the new policy work requires that we do housing plans and that kind of planning. So we can bring in new tools as they are developed and as we get to know them. The work of this committee and the work of the Auditor General clearly identify that all the agencies that have some responsibility for housing for first nations work together. This is not something that's necessarily evident at the committee, but the interdepartmental work is really strong at the moment. That I think is how we will make sure there's no redundancy and we're making progress.

Mr. Harold Albrecht: On a different note, the issue of mould certainly has been very public in most Canadians' eyes. We want to see that issue addressed.

What kind of technical advances are being made in the kinds of building materials and ventilation systems being used to help mitigate that problem? I've just recently become aware of a material called insulated concrete forms. These kinds of new initiatives that the building industry is picking up on, are they being implemented as well? It may not be on your radar screen yet, but it is something I would hope we would be open to.

Ms. Deborah Taylor (Director, Aboriginal Housing, Canada Mortgage and Housing Corporation): In fact several innovative techniques are at use in first nations communities across the country. You mentioned insulated concrete foundations. They are being used in Wikwemikong, which is on Manitoulin Island in Ontario. At the AFN conference last week that Ms. Dansereau mentioned, the first nation presented to their colleagues, which is a significant way in which to get the message across, for the communities to talk about the successes they've had and the challenges they've faced along the way.

Mr. Harold Albrecht: Thank you.

Thank you, Mr. Chair.

The Chair: Madam Crowder.

Ms. Jean Crowder: I have just a couple of questions. I will keep them succinct and leave the floor open for you to answer.

I saw some numbers recently that said that capital expenditures were actually decreased, which has resulted in a lack of ability to build infrastructure that would support housing. I'm just going to ask all the questions, and then you can answer them. So that's question number one. Was the capital money decreased?

Number two, in the housing funds that went to provincial and northern governments, were there specific targets and timeframes set to build first nation, Métis, and Inuit housing? And if so, what were they?

Number three, given the size of the current shelter allowance, how would the current shelter allowance assist in building market housing?

Number four, in the *Sustainable Housing Joint Forum Summary Report* from Kamloops in 2005, there was a specific recommendation to integrate first nations values into INAC's and CMHC's modern housing policies. Has that been done?

So take it away.

Ms. Claire Dansereau: I'll answer the last one first, and my colleagues around the table will answer as well.

Certainly we do. As I actually stated in my notes, in 1996 there was a change in policy with respect to how decisions were made regarding housing in first nations communities. The big switch there was towards giving agreement-type funding to first nations for them to utilize in the way they saw fit.

• (1225)

Ms. Jean Crowder: This report is from 2005. So could you address it from 2005? The 1996 policy doesn't look like it has worked.

Ms. Claire Dansereau: Well, it has worked in many communities, and it's within the funding agreement that it's done. As I said before, more than 80% of the communities have those agreements. They decide how the funding is spent. I'm not sure how much more culturally appropriate that money can be, because they make those kinds of decisions.

I leave it to my colleague to answer the question with regard to off-reserve.

Ms. Sharon Matthews: I'll also comment on the integrated values. I can give you a couple of examples of where I think it really has been working well.

For example, under CMHC programs, we work with the community. They design their own housing. We no longer put plans on the table and say that it has to be built this way. So we have some quite innovative, different designs. There is a community out west where we just built some housing, under our non-profit program, that is actually designed for six or seven families to live in. So it is very reflective of the cultural values and of listening to the community.

Another example would be our allocation processes. We don't allocate the funding in isolation. We sit down and work with the aboriginal community at a national level—with the AFN, with our colleagues at INAC. Then at a regional level, there are liaison committees right across this country that are working. There is aboriginal representation on all those committees.

So there are lots of examples, I think, of where those values are integrated with how we deal with things.

In terms of your question on capital funding, I can tell you, from a CMHC budget perspective, that we got an increase in the 2005 budget of about \$103 million over five years, which was a nice boost. But other than that, by and large we are able to renovate about 1,000 units, give or take 100 or so, and do non-profit of, again, around 1,000 or so each year. That's been fairly constant, frankly, for the last 10 years. If you looked at an expenditure kind of plan and the commitments in units, it's been fairly constant. There have been ups and downs, but by and large we typically can do, as I said, about 1,000 renovations and about 1,000 non-profits. Last year we did 1,300 renovations, and we've managed to get about 915 or so non-profits.

So again, it depends. You have design issues. There is lots of flexibility. So you never know, when you have your budget, exactly how many units you'll be able to make work. But typically we're on par over the last 10 years.

Mr. Fred Caron (Assistant Deputy Minister, Office of the Federal Interlocutor, Department of Indian Affairs and Northern Development): If I may address the question on off-reserve housing, there was no specific target set, so the money was just transferred for this general purpose. But certain provinces have started discussions with the aboriginal groups on the ground in terms of how that money would be spent.

I should also mention that under the federal interlocutor's office, we're responsible for the urban aboriginal strategy. What we try to do there is bring together groups in the city, including the province and the municipalities, which are at that table, to try to concentrate on how we might bring all the efforts together to help those situations. And housing is obviously an issue that's been identified as something that needs to be fixed.

The Chair: Thank you.

Could we go to the government side now? Mr. Bruinooge.

Mr. Rod Bruinooge (Winnipeg South, CPC): Thank you, Mr. Chair.

I apologize for my voice. I probably sound like Brian Mulroney right now, but that's not a bad thing.

I'll pose my questions mostly to CMHC.

I just wanted to get your opinion on the recent Supreme Court of Canada ruling in favour of McDiarmid Lumber Ltd. in relation to their court case with the God's Lake First Nation. I'm not sure if you're familiar with that case, but it allowed for McDiarmid Lumber to garnish the bank account of God's Lake First Nation for the sake of going after some accounts that they chose not to pay. Do you think this ruling, and perhaps some time for it to make its way into the consciousness of Canada, could allow for, perhaps, further lending on-reserve?

•(1230)

Ms. Sharon Matthews: I have to apologize; I'm not familiar enough with the case to be able to make a good judgment here and give you any comment. I'm not sure if it would have implications or not.

Mr. Rod Bruinooge: Do you think, though, it's one of the barriers that face first nations individuals—the fact that they can't achieve legal status for the sake of lending? Is that, in your opinion, one of the reasons it's so difficult to obtain credit on-reserve?

Ms. Sharon Matthews: Certainly one of the challenges under the Indian Act, as I explained earlier, is that as a band member, you're protected under the Indian Act. Someone off-reserve, a mortgage insurer like CMHC or a lender, cannot get a judgment against you in terms of going after your income or any assets you hold on-reserve. As well, given that the land is held communally, you have no legal rights to the land. Clearly that is a challenge, and it explains why private sector financing is limited on-reserve, because everyone has to take a look at that. When you're lending off-reserve, you rely on the fact that if you fail to pay your mortgage, lenders can go to the courts and say they want a judgment against this individual, and they are responsible, and they can go after garnished wages and go after the assets.

When that's not available, you're really looking at a completely different lending structure, and that's why everyone is so keen about looking at the mechanisms without taking away from what the Indian Act is trying to accomplish. And it respects the communal nature of the land. I don't think there are many first nations out there that want to see the land given up, so if you're a member on-reserve and you default, they don't want to see that land being taken off the reserve, for obvious reasons. It is a real challenge in terms of what kinds of mechanisms you can set up to get around it. In business terms I'd call it a credit enhancer.

Some other mechanism needs to be in place. CMHC's pilot is one, which is a trust held off-reserve, but there will be others, and I think there are a lot of private sector lenders—us, the AFN, individual communities—all looking at the business arrangements they can make to respect the situation in terms of the Indian Act, but to make some changes and find a way for private capital to flow.

Mr. Rod Bruinooge: I don't have too much more, Mr. Chair. I'll ask one more question of the department on the topic of communal ownership.

If a community owns the land, can the community choose to sell it if there is unanimity, or is it impossible?

Ms. Claire Dansereau: The community can, through a band council resolution, provide long-term leases. I don't think the community, in and of itself...

If it was fee simple land, yes. If it was reserve land, I don't think so.

You can sell the reserve land?

Mr. Fred Caron: There are provisions in the Indian Act that allow for the sale. It has to be approved by a certain percentage of the community as a whole, not just a band. So it's possible to sell reserve land, but it does take a fairly significant majority of community members to do that.

Mr. Rod Bruinooge: Are there any bands in Canada currently selling land to members for the sake of setting up individual properties for houses?

Mr. Fred Caron: The problem is, once the land is sold, it's no longer reserve land, so if it's sold, even to an Indian individual, it loses its status as reserve land. Normally they make arrangements short of a sale so the land remains within a reserve base. But it's certainly possible to alienate land to individual members.

The Chair: Mr. Russell.

Mr. Todd Russell (Labrador, Lib.): Thank you, Mr. Chair.

I appreciate your coming here today.

No doubt I could echo many of the sentiments expressed by my colleagues on this side of the table concerning the crisis in housing. I've been in many in Labrador where the conditions are deplorable; waiting lists are long for housing. We're all trying to find a way out of it. It seems to me we're always in a catch-up position and the only way to catch up is if we have an accelerated approach. In general, I would think that is the type of management we must have here in terms of an accelerated approach and accelerated investment in order to catch up. That's a general comment.

I have some specific questions. Were housing trusts ever set up for the northern housing initiative and the off-reserve housing initiative? In the budget documents and in your presentation, Ms. Dansereau, there were housing trusts.

• (1235)

Ms. Claire Dansereau: As I said in my statement, there was \$300 million devoted to a housing trust for the north.

Mr. Todd Russell: And for off-reserve. Is that right?

Ms. Claire Dansereau: Yes, it was administered by the provinces off-reserve.

Mr. Todd Russell: Can you explain the mechanism? You have housing trusts established, and then the money is disbursed from the trusts out to the various provinces and territories. Is that how it works?

Ms. Claire Dansereau: Yes, and it was then managed by CMHC—

Ms. Sharon Matthews: Actually, perhaps I can help my colleague. The three trusts were negotiated between the Department of Finance federally and the departments of finance in the provinces and territories. Those arrangements are outside of anything that INAC or CMHC would do.

I can say that in the 2006 budget there was \$300 million set up for off-reserve housing. That was a trust set up and shared among the provinces and territories. Another \$300 million trust was set up for northern. Of that one, I know off the top that \$200 million went to Nunavut and another \$50 million and \$50 million went to NWT and Yukon. In addition, there was an \$800 million trust set up for affordable housing in general in that budget, and that went again to the provinces.

Mr. Todd Russell: So each province and territory now has an allocation of housing money, is that right?

Ms. Sharon Matthews: That's my understanding, yes.

Mr. Fred Caron: I'd like to clarify, Mr. Russell, that the trust was just a mechanism to transfer the money from the federal government at that time. The provinces could draw down from that trust for the housing purposes. It was the mechanism that had to be utilized to get the money out of it, as opposed to there being a direct payment to the province.

Mr. Todd Russell: So what kind of disbursement guidelines were in place? What kind of accountability measures were in place, or are there any in terms of drawing down? Does the province have to comply with any type of guidelines? Do they have to meet any type of work plan commitments? What's there?

Ms. Claire Dansereau: Regarding these questions, unfortunately, we know the numbers, but the measures around them are all managed by the Department of Finance, so I think you'll get better answers by questioning those officials.

Mr. Todd Russell: Were there any specific dollars allocated for Métis-specific housing initiatives or programs?

Mr. Fred Caron: No, the transfer was a general one of the money, but it was for aboriginal housing, so it was meant to be inclusive of first nations, Inuit, and Métis.

Mr. Todd Russell: There is a distinct difference between what Kelowna offered when there was Métis-specific housing in Kelowna and this general disbursement that's going down.

Can we get the Department of Finance to respond? Are you aware of any guidelines or accountability measures in place?

Mr. Fred Caron: We can get clarification on this for you, but as I understand it, it's an unconditional transfer, so that once the money's transferred to the provinces—and the federal government has stated that it is certainly the federal government's volition that it be used for that purpose—we have no enforcement mechanism. So how the money gets employed is their decision .

Now, having said that, I think some of them have already started discussions with the aboriginal housing organizations in the provinces to try to make decisions on how that money is to be spent. So in terms of how the provinces are using the money, you would really have to ask them, but at this point they're still in the early stages, I think, in most cases.

The Chair: Maybe if the committee wants, we could ask the department to supply us with the guidelines in the trust, as far as those transfers to the provinces go.

I think they didn't trust the provinces to spend it specifically for aboriginal housing, so they've obviously attached some sort of strings to make sure that when they transfer that money, it's going to be used for aboriginal housing. Is that not correct? I don't mean all of it, but that designated for aboriginal housing.

• (1240)

Ms. Sharon Matthews: I don't think any of us could comment and be clear on that. I really think the Department of Finance would be the players that you should ask the question of.

The Chair: Does the committee want the clerk to get that information for the committee? If the Minister of Finance has to attend, we can ask that question.

Thank you. The chair is going to take the opportunity to ask a question.

I spent about 25 years in Yukon, and I have to say I observed housing. In fact, I was a contractor and did some building on behalf of the department years ago. It was a real challenge in the past, because design and building codes weren't really site specific. It's a big country, and there are various building challenges and what I call good practices as far as building is concerned.

I have to say that has really improved. I've seen that in Yukon, and I think the department has done a great job. But a lot of it has come because they have empowered the local bands, and the local bands, of course, have local knowledge of how to do things. There has been a vast improvement as far as housing in Yukon goes, so I think there have been gains.

Quite frankly, to my colleague Jean Crowder, I would live in any of the houses belonging to first nations in the area where I used to live in Dawson City, Yukon. I'm very familiar with that.

It's a big task. One of the challenges is not just money. As for the quality of houses that were built in the past, we're having problems with mould, rotting porches and entrances, and all those kinds of things because there hasn't been a high enough standard. I think it's very important to make sure the investment is made in long-term housing.

Mr. Albrecht made suggestions on the type of housing where they have concrete insulated foundations and even walls. That's a far better product for some applications in some regions in Canada. So those are good things that are happening with the department. I know it is a big challenge.

Are there any further questions from the government side?

Mr. Harold Albrecht: On page 5 of the briefing material we received, there's one sentence I would like clarified, where it says, "Many first nations do not charge for housing and/or utilities." Could you expand a bit on why that would be? I know they don't have the funds, but somewhere along the line someone has to pay. Who is picking up the tab?

Ms. Claire Dansereau: As I said earlier, we have funding agreements with them for housing. They make the kinds of choices they need to make on to how to manage both the funding and the livability of those houses. Sometimes they will make the decision that no rent needs to be paid because the people have no money. In other cases they will use that base to charge some rent and make some improvements to the houses. It's a case-by-case situation on which they make their own decisions.

Mr. Harold Albrecht: On the land tenure question, you indicated that 50% do not use the provisions of the Indian Act on certificates of possession. I think that was made in a statement on page 6. It goes on to say that many communities do not have housing policies that address matrimonial property issues.

Do a large percentage or a small percentage of communities not have policies related to that? It's one of the issues we're dealing with in the House as well.

Ms. Claire Dansereau: I won't speak to the matrimonial property issue because there are other places for that discussion to happen.

I think a growing number of communities are putting into place those kinds of codes.

Mr. Harold Albrecht: Their own codes and policies.

Ms. Claire Dansereau: Yes.

The Chair: Thank you.

Are there any further questions? We're going to run into the 15 minutes I was going to allot for committee business, but because we have the witnesses here, I'm open to that if the committee is willing to continue.

Madam Karetak-Lindell.

• (1245)

Ms. Nancy Karetak-Lindell (Nunavut, Lib.): Thank you, Mr. Chair.

I guess mine is more of a comment than anything else.

When we look at the numbers, and also the numbers we got from Statistics Canada and comments made by my colleagues, the numbers are very clear that unless you make greater investments now, you cannot meet the needs of the housing requirements for aboriginal communities.

From the brief, I know that Nunavut is probably the territory that has the most need. For the number of dollars, you're always going to get fewer houses there because the costs are higher. For the x number of dollars that you can build maybe 10 houses, you're only going to build five in Nunavut because of the extra costs.

I appreciate the information that you gave. I know that some of the questions that were asked are really political questions that can be answered only by the minister—and political will by a government to invest the right number of dollars. I appreciate where you're coming from, and I know that housing has improved.

I worked in the housing sector as manager of social housing. I understand that unless you get more investment to meet the growing needs, you can't catch up. A one-time investment is not going to do it. It has to be a continual and greater number each year just because of the facts. The statistics state that. I'm sure you're all going to agree that unless you're putting in more now than is needed, you're never going to catch up. That's reality. I'm sure no one can refute that.

My push is that there has to be the proper investment and the proper resources. It's a basic need. It's a blot on Canada's international standing to have that disparity between aboriginal communities and the rest of the country. So this is more a comment than anything else: unless we invest more today, we're never going to catch up.

I know there was a question by Anita on the fee simple, and there was no time for an answer.

The Chair: You still have time. There are two and a half minutes.

Hon. Anita Neville: In my original question I asked about the movement to fee simple, or the apparent movement to fee simple, and what impact that would have on the housing policy. Can you answer that, Ms. Dansereau?

Ms. Claire Dansereau: The movement that we see is not so much moving to fee simple, although I'm not an expert in real estate. It's more a movement to market-based, which is a little bit different. Fee simple is a type of ownership of the land, which is not what we're talking about here. We're talking about market-based approaches to the building of houses.

I don't see a movement to fee simple, but I think the CMHC people are in the best position to answer that question.

Ms. Sharon Matthews: I would agree with Claire's response. When we talk market solutions, we're not talking movement to fee simple. If you move to a fee simple situation, you wouldn't be respecting the communal ownership of the land.

Hon. Anita Neville: I'm aware of that, but I do see a movement toward fee simple. I see fee simple becoming much more part of the language right now. Obviously you're not experiencing it. Perhaps it's still a political exploration. But it's becoming much more part of the language that I've heard from government. I'm interested to know how you see that.

In fact, there has been a recent proposed settlement in one situation that I am familiar with where the lands will be granted only on a fee simple basis. But if you're not aware of it, so be it.

Ms. Sharon Matthews: Are you speaking of settlement lands, for example, in the Yukon and areas like that?

Hon. Anita Neville: No. It's a particular situation in one of the provinces where one of the communities was looking for land.

Mr. Rod Bruinooge: Which riding are you talking about, Anita? Which reserve?

Well, you put it on the record, so you might as well tell us what you're talking about.

The Chair: We are out of time.

Mr. Lévesque.

[*Translation*]

Mr. Yvon Lévesque: Mr. Chairman, last summer, we travelled to Sweden. One of our Liberal colleagues here today was part of the group. The two Conservative members are not here.

We attended the Circumpolar Year Forum, and in the context of this event, the Government of Canada made a commitment to provide \$150 million to educate people living along the coasts about ways to deal with global warming. As we know, global warming is causing irreparable damage to the houses and other buildings along the Arctic coasts.

Has the Department of Indian and Northern Affairs made the appropriate requests of the government in order to offset this phenomenon? This will involve a very large amount of money. We are going to have to act quickly if we want to prevent more significant damage.

• (1250)

[*English*]

Ms. Sharon Matthews: Maybe I'll tackle this.

On building codes, to be clear, CMHC and the federal government, in other areas, do not develop the building code in Canada. The building code is under the jurisdiction of the provinces and territories. We have a national building code that takes the components of theirs, but it is not a regulatory role that CMHC takes on, nor does INAC obviously.

[*Translation*]

Mr. Yvon Lévesque: Mr. Chairman, I don't think that answered my question.

I said that climate change was damaging houses and other buildings and that they needed to be stabilized, within northern Canada and northern Quebec.

Has the Department of Indian Affairs or the Canada Mortgage and Housing Corporation, in cooperation with the government, made provision for the costs of these repairs and the fact that they must be done immediately, to prevent any further damage?

Ms. Claire Dansereau: I can tell you, Mr. Lévesque, that our northern program, which I do not represent, is looking at what can be done in this regard. We can send you information on this, if there is some available.

Mr. Yvon Lévesque: I would be pleased to receive that.

Ms. Claire Dansereau: Thank you.

[*English*]

The Chair: I have to close off the questioning so that we can discuss what we're going to do on Thursday.

I want to thank the witnesses for their appearance. We really do appreciate all the information on the challenge that you have to fulfill your mandates, so thank you very much for your time.

Committee members, just quickly, we have a meeting on Thursday, but we really don't have any direction on what you would like to do. We have a few options. First, we have the Cree-Naskapi Commission report. We could ask INAC for a response. We could ask for a housing follow-up with officials, if you want and if you have more questions. Or we could just talk about committee business and planning. What is the pleasure of the committee?

Do you want a response from the Cree-Naskapi if we can get the...?

Mr. Rod Bruinooge: We could spend a little time on planning a more comprehensive agenda, instead of having all these one-off meetings.

The Chair: Yes, we definitely need some focus.

We also have a motion—and I've had notice—that we will bring forward for discussion at that time.

Is it the pleasure of the committee just to plan where we want to go?

Madam Neville.

Hon. Anita Neville: It would be useful to have a comprehensive planning meeting. It would also be useful, Mr. Chair, to try to determine what we want to do with the housing issue. We've received the material from Ms. Hurley. We've heard representations today. Do we want to make recommendations based on that information? Do we want further information? I don't think we can leave that without some conclusion.

The Chair: Then bring your ideas, and what we'll do is start the first part of the meeting by looking for any motions or recommendations for this committee regarding housing. We'll then move into planning after that is exhausted. I'll try to give not more than a half hour, if we need that much time.

Mr. Brian Storseth: Mr. Chair, do we have a subcommittee that sets our agenda?

The Chair: The subcommittee did meet to look at what we were going to focus on. We went through a number of things, and it was decided that there wasn't a desire of the subcommittee to look into housing. The discussion at that time was to actually look into aboriginal children's welfare, to look into that whole discussion. That is what the subcommittee brought back, but we haven't formulated that. We need to discuss that to see if that's the direction the committee wants to go in.

Madam Karetak-Lindell.

•(1255)

Ms. Nancy Karetak-Lindell: I don't think it was that we didn't want to look into housing; we just didn't want to do a whole new study, because those studies have already been done. We thought we would look to see what recommendations had been implemented and what the status of the previous housing reports was.

That might be taken the wrong way.

The Chair: I shouldn't have said we weren't going to look at housing; we were just going to make some sort of recommendation.

Is there anything else for the committee? No? Then that's what we'll do.

The meeting is adjourned.

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