



House of Commons  
CANADA

## Standing Committee on Public Accounts

---

PACP • NUMBER 006 • 1st SESSION • 39th PARLIAMENT

---

EVIDENCE

**Thursday, June 1, 2006**

—  
**Chair**

**The Honourable Shawn Murphy**

Also available on the Parliament of Canada Web Site at the following address:

**<http://www.parl.gc.ca>**

## Standing Committee on Public Accounts

Thursday, June 1, 2006

• (1110)

[English]

**The Chair (Hon. Shawn Murphy (Charlottetown, Lib.)):** I will call this meeting to order. I want to welcome everyone here. *Bienvenue à tous.*

This is a meeting pursuant to Standing Order 108, chapter 5, Management of Programs for First Nations, of the May 2006 Report of the Auditor General of Canada, referred to the committee, of course, on May 16 of this year.

Mr. Fitzpatrick, go ahead, please.

**Mr. Brian Fitzpatrick (Prince Albert, CPC):** I think we have some points of order, maybe points of privilege, that we would like to deal with before we get into this, Mr. Chair.

The first one I want to bring up is that, as I have said on a number of occasions, I take silence as acceptance on these matters, but I've been insistent that in regard to the chapter we dealt with the other day, we should be having the Deputy Minister of Public Works or officials from Public Works at this meeting, especially the ones in charge of acquisitions. There have been a whole lot of debates about whether something is or isn't a contract. These people were involved with these meetings. I haven't seen any of them.

So that's point number one.

The other point I really am quite upset about is that the minister has waived the client-solicitor privilege, and we still have not received the legal opinion provided by the lawyers in question. I'm quite perturbed about this matter. I think we should have had that before we had a meeting the other day. It's a very key, important document, and it's really very upsetting that we still don't have it. I don't know who's dragging their feet on this issue, but I think both of these matters should be clarified forthwith.

**The Chair:** Mr. Fitzpatrick, what you've raised is not technically a point of order, but we will deal with it.

We have been able to contact Mrs. Bloodworth, who, we all agreed, is very important, and she's confirmed for a date. We can, if it is your wish and the committee's desire, call in someone from Public Works also.

We were discussing the issue of the legal opinions as early as half an hour ago. They're still in the process of translation. We expect to have them.... Is there an exact time?

**The Clerk of the Committee (Ms. Danielle Bélisle):** The shorter one is supposedly being faxed now at my office and the longer one is

being revised by the lawyer who wrote it to make sure the French is equivalent to the English.

**The Chair:** I hope he's not revising his legal opinion.

**The Clerk:** No. I mean he's revising the French translation.

**Mr. Brian Fitzpatrick:** We translate statutes here that are really thick into both official languages. This has taken a long time. I find that an unacceptable explanation.

**The Chair:** Mr. Williams, do you have a comment on this issue?

**Mr. John Williams (Edmonton—St. Albert, CPC):** On this issue, Mr. Chair, I have two things to say. One is that I'm absolutely aghast to find that we do not have this legal opinion translated and delivered. As Mr. Fitzpatrick points out, we translate thousands of pages every day. Therefore, I request that this legal opinion, all the opinions that we require, and—I would also request—a letter from the department to the Department of Justice requesting that a legal opinion be brought before this committee be delivered to the clerk of the committee by noon tomorrow, and if they're not delivered by noon tomorrow, that the Deputy Minister of Justice be here at our next meeting to explain why.

**The Chair:** Okay.

With that, we'll report to all members of the committee on those two issues. I agree with Mr. Williams and Mr. Fitzpatrick that these things really should have been in our hands. We'll ask for the letter asking for the legal opinion, which I understand came from Mrs. Bloodworth, and that should come to us before our meeting with Mrs. Bloodworth, and Mr. Judd, and someone from Public Works.

That will conclude—

**Mr. Brian Fitzpatrick:** Just as a point of clarification, the person who I understand might be quite relevant from Public Works would be Jane Billings.

**The Clerk:** She used to be DM of acquisition of that file.

**Mr. David Sweet (Ancaster—Dundas—Flamborough—Westdale, CPC):** I have a point of privilege, Mr. Chair.

Granted, I may not be totally familiar with some of the intricacies of the procedures; I think I'm aware that the steering committee discussions are in camera. But when it comes to correspondence with the committee from outside sources, particularly from the Auditor General's office, I would think it would be respectable practice that the committee find out about that correspondence before we read about it in *The Globe and Mail*. I was taken aback greatly when I read in *The Globe and Mail* about some correspondence from the Auditor General. The chairman was quoted, and I had no idea how to comment on that because I was unaware of the communication.

•(1115)

**The Chair:** I read that too, Mr. Sweet, and I was a little taken aback. But what happened is that somebody.... This letter that was referred to in *The Globe and Mail* was circulated to all members of the committee. Obviously somehow, by some method, somebody at *The Globe and Mail* got their hands on the copy, because they were quoting exactly from the letter. But every committee member did have a copy of it, I assume, including you. So I don't know how it got into the hands of *The Globe and Mail*.

**Mr. David Sweet:** I asked some members, and we weren't aware of it.

**The Chair:** Mr. Williams.

**Mr. John Williams:** To prevent this problem happening again, Mr. Chairman, I would suggest all correspondence that comes to the clerk and you, as the chair of this committee, be withheld and tabled at the first public meeting after you receive it. That way, if you distribute it to people in their ridings, they don't know about it.... As you know we're inundated with mail. Therefore, if you make it a practice to have it distributed at a public meeting, then it becomes a public document. We all have it, and that way we'll prevent this problem happening again.

**The Chair:** I agree with what you're saying. But I believe that's the practice we followed in this case.

**Mr. John Williams:** But you said it had been circulated.

**The Chair:** At a meeting.

**Mr. John Williams:** Oh, at a meeting? Okay, my apologies. That was a public meeting?

**The Chair:** That was a public meeting, yes. We didn't spend a lot of time on it. We circulated it, but didn't spend a lot of time.

**Mr. John Williams:** Perhaps as you're distributing it, if you just make reference to the fact that we are distributing this, this, and this, therefore it's on the record that it has been distributed.

**The Chair:** Okay, then.

We're going to go back to the regular meeting. I'm sorry about the intermission there, the break.

I want to welcome to the meeting the Auditor General of Canada, Mrs. Sheila Fraser. She has with her the Assistant Auditor General Ronnie Campbell and Glenn Wheeler.

We also have, from the Department of Health, Hélène Gosselin and Ian Potter.

From the Department of Indian Affairs and Northern Development, we have Mr. Paul LeBlanc; we have Mr. Jim Quinn. The schedule indicates the Deputy Minister, Mr. Michael Wernick, is supposed to be here, but I understand he's not here.

Is that correct, Mr. LeBlanc?

**Mr. Paul LeBlanc (Senior Assistant Deputy Minister, Socio-economic Policy and Regional Operations, Department of Indian Affairs and Northern Development):** That's correct, Chairman. Mr. Wernick was eager to be here, had fully planned to be here, and had registered his presence with the clerk. Just before leaving the department on his way, he was called to an important matter by PCO. I just got a call from him before we began, so he extends his regrets

to the chair, to the committee members, and he looks forward to meeting and discussing with committee members at the soonest possible occasion.

**The Chair:** Mr. LeBlanc, was the matter he was summoned to more important than appearing before this committee?

**Mr. Paul LeBlanc:** I'm afraid I have no further information, Chairman.

**The Chair:** Let me say something, Mr. LeBlanc, and you can take this back to your deputy and you can take it back to the Clerk of the Privy Council. As you know, this department has been before the public accounts committee on numerous occasions over the last number of years, and a lot of the reports have been unsatisfactory. One of the main issues has been—and it's been very clear—that there's been absolutely no continuity in the role of deputy minister. We have a situation where Shirley Serafini was appointed deputy June 1, 1999. She lasted 23 or 24 months; she was replaced by Marc Lafrenière on June 11, 2001. He lasted 14 months. He was replaced by Alain Jolicœur in August 2002. He lasted 16 months, then Mr. Horgan was appointed.

We had this discussion with Mr. Horgan: the importance of, as the Auditor General says, the sustained management attention. This was a recommendation from the committee on that specific report. That recommendation was followed by Mr. Justice Gomery in his report to the government. When we made the recommendation to the government, they responded that it was none of our business. I think it was report number 10—no, that's the wrong number.

Obviously the present government isn't paying much attention either, because about a week ago they replaced Mr. Horgan. Now we have this situation: we've asked the present deputy to be here, and he has said to us he's got a more important meeting.

I really find that offensive, and Mr. LeBlanc, you can take that message back to your superiors. Really, that is an affront to Parliament and to all Canadians. I'm sorry to speak in strong language, but that is my view.

Mr. Christopherson.

•(1120)

**Mr. David Christopherson (Hamilton Centre, NDP):** Thank you, Mr. Chair.

I was ready to listen to an argument that something happened—things happen, family stuff and personal matters—but to tell us that they've been called to another meeting, given the problems here.... And you're right, we've been around this before. With all the situations we have going on in this nation right now around first nations people—I don't live too far from Caledonia—we're all living through the stress of that, and we get this kind of thing?

I'm not prepared to move forward. I want the deputy minister here. I want some bloody commitments. This is getting ridiculous. And it's not just this meeting, we're going back a number of audits, where we've had follow-up audits where they've said that wasn't good enough. So that's how we got to this point. That's why this was a priority. There was only one thing bigger in the whole report, and that was the firearms issue.

**Mr. Marc Lemay (Abitibi—Témiscamingue, BQ):** Slowly, slowly—

[*Translation*]

You're going to kill the interpreter.

[*English*]

**Mr. David Christopherson:** Well, I think they get the tenor.

Mr. Chair, I find this totally unacceptable. I'm glad you led with the comments you did, but I want to tell you, to my mind and I hope to the minds of others, I don't think we should have this meeting until that deputy is here.

At the end of the day, there are only two people you can hold accountable in a ministry: the minister and the deputy minister. There are two different processes. Today it's to bring in the deputy on an issue of this importance, with all the ongoing problems; and now we're told, oh, there's a meeting that's more important? I don't think so, and I'm not prepared to continue until we have somebody here who can be held accountable for what's going on in that ministry.

**The Chair:** Okay, Mr. Williams.

**Mr. John Williams:** Thank you, Mr. Chair.

I have equal sentiments—perhaps not quite as vociferous as Mr. Christopherson, but the emotions are much the same. This government, as you know, has moved to entrench in legislation that deputy ministers are accountable before Parliament. When Bill C-2 passes, that is their legal obligation.

Therefore, I would move, Mr. Chair, that you write to the Clerk of the Privy Council explaining to him our dissatisfaction that a meeting with another bureaucrat is more important than coming before Parliament. Expecting and pointing out that Bill C-2 requires that deputy ministers be responsible before Parliament, we expect them to live up to that commitment.

**The Chair:** The clerk just pointed out that Mr. Wernick's office passed along that he has been summoned to meet with the minister in the Privy Council, although I don't think that makes any difference at all to what we're talking about here.

Mr. Williams has made a motion. Does he have unanimous consent to bring the motion forward?

Do you want to speak on the motion, Mr. Lemay?

[*Translation*]

**Mr. Marc Lemay:** Mr. Chairman, I'd like to start by telling the distinguished members of this committee who are seeing me for the first time that I am the spokesperson of the Bloc Québécois for Indian Affairs.

We met with the deputy-minister for the first time yesterday. He was with Mr. Prentice and he answered several questions. I share Mr. Kristofferson's remarks, although I do not share completely his aggressiveness. However, I might also become as aggressive as him in the future because everything is related, Mr. Chairman.

The Auditor General, Ms. Fraser, has produced an extremely good report which I hope she will talk about in the next few minutes. Yesterday, in the Standing Committee on Indian Affairs and

Northern development, we were able to put questions to the minister and to his deputy but he had not read the report. That is a problem.

I would have liked the deputy-minister to be here today because I have several questions to put to him. I understand that he was appointed only last week and that he is not yet aware over all the issues. That may be but I thought it would be important for him to be here this morning.

We should not necessarily postpone the meeting since I'm sure the Auditor General is extremely busy but I believe that the committee should meet again with the deputy-minister and the minister for them to answer our questions about the Auditor General's findings. There are some extremely important conclusions in this report and the department has been equivocating for more than four years. We're not talking about two weeks but four years. Thank you.

• (1125)

[*English*]

**The Chair:** Thank you very much.

Mr. Lemay, I agree with you, and I'll bring that to the steering committee.

I think I'm following up with Mr. Christopherson's comments too. I don't think we should let the gentleman off the hook. We have to bring him back here to answer some questions.

Now, in fairness to him, he's only been appointed, but don't forget we had that same excuse the last time Mr. Horgan was here. He was kind of new and wasn't really familiar with the department. So it's quite a cycle they've got going.

Mr. Williams has made a motion. I sense there's unanimous consent to deal with the motion. Any further discussion?

**An hon. member:** Could he read the motion?

**The Chair:** Or repeat it.

**Mr. John Williams:** The motion is that the chair write to the Clerk of the Privy Council, pointing out that Bill C-2 requires that deputy ministers be accountable before Parliament and that there's no greater responsibility than to appear before Parliament. And we are rather incensed that a meeting with another bureaucrat, if that is the case, would take precedence over coming before Parliament.

**The Chair:** Having heard the motion, all in favour?

(Motion agreed to)

**The Chair:** Again, I apologize for the delay, Madam Auditor.

I will turn the floor over to you for your opening remarks.

I thank you very much for being here.

Mr. Wrzesnewskyj.

**Mr. Borys Wrzesnewskyj (Etobicoke Centre, Lib.):** As a point of clarification, Mr. LeBlanc, you said you were in phone communication with the deputy minister. Would you be able to attempt to communicate with him, while we're going through the initial stages of this meeting, to find out whether or not in the second half of the meeting he will avail himself to the committee?

**Mr. Paul LeBlanc:** Chairman, I should be more precise.

I was in phone communication just before the beginning of this session with the office of the deputy minister, not with Mr. Wernick himself, and was advised that he had indeed been summoned by the Privy Council for a meeting—with whom exactly, I can't elaborate. Of course, we could see with the deputy's office if there's any chance of his joining the meeting before the conclusion today.

**Mr. Borys Wrzesnewskyj:** Could you please verify that and report back immediately?

**Mr. Paul LeBlanc:** Indeed.

**The Chair:** Mrs. Fraser, the floor is yours.

**Ms. Sheila Fraser (Auditor General, Office of the Auditor General of Canada):** Thank you, Mr. Chair.

We thank you for this opportunity to present the results of our audit on the management of programs for first nations, included in our status report.

As you mentioned, I am accompanied by Ronnie Campbell, assistant auditor general, and Glenn Wheeler, principal, who are responsible for this work.

Once a year, we prepare a report for Parliament called the status report. This report focuses on what the government has done to address recommendations made in a selection of previous performance audits, and assists parliamentarians in holding the government accountable for its stewardship of public funds.

Since 2000, I have issued several chapters on programs and services for first nations. We conducted this follow-up audit to provide a comprehensive assessment of the government's overall progress in responding to our previous audits, but also to identify reasons for progress on some recommendations and a lack of progress on others.

We followed up on seven audits, completed between 2000 and 2003, that examined housing on reserves, health care, comprehensive land claims, economic development, third party intervention, the food mail program, and reporting requirements for first nations. Federal organizations had agreed with most of our recommendations and had committed to taking action. Overall, we found that the federal government's progress has been unsatisfactory.

Today, I would like to focus on three issues that are important to the health and well-being of first nations people and that require particular attention. They are mould contamination in houses on reserves, monitoring of prescription drug use, and a review of the major entry points for the food mail program.

● (1130)

[*Translation*]

Problems with mould exist in many on-reserve houses, and mould contamination has been identified as a serious and growing health and safety problem.

In our initial 2003 audit we noted that the three responsible organizations — Indian and Northern Affairs Canada, Canada Mortgage and Housing Corporation, and Health Canada — established a committee to address the problem. In this audit, we found that despite the activities of the committee, no federal organization has taken responsibility for assessing the full extent of

mould contamination and developing a strategy or action plan for addressing the problem.

Mr. Chairman, you may wish to ask the government to identify a lead organization to take responsibility for addressing the problem of mould in on-reserve houses, and to provide your Committee with an action plan and timetable, and then regular progress reports.

[*English*]

The second issue is prescription drugs. Through its non-insured health benefits program, Health Canada funds prescription drugs for first nations people and for Inuit. First nations are concerned about the misuse of prescription drugs, and the problem is magnified by significant differences in health status between first nations people and the rest of Canadians.

In audits as far back as 1997, we reported that the department was slow to intervene where potentially inappropriate use of prescription drugs was observed. In our 2000 audit we found that Health Canada had updated its review protocol for drug use to better identify and follow up on cases that suggested misuse of prescription drugs. This protocol involved following up with clients, physicians, pharmacists, and professional bodies and had some positive impact.

However, the department stopped this protocol because management was unsure of the appropriateness of gathering this information without either a legislative mandate that would explicitly allow for this type of analysis, or client consent that would grant permission to the department to analyze private health information. In 2001 departmental officials informed the public accounts committee that within the year they expected to resume this analysis for 70% of clients after it had received their consent. The department was able to obtain consent for only 25% of clients before stopping this effort in 2004. That same year we reported that the number of clients obtaining more than 50 prescriptions over a three-month period had almost tripled compared with what we found in our 2000 audit.

In this audit we found that after five and a half years Health Canada finally resumed its detailed analysis of prescription drug use, but it is unable to identify reductions in inappropriate use that are the result of its intervention. The audit also found that the department still has not sought legislation for its non-insured health benefits program. If consent has not already been obtained, the department's approach is to seek consent case by case, before informing health providers or pharmacists of concerns about possible misuse of prescription drugs.

Mr. Chair, you may wish to ask the department to provide your committee with a detailed report outlining its current approach to address this serious issue, and progress reports identifying reductions in inappropriate use that are the result of the department's intervention.

[*Translation*]

The federal government's food mail program subsidizes the costs of sending nutritious perishable food by air to Canada's North in an effort to increase the level of nutrition in the diets of northerners. In 2002 we reported that 140 communities were eligible for this program in the three territories and in parts of northern Labrador, Quebec, Ontario, Manitoba, Saskatchewan, and Alberta.

Program users in these communities must arrange with wholesalers to send eligible food to Canada Post facilities at one of the 20 designated entry points. Canada Post then assumes responsibility for flying the perishable food to the community within 48 hours.

In our 2002 audit we found that departmental officials, northern merchants, and consumers have suggested that access to more southerly entry points would have a positive impact on both the quality and choice of food and on the time it takes to transport it. However, at that time, no systematic review had ever been done by Indian and Northern Affairs Canada to assess the locations of entry points. We recommended that the Department undertake such a review to determine whether changing entry points would make the program more effective.

In this audit, we report that still no comprehensive review has been done. Instead, the Department reviewed only one of the program's entry points and it has no immediate plans to review any others. Mr. Chairman, you may wish to ask the Department what actions it has planned.

Mr. Chairman, as part of this audit we identified seven factors that appear to have favoured the implementation of recommendations. Absence of these factors seems to have hindered their implementation and impeded significant change in the lives of First Nations people.

We would be happy to answer any questions you may have regarding these factors.

• (1135)

[*English*]

Mr. Chair, that concludes our opening statement. We would be pleased to answer any questions committee members may have.

Thank you.

**The Chair:** Thank you very much, Mrs. Fraser.

Madam Gosselin, do you have any opening remarks or anything to add?

**Mrs. Hélène Gosselin (Associate Deputy Minister, Department of Health):** No, I don't have any opening remarks, but we're available to answer your questions.

**The Chair:** I want to thank you for being here.

Mr. LeBlanc, from the Department of Indian Affairs and Northern Development, is there anything you want to say?

**Mr. Paul LeBlanc:** Similarly, Mr. Chairman.

**The Chair:** Thank you again, and your officials, for being here.

Madam Ratansi, eight minutes.

**Ms. Yasmin Ratansi (Don Valley East, Lib.):** Thank you, panel, for being here. Thank you, Madam Fraser. You must be going through this on a regular basis, 12 hours a day or 24 hours a day.

My question really is not pertaining to you, but I'll have to ask you because the deputy minister is missing.

It is unacceptable that a government invests \$8.2 billion in a community, yet we do not see results. As an auditor, as a taxpayer, I think it is important for us to get some form of comfort that things are being done in the way they should be done. As parliamentarians, we sit here and get information and make decisions based on the information we are able to elicit from the deputy ministers, etc.

I have three questions, then.

With respect to the \$8.2 billion that is being invested, what are the issues that face the communities that are living in remote areas and in special access zones? I understand that these are isolated communities. In some cases, 60% of first nations communities have fewer than 500 residents. In your opinion, what are some of the critical issues that are important?

Secondly, on page 169 you mention that there are conflicting roles in Indian and Northern Affairs Canada, and as well, that the federal government, provinces, and first nations are providing the same overlapping programs. How can these be made more effective?

Thirdly, why, despite all the investment that is being made, are these issues not being addressed?

Some of these are not questions that you may be able to answer. We negotiate agreements with first nations; we have negotiated the Kelowna accord, etc. Why is it that these things are not being done in a proper way?

This is a non-partisan committee, so I'm hoping Mr. Williams will keep it that way. That's my prayer.

• (1140)

**The Chair:** I'm the one who's responsible, so if anyone gets a strap, I'll get it.

Mrs. Fraser.

**Ms. Sheila Fraser:** Thank you, Mr. Chair.

I will try to give some information on some of the questions, but I think the departments might be more able to elaborate.

We all have to recognize that this is a very complex issue. The management responsibilities of the Department of Indian and Northern Affairs are significant. They are complex. I know some people have referred to it as almost being the equivalent of a provincial government, in that it provides many of the same services to those communities. When we talk about the \$8.2 billion, we have to recognize these are communities that are receiving funding for education, social welfare, health, housing... The list goes on and on.

When we talk about the diversity of communities, the fact that they are spread all across the country and that most are very small—as you mentioned, the majority have fewer than 500 people—presents a particular challenge. Then, having communities as well in remote areas brings additional challenges.

That being said, it doesn't mean things can't be improved. There have been many commitments made that under treaty obligations, in response to our audits, things will be improved, that action will be taken. It is disappointing, to say the least, to see that in some cases there isn't progress being made on the very concrete problems that affect the health and wellbeing of people.

We've tried to identify what some of the critical success factors were. The chair has already mentioned sustained management attention to issues. There is also the capacity of first nations to deliver these programs. There is the existence or the lack of institutional capacity: in things such as education, our communities have school boards, but you don't have school boards; when the Commissioner of the Environment did the water audit, which is not included here, there were no standards for water on first nations reserves. There's a lack of things we would expect to exist generally in society. So there need to be efforts made as well to put those foundational pieces in place in order to be able to improve the lives of first nations people.

Perhaps there's a conflicting role, when we say the whole relationship has to be built on a relationship of trust. When you have what at a minimum can be perceived as conflicting roles—when you're delivering service, yet you're negotiating claims and are being sued—they can break or diminish the trust that exists between government and first nations. I think the departments might also want to elaborate on that.

**The Chair:** Monsieur LeBlanc.

**Mr. Paul LeBlanc:** I certainly agree with the survey of challenges the Auditor General has talked about. The Auditor General has made recommendations in many of these areas. The department has accepted these recommendations. Progress has been made in many cases, but challenges remain still.

The water challenge was mentioned. The government fairly recently announced an increased strategy for water. A framework of water standards was made available to first nations in March. Yesterday the government announced, in cooperation with the Assembly of First Nations, the appointment of an expert panel to examine the water issue—particularly the gap in terms of a legislative framework covering water in first nations—as a means to fill this legislative gap and bring some greater certainty to the rights of first nations people to have safe, clean drinking water. That's another example of the forward progress.

The challenges are very considerable. They're fought on all fronts. The department, to a great extent through funding agreements, provides resources to first nations framed in fairly broad guidelines, allowing first nations to exercise the administration of programs in education, social programs, etc., the management of water plants, and so on. So there's a large role played locally by first nations. There's a role played in aggregation by tribal councils and associations of first nations in areas such as water and education.

There is not a national school board system for first nations, such as we know them in non-aboriginal society. But there are some 14 or 15 organizations across the country that provide at an aggregate level secondary-level services to first nation communities with regard to their school administration: they help provide curriculum, they help provide teacher support, and so on. We recognize that this network

needs to be strengthened, and it's among the priorities of the department with respect to education.

● (1145)

**The Chair:** Thank you very much, Mr. LeBlanc.

That concludes your eight minutes, Madam Ratansi.

We're going to move on now to Mr. Lemay. *Huit minutes, s'il vous plaît.*

[*Translation*]

**Mr. Marc Lemay:** I thank you for being here today. I believe that we have already met once, in the Indian Affairs Committee, where you made the same presentation. This leads me to my first question.

I don't want to be negative but there is an issue of duplication here. I see that you've asked the same questions to the Chair of the Indian Affairs Committee and to the Chair of the Public Accounts Committee. Is there not some duplication there? Who should do what? In theory, these people deal with the public accounts whereas we deal with Indian affairs.

**Ms. Sheila Fraser:** I don't see any problem with both parliamentary committees dealing with the same matters in order to make the departments accountable for their lack of progress on some very important issues for First Nations. That's why we've asked the same questions.

The practice at the Public Accounts Committee is to prepare reports and to table them in the House. However, all committees do not necessarily do that. It two committees want to deal with some issues and make the department accountable, that may lead to some action.

**Mr. Marc Lemay:** Thank you.

I have read your report with a lot of attention. The Liberals may say what they want but they were in power in 2002 and this is a situation that we've been raising since then.

Turning to page 189 of your report, at paragraph 5.37, you say that four federal organizations required at least 168 reports annually from First Nations communities — and that many have fewer than 500 residents. On its own, the Department of Indian Affairs and Northern Development requires more than 60 000 reports per year from more than 600 First Nations.

I wonder, Ms. Fraser, how the Public Accounts Committee could put an end to the situation. I have a very specific example. Indian Affairs Canada, Health Canada and CMHC require four audited financial reports from each First Nation, at a cost of \$2 500 each, even though the topic of each report is the same. What can we do quickly to put an end to this?

**Ms. Sheila Fraser:** We quite agree that there are far too many reports. In our 2002 audit, we tried to find how those reports were being used by the department and we discovered that it made use of only a very small number of them.

At the time, the department had accepted the idea to streamline those practices, to get rid of duplication and to operate more on a risk basis. I am extremely disappointed to see, four years later, that very little progress has been made.



However, I believe that this should have been relatively easy to do. As mentioned by Mr. LeMay, there are only 600 First Nations. Why not input all the data on those First Nations in a database that could be used to for all the programs? At the time, the department said that it agreed with the recommendation, and it is saying now that it agrees. Your committee might ask the department to develop a detailed plan of action that it would review, and it could then follow up and ask for a progress report to make sure that what should be done has been done.

• (1150)

**Mr. Marc Lemay:** Who is responsible to put an end to this mould imbroglio? Who should be responsible? I am sorry to keep asking this question but it is important to me. For three years, Health Canada, CMHC and Indian Affairs have been playing ping-pong with this file. Who do you think should be responsible for dealing with the issue once and for all?

In their budget, the Conservatives announced that they wanted to put \$400 million in housing. In many aboriginal communities, it would just be a matter of cleaning up the mould for the problem to be resolved.

**Ms. Sheila Fraser:** It is essential to answer this question to make progress on this file. We have not been able to identify the responsible department. It is absolutely imperative that a department accept this responsibility. Obviously, the three departments have to coordinate their action but one of them has to accept responsibility. I believe it is up to the government to decide which of those departments should be responsible.

Is there any representative of the government who would want to answer this question?

**Mr. Marc Lemay:** I have a one minute left. We can hear Mr. LeBlanc or Mrs. Gosselin since this is a matter for both departments, especially Health Canada. I would like to hear Mrs. Gosselin who has not spoken yet.

**Mrs. Hélène Gosselin:** I can start and Mr. LeBlanc can follow me.

It's true that we all have different responsibilities. We try to coordinate our actions but we have not had much success so far, according to the Auditor General. I am somewhat in agreement with her.

Health Canada doesn't have any program to renovate houses or to build new houses. Our role is to carry out inspections of houses on the reserves when we are being asked to do so — this is generally done after we have received a request from the chief of the band council — and to give advice on the steps to be taken when problems are discovered. However, we do not have any program allowing us to do this on our own. Our role is to give advice and support. That is how we provide help to the communities. Normally, band councils ask us to carry out inspections and then they make their own decisions. They select the solutions that they want to implement. They work with the Department of Indian Affairs and Northern Development insofar as that department has programs to help them for housing.

Do you want to add something, Mr. LeBlanc?

**Mr. Paul LeBlanc:** Mr. Chairman, the three departments work closely together and in a coordinated manner. I don't understand why the Auditor General does not recognize this coordination that exists between the three departments. There is a need to improve some aspects of this partnership, especially relating to the strategic matters and to the inventory. The challenge is to ensure better coordination of efforts between the three departments.

As far as Indian Affairs and Northern Development is concerned, we act mainly through contributions for housing. This allows First Nations to build new housing and to carry out the necessary repairs, especially for mould.

One must not forget also that the Canada Mortgage and Housing Corporation, CMHC, provides funding in the same manner. CMHC and Indian Affairs coordinate their investments for building and repairing houses on the reserves.

Furthermore, we worked together to implement some information and training programs which are essential for occupants to play the role that belongs to them and to ensure that local leaders can make the decisions that need to be made about mould.

We take note of Ms. Fraser's recommendations, which we accept. We are committed to make more use of strategic plans starting this year in order to ensure that our efforts be more coordinated.

It would be difficult to have one responsible department only.

• (1155)

[English]

**The Chair:** Thank you, Mr. LeBlanc.

Do you have something to add to that, Mrs. Fraser?

[Translation]

**Ms. Sheila Fraser:** I want to underline that our recommendations require more than better coordination. At present, both the departments and the Crown corporation work within the framework of their own programs but there is no strategic plan, no assessment of the problem, no plan of action. Nobody follows up to assess the extent of the problem and to decide if improvements are required or not.

Therefore, it is more than a matter of coordination and attacking the same problems. There has to be someone to consider the whole issue, to develop a strategy, a plan of action, and to measure outcomes. We believe that one department should have this responsibility.

[English]

**The Chair:** Thank you very much, Mrs. Fraser.

Mr. Williams, eight minutes.

**Mr. John Williams:** Thank you, Mr. Chairman.

I'm just going to quote a little part from paragraph 5.37 in the Auditor General's report, where she estimated that four organizations required 168 reports annually from first nations. They found that many of the reports were unnecessary; moreover, they were not used by the federal government.

In that context, Mr. Chairman, both the Department of Indian and Northern Affairs and the Department of Health didn't see fit to have an opening statement to us this morning in response to the Auditor General's report.

Mr. LeBlanc, with all this reporting that you get, why don't you report to Parliament?

**Mr. Paul LeBlanc:** Well, the department indeed reports to Parliament through its report on plans and priorities and its performance report. We have sought to improve the quality of the reports to Parliament inside the department—

**Mr. John Williams:** Mr. LeBlanc, you are supposed to be responding to accusations, allegations, and condemnations by the Auditor General, and you were summoned here this morning to answer to that. You didn't have an opening statement. Why not?

**Mr. Paul LeBlanc:** My understanding, Mr. Chair, was that the purpose of the committee was to hear the presentation of the Auditor General and that the department was invited in order to respond to questions. That was our understanding.

**Mr. John Williams:** Well, you've been here before, and you know that's not how it works.

Madam Gosselin, you know the condemnations this committee has heard about the health of first nations, prescription drugs and so on. We've dealt with the issue many times. Why didn't you have an opening statement?

**Mrs. Hélène Gosselin:** Well, I apologize. I did have one prepared, but I was under the same impression as Monsieur LeBlanc. When we asked whether we needed to make one, we were told that it wasn't required, that we were here to answer questions.

I apologize, but I could certainly answer questions about what we're doing on prescription drug monitoring. In fact, we've done quite a lot of work to implement the recommendations of the Auditor General. I would point out that out of the 14 recommendations that were followed up on in this report, we had a satisfactory assessment in 11 of those, unsatisfactory in three. One of those was dealing with prescription drug retrospective analysis, which we have implemented and are doing, but the Auditor General noted in her report that—

**Mr. John Williams:** I don't need your opening statement now. You should have delivered it at the beginning of the meeting.

**Mrs. Hélène Gosselin:** Well, I was just trying to respond.

**Mr. John Williams:** No, no.

Now, the Auditor General pointed out the protocol that you put in place to try to minimize the misuse of prescription drugs. You stopped the protocol because you felt you didn't have the legislative mandate—which was pointed out to you in 1993 and has been dealt with by this committee several times. Why don't you have a legislative mandate already?

• (1200)

**Mrs. Hélène Gosselin:** Well, in fact the department stopped at that time.

Mr. Potter is with me, and because I wasn't with the department before, if I don't have all the information he'll intervene.

It stopped at the time because of the issue of consent. The department wasn't seeking consent from the beneficiaries to share health information with doctors or pharmacists. So they stopped and looked at how we could get consent. They tried to implement a program to get consent from all the beneficiaries of the program, and that took several years.

Finally, the department started to implement the analysis again. When we identify problems, we seek consent on a case-by-case basis, as Madam Fraser has indicated, in order for us to share sensitive health information with doctors and pharmacists.

**Mr. John Williams:** Madam Gosselin, we've pointed out in this committee several times that if I or you or anybody else goes to the doctor for a central nervous system prescription drug, it is reported to a central spot to ensure that there is no abuse. We've had Mrs. Stonechild from Saskatoon here at this committee telling us how her brother and her son both died through prescription drug overdoses paid for by the Government of Canada and the taxpayers of Canada, and you haven't done much of anything to stop that.

Now, why are there rules for everybody else and no rules for first nations, where taxpayers are paying for people to kill themselves?

**Mrs. Hélène Gosselin:** Well, we have done a lot of work to respond to that, Mr. Williams. We've done the warning messages that go to pharmacists if there are duplicate treatments, duplicate drugs. Those have been in place since the 1990s. We do the retrospective analysis now, as I said, case by case to identify where there are patterns of possible abuse.

**Mr. John Williams:** And if the person's dead, what are you going to do?

**Mrs. Hélène Gosselin:** Well, we try to intervene before there's a problem of that magnitude. I know the department didn't do it for a number of years, but we resumed it late in 2004, and that's what's in this particular report.

**Mr. John Williams:** So how well are you controlling central nervous system prescription drugs that people can (a) sell on the street, or (b) use to kill themselves—as Mrs. Stonechild's family did—to ensure that taxpayers' money isn't being used this way?

Tell me specifically how you have stopped it.

**Mrs. Hélène Gosselin:** I will ask Mr. Potter to give you the details of the reviews we do on that specific issue.

**Mr. Ian Potter (Assistant Deputy Minister, First Nations and Inuit Health Branch, Department of Health):** Thank you very much, Mr. Chairman.

As Madam Gosselin said, we have followed up on the recommendations of the Auditor General and of this committee. We have put in place a drug utilization review regime that had three components. There is a prospective component that controls the formula in the drugs that we pay for, and we've done a number of things. We've identified those drugs that are at risk and we've taken them off our formulary or put them onto an area where you cannot get them except with special permission from your physician. We've put limits on the number of drugs, on the drugs like benzodiazepine and opiates, so that when people use over a certain limit, they are cut off and they can't get any more until their physician approaches us or their pharmacist explains why.

We've also put in place a new code, an NE code. At the time that the pharmacist is filling out a prescription, it will identify whether or not that patient has had a multiple benzodiazepine or opiate-type pharmacy. The pharmacist will get a notice right then and there that there may be a problem.

We've also implemented a retrospective review. We do it six times a year. We take the records that we have and we have a system that identifies whether people have been to a number of doctors, whether they are receiving a number of medications. We identify those individuals and we follow up with those individuals. We have identified individual physicians where we have problems. We have gone through the Federation of Medical Regulatory Authorities and taken our evidence there. We've gone to the individual—

**Mr. John Williams:** I'm going to interrupt there, because the Auditor General said in paragraph 15.71: "Although Health Canada committed to liaise with provinces and territories on prescription drug-related deaths, we found no evidence that it had done so." So is this all fluff and more reporting that's not got any substance behind it, or are you actually doing something to prevent deaths paid for by the Canadian taxpayer?

**Mrs. Hélène Gosselin:** We are doing everything that Mr. Potter mentioned. All of these actions are taken to prevent possible abuse of the prescription drugs.

• (1205)

**Mr. John Williams:** Now, is that for every first nation member or is that only for those who have signed the waiver?

**Mr. Ian Potter:** No, that's for everyone. We look at all of the people who receive drugs that we pay for.

The issue you referred to, Mr. Williams, is a reference to collecting information on people who die due to the overdose or misuse of prescription drugs.

**Mr. John Williams:** Paid for by the taxpayer of Canada, by the way.

**Mr. Ian Potter:** We have tried to get that information. We approached the provinces and we have renewed our efforts. We have recently written to each one of the provinces' regulatory authorities because all of the information with respect to deaths is not in our hands. They all reside with the authorities that deal with vital statistics and death records.

**Mr. John Williams:** Okay. Thank you, Mr. Chair.

It's unfortunate that Mr. LeBlanc gets off the hook because I ran out of time, because he was next. Maybe somebody else will put him in the hot seat.

**The Chair:** Hopefully somebody else will come to that, because we'll be back.

Mr. Campbell.

**Mr. Ronnie Campbell (Assistant Auditor General, Office of the Auditor General of Canada):** Yes, Mr. Chairman, thank you.

I think there's a couple of things that are important to clarify in relation to the follow-up we had wanted the department to do. And Madam Gosselin is correct. The department has done an awful lot and there has been satisfactory progress on a number of issues, and we recognize that.

There are a couple of pieces of analysis that I think have been touched on that might be worthwhile for the committee to reflect on. Some of you will remember that we produced an audit report in 1997 and again in 2000, and in those audit reports, we produced analysis using criteria that we had taken from various provincial regimes in terms of the number of different prescriptions that people had, the number of different doctors people had gone to, the number of different pharmacists that people had gone to. I would submit that this would be a good measure, because the department does have the information. It could be tracked, and that would show there would be anomalies.

And in all of the analysis we did, it was clear that in certain parts of the country there were particular problems. I think it would be fair to say that the department should really pay attention to that because some of these are particularly problematic.

In 1997 we reported that the department had done analyses in at least one of those problematic areas, where there had been a significant number of deaths. The department had done work in Alberta with the provincial coroners to get information, and granted, the methodology might not have been perfect, but they were able to draw links. At that time, the department reported that there had been 42 prescription drug-related deaths between 1986 and 1988, and further, there was one community of 500 people where there had been 15 deaths in four years.

I think it's really important that the department keep tracking that kind of information, because you might fix all the systemic things, you might fix all of the information system things, but the department has a broad responsibility for the health of first nations, and I know Madam Gosselin would agree. I think you need to track that kind of thing, because if you don't, it could still exist even though you fix some of the systemic things.

**The Chair:** Thank you very much, Mr. Campbell.

We're now going to go to Mr. Christopherson for eight minutes.

**Mr. David Christopherson:** Thank you very much, Mr. Chair, and thank you all for your attendance, those of you who are here today.

I want to say right at the outset that I, and I'm sure my colleagues, all have a great deal of sympathy for the complexity of the ministry. It's arguably one of the toughest in government, no question, and we all acknowledge that. What's frustrating, though, is that the ministry makes commitments and then they're not followed up on. That's what we find unacceptable.

It's not that this is an easy job and you shouldn't have problems. It's the fact that once we find out where there are some weaknesses and work that needs to be done, particularly when it affects citizens' health, you make commitments in that regard and you should be taking into account the complexities you have. You know the challenges you have, and if you can't do what needs to be done, then tell us why and we'll work that through. What's absolutely frustrating and unacceptable is to have you make commitment after commitment because it maybe gets you out of this meeting, only to find out that it doesn't get resolved.

And that's what we're going to hold you to account on: why these things weren't done. There are policy issues and committees that can deal with moving forward, and we can talk about some of those things, but our primary responsibility here is to hold the ministry to account for what you committed to do and what you're expected to do.

From that point of view, in terms of commitments you've made, I look at what the Auditor General said in her report. I'm quoting from paragraphs 5.12 and 5.13. It states:

We expected that federal organizations would have made significant progress in implementing the 37 recommendations in seven chapters published between 2000 and 2003.

Overall we were not satisfied with the progress made by the five federal organizations.

The Auditor General went on to say:

We found that they made unsatisfactory progress in implementing 15 recommendations—generally those most likely to improve the lives of First Nations people.

So here we have these 37 recommendations. It's my understanding that 22 of them have been implemented satisfactorily, but only three of them have been completed in terms of their implementation, and the balance have not had satisfactory progress. The difficulty for me is that the ones you acted on are the administrative matters. You made yourself more efficient in terms of moving paper around, but on the recommendations that affect the quality of life of first nations citizens, that's the area where we didn't have satisfactory progress.

Had it been the other way around, you'd probably have a little more sympathy here. This is very problematic, and again, that's why I'm hitting this so hard. It's not because I think it's an easy job and you should be able to do it. It's because the ministry makes commitments and they aren't done. That is what is enraging.

I want to move quickly to the issue of mould. Again, these are the Auditor General's words from her report: "Mould is a fungus that, under certain conditions, produces poisonous substances that can cause headaches, dizziness, and nausea." We're not just talking about it not looking nice. We're talking about serious poisonous substances.

A previous audit found that you were not doing enough to address this issue. Specifically, it turns out that the three of you had meetings

but that basically nothing came out of those meetings because nobody would take overall responsibility for ensuring that there was an overall management plan. And I have to tell you, in the absence of anybody else rolling in here offering, I hope at the very least you're going to take that on today, and if not, give us a reason why not you and somebody else. But please do not leave this meeting with us still wondering which one of the entities in government is going to take responsibility, because the Auditor General has pointed out that this is the key to getting this resolved—somebody takes responsibility for pulling together those strategies. It didn't happen, and it sounds to me like there were some meetings, but that nobody came out of those meetings saying, "I'll take final responsibility to make sure this thing moves". And so it doesn't get done. I don't know how many times they met, but it certainly didn't produce the changes we want.

● (1210)

My first question would be: why isn't your ministry the one taking a lead on this? Why haven't you in the past? In the absence of anybody else doing it, why haven't you stepped forward rather than just letting it go on and on? We don't see the strategies and we don't see this health issue being resolved. Why? Please.

**Mr. Paul LeBlanc:** Thank you.

Mr. Chairman, as is noted, the departments have worked together. A committee was struck to coordinate efforts. The coordinating work did result in greater cooperative efforts between the departments. An example was the development of in-community training sessions to deal with the identification of mould problems, early remediation of mould problems, and even later-on remediation of mould problems. These programs have been delivered through cooperative efforts between CMHC and INAC in, I believe, approximately 100 communities. A plan is in place to reach on-site delivery of these training methods.

**Mr. David Christopherson:** Excuse me, Mr. LeBlanc. I don't mean to be rude., but time is limited and that's why I'm interjecting. But it sounds to me like you're disagreeing with the Auditor General. Are you saying that no indeed, these meetings did produce leadership, that the strategy plan is actually under way and somehow the Auditor General's office missed it? I'm hearing you contradicting what the Auditor General was saying. That's what it sounds like to me.

What I wanted to know is why didn't you take responsibility to come out of those meetings and provide the strategy that the Auditor General said needed to be done in order to make everything effective? Please don't tell me all the little things you did do and how you improved the efficiency on the non-personal issues. Tell me why on this specific issue you didn't take leadership on it or ensure that somebody else did.

**Mr. Paul LeBlanc:** Thank you for the chance to clarify. The department did indeed exercise a measure of leadership in bringing its work with the other departments and its work with first nations. There's been greater coordination. I'd like to correct an impression that I left in an earlier response—and the Auditor General was correct in pointing it out. I was not referring, or did not intend to refer, to simply a greater concerted effort between the departments.

Our response to the Auditor General's recommendation is that we will indeed work together to create a consolidated strategy in regard to mould, one that further consolidates the resources of the departments and brings together in one plan an approach going forward to deal with the mould issue. That we do as departments wishing to work together and make the very most of our resources in relation to a significant and important problem, one that is very serious indeed.

The government may choose to designate one of the departments as a lead among the others.

• (1215)

**Mr. David Christopherson:** I'm disappointed that we have to debate whether there's a problem or not. You're very defensive and I understand that, but it doesn't address the issue I'm raising. Let me quote from the report and then please respond:

However, none of these federal organizations had fully assessed the extent of mould contamination in houses on reserves and the full cost of remediation, or developed a comprehensive strategy or action plan to address the problem.

Then the Auditor General goes on in the next paragraph to say:

However, without management's sustained attention, facilitated by a strategy or action plan, the scale of the problem has not been identified, priorities for action have not been established, and no overall plan for co-ordinating federal organizations' efforts or monitoring overall progress has been developed. Without a strategy and action plan to address this problem, First Nations communities may continue to experience premature deterioration of their housing stock and negative health effects on their people.

Please, sir, I want to know, if nobody came out of those meetings taking responsibility to develop this overall strategy, why didn't your department?

**The Chair:** That's the last question, Mr. LeBlanc.

**Mr. Paul LeBlanc:** Mr. Chairman, I want to assure members that the department is indeed seized with the importance of the issue and certainly recognizes the seriousness. Each of the departments has taken measures within the limits of their mandate. I want to emphasize that the very additional need that the Auditor General has recommended we accept and we are working presently on the development of a comprehensive, consolidated strategy that brings together better yet the collective efforts of the federal government.

**The Chair:** Thank you very much, Mr. Christopherson.

We're going to now move to Mr. Bains. Mr. Bains, eight minutes.

**Hon. Navdeep Bains (Mississauga—Brampton South, Lib.):** Thank you very much.

My questions are going to revolve around the concluding remarks that were made on page 170, paragraph 5.62. You indicate the federal organizations have made unsatisfactory progress and you illustrated that in your opening remarks as well, Auditor General, and you indicated the areas of prescription drug, mould in houses on reserves, and third party manager policy.

Further to that, then, on page 171, there is the government's overall response that the government provides.

I just want clarification. Was that response provided by the current government or the previous government?

**Ms. Sheila Fraser:** That was provided by the deputy minister in about mid-February, so it was the response of the current government.

**Hon. Navdeep Bains:** In light of it being a response made by the current government, the first bullet indicates that the first ministers meeting of November 24 and 25, 2005, in Kelowna demonstrated a willingness to really address some of the issues of housing and health—the areas you've outlined in your report as areas in which we need to improve. It goes on to state that these are very important consultations with the first nations and other partners, including aboriginal partners.

In light of that and some of the recommendations that were not met, how do you think the Kelowna accord would impact your recommendations on a going-forward basis?

**Ms. Sheila Fraser:** We have not looked at the Kelowna agreement or any impact there would be. If there were to be any additional funds or programs put in place, we would audit the actual outcomes of them.

**Hon. Navdeep Bains:** So you haven't looked at the Kelowna accord and what's entailed in it. Was that even part of the audit on a going-forward basis?

**Ms. Sheila Fraser:** That was not part of this audit. We limit our work to auditing programs that are in place, not announcements of policy.

**Hon. Navdeep Bains:** That sounds fair.

I'd like to ask a question to the departments.

In light of the government's response to the discussions that took place on the Kelowna accord arrangement and the recommendations that were not fulfilled, how would that impact? How would the Kelowna accord impact improving the areas that need to be improved with respect to the shortcomings described by the Auditor General?

• (1220)

**Mr. Paul LeBlanc:** There are many main themes of the Kelowna event that are compatible with some of the observations or priority themes that the Auditor General raises today and in other recent reports. Education, housing, infrastructure, and water are the most obvious ones.

The Kelowna event outlines some broad objectives. The current government has confirmed agreement with those broad objectives and closing the gaps in question. The most recent budget has identified investment in housing off reserve, on reserve, and in Canada's north. It has also talked about investment in social and education areas. These initiatives are very compatible with the overarching themes of Kelowna and the government's statements about agreement with the broad objectives of Kelowna.

**Hon. Navdeep Bains:** So the government agrees with the broad objectives of the Kelowna accord, specifically with respect to housing and health. Have you started to work on any of those objectives?

**Mr. Paul LeBlanc:** Budget 2006 indicated some \$600 million precisely for housing, with \$300 million allocated for housing in the north—aboriginal people would certainly benefit from a considerable amount of that—and off-reserve housing in the south. It indicated a further \$450 million over two years for a series of priorities, including housing and infrastructure objectives on reserve. These initiatives will indeed have an impact. The detailed plans for how they will be applied are not concluded.

**Hon. Navdeep Bains:** The question I have is on paragraph 5.63 in the concluding remarks. It says that in the majority of the improvements that have been made, the recommendations tend to be administrative in nature and have less impact on the lives of the first nations people.

On a going-forward basis, when these broader objectives are taken into account for the Kelowna accord and changes are brought forward—

**Mr. John Williams:** On a point of order, Mr. Chairman, Mr. Bains keeps referring to the Kelowna accord, but I do not believe there is such a thing as the Kelowna accord. Mr. LeBlanc is talking about the Kelowna event. There was no budgeted money. This was only an agreement in principle reached by the former government with the first nations. It wasn't signed, implemented, or budgeted for. As far as I'm aware, there is no Kelowna accord.

I think Mr. LeBlanc is correct when he talks about a Kelowna event, but Mr. Bains is wrong when he talks about a Kelowna accord.

**The Chair:** Well, Mr. Williams, normally I would agree with you. We don't normally get into policy, and that was a policy initiative that perhaps is not going ahead.

**Hon. Navdeep Bains:** I'm just being consistent with the response.

**The Chair:** There should have been perhaps an addendum to the response, but the response from the government seems to suggest that a lot of the problems identified and discussed by the auditor will be addressed because of the Kelowna accord. They don't call it an accord, but they say the meetings, and that's where he's coming from. But there's no accord.

But again, Mr. Bains, we normally restrict our discussions to the Report of the Auditor General. She has indicated to you that she's not into the Kelowna agreement or accord, but I'll let you continue.

**Hon. Navdeep Bains:** I appreciate that very much.

**Mr. Brian Fitzpatrick:** I have another point of order on that, as well. When I hear the word “accord”, I think of the Charlottetown accord, this big thick thing that had all these details about how we were going to something, an agreement. It's another way of calling it an agreement and so on.

If anybody's going to refer to some sort of accord here, I think it's only reasonable that they produce the alleged document so we can all read from it and know what we're talking about. I have not been able to ascertain or find this document called the Kelowna accord, the agreement that everybody was supposed to have signed up and agreed to. I have not been able to find it.

I therefore simply ask for the courtesy that if you're going to refer to something like that, you have the courtesy of providing all the members with a copy of it.

●(1225)

**The Chair:** Mr. Bains, we've cancelled your time. I'm going to ask you to continue.

But Mr. Fitzpatrick, the response...and I'll read it: “The consensus-based decision making displayed at the Kelowna First Ministers Meeting by leaders of federal, provincial, and territorial governments and national Aboriginal organizations is a prime example....”

The consensus-based decision-making is a prime example. So something happened at Kelowna. If Mr. Bains wants to spend his last three minutes on that, I'll allow him, but again I caution him, because we normally deal with the specific—

**Hon. Navdeep Bains:** Absolutely. Thank you very much, Chair, and I appreciate the concern brought forth by the members opposite.

My intention is not to put words in people's mouths. I'm basically working on the response given by the current government, which was the first issue that I wanted to clarify in my opening remarks with respect to who's response was this. In light of the fact that this meeting took place on November 24 and 25 in Kelowna, we can't change history. We can play around with words, but the essence, and with respect to the comments specifically made by the government in its overall response, clearly indicates that there was consensus-based decision-making displayed at Kelowna. That's what I'm referring to, and those are the objectives I'm referring to.

On a going-forward basis, from the changes that the Auditor General has requested or with respect to the recommendations that have been fulfilled, I want to know how these broad-based decisions that were displayed at Kelowna would impact that department on a going-forward basis. That's where my line of questioning was coming from.

I'll continue along with that because I think it is relevant, going forward, with respect to changes that are recommended by the Auditor General. This Kelowna decision-making process that took place on November 24 and 25 is a very important step, I believe, in addressing some of the concerns I brought forth, and that was my understanding when I was asking Mr. LeBlanc.

So I want again to ask Mr. LeBlanc and the officials from the health department this. On a going-forward basis, the recommendations that have been brought forth by the Auditor General—how would the Kelowna first ministers meeting and the decisions that were made impact some of the recommendations?

**Mr. Paul LeBlanc:** As a specific example, the Kelowna meeting demonstrated a consensus, I would say, by all participants about the importance of certain areas, such as housing and on-reserve water quality. Water is an issue, infrastructure is an issue—a subject of previous audits, not a subject of discussion in the audit context today.

The national leader of the Assembly of First Nations and the current Minister of Indian and Northern Affairs have worked cooperatively in seeing a renewed water strategy for first nations come about. It was announced, I believe, in March 2006 by the national chief and the minister. There's a theme that is compatible with the list of priorities. It's compatible with the current government's priorities; it's among the objectives that were present at Kelowna and with which the government has indicated its concurrence. And it finds a place in the Auditor General's work over recent years. That cooperation will be very useful to advancing the work in that area.

The government announced yesterday that a blue ribbon panel of experts will travel the country and bring specific recommendations to the government for the development of a legislative framework to ensure certainty over the management of drinking water in first nations. We anticipate that work will draw heavily on provincially resident expertise because of where water is managed in the non-aboriginal world. We look forward to a high level of cooperation from the provinces and territories.

• (1230)

**The Chair:** Thank you, Mr. LeBlanc.

Thank you, Mr. Bains.

We're now going to move to Mr. Sweet for eight minutes.

**Mr. David Sweet:** Thank you, Mr. Chairman.

Madam Fraser, it's good to see you again.

You know my obsession with objectives and outcomes. You made a suggestion in your report that you found the land claims process was more services based and the objectives were not clear. With the short time that we have, can you identify some of the objectives, outcomes, and results that could be identified in the land claims process?

**Ms. Sheila Fraser:** I'll give you an example that we looked at when we did the audit. One of the land claims had an objective of increasing the employment of the Inuit, I believe it was, in the north. That was the overall objective. Then there were a number of specific actions that were laid out, one of which was to have a meeting once a year with interested parties.

When we did that audit, we were asking whether employment of Inuit in the north had increased. The department came back and said, well, we had the meeting and we met our obligation to do the specific action. We basically said that isn't good enough; you have to know if you are making progress on the overall objective and to even evaluate if those actions that were initially listed are successful in attaining the objective. You have to be looking at the overall objective, not simply limiting yourself to that action.

At the time, there was actually a disagreement with the department. They said in their response that they were not tasked with the objective, but rather that their responsibility was to meet the activities that had been specified. After that, the minister changed the position of the department. But I think it's still not clear to us if it's fully accepted that the department should be trying to attain the overall objective and that it doesn't just have a responsibility to do the actions that are listed.

**Mr. David Sweet:** Maybe I'll just ask Mr. LeBlanc right now, then.

I was very happy to hear there's the political will to put in the legislative framework around water. What about this aspect as far as clarifying results and objectives is concerned?

**Mr. Paul LeBlanc:** I would say, briefly, that as recently as yesterday before the parliamentary committee, the minister commented on the importance of the claims area and the fact that it is a priority area for him and one to which he intends to bring particular attention. I would limit my comments to that for now.

**Mr. David Sweet:** Thank you.

Also in your comments, Madam Fraser—just to dignify the people who are of concern here, as far as drug use is concerned—you mentioned that the number of clients obtaining more than 50 prescriptions over a three-month period had tripled. What kinds of numbers are we talking about here in actual human lives?

**Ms. Sheila Fraser:** I'll ask Mr. Wheeler, perhaps, to provide that information.

**Mr. Glenn Wheeler (Principal, Office of the Auditor General of Canada):** Mr. Chair, that reference to the number of people accessing 50 or more prescriptions is a reference to a finding we made in an audit in 2004, when we followed up on observations made in 2000 and in 1997. We didn't report the absolute number of individuals in the current audit, but in the previous audit it was about 1,000 individuals.

**Mr. David Sweet:** You said that it has tripled.

**Mr. Glenn Wheeler:** We reported in our 2004 audit that the number had tripled from 1,000.

**Mr. David Sweet:** Okay, we're talking about 3,000 lives at high risk here. Is it 3,000 now? That 1,000 has tripled?

**Mr. Glenn Wheeler:** Yes, but I would also like to add that in this current audit we didn't continue with that analysis. We focused predominantly on paragraph 15.69 regarding the drug utilization review.

**Mr. David Sweet:** This is a tragedy waiting to happen.

Do you know about this, Madam Gosselin?

**Mrs. Hélène Gosselin:** Yes, we do know about this, and we've undertaken further analysis to look into these numbers. In our system right now, we use some of the analysis that Mr. Campbell mentioned earlier to identify our high-risk cases. We look at the number of prescriptions and the number of doctors and we do that analysis. We follow up with pharmacists and doctors—

• (1235)

**Mr. David Sweet:** If you will forgive me, it sounds more like critical intervention is required, not analysis.

**Mrs. Hélène Gosselin:** We need the analysis to identify the particular clients, and then we need to follow up with the doctors and the pharmacists, which we do right now. But on the issue of the 50 prescriptions, we've done specific analysis to try to find out what's going on, and I would ask Mr. Potter to take you through it, because we were a bit surprised—and we just got these results—by some of the results.

**Mr. Ian Potter:** I would just indicate that we did an analysis of the number of clients who had 50 claims. It showed that there were actually 50 claims in our system. But no clients are receiving 50 prescriptions in a 90-day period—none.

What we then did was look at the clients to find out whether these clients were at risk. And the reason there were clients who had made 50 claims in a 90-day period was largely attributable to things like the growth in chronic diseases, where a number of drugs were taken, and the increased use of methadone—and methadone has to be delivered by the pharmacist each day, so it produces a claim each day. And some pharmacies were actually reducing the interval in order to control drugs. Instead of giving a patient a prescription for 60 days or 90 days, they were reducing the period of time, so they were giving the prescription for five days, ten days—

**Mr. David Sweet:** I'm sorry, I just have limited time.

This changes the complexion. Is this the case? Is it prescriptions, or is it claims?

**Mr. Ronnie Campbell:** Thank you, Mr. Chair.

When we did the original audit work, I think the information came as a surprise to the department. At that time, they were doing no analysis. They didn't know why. They didn't know the numbers were there. They had the information in the databases, but they hadn't done the analysis. So we started that analysis in 1997 and in subsequent audits. What we really wanted them to do was, in large part, what we're hearing they are doing now. They are finding out why.

**Mr. David Sweet:** Thank you very much.

You had mentioned, Mr. Campbell, 1997 and 2000 work that was done around coroners' reports in this drug area, as well, in Alberta. Has there been any initiative to do that nationally, so we can begin to track those people who have succumbed to drug abuse?

**Mrs. Hélène Gosselin:** No, in fact, that's part of why the Auditor General is encouraging us to pursue this work. The work that was done in Alberta was done in Alberta only. We tried to work with the coroners' offices to try to get access to that type of data from across the country. The responses we had—that was in 2000, if I'm correct—were that they were not necessarily collecting in every jurisdiction data about the first nations status or Inuit status of the people they were registering as deaths. So they didn't have the information for us to collect, to access.

We've tried, by hiring a specialist in this area, to see if we couldn't do a specific study, and the answer came back that the data was not available. We're going back again this year to try to find a way. We're going to look specifically at what was done in Alberta so many years ago to see if we can't try to use the same type of methodology across the country. But we don't know. It's under provincial-territorial authority.

**Mr. David Sweet:** Some jurisdictional congruity, yes.

Thank you, Mr. Chair.

**The Chair:** Thank you very much, Mr. Sweet.

Right now, colleagues, that concludes the first round. The second round is seven questioners. We don't have time for that. What I

propose is reducing it from five minutes to three minutes. Is that acceptable? We started late.

**Mr. Borys Wrzesnewskij:** On a point of order, we started late, and it's late, and I think it would be appropriate to make up that time.

**The Chair:** I'll ask the clerk.

That's fine with me. We'll revert back to the five minutes, and Mr. Wrzesnewskij, you're up first.

**Mr. Borys Wrzesnewskij:** Before my time starts to run—I heard the beep there—I have a point of clarification to Mr. John Williams.

• (1240)

**The Chair:** You're at zero now.

**Mr. Borys Wrzesnewskij:** Okay, thank you.

As a point of clarification, Mr. Williams had a point of order that the Kelowna accord does not exist. It does occur at times that I concur with Mr. Williams. The Kelowna accord does not exist. It doesn't exist because the Conservative government ripped it up.

There was a consensus that was arrived at in Kelowna between the federal government and provincial governments and the first nations, a consensus that right in the conclusions of this Auditor General's report and in this government's response said the Kelowna accord would have led to improvements “in important areas such as housing, health, education, and economic opportunities”. In fact, those opportunities will not exist and the Kelowna accord does not exist, as Mr. Williams had stated. He was absolutely correct.

**Mr. Brian Fitzpatrick:** Mr. Chairman—

**The Chair:** He's on his own time.

**Mr. Brian Fitzpatrick:** Well, we have officials here. Why don't you ask questions?

**Mr. Borys Wrzesnewskij:** In dealing with first nations, as you go through these reports, it becomes quite apparent that we have third party management. And what does that entail? We go into the reports and we find that there are 60,000 reports from some 600 first nations per year, approximately a report from every first nation every three days. Then we find out in those same reports that most of those reports are not, in fact, being read.

When it comes to the issue of mould in housing, what are the results of all of those reports? I'm quoting: “the scale of the problem has not been identified, priorities for action have not been established, and no overall plan for co-ordinating federal organizations' efforts or monitoring overall progress has been developed”.

What have we actually achieved when it comes to mould in housing? In 2003, three years ago, we established a committee. What has that committee done, concretely? Nothing. So people are still living in this mouldy housing.

In the government response to the Auditor General's report, they state on housing, and I quote, “Moving forward will continue to require sustained management attention.” This sort of attention is that you require reports, reports that aren't read, that result in action or inaction. What it appears to be is that reports are there for one reason, to duck responsibility, just as the deputy minister appears to have ducked responsibility here today.



Mr. LeBlanc, at the beginning of the meeting, we asked that you find out whether or not the deputy minister would make himself available later on in this meeting. Your assistant left. You have a note that she brought back to you. Could you please read the contents of that note?

**Mr. Paul LeBlanc:** Thank you, Mr. Chairman.

My colleague was able to determine a little while ago, at the committee's request, that the deputy minister has indeed been detained on an urgent matter. That matter relates to the issue in Caledonia, Ontario. He's been required, at the request of the Privy Council, to focus on that issue. I understand he'll be detained on that issue until sometime mid-evening today. He indicated that he would be most pleased and eager to join the committee immediately thereafter or in the day soonest, at the committee's convenience.

I would like to specify that it's certainly not the deputy's wish to in any way offend the committee or to set priorities. The deputy felt that it was imperative that he respond to the Privy Council and bring the attention to this very delicate and difficult matter for these next hours.

**Mr. David Christopherson:** I have a point of privilege.

**The Chair:** Mr. Christopherson.

**Mr. David Christopherson:** Thank you. I appreciate hearing the update. I heard on the news this morning that the judge was indeed calling all the participants into chambers, if the media reports are correct, to ask them to explain why the injunction wasn't upheld.

What I'm getting to, Mr. Chair, is that notwithstanding the importance and everything else I mentioned earlier, I do accept that. I know there is an issue involving the Caledonia matter that is crucial, and it doesn't surprise me at all. In that circumstance I accept it and I extend apologies for suggesting otherwise.

• (1245)

**The Chair:** Mr. Wrzesnewskij.

**Mr. Borys Wrzesnewskij:** Flowing out of that, sir, perhaps at the end of the meeting we can discuss at what time we can have some of the questions answered. I believe I've run out of time. I heard the beep.

**The Chair:** No, you have another minute.

**Mr. Borys Wrzesnewskij:** In that case, Mr. LeBlanc, I'd like you to answer these questions. We've waited three years; we have this committee that gets reports but doesn't read a lot of reports, it appears, because reports aren't being read. I can't imagine these 60,000 reports. You must be swimming in reports. How many more years do we have to wait before we resolve this issue of mould in housing? Is there a concrete timeline?

**Mr. Paul LeBlanc:** There has been work going on, as I mentioned earlier. The department, as a baseline, provides \$138 million annually under the heading for the priority of housing—

**Mr. Borys Wrzesnewskij:** Not in dollars—timeline. How long?

**Mr. Paul LeBlanc:** Our objective would be to eradicate mould immediately if we thought it possible, and not only in first nations; I would, as a Canadian citizen, hope it could be eradicated everywhere, because it's indeed present everywhere.

**Mr. Borys Wrzesnewskij:** What do you feel is possible?

**Mr. Paul LeBlanc:** I indicated earlier that we accepted the Auditor General's advice and her observation that a more strategic planning among the three departments was possible. We committed to do that. We're committing to—

**Mr. Borys Wrzesnewskij:** Sir, with all respect, you basically just told us, in your bureaucratic-speak, that there is—

**Mr. Paul LeBlanc:**—having that in hand by October of this year.

**Mr. Borys Wrzesnewskij:**—no timeline, there is no commitment, and that our first nations can expect to continue living in this mouldy housing for years to come, because you have not answered the question.

**The Chair:** That's your time, Mr. Wrzesnewskij.

Do you have anything to add, Mr. LeBlanc, to that comment? I'm not sure if there was a question there.

**Mr. Paul LeBlanc:** I would just simply repeat, Mr. Chairman, that this is an important matter.

**The Chair:** Well, if you said it before, there's no point in repeating it.

**Mr. Paul LeBlanc:** I would just say that it's a priority. We're going to enhance the strategy in the ways the Auditor General recommended. We're optimistic it will increase the favourable response to the challenge.

**The Chair:** Mr. Fitzpatrick is next, for five minutes.

**Mr. Brian Fitzpatrick:** I want to focus on page 146, on the points the Auditor General pointed out that she thought were connected to lack of performance. I want to quickly go over some of those key features.

One is lack of coordination. I feel that in all lines of life, if you've got good coordination and good planning, you save money and you get better results.

Another is lack of sustained management. That seems to me to address the issue of quality management, or the lack of it. Again, in life good management means saving money and getting better results.

There is also consulting with people before you do things. That again, it seems to me, saves money and gets better results.

Another point relates to having first nations people involved in the consultation and the delivery of the programs. Again, that sort of thing would save money and get better results.

Another is a solid, well-planned legislative framework for getting things done. A good plan to start with will save money and get better results.

I think what the Auditor General is describing here is an overall system that needs some real focus and direction. There's a lot of room for improvement here. The bottom line is that I don't read the issues being addressed here as issues that require big piles of money to be poured into the system. Mr. Drucker and Mr. Deming, probably the foremost experts on management and administration who ever lived, said that pouring more money into a bad system is not going to get better results. I think we have a lot of things here that aren't really monetary issues, but they should be addressed.

I'm just wondering, Madam Fraser, am I wrong on this? Are these monetary issues that you pointed out here, or are they just poor management and poor administration, or something akin to that?

**Ms. Sheila Fraser:** I agree with the member that money isn't the only solution to issues. One common theme that has come up in many of the audits is the whole definition of the federal role in some of these programs, and the responsibilities. Even today we talked about whether one department has clear responsibility for addressing the question of mould, and an action plan to go with that. That's why we brought up the whole question of legislative base, so that it helps to clarify what the respective roles and responsibilities are.

That said, we do note in the report that from 1999 to 2004, the first nations population increased by slightly over 11%, and yet the funding has increased by only 1.6%.

• (1250)

**Mr. Brian Fitzpatrick:** But you would agree with me that if the system is really quite faulty and they're not going to fix it, money is not going to be the resolution to the matter in itself.

**Ms. Sheila Fraser:** Money is not the only solution.

**Mr. Brian Fitzpatrick:** Thank you very much.

The other thing I want to address is the housing issue. I can't think of people who are more directed by other people than first nations people, especially on the reserves. They don't have things that everybody else takes for granted—freedom of choice to do things in life, ownership of property, and so on. I can't help but think this is some sort of Marxist paradise. I think of what Churchill said about socialism, that socialism was the equal sharing of misery. These folks actually live in a 100% state-operated arrangement.

On the housing matter and the question of mould in the homes on the reserves, is there any move afoot to reform things with the bands to give people on those reserves some ownership rights on their own homes so they can have the pride of having some of their own property? Maybe some of these things that we're dealing with here would be addressed by the people who occupy the homes.

Could you respond to that, sir?

**Mr. Paul LeBlanc:** Mr. Chairman, that is indeed an important issue, and it's being addressed in a few key ways. On one level, a lot of this grows out of the antiquated Indian Act, of course, that doesn't deal with modern land tenure issues, land management issues, and ownership issues. There have been legislative initiatives of late that do indeed allow communities to facilitate home ownership and the raising of capital, which is necessary for home ownership and is also usually the cornerstone of any subsequent entrepreneurship exercised by individuals. That's one level.

The department has modified significant portions of its housing investment funding to provide investment where individuals and bands are able to raise commercial money—indeed, 50% to 75%—so that we see the private sector, the marketplace, playing a role, and we see increased home ownership.

The examples are perhaps not a great many, but there are first nations where this has taken hold. There is some remarkable success. It's encouraging, and it's obvious that the success—

**Mr. Brian Fitzpatrick:** They aren't the ones with the mould problems, right?

**The Chair:** Thank you, Mr. Fitzpatrick.

*Monsieur Nadeau, cinq minutes, s'il vous plaît.*

[Translation]

**Mr. Richard Nadeau (Gatineau, BQ):** Thank you, Mr. Chairman.

Thank you, Ms. Fraser and the various officials of the departments and of the Office of the Auditor General.

Mr. LeBlanc, what is the life expectancy of the members of First Nations compared to other Canadians?

**Mr. Paul LeBlanc:** If you'll allow me, I will ask my colleagues from Health Canada to answer this question, Mr. Chairman.

[English]

**Mr. Ian Potter:** The life expectancy for a registered Indian is 68.9 years as compared with the life expectancy for other Canadians, so the gap is 7.4 years. The life expectancy for a female is 76.6 years, as opposed to 81.8 for the average Canadian. The gap there is 5.2 years.

[Translation]

**Mr. Richard Nadeau:** So, their situation is not very positive.

Let us come back to the report of the Auditor General. I question the seriousness of the Department of Indian affairs and Northern development. I know that there are many issues to take into consideration, from birth to death, with social factors, education, etc. It would seem that we're managing people's lives in those fields.

Is staff turnover higher at Indian Affairs than in other departments? Would that make the follow-up more difficult? I know that other departments do not deal with matters affecting Indians but would initiatives implemented by Indian Affairs cost more than those of other departments? Does staff turnover have an effect on the way Indian Affairs executes its mandate?

• (1255)

**Ms. Sheila Fraser:** We have not looked at staff turnover in the whole of the department. All I can say is that one of the key factors of success is continued attention by management. As noted by the Chair, there have been several deputy-ministers in this department over the past five or six years.

**Mr. Richard Nadeau:** You're talking about management following up closely in the field, with First Nations, and not about the management of the whole department?

**Ms. Sheila Fraser:** We don't have any information about that.

**Mr. Richard Nadeau:** All right. Thank you.

You state at paragraph 5.59 that there is progress when there is cooperation and collaboration. However, there are still huge gaps between the efforts made by the Department and the expectations or the links established with the leaders of all the First Nations.

Let's consider for example the Indian Act of 1876, which some suggest should be reviewed and which you mention at paragraph 5.58. This Act has been in existence for a very long time. Sometimes, cooperating on a case-by-case basis can produce results. In some cases, you can make changes but in others, despite all the goodwill of the First Nations, changes do not seem to happen. Why?

Perhaps Mr. LeBlanc could talk about the way one should work with First Nations.

**Mr. Paul LeBlanc:** The challenges are enormous and cover a whole range of activities. I will come back later to some examples of legislative initiatives relating to some very important aspects of modern life that had obviously not been taken into account in the Act of 1876. I am thinking for example of property management, funding, security, the capacity to invest public funds, etc.

First Nations cannot regulate large companies operating on their reserves, contrary to the rest of society. If we want them to be involved in this type of activity, this gap has to be filled. This was done recently through legislation. It is just an example.

**Mr. Richard Nadeau:** Are my five minutes already up, Mr. Chairman?

Thank you, Mr. Chairman.

[*English*]

**The Chair:** You're out of time; you're beyond six now.

Mr. Lake.

**Mr. Mike Lake (Edmonton—Mill Woods—Beaumont, CPC):** Thank you, Mr. Chair.

My first question is for Ms. Fraser. On page 149, in paragraph 5.11, near the bottom, it says, "While we are not the auditors of first nations, we did consult with a limited number of first nations representatives".

It must be difficult to work under these circumstances. I wonder, is this appropriate or is it a problem that you're not able to look further into these issues?

**Ms. Sheila Fraser:** No, Mr. Chair, we are the external auditors of the federal government. When we have done our work on first nations programs, though, I would say we have had excellent cooperation and collaboration from first nations communities. Generally throughout all the audits we do, they collaborate with us. We also have the involvement of first nations leaders on a panel to help us determine strategic issues and areas we should be auditing. They have been very helpful to us.

What we have to recognize is that each first nation has an auditor who audits the financial statements of that first nation. These would be auditors from the private sector, and having them is a requirement from the various departments. So there are many audits, and the departments can conduct their own work as well.

We have taken the position, if I can even make a link to the proposed Bill C-2, that it really is up to the departments to ensure that programs are met and the moneys in the programs are going for the intended purposes, not to the external auditor. We are very comfortable with the arrangement we have.

● (1300)

**Mr. Mike Lake:** So you've had good cooperation, which is a good segue to my next question.

Paragraph 5.14 talks basically about the recommendations that "are more complex and often require federal organizations to work closely with First Nations to develop the means to implement them". Those are the ones that have been less successful.

My question would be for Mr. LeBlanc. I'm wondering what the roadblock is. It seems there's a problem there in terms of cooperation and coordination. What are your thoughts on it?

**Mr. Paul LeBlanc:** I'm sorry, Mr. Chair, is your reference to a roadblock of coordination and cooperation among federal players, or with first nations?

**Mr. Mike Lake:** Why does it seem there's a problem with federal organizations working closely with the first nations? What's the problem? It seems that it is a problem.

**Mr. Paul LeBlanc:** The department and first nations, of course, share the very considerable challenges we're talking about. The very nature of the department's existence has in it a partnership with first nations, and so there's a great incidence of partnership with first nations, flowing from the contracted funding agreements we have to more innovative cooperative endeavours that result in things such as new legislation to fill important gaps. There are a great many instances of a very strong cooperative effort that bears fruit.

The Auditor General referred to complexities in roles that actually contribute to suspicion and to building confidence. In particular, there was reference in the report to this duality of role between providing service with a responsibility for effective service provision for people's well-being and playing the role of a negotiator in terms of claim settlement. That is a reality; those two roles exist within the department, and the department sees ways to mitigate the real or perceived conflict that can flow from them. We quite separate the negotiation role. We have a separate sector of the department that deals with it. The people who provide services are not the people who sit to negotiate the outcomes of claims or treaties.

There are means such as this that are helpful, but I think the very long and complex history and the difficulty of outdated legislation all add to the challenge of having as effective or full a partnership as we'd like to have.

But it's something the department values greatly. The minister values it greatly and spoke about it energetically again yesterday. Every step forward in terms of important innovations, and certainly our policy work, involves a close dialogue and consultations with first nations.

**Mr. Mike Lake:** Here's my last question.

I think what's important—and we get so caught up in the politics of it and everything else that sometimes we forget—is that there are many people and people's lives involved in this. The main question I have for you is, what would you like to tell us as parliamentarians about how we can help you make these people's lives better?

**Mr. Paul LeBlanc:** Well, you know, I think the role of the department and the role of officials is to work with the appropriations that Parliament passes, to work within the policy frameworks that the government decides upon, and to enact the legislation that government deems fit to go forward.

Our job, in addition to that, is to provide the government with the best possible advice. The department's committed to doing that and will continue to do that in the future.

Another member talked about the turnover in the department. I can give you only an anecdotal response. For instance, I have been with the department 18 months, but I have travelled across the country, and I've been struck by how many people have been committed to the department for a very long time, who really identify very strongly with the importance of the work they do, who understand that their actions affect the lives of Canadians. They care very deeply about it, as does our political leadership.

I think the government's focusing a priority on this key area is important. The work of the committees is obviously extremely important, and the department seeks to benefit very much from the reflection and the recommendations of the committee, as it does from the work of the Auditor General.

•(1305)

**The Chair:** Thank you very much, Mr. LeBlanc.

We are now moving to Mr. Christopherson.

Mr. Christopherson, five minutes.

**Mr. David Christopherson:** Thank you, Mr. Chair.

To pick up on your last comment, Mr. LeBlanc, I'm disappointed to hear you have only been there 18 months, not because of you personally, one way or the other, but given that leadership and change of leadership has been a problem, now it means we have a brand new minister and a second in command who hasn't been there all that long either. It is a problem. It would be really nice to find one of you talented folks who could stay there long enough to really make these things happen.

Anyway, I want to pick up on the last thing you said to me in the last go around. I don't have the benefit of the blues. We can check, but I think you made a pretty strong commitment around ensuring that there would be the kind of strategy that I was focusing on in my earlier comments and that the Auditor General has focused on.

What I'd like to hear from you is, number one, does that mean that you are assuming responsibility for the lead; in other words, your department will be answerable for the development of said strategy? Secondly, just as importantly, please give me a deadline. Give me a timeline for when a comprehensive report will be ready.

**Mr. Paul LeBlanc:** Our objective is to merge the three departments in question with the enhanced strategic plan or the strategy the Auditor General recommended by the fall of 2006. I don't have a more precise date, but the fall of this year. The departments continue to resolve to work together.

I cannot, as an official of one department, provide myself a mandate of authority over any other department. But I can assure the committee that we recognize the importance of that. Leadership is

shown, and it will continue to be shown, but I cannot designate myself as the—

**Mr. David Christopherson:** No, I appreciate that, sir. The fall of 2006. We have another timeframe. We'll see what happens there. Hopefully it'll be better than the last. Unless we fall, I'm going to be here to find out. There will be others of us around, even if you're not there—which is distinctly possible, given the way things go.

I have to tell you, it's still unacceptable that nobody is taking some ownership of this. Two of the key players are here, and I understand the hierarchy. But to walk away from this table, Mr. Chair, without somebody taking the lead, when we have Health and Indian Affairs right here, is frustrating. I'd say it's unacceptable, but I realize I could push that string forever, and you're never going to be able to make that commitment. You can't.

Maybe we can get from you, then, a commitment that you will ensure that your deputy will advise this committee in writing whether or not he assumes that responsibility on behalf of his department, and if not, who will. Would you undertake to ask your deputy to provide us with that letter?

**Mr. Paul LeBlanc:** Mr. Chair, I—

**Mr. David Christopherson:** Yes or no would work.

•(1310)

**Mr. Paul LeBlanc:** I note the request, and I will certainly raise the issue with the deputy, as I will all of the matters concerned.

**Mr. David Christopherson:** All right, I'll go through another route. That's fine. I'll take care of that one another way.

I just want to mention the treaties. I'm so close to Caledonia, I have to. We haven't done an awful lot here, and I know we can't go too far into this, but I do feel obliged to raise the issue of the treaties and the concerns that the Auditor General has raised in terms of the amount of time.

I understand from a preliminary Q and A that the Caledonia situation doesn't necessarily fit exactly into this category of review. The Auditor General is nodding that that's correct. Nonetheless, they are related. It was still an unresolved treaty that triggered it.

Can you address that, please? I feel some need to hold some account at this level as to why we aren't getting the treaties done as quickly, given that there have been undertakings on the part of the department to expedite them, and all those kinds of words. Can you give us some assurance that we're not going to continue to see these kinds of reports year after year, knowing the kinds of problems it can and does create?

**Mr. Paul LeBlanc:** I mentioned a few moments ago, for reasons that are fairly evident and that the Auditor General touched upon, that the whole area of treaty negotiation is a very specific area within the department. It is not one over which I have any authority. I have colleagues who work in that area and have expertise.

**Mr. David Christopherson:** I'm sorry. Can I interrupt?

Can I ask why, given that it was a focus of the report, there isn't somebody here from the department, if not you, who can speak to it?

**Mr. Paul LeBlanc:** I would certainly note the issues and respond to the committee in writing, if the committee so requests, and we would certainly endeavour to have all the necessary expertise at a later date.

I will say, though, on the key point of your question in relation to the importance, that it is an area of importance. The government, by way of the minister, has indicated that it is a priority area, and the minister has said as much before Parliament in committee very recently.

**Mr. David Christopherson:** I wish we had a little more time to go into that.

Thank you very much, Chair, and thank you, Mr. LeBlanc, and everyone else.

**The Chair:** On behalf of everyone on the committee, I want to thank—

**Mr. David Christopherson:** Could I propose, Mr. Chair, on the issue of the strategy around the mould, that this committee request that the deputy minister either acknowledge that they are the lead or provide in that letter who is the designated lead?

That's the whole point that the Auditor General was making. We've gone through two hours, and we still don't have it. So can we at least request that letter from the deputy minister, saying "Take the lead, or point to whoever will"?

**The Chair:** Does everyone agree with Mr. Christopherson's recommendation?

**Mr. Brian Fitzpatrick:** What's his recommendation?

**The Chair:** Do you want to repeat it, Mr. Christopherson?

**Mr. David Christopherson:** Sure. With regard to the mould that causes health problems, one of the key points that the Auditor General has pointed out that has caused the failings is the lack of (a) a strategy, and (b) a department that takes ownership. There are three entities involved: Health Canada, CMHC, and the Department of Indian and Northern Affairs. The people here today, because they're not at the deputy level, can't commit, and I'm asking that we send a letter to the deputy minister asking him to confirm that his department will take the lead and be responsible and accountable, or will provide in the letter the department that is.

**The Chair:** Mr. Christopherson—

**Mr. Brian Fitzpatrick:** I'd like add something on it. To the ones that have initiatives with some private ownership of their own residence, I'd also like to know whether they're experiencing these same sorts of problems.

**Mr. David Christopherson:** Can we make that two different letters, Brian? Do you mind? It's just that they're two entirely different focuses.

**Mr. Brian Fitzpatrick:** It's all dealing with mould.

**Mr. David Christopherson:** Well, okay. If that's what it takes to get your vote, Brian, I'll do it.

**The Chair:** Can I get your attention, please? It has been pointed out by the clerk that we don't have quorum.

What I'd like to do is take these two issues back to the very first of the next meeting. I agree with them, by the way. I certainly support them.

The other option, of course—and you can think about this—is that we're going to try to get a steering committee next week. We could invite the deputy minister for a very short meeting to firm up some of these issues that are still very much dangling after two hours and so many minutes. So why don't we put them both on the agenda for when we come back?

Before we adjourn, I want to make a couple of announcements. One is that one of the legal opinions we were waiting for is being circulated now. People have that, and that will be coming forward.

Also, on Monday afternoon we have an informal briefing session on the two chapters that we'll be talking about next week. Of course the first one is the Canadian Revenue Agency, on Tuesday, on debt collection. The second one will be on Thursday. We're going to go for a three-hour meeting, the first two hours of which will be taken up with Public Works and Government Services Canada dealing with government leasing, and the last hour will be with Margaret Bloodworth, James Judd, and somebody from Public Works and Government Services Canada. That's the hour from 1 to 2 o'clock next Thursday, a week from today.

So those were just announcements. There's nothing else.

Again, I want to thank you, Mrs. Fraser and officials, and Madame Gosselin and Mr. LeBlanc and officials, for coming here today.

Thank you very much. The meeting is adjourned.





**Published under the authority of the Speaker of the House of Commons**

**Publié en conformité de l'autorité du Président de la Chambre des communes**

**Also available on the Parliament of Canada Web Site at the following address:  
Aussi disponible sur le site Web du Parlement du Canada à l'adresse suivante :  
<http://www.parl.gc.ca>**

---

**The Speaker of the House hereby grants permission to reproduce this document, in whole or in part, for use in schools and for other purposes such as private study, research, criticism, review or newspaper summary. Any commercial or other use or reproduction of this publication requires the express prior written authorization of the Speaker of the House of Commons.**

**Le Président de la Chambre des communes accorde, par la présente, l'autorisation de reproduire la totalité ou une partie de ce document à des fins éducatives et à des fins d'étude privée, de recherche, de critique, de compte rendu ou en vue d'en préparer un résumé de journal. Toute reproduction de ce document à des fins commerciales ou autres nécessite l'obtention au préalable d'une autorisation écrite du Président.**