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# Standing Committee on Aboriginal Affairs and Northern Development

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EVIDENCE

**Tuesday, May 26, 2009**

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**Chair**

**Mr. Bruce Stanton**

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## Standing Committee on Aboriginal Affairs and Northern Development

Tuesday, May 26, 2009

• (0900)

[Translation]

**The Chair (Mr. Bruce Stanton (Simcoe North, CPC)):** Good morning to all members of this committee and to all of our guests. This is the 21<sup>st</sup> meeting of the Standing Committee on Aboriginal Affairs and Northern Development. This morning, we welcome the minister.

Minister, on behalf of the members of this committee, welcome.

[English]

This morning we're here to review the main estimates for 2009-10.

As is customary, Minister, we'll lead off with your opening remarks. Then we'll proceed to questions from members. We're quite aware that you've taken time out of your other cabinet requirements and schedule this morning, so we'll try to get you finished here by 10 o'clock. Then we'll carry on with your officials, who we also welcome here today. You may want to take the time to introduce the officials who are accompanying you.

Let's proceed. Welcome.

**Hon. Chuck Strahl (Minister of Indian Affairs and Northern Development):** Thank you, *monsieur le président*.

There's no place more important for me to be this morning than here, although there are important things happening in the House as well. I realize all of us are torn between making those choices. We're delighted to be here, of course.

[Translation]

I wish to thank members of the standing committee for welcoming me to talk with you about the Department of Indian Affairs and Northern Development's 2009-2010 Main Estimates—which provides us another opportunity to discuss the government's agenda for aboriginal and northern Canadians.

[English]

As minister over the past two years, I've had the privilege of visiting first nations and Inuit communities across the country and talking at length with aboriginal and northern leaders. What I've seen and heard has confirmed for me that I believe we are on the right track. We are making headway. We are addressing the pressing needs of aboriginal people and northerners in real, meaningful ways. We're building important infrastructure, resolving long-standing land claims, and improving access to better-quality services. We're helping communities and people across the country to look to the future with hope. I believe the members of this standing committee are active players in our success. You've been studying and reporting

on priority and timely issues. You've accelerated critical legislation and you have collaborated to best serve northerners, Métis, and members of first nations and Inuit communities across Canada, and for that I thank you.

In particular, I want to thank you for your support and rapid approval of Bill C-28, An Act to amend the Cree-Naskapi (of Quebec) Act. It is delightful to see that move quickly. We waited a long time for that, and it's nice to see that move through the House and hopefully on to the Senate shortly. I'm also pleased that Bill C-5 has received royal assent. That is due, in large part, to the work here of this committee, and I want to thank you for that support.

Last night we had a vote in the House of Commons. I think we dodged a bullet, frankly, on Bill C-8. Frankly, I'm unsure exactly what happened between the time of the speeches in the House talking about the bill and the motion to hoist the bill, which would effectively have killed it. I read through your speeches, and many of you gave really passionate speeches about the need to address the concerns, especially of aboriginal women, when it comes to matrimonial property rights. Bill C-8 is an effort to not only address matrimonial property rights in a way that would allow especially women and children the protection that all other Canadians take for granted, but it was really an opportunity to put in place a mechanism to allow first nations to put in place their own culturally sensitive laws on their own lands without interference by the federal government.

My hope is that we can get back to business. I urge all parties to deal with the subject matter itself. I'm still hopeful that we can deal with that in the House, get it into committee, and have the good study of it that many of you have said you would like to proceed with. I would hope that this will be possible now as we get back to that.

Moving on past Bill C-8, we are committed to addressing the legacy of residential schools, speeding up the resolution of specific claims, and ensuring that safe drinking water is available to all members of first nations and Inuit communities. Our resolve is to tackle these specific areas because we believe it will enable communities to heal, to grow strong, and to plan for the future. Those are our three priority areas in these main estimates, three areas where we will focus our resources and our efforts in the coming year. But we must also continue to build on our more successful programs and services and continue to renovate those that may be falling behind. We must use tools to help grow local economies, to ensure access to safe and reliable drinking water, to build and repair schools and homes, and we must use these tools to enable aboriginal people to lead healthier and more fulfilling lives. We have set out, I believe, a clear, prudent plan.

Mr. Chairman, my department's main estimates for 2009-10 are an important part of that plan. The main estimates for this fiscal year are part of the sound, well-balanced approach we are taking to serve all Canadians. In the main estimates, roughly \$6.9 billion is allocated to programs and services that address the critical human needs of aboriginal peoples and northerners. You will notice that this figure is an increase of some \$666 million, more than 10% over last year's estimates. Allow me to explain why.

This year the estimates include \$286 million for the Office of Indian Residential Schools Resolution of Canada. The responsibility for this office was transferred to my department in June 2008. Also new in this year's estimates are three other critical investments: \$243 million to further implement provisions of the specific claims action plan; \$138 million to continue taking action on the first nations water and waste water action plan; and an additional \$93 million for ongoing programs that provide basic services to members of first nations and Inuit communities.

• (0905)

[Translation]

Mr. Chairman, these new investments will serve all northerners, Métis and members of first nation and Inuit communities.

[English]

Another vital element of our approach is to connect our aboriginal and northern agenda to the economic action plan set out in the January budget. Through the economic action plan, the government is dedicating more than \$1.4 billion over two years to priority issues that impact the well-being of aboriginal peoples. More specifically, the government is dedicating \$200 million to skills development and job training to ensure that members of first nations, Métis, and Inuit communities have the necessary tools to take part in and excel in Canada's workforce; \$400 million to service residential lots and build, renovate, and remediate housing on reserves; \$515 million to construct schools, ensure access to safe drinking water, and improve health, policing, and other vital infrastructure on reserves; and another \$325 million to nurture partnerships with aboriginal organizations and provincial and territorial governments—essential partnerships that help deliver health programs and child and family services to first nations and Inuit communities.

In all, more than \$535 million, over one-third of the \$1.4 billion total, will flow through my department over the next two years—

\$260 million this year and the balance next year. I should note that the \$260 million for this year is not included in the main estimates. It will be incorporated into the supplementary estimates, but I wanted to give an overview of it today in case there are questions on it. Supplementary estimates (A), for example, which were tabled on May 14, account for roughly \$253 million of the \$260 million for this year.

Through Canada's economic action plan, the government is investing more than \$500 million in the north—funding that will benefit all Canadians, including aboriginal peoples. The greatest share of that funding—\$200 million over two years—is to renovate and build much-needed housing in the territories. Other major initiatives include \$50 million over five years to establish a regional development agency that will support economic growth in the north and \$90 million over five years to revitalize the strategic investments in northern economic development initiative, a core suite of highly successful programs that my department has long delivered and that the new regional development agency will continue to deliver, once it's up and running.

This government also remains committed to Arctic science and will invest \$87 million over two years in northern research facilities. Preliminary work has started towards the establishment of a Canadian high Arctic research station.

Finally, the government will invest \$59 million over two years to stabilize the food mail program to provide access to healthy food in isolated northern communities.

Altogether, between my department's main estimates and the economic action plan, the Government of Canada's clear, prudent plan to meet the needs of northerners and aboriginal peoples totals \$7.3 billion. As you may already know from the first report to Canadians on the implementation of the economic action plan in March, the government has already begun to allocate these funds. I've already identified and announced all of the projects for schools and water facilities and all of the Arctic science projects. They've all been announced, we are moving briskly to implement, and I would be pleased to take questions about them.

With the help and support of this committee, Mr. Chairman, we will continue to address the vital needs of northerners, of Métis, and of members of first nations and Inuit communities.

• (0910)

[*Translation*]

We will continue to ensure that every Canadian can achieve his or her potential and contribute to the future of our great country.

[*English*]

Thank you very much to you, Mr. Chairman, and to all committee members.

I am now more than happy to take any questions you may have.

[*Translation*]

**The Chair:** Thank you, Minister.

We will now move on to our first round of questions and answers. We shall begin with Mr. Bagnell, who has seven minutes.

[*English*]

**Hon. Larry Bagnell (Yukon, Lib.):** Minister, I'm going to ask my three questions. If you would, just write them down and then go ahead and answer.

First, as you know, a couple of weeks ago there was a land claim implementation conference here. Jean and Todd and I attended, and the anger was palpable. People were very angry; hundreds of delegates said the land claim implementation system is just not working. An example was that one first nation was told they couldn't set up an agency that is allowed in their land claim. The department is breaking the law, basically.

The second question is on the damning report that just came out on the schools. I'm sure you're prepared to talk about that.

The third question is related to the First Nations Statistical Institute, vote 45. On March 23, 2005, the First Nations Fiscal and Statistical Management Act, Bill C-20, received royal assent. Four years later, is the First Nations Statistical Institute operational? If not, why not? Wouldn't you expect it to be operational? Wouldn't you agree that in the face of serious concerns about quality of life of first nations vis-à-vis other Canadians, the work of this institute is required urgently?

Thank you for coming, Minister.

**Hon. Chuck Strahl:** Thank you, Mr. Bagnell. I appreciate those questions and I appreciate your ongoing—which I can vouch for—questions to me. Hopefully we can get you some of the answers as we go through this.

I met with the land claims implementation coalition in March. I did meet with representation of the coalition, and we discussed in broad terms the report they were going to table at that time. We talked about the need to better implement not just the land claims agreements we have, but also the renewals of them. This is a relatively new thing for Canada in recent years, and I've been saying since I've had this job that we need to do a better job, frankly, as a government and as a country in dealing not only with land claims and their ongoing implementation, but also with the renewal process. Many of the land claims, especially the earlier ones, didn't have the

kind of detail written into the contract, if you will, that said here's how we deal with these problem areas. We're getting much better at that.

Some of the renewals that we've been able to accomplish and some of the new mandates I've had from cabinet deal with some of the critical issues that the land claims coalition has pointed out as systemic kinds of problems.

I agree with much of what they say in that we need to do a better job and that the renewal is critically important, because it's during that process, whether it be a five-year, a six-year or a ten-year process, that you identify the gaps. As I mentioned, I think we're getting much better at saying here's how we're going to address it.

I don't dispute the need to do better. When I was up in your turf the other day, up in the Yukon, I did meet with Chief Carvill. That's one example of the Yukon first nations that have a list of ongoing concerns, with which I know you're very familiar. Again, they relate to first nations exercising the rights that are theirs under the original land claims agreements and then saying that they're now ready to proceed to the next step. They want to deal with child and family service agreements or they want to take control now that they have the capacity to do more things that should be under their control.

We need to find ways to make that happen for them, and that comes with doing a better job, especially on renewals. I think we are doing a better job. For example, in the Tsawwassen treaty, which is not exactly the same, there's so much more detail, so much more in there. The agreement we had with the James Bay Cree, for example, talks about everything from.... The Cree-Naskapi act that we're debating in the House right now deals with mediation services, how we deal with problems. Instead of leaving it to the courts or a confrontational system, we detail how we're going to deal with this, and I think we're making vast improvements.

• (0915)

**Hon. Larry Bagnell:** Could you answer the other questions? We'll run out of time.

**Hon. Chuck Strahl:** The FNSI are now up and operating. They've sent me their corporate plan so they are functioning. The board has met with the deputy minister, and they are proceeding with their corporate plan down that path. There's a process in place to get a chief statistician now as part of their corporate plan. Obviously that's part of what they need to do.

I absolutely believe it is a critical option. There's no one way forward for first nations, but it is one of a series of very good options for first nations to take advantage of information. It builds capacity and allows them to take control more and more. It's just like the First Nations Land Management Act and the First Nations Finance Authority. There's a series of things that allow first nations to move ahead.

So the institute is up and running. They have a corporate plan and I have approved that plan. When their chief statistician comes on board they'll be able to do more of the tangible work that's necessary for first nations interested in accessing their services.

The last point you made was on the school report on the Parliamentary Budget Officer. I don't doubt there may be more questions on that, so if I don't answer them all here, we'll get to them.

I saw the report for the first time yesterday. It's obviously very technical and lengthy. I've asked officials to review not only the recommendations but some of the data. Frankly, there are some mistakes in the data. Either the information wasn't available or it wasn't clear. So we will respond to the report.

This analysis was done before Budget 2009. There was a gap noted in spending on schools. A good part of that gap, in my opinion, was addressed by the Budget 2009 action plan. It allowed us to top up the amount of money we were spending on school infrastructure. That allowed me to make the announcement on the 13 school projects this spring.

We'll have to analyze the rest of it and get back to the Parliamentary Budget Officer. As I say, there are some errors in it, but it deserves a good analysis and we'll be doing that.

[*Translation*]

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

Mr. Lemay, you have seven minutes.

**Mr. Marc Lemay (Abitibi—Témiscamingue, BQ):** Minister Strahl, I will make a comment on Bill C-8. Even if the amendment was defeated yesterday, that does not mean that you can assume that the bill will be adopted in its current form. All first nations—and I have support from the women of... As a result of the lobbying efforts carried out by the first nations of Quebec and Labrador, and Quebec Native Women Inc., the Bloc Québécois decided to alter its position and support the amendment tabled by our Liberal colleagues. That being said, if Bill C-8 were to remain as it is now in its current form, all members of the House of Commons, without exception, would vote against it.

Over the last two weeks, this committee heard testimony from the first nations affected by Treaty One. You are aware of the problems. We passed Bill C-31 concerning specific claims. Would it not be appropriate to set up a tribunal charged with the implementation of treaties? I understand that this is a tall order, but we believe, as do the first nations, that the federal government is very often in a conflict of interest when implementing treaties, as it is the one scheduling meetings, transferring money, etc.

I'm simply calling your attention to the possibility of creating a tribunal responsible for implementing treaties. For now, that is what I will call it.

Please be brief in your answers, as I have two other important questions to ask you.

• (0920)

[*English*]

**Hon. Chuck Strahl:** Thank you.

Bill C-8, to briefly mention it, after last night's vote, is still before the House in its current form. My hope is that we can agree in principle that we need to deal with this issue. That's usually how we consider votes at second reading. Then it will come to this committee. I'm sure you'll have much to say about it, but my hope is still that we can make progress on it and agree in principle that we need to do something to address matrimonial property rights and pursue the subject. It's a gap in the law that needs to be filled.

I believe passionately that this is a case in which the perfect is the enemy of the good. This is a good bill, changed much with the influence of and in consultation with first nations. There are people who say it's not perfect, and that may be true, but perfection has been very elusive on this. It's been going on for many years—decades. People always want something a little bit different, a little more perfect.

My opinion is that allowing first nations to enact their own laws on reserves to cover the subject will lead to each one being slightly different, but will cover the matrimonial property rights. In my opinion, this is the closest we're going to get. I fear that if we search for perfection, we will never deal with this important issue. I urge people to consider that.

That being said, on the treaty implementation there are a couple of things.

In the Specific Claims Tribunal agreement there was a side agreement signed with the national chief that dealt with treaty implementation issues. In fact, we had our first-ever treaty conference in Saskatoon, which I spoke at, last year. It was a huge conference. Following that, the Assembly of First Nations, for one, and other groups as well, have taken the information that was gained from that conference. The Assembly of First Nations, for example, have passed a series of motions for their own organization for studying this subject matter and putting forward proposals for moving ahead. We've been working with first nations to do this, especially with the Assembly of First Nations, in this case.

There are other things in the works as well. For example, in Ontario there is a move afoot to see whether we need some sort of treaty commission in Ontario, what it might look like, and what involvement the Ontario government might have. Often it's federal-provincial-first nations issues that are stake. Those sorts of things are being discussed actively right now.

All recent treaties have access to mediation and arbitration to deal with treaty issues. That's the modern reality. Increasingly, whether we're talking about the numbered treaties or modern treaties, all of us are looking more and more at ways to stay out of the courts. The courts are always a place to go, if necessary, I suppose, and that's a fail-safe measure, but increasingly everyone is looking for either mediation or arbitration opportunities to try to deal with the issues. I think we are making progress on this. We'll have further follow-up on the treaty implementation with the Assembly of First Nations, as per the agreement.

• (0925)

[Translation]

**Mr. Marc Lemay:** The government has set aside \$20 million for education agreements with the provinces. How will this affect the first nations, and the provinces? What is the purpose of this \$20 million allocation?

According to rumours, it is expected that changes will be made to how reserves, communities, and aboriginal tribal councils are funded. I know that there have been meetings between your department and community leaders and directors. We would like to know what is going on. The first nations are worried about cutbacks in support funding for aboriginal reserves and governance.

[English]

**Hon. Chuck Strahl:** Thank you, Mr. Lemay.

The first issue deals with the \$20 million in the budget for extending the tripartite agreements under child and family services. I think that's the \$20 million you're referring to—for child and family services, is it not?

Let me start by asking, if I may, to correct the record. This has to do with a question Ms. Crowder asked me in the House of Commons. I mistakenly said that we had agreements in Alberta, Saskatchewan, and Prince Edward Island already. That's not true; it's actually Alberta, Saskatchewan, and Nova Scotia. I apologize. That was just a heat-of-the-moment, 35-second answer, Ms. Crowder, and I apologize for it.

This \$20 million will allow us to complete the deals on child and family services with two more provinces and first nations in those provinces in an ongoing fashion. It will change the child and family service process from one of interdiction and taking children away, frankly, to one of prevention, working with first nations in those provinces to use the best of the provincial services, and working with first nations in a culturally sensitive way. I think we're very close to signing on two more provinces, which will, as I said in the House, get us halfway there—we'll have five of the provinces done—and we're hoping to do it very quickly.

[Translation]

**The Chair:** Thank you, Minister.

Ms. Crowder, you have seven minutes.

[English]

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

I too want to quickly address Bill C-8, matrimonial real property.

I think you're right, Mr. Minister, that there is a willingness to deal with this long-outstanding issue. Of course, the problem is the how. I was very passionate in my speech in opposition to the amendment that was proposed; however, in the interim, first nations leaders from across the country indicated quite clearly that they wanted that amendment supported.

I think the issue becomes how we tackle matrimonial real property. First nations people across this country feel that the consultation process has not been appropriately conducted. There may be differences of opinion around that, but they're very clear about it. I think there are a number of other ways we could tackle this without ending up in the kind of controversy we've had.

As always, in the past you've agreed to respond in writing to any questions that we couldn't have answered in committee. I'm presuming you'll do the same, so I have a number of questions, and some of them are probably fairly straightforward.

The government expense plan indicates—the page isn't numbered, but it's on the page after 1-12—that part of the decrease in the budget is from the sunseting of the first nations SchoolNet. I wonder whether there are plans to deal with that.

Page 15-10 in the estimates indicates that “Contributions to First Nations for the management of contaminated sites” is going to be substantially reduced from last fiscal year. Could you comment on whether it's a fact that there are fewer contaminated sites? I went back to an old press release saying, “Dozens of reserves could contain abandoned military explosives”. It seems as though there are many contaminated sites out there, so if you would, comment on that one.

In the plans and priorities document, pages 37 and 48 talk about the urban aboriginal strategy. I know that friendship centres come under Heritage Canada, but I understand that the department is funding the Edmonton Aboriginal Transition Centre. I couldn't find in the estimates what source it was funded from and I wondered whether it was out of the urban aboriginal strategy. And then my question around it is: why are we funding an urban transition centre when we already have infrastructure in place for friendship centres?

My understanding concerning passports is that you have an allocation of money for secure status cards. I understood that as of June 1 there was going to be a secure status card in place that could be used to cross the border in lieu of passports. I know a number of bands have now received letters saying it won't be in place. Could you comment on that?

Here is the question I'd like you to answer verbally; the others can be dealt with in writing. The Parliamentary Budget Officer, on page 13 of the report, has indicated that it is difficult to talk about the money that's actually spent because of the fact that money is moved around. On page 7 in your plans and priorities report, under “Strategic Outcome: The Economy”, the department acknowledges that it “does not reflect in-year reallocations to address pressures in other program areas”.

So in the plans and priorities there's an acknowledgement that money gets shifted around. Part of the challenge the Parliamentary Budget Officer had was that money gets shifted around, so I wonder whether you could comment on whether the department has any intention of specifically earmarking money for schools so that it's not reallocated—not just for the capital expenditure, but for operations and maintenance as well.

• (0930)

**Hon. Chuck Strahl:** Thank you. We probably won't have time to answer all those, so we'll obviously get back to you.

I can tell you that SchoolNet was renewed, just quickly, so that's a “good news” story.

**Ms. Jean Crowder:** It says, though, that there's a sunset. So is it going to be renewed for a period of time?

**Hon. Chuck Strahl:** It has been renewed. We'll get the other details, including those on the passports. I think that is on the way to being a “good news” story, but there's more work to be done.

I have to comment on Bill C-8, just very briefly again, to say that I understand the difficulty. I think everyone around the table here wants to deal with matrimonial property rights. We've spent over \$8 million on consultation over several years. We've had over 100 meetings to consult. We've consulted broadly. We've had special representatives. We've had contracts with women's associations, with AFN, and others. We run the risk of there never being enough consultation. My hope is that part of the consultation will be the committee work. I realize not all of it can be that, but we have really put a good amount of money, effort, and time into trying to consult. I've had first nations approach me and say, “We have a plan in place”, and I say, “But with the stupid Indian Act the way it is, I have no power to allow you to enact your own laws on matrimonial property, so you're stuck. I like your law. I wish I could give you the permission to take it over, but I have no authority to do that.” This law, Bill C-28, would allow me to say, “Great, you have a law. Take it over. It's yours.” But I can't even do that, and that's a pretty frustrating thing for you and for me. I see a big gap, and no one can fill it because there's this lack of authority. But we'll deal with that as we move through it, I guess.

Regarding the Parliamentary Budget Officer, you're right. At first glance—and again, we'll do the analysis—he does point out that money is moved around in order to look after different priorities. I think in part it is true—and I don't know that we can put it in a lockbox. One of the difficulties we have, if you will, in Indian Affairs—people in the committee understand, but I hope people in general in the public understand—is that it's not like being just part of a school board. Indian Affairs, for better or for worse, looks after everything that touches peoples' lives in these communities. So it could be everything from fire protection, flood relief, schools, roads, infrastructure, welfare, everything. Not often, but once in a while, a crisis will happen. A school will burn down. A flood will take place. Fire will cause an evacuation, and so on. Frankly, you can have money allocated for schools, and you can build a school, but you can't provide safe drinking water for it. You can't get the road that goes to it. You have no way of making fire protection part of it. Often we have to do a holistic look at how to help the community. I think the debate can really be on how much money we spend, but often it's very difficult to pinpoint and say we'll just put this in the

box, and if it's outside the box, so sad, so sorry, no one can help you. Whereas if we have some flexibility, we can use money back and forth.

• (0935)

**The Chair:** We'll have to leave it at that.

Sorry, Ms. Crowder, we're really over time there.

Thank you, and thank you, Minister.

Now we're going to go to Mr. Duncan for the last question of the first round.

Mr. Duncan.

**Mr. John Duncan (Vancouver Island North, CPC):** Thank you very much, Chair.

Good morning, Minister.

I just wanted to clarify something first. When Monsieur Lemay was speaking on Bill C-8, I think we had a translation issue, because the English translation indicated that when Bill C-8 came back to the House, no one would oppose the bill, and I know that is not the intent. I just want to clarify the record.

**The Chair:** That's what I heard as well.

Perhaps, Mr. Lemay, you would like to clarify.

[*Translation*]

**Mr. Marc Lemay:** I will repeat what I said to the minister. It is not because the amendment was defeated yesterday that the government can assume that Bill C-8 will pass easily when it comes back for second reading. It is clear that the department must sit down with the first nations.

[*English*]

**The Chair:** Is that understood now?

**Mr. John Duncan:** Yes, I understood it, but I think if the broader audience were only listening to the translation it would have been problematic.

**The Chair:** Okay, that's helpful.

*Merci, Monsieur Lemay.*

Continue.

**Mr. John Duncan:** I have just one other comment on Bill C-8, the proposed matrimonial property rights legislation.

Minister, you talked about how long this issue has been around. I sat on this committee in the mid-1990s, and we were talking about it then. Here we are close to 15 years later and we're still trying to deal with this issue.

My question concerns the ongoing challenges in the north. You did talk about the north, and the government has made economic development a priority in the north. I wonder if you could update the committee on some of the progress that's been made. Certainly it's an area this committee has been wanting to delve into more deeply, so could you help us out a bit? Thanks.



● (0940)

**Hon. Chuck Strahl:** Thank you for that.

I know the committee is very interested in this, and I think rightfully so. It's a very exciting part of the overall portfolio. So I would encourage you in your work, and I look forward to any advice and reports you may have, because of course you will be able to talk to more people perhaps than I might have talked to, or different people. And I'm looking forward to your perspective, because the north is an exciting area when it comes to economic opportunity.

We have announced the creation of an economic development agency for the north. We've been at work behind the scenes. This is a new development, a new agency, so it deals with the machinery of government, if you will. We've been in discussions with northern governments and aboriginal organizations on what that might look like, but obviously the creation of that stand-alone agency that will be headquartered in the north, sensitive to northerners' needs, is a key part of what we're going to be doing. This is an exciting prospect. It was the number one ask just before and after the last federal election, certainly by the business community and the governments in the north. I'm looking forward to launching that shortly. That economic development agency is going to be a key part, not only in the delivery of regular development help but also in building capacity, working with other levels of government, both aboriginal and public. It's going to be a key part because it's an ongoing relationship that will be key for northerners.

We've also announced the renewal of the SINED programming. When we had the federal-provincial ministers meeting in January, just before the budget, one of the top asks from the northern governments was the renewal of SINED.

SINED has proven to be the flagship economic development tool for the government working with northerners, and it has proven to be very effective. Twenty years ago there wasn't such a thing.

This \$90 million over five years is going to be a very important part of it. And my expectation is that as the economic development agency gets up and running, they will take over the administration of that SINED money as well, and the combination is going to be a nice package of economic opportunity, local knowledge, and control of the programming. It's going to be very exciting.

We're already in the middle of making some important changes on regulatory issues in the north. I'm sure you know this. You can always get a smile from northerners when you go up and talk about regulatory reform because nowhere else in the country do they understand it as well, and understand how broken it is, as they do up north. Not by design, but by evolution, it has turned into the most hopelessly complex regulatory regime in the country and it has proven to be an impediment to economic development.

Mr. McCrank delivered a report to me last year. We've started to move on the recommendations of the report, and we'll be engaging northerners to make further changes to harmonize regulatory activity to allow environmentally sound, proper development in the north in a way that allows business to succeed.

So I think we're on the right path in the north, but again, I look forward to any reports you might develop in your northern trips and research, because I think it's an exciting area that everybody wants to

get right. But we need to move quickly to allow opportunities for northerners. They're champing at the bit, and we need to help them make it happen.

**The Chair:** Another minute, Mr. Duncan, if you wish.

**Mr. John Duncan:** We're talking about the estimates. I guess there's \$50 million for the agency and \$90 million for SINED. Is that an even-flow circumstance over the five years?

**Hon. Chuck Strahl:** It's part of what we've announced for the north. The \$50 million will get the agency up and running for the next five years. It's basically \$10 million a year to get that going. The SINED is the \$90 million you mentioned over the same period, so that's a substantial amount of funds. As that agency gets up and running, it will deliver the RInC program, which is a recreational facility program for the north, the same as the other regional development agencies. There's also money that was allocated in the budget, not to my department but through HRSDC for skills development, for ASEP programming. All of these things are being very actively used in the north. All of it, I think, will be better used and coordinated with the northern regional development agency. I think the package is going to be very good for skills development, employment opportunities, business opportunities. This is a "great news" story for all of Canada, but we want to make it a particularly "good news" story for northerners.

● (0945)

[*Translation*]

**The Chair:** Thank you, Mr. Duncan, and Minister Strahl.

We will now begin our second round.

Mr. Bélanger, you have five minutes.

[*English*]

**Hon. Mauril Bélanger (Ottawa—Vanier, Lib.):** Thank you, Mr. Chairman.

We've all started with Bill C-8. I don't want to be the exception here, Mr. Minister.

Allow me to tell you that the 40th Parliament has produced a very good and I think a very well-functioning standing committee. You may want to consider that in your next move, and you may want to consider what I talked about in the House, in the debate at second reading so far. You may want to make use of a provision in the rules of the House that allows a government to refer a bill to committee before second reading, thereby giving the committee greater latitude in working with the legislation, as opposed to putting it in a straitjacket of living with the second reading approval in principle and therefore reducing considerably the latitude the committee has.

I'll leave that with you.

I want to ask some questions about a program. This is about estimates, after all. Allow me to read from an interim report from your department dated March 2009 on the food mail review. I quote:

The program's core funding of \$27.6 million has long ceased to be adequate in the face of program demand and rising costs. For eight years in a row, since 2000-01, top-up funding has been required through supplementary estimates.

In the estimates that are before us, because we're dealing with the mains, your department is asking for \$27.6 million for this program, Mr. Minister. Is that enough? I know the answer is you've already asked for an additional \$38 million in the supplementary estimates. Why is the department not increasing its reference level?

**Hon. Chuck Strahl:** You're right. What's in the mains is not enough, hasn't been enough for years, of course, and has required top-up. In fact, the rate of growth in spending on the food mail program has been quite a bit more than the rate of inflation for quite a number of years, so the numbers keep going up and up. When you talk to northerners, I wouldn't say they believe the quality of the service has gone up and up, so that's why we're headed toward a renovation of the programming.

The point is, we left the reference level as it is. I have a report from a special ministerial representative who has now started the consultation program process with aboriginal groups and territorial governments. My hope is to come back soon with the new program, and then the main estimates will reflect what the new program looks like.

**Hon. Mauril Bélanger:** The main estimates were tabled in Parliament and the supplementaries right after, essentially. Your department knew that \$27.6 million was not enough, yet you maintained that. Why?

**Hon. Chuck Strahl:** Again, it's a program in the middle of renovation, so we left the main estimates as they were. My expectation is that we're going to come up with something quite new and I think quite a bit better.

**Hon. Mauril Bélanger:** But are the main estimates not to be a reflection of the true spending of government?

**Hon. Chuck Strahl:** Well, there's a whole parliamentary process, as you know, that deals with.... We have not only supplementary estimates (A) but supplementary estimates (B), and who knows what else. It's just inevitable that you do it that way.

**Hon. Mauril Bélanger:** Your department has looked into three communities, the pilot communities, to assess the program, and it concluded that 62% of the subsidy actually made it to the customers. Can you tell me where the other 38% goes?

• (0950)

**Hon. Chuck Strahl:** Of course, there are quite a few players in the system, including airline companies and retailers and so on. But a concern that we hear from northerners, for one thing, is that it's not visible. They can't tell where the subsidy is landing, and that's why we've had both internal reports, why I've hired a ministerial representative, and why aboriginal organizations, Inuit organizations, and others are so keen to renovate the program. They say it's a \$15 pineapple, but how do they know if there's any subsidy in it?

**Hon. Mauril Bélanger:** I understand, Minister, that it's not their responsibility to be accountable for the program. It's the government's responsibility, but you're telling me the government cannot tell me today where the other 38% of the subsidy goes.

**Hon. Chuck Strahl:** I could ask officials to talk on it, but as I mentioned, some of it will be going to airlines, some of it will be

going to retailers. As you say, the consumer recognizes part of it, but the problem with it is that the way the system was set up—and you'll know because this is from Liberal days—the subsidy goes through Canada Post, it goes to the airlines, it maybe ends up on the retail floor. What we're looking at is a different system that is visible and is right at the retail level.

**Hon. Mauril Bélanger:** One has to wonder how long you'd have to be governing before you stop referring to Liberal days.

**The Chair:** That's it, Mr. Bélanger. We're actually over time.

**Hon. Mauril Bélanger:** No. I have a final question, very quickly, and then he can respond. It's very short, Mr. Chairman.

The program is to deliver food. It has been reported that very often the food arrives spoiled, yet there is no claims policy with Canada Post, the provider of the service. What is your intention to fix that, Mr. Minister?

**The Chair:** Just a brief response, Minister.

Thank you.

**Hon. Chuck Strahl:** I'm not announcing the new program here today, and I think, understandably, we have to consult with aboriginal and Inuit organizations and other governments to make sure that when we make the announcement we deal with issues like spoilage and making sure the subsidy is visible, so that people know that the considerable investment Canadian taxpayers are making is actually having an impact on the price of good quality, healthy food for northerners.

So I'm not going to renovate here this morning, because we're in the process of this consultation with northerners directly. As we design the details of the program, of course we'll roll it out, but it won't be piecemeal. It will be after consultation with northerners.

**The Chair:** Thank you, Mr. Bélanger and Minister.

Now we're going to go to Mr. Albrecht for five minutes.

**Mr. Harold Albrecht (Kitchener—Conestoga, CPC):** Thank you, Mr. Chair, and thank you, Minister, for being here today.

I noted with interest many of the increased investments in housing and economic development opportunities, schools, waste water, water management, and many other initiatives. In fact, if you look at the summary provided by the Library of Parliament, there is a very dramatic increase over the last four and a half or five years.

So I commend the department for that, and I think Canadians are happy to see us addressing some of these long-standing issues.

One of the things that I've had the privilege of doing over the last three and a half years since I've come to Parliament is meeting with a number of leaders from the Métis community. Increasingly, as I met with them, they appeared to be giving me the message that we weren't addressing their concerns, and I understand that last summer the Conservative government did sign a Métis Nation protocol with the Métis National Council. I was wondering if you could just give us a bit of an update as to the progress on the implementation of that protocol.

**Hon. Chuck Strahl:** We did sign the Métis Nation protocol last September, I think it was. There was a lot of effort put into developing that by the Métis National Council. We obviously had a lot of negotiations to get to the signing of the protocol. It's something the MNC was delighted not only to sign but also to champion as a good example of improving relations between Métis governments and the federal government.

Since then, I've met with Métis leaders a number of times as well. There's a priority list of issues to be addressed in the Métis protocol, and we've been going through that list. For example, last week I met with the Métis National Council and the provincial affiliates. We were able to announce then the launching of a new service for Métis veterans, a portal or website that allows everything from the collection of important stories from Métis veterans to ensuring they get all the services they deserve, and it's done in a way that searches out additional Métis veterans. I compliment those who worked on that site, because that portal and the efforts that went into it are part and parcel of the Métis Nation protocol. The veterans are very important. The Métis are very proud of their veterans, as we all are, but they've taken a particular interest in them, and we were able to launch that.

We've also been working closely on Métis infrastructure projects. There are several projects that are in the works. We want to make sure the Métis get a good crack at some of the stimulus funds that are out there from the economic action plan.

I've also sent letters to the five premiers who are affected, urging them to consider how we may sit down in a multilateral way to deal with issues that are of concern to Métis. Some of the issues go back and forth into federal and provincial realms. In our and the Métis' opinion, there are times when a trilateral or multilateral setting is the best way to address these issues. So I've urged the provinces to do that, as have the Métis leadership. So I think we're moving forward on that.

I do want to congratulate President Chartier, and the provincial presidents as well—Presidents Chartrand, Poitras, Doucette, Dumont, and Lipinski, all of them—for just putting their shoulders to the wheel on improving relations between the federal government and the Métis in a way that's been very codified and allows us to set up regular meetings dealing with issues on a regular basis.

We are dealing with issues of core funding as well, which is another issue that was important to them, and we'll be making an announcement on that shortly.

• (0955)

**Mr. Harold Albrecht:** Do we have some more time, Mr. Chair?

**The Chair:** Yes, you have about a minute.

**Mr. Harold Albrecht:** Minister, you also mentioned in your remarks the \$165 million over two years to accelerate water and waste water infrastructure projects—and on March 19 you announced the 14 new projects. I'm just wondering if you could give us a bit of an idea as to the criteria on which those projects were selected and if some of the high-priority needs are being addressed. I think we've often looked at the percentage of low- and medium-risk communities. If you could give us a little bit of input on that, it would be welcome. Thank you.

**Hon. Chuck Strahl:** If I need some more time, I'll get an answer to you in writing.

Obviously, safe drinking water is very important for any community. We were able to announce those 18 new water systems. We did that by working off a priority infrastructure list. That list moves projects up, with both schools and waste water and water projects coming up to the top of the list based on health and safety concerns, and so on. We worked with first nations to develop that list in each region. Then I was given that list based on the priorities that had been set out objectively, and I approved every school and every water system on the list. I didn't change one of them, because I think it's important for first nations to know that if they do the work to evaluate these systems, the list is not going to be politically gerrymandered at the last minute. So I just approved every single one as they came to me.

[*Translation*]

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

The next question will be asked by Mr. Lévesque, who has five minutes.

**Mr. Yvon Lévesque (Abitibi—Baie-James—Nunavik—Eeyou, BQ):** Thank you, Mr. Chair. Good morning, Minister. I also wish to acknowledge the presence of the very studious lady seated in the corner and surrounded by all these men.

Minister, I tried to get as much time as my colleague, Mr. Bélanger, had. But since I will never become a minister, I will have to settle for the five minutes that I have been allotted.

I have a very important question to ask you. As we speak, the Governor General is in Nunavut. Before she left, she talked about a university for the Inuit. Construction of a university pavilion for the first nations has just been completed. Since the Inuit do not consider themselves a first nation, the university changed its name to accommodate the Inuit. Therefore, the “First Nations Pavilion” has become the “First Peoples Pavilion” so that the Inuit will understand that this pavilion is also for them. The Governor General made this statement.

Does the government have the intention of building or creating a university specifically for the Inuit?

Gentlemen, please pardon me as I must leave to go to the House of Commons immediately.

• (1000)

[English]

**Hon. Chuck Strahl:** Thank you, Mr. Lévesque.

There is currently the University of the Arctic. It is supported not only by the Canadian government but by other governments around the world. It is an important part of the education system, including education for northerners and for others about northerners.

Just a short while ago we signed the education protocol with Inuit leaders dealing with education for Inuit people across all of the Inuit regions. That education protocol allows us for the first time ever to deal with issues that are pan-Inuit. They deal with everything from cultural issues to special northern issues in a way that crosses other boundaries. Those boundaries might be territorial, other land claims agreements, or whatever. The Inuit education accord for the first time ever allowed us to work together across all of the regions, both provincially and territorially. It will allow us to use best practices to codify how we're going to address education requirements for Inuit, the special requirements that might be there, and the obligations of different levels of government and land claims signatories.

So I think it's a very important step. It was very important to Mary Simon that it be signed. It's going to be a great step forward on education generally in the north, but especially for Inuit people.

[Translation]

**The Chair:** Thank you, Minister.

We have time for another question. Mr. Lemay, you have the floor.

**Mr. Marc Lemay:** Minister, approximately 14 minutes ago, I asked you what was going on with respect to support funding for aboriginal bands, communities and tribal councils. Since you did not have enough time to answer me, I will give you the time to do so now. I presume that the first nations also wish to know your answer. What is going on, and what is in the making, regarding this issue?

[English]

**Hon. Chuck Strahl:** The support for Indian governance and tribal council purposes comes up periodically for review, every five years. There are hundreds of millions of dollars involved in this. That is a significant amount of money, so it comes up for review, as all major programs do.

A series of meetings takes place about this with all first nations. Letters go out, talking about what is working and asking them for

input on how things could be improved. We deal with the national organizations as well to talk about what, in their opinion, is working. We've had an advisory panel set up, working with first nations. That has met several times, again to advise us.

The fear is always that “review” means we're going to cut something back. But in my opinion, a review means we're going to try to make the services better. You'll find there are an awful lot of issues at stake here—everything from benefit packages for employees who work on reserve to the allocations between tribal councils and first nations governments on how much core support they need to deliver what services and what we can do to build capacity.

All those things are part of the review. Always, when there are hundreds of millions of dollars involved, my hope is that by working with aboriginal organizations and governments, we will find better, more effective ways to deliver that money. We don't just say, the way we used to do, it's the only way. In modern governance, I think you find that, as you would in any government, there are better ways going forward. We want to work with first nations and other aboriginal people to find the best ways to make sure they have the best governance possible.

**The Chair:** Okay, Minister, that's it. We thank you for your presentation this morning.

Members, we're going to suspend briefly. We'll be resuming with the officials who are here for the next hour.

Thank you.

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\_\_\_\_\_ (Pause) \_\_\_\_\_

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• (1010)

**The Chair:** Thank you. We're going to proceed here again in the next hour as much as we can.

Before we begin, though, members, if I can just ask for your indulgence because we're short on time today, there is one piece of business concerning our agenda for the remainder of this week and for next week. Instead of taking time during this morning's proceedings.... This is flowing out of the subcommittee meeting we had just prior to the constituency week. On May 14 we developed a draft agenda for the approval of the committee. I'm going to circulate that, and we'll treat it as a consent agenda, if that's okay with you. If there are any objections to it, perhaps you could let me know in the course of the next 40 minutes or so, and we will then take some time at the end of the meeting to discuss that issue. It will have to be a discussion in camera, so that's why I'm suggesting if there's consensus among the committee we'll just proceed. It's a printed agenda, and it will be up. If you have questions, we'll deal with them at the end, or I could also deal with you one on one at the end of the meeting. I'm just trying not to interrupt this morning's proceedings, if it's okay with you.

Now we welcome officials from the Department of Indian and Northern Affairs Canada, principally, Michael Wernick, the deputy minister; Neil Yeates, the associate deputy; Jim Quinn, the CFO; and we also have with us Christine Cram, who is the assistant deputy minister under the rubric of education, social development, and partnership. Also, we welcome back Patrick Borbey, who is the assistant deputy concerning issues of northern affairs in particular.

Members, we're going to continue with the five-minute rounds, where we left off, more or less, and we'll get in as many questions as we can in the coming minutes. We're going to start off with Mr. Rickford for five minutes.

**Mr. Greg Rickford (Kenora, CPC):** Thank you, Mr. Chair. Thank you to the witnesses for returning to this committee.

I want to talk about reformed leadership selection, the redesign of band support programs. The department's 2009-10 report on plans and priorities indicates that one of its key priorities for the upcoming planning period are reforms to leadership selection. The report goes on to state that the department will work with first nations communities to achieve program and legislative reform in these regards, and I believe it identified that a lack of stakeholder participation, obviously, consultation, is a key strategic risk in this regard.

Obviously this government has a strong record of consultation, as the minister pointed out today. We have spent considerable resources in consulting stakeholders on various pieces of legislation like Bill C-8. I just want to be sure. I have a lot of experience living in first nations communities, and this is a key issue on the ground. I want to know what specific reforms to leadership selection the department is currently contemplating and what the expected results of these reforms are.

Michael?

**Mr. Michael Wernick (Deputy Minister, Department of Indian Affairs and Northern Development):** Thank you for the question, and thank you, Mr. Chair, for the opportunity to come here.

I'll put in a little plug. This is the twenty-third appearance by my department's officials before a parliamentary committee since Parliament resumed in January. We're happy to have this ongoing engagement with parliamentarians to make the department a better place, and I think we'll be back on Thursday to pursue some further issues, unless you've changed your schedule.

Taking Mr. Rickford's question, I do want to get on the record one very clear distinction, that the Indian government support programs, which were the subject of earlier questions, are the basic funding support for band governments, their employees, and tribal councils. That has nothing to do with elections and leadership selection. Some media reports have squished the two together.

We're reviewing the Indian government support programs because they sunset. Knowing they would sunset in March 2010, we've started the process of consultation and engagement with people. It has made people nervous. They are worried about what will happen to the programs, and I think the minister answered those questions. We have taken no decisions and taken nothing to cabinet on the future of the Indian government support programs. We obviously

would not do that until we'd gone much deeper into a consultation and engagement with the people affected.

On the leadership selection issues, we have no plans or intentions to pursue leadership selection aggressively over the next little while. It would take legislation, and one of the most difficult and controversial issues this committee would ever deal with would be Indian band elections. What we're trying to do is open a dialogue wherever possible, because people are coming to us and saying the status quo doesn't really work very well. There are communities like Barrier Lake, where there's a dispute about who's in charge, and there are a couple of communities in Manitoba and so on. So we're basically working with those who are willing to talk to us and engage in research and outreach.

The Assembly of Manitoba Chiefs pursued this very vigorously last year. The Atlantic Policy Congress pursued this and have a different take on it. For some people, the priority is a longer term of office, so that you're not running for election every two years, although members of this committee are perhaps used to that. First nations community leaders would like to have a three-year or four-year cycle and be able to push through reforms. For other people, it's having appeals and mechanisms and a kind of elections commission, instead of running to the minister as the sort of appeal body, and there are some interesting ideas about having an elections commission for first nations elections. What do you do to resolve disputes, particularly when communities are using custom code elections, which are not particularly transparent to their members in some cases?

We don't intend to pursue that until there's a willingness and a readiness in first nations communities to take that on. If there's support, people who will come and support a particular initiative, our advice would be to take whatever reforms are available—don't go for some big bang kind of election reform legislation—but we're not ruling anything out.

If I can talk about the other place very briefly, the Senate Standing Committee on Aboriginal Peoples is seized with this very issue and is having hearings on this subject and probably will be giving us advice.

• (1015)

**The Chair:** Mr. Rickford.

**Mr. Greg Rickford:** A very short question, Mr. Chair.

Is it safe to say that the manner in which you're working with the nations to advance these reforms is basically as a community might approach the department with some specific questions about how they might make changes?

**Mr. Michael Wernick:** Probably I'd characterize it at the regional level. I'll take the Manitoba example. Chief Evans has an organization that tries to represent the interests of about 42 first nations. At any given time, about a third of them are going into election, coming out of election, and whatnot. He would like to, or at one time he wanted to, have a more harmonized schedule, kind of like municipal governments. I know that's not an easy analogy. All first nations would have elections in or around the same time. That would be a relatively easy thing to pursue, but we're not going to push anything in first nations governance that doesn't have substantial support from the grassroots in the communities.

**The Chair:** Thank you. We'll have to leave it at that.

Now we'll go to Ms. Crowder.

I don't have another person on the list from the government side, if you want to think about that.

I'll go to Ms. Crowder for five minutes.

**Ms. Jean Crowder:** Thank you.

I have three questions to ask. I wonder if you could confirm the length of time SchoolNet was active, because I think it didn't get on the record.

The second question is, the Office of the Federal Interlocutor had a substantial increase in its budget. I wonder if you could explain why.

The third question is this. Under your government expense plan, on 1-12, it talks about reflecting a 2% allowance for inflation. Of course, we have often had conversations here about the 2% funding cap. But in the Parliamentary Budget Officer's report he indicated there's been some confusion regarding a funding cap that was imposed on funding for INAC, and he went on to say he couldn't find any policy or program that talked about the 2% funding cap. That's on page 18 of his report.

I wonder if you could speak to those three issues.

**Mr. Michael Wernick:** Very quickly, SchoolNet was extended for two years.

On OFI, it's additional money that was extended for the Métis rights initiative, which is basically dealing with the consequences of the Powley decision. We have work going on in communities, identifying registries and that sort of thing. It was just an extension of that Powley initiative.

The 2% is one of the areas where I think we have to get back to the Parliamentary Budget Officer. Just because he didn't find the right document doesn't mean there isn't a 2% cap. In fact, it's quite transparent in the estimates this year. Every year we go through a fall update of our reference levels. They're reflected in the main estimates the following year. Page I-12, the \$93 million, if memory serves, is precisely the 2% adjustment to a bundle of services to first nations. The bundle is all our core social programs that Christine is responsible for: education, income assistance, social services, child protection, housing, and community infrastructure. That envelope is allocated a 2% growth factor, plus whatever special funding comes around, as there was in Budget 2005, Budget 2008, and Budget 2009.

• (1020)

**Ms. Jean Crowder:** In his report on page 67 he does an analysis of the planned expenditures and reflects that in many years much more than the 2% funding cap was spent. I wonder if you could get back to the committee and confirm that written policy was in place around the 2% funding cap, because the issue then becomes this: if there was no policy around a 2% funding cap, why aren't core services funded at the rate they're required?

**Mr. Michael Wernick:** The 2% growth cap dates from the 1996 budget and it's been in place ever since. It just simply has not been

changed. So every year we go through the process with Treasury Board of updating our reference levels, and they add 2% to that base.

**Ms. Jean Crowder:** He talks about how the rate of growth for Indian and Inuit programming between 1995 and 1997 was 3.68%, indicating that often the noted 2% funding cap was not instituted.

**Mr. Michael Wernick:** Yes, I think they are confused about what the 2% applies to. My understanding of it is, and we'll correct the record on this if necessary, they've thrown in all the money for negotiation and settlement of claims, when in fact we cannot move money from services into claims or claims into services. Those are two very separate funding streams.

**Ms. Jean Crowder:** So you'll get back and confirm that for us in terms of responding to—

**Mr. Michael Wernick:** Yes, we intend to write to Mr. Page and clarify some of these things. We just saw the report. I think he's interpreted the data, or his staff has interpreted the data, in some ways that I think are not quite right, and we will get back to that. Of course, we'll table our response to Mr. Page with the committee.

**Ms. Jean Crowder:** Great. Thank you.

Do I have time?

**The Chair:** You have about another minute, if you wish—believe it or not, yes.

**Ms. Jean Crowder:** I want to touch on the Parliamentary Budget Officer's report again, around the ability to track information. He talks about the challenges and reflects that sometimes he hasn't been able to get the information from Indian and Northern Affairs, which of course reflects directly on the estimates process. Can you comment on whether there are any planned changes to how information is reported and gathered?

**Mr. Michael Wernick:** We're in the middle of putting a better information system in place, which isn't fully populated with the right data. This is one of the reasons the report is a little funny in some areas. We have an integrated capital management system—that's what ICMS is—to allow us to track and monitor these waiting lists of projects in all the regions. As the minister said, we've come from a period where it was very decentralized and run by each region. We're trying to put a national information system in place and the ability to manage that.

I think you're getting at a much deeper issue about whether there should be separate appropriations, separate tracing, separate tracking. It's not surprising that Mr. Page recommended that for the schools funding. It's very similar to other advice we get in other audits, which is if you want to be absolutely sure of where the money has gone, you would have to have a separate stream of funding. We got advice like that on post-secondary education, on child and family services.

The issue it raises is a trade-off between flexibility and accountability or traceability, if I can put it that way.

**The Chair:** Okay. We'll have to leave it at that, Mr. Wernick. Thank you, Madam Crowder.

Let's go now to Mr. Payne for five minutes.

**Mr. LaVar Payne (Medicine Hat, CPC):** Thank you, Mr. Chairman.

I'd like to thank the witnesses for appearing today. I have some questions around safe drinking water and the report on plans and priorities. In particular, I would like to know the number of communities that had issues around safe drinking water in 2006 and where we stand today in terms of having remedied some of those problems.

**Mr. Michael Wernick:** As the minister said, I think we're due for one of our regular overall progress reports, and we should be able to table that. From the numbers I have in front of me, in 2006, when we started the current action plan, there were 193 high-risk water systems. We're down to 48, which means that most of them have moved into medium and some into low. There are about 770 systems across the country, and the reports we've tabled, roughly every quarter, track that progress.

I would just say this to get it on the record: the fact that a community has a boil water advisory in a given year does not mean it's a high-risk community. There are thousands of boil water advisories in communities right across this country, aboriginal and non-aboriginal. They can be seasonal; they can be temporary. We use a risk methodology that goes to a more enduring health risk in the source water contamination; that's how we do the ranking.

• (1025)

**Mr. LaVar Payne:** I certainly commend the efforts that have been made so far on that. I'm very pleased, because I understand there are other communities as well that have the same issues, some in my own riding, which does not have any reserves.

What I would like to know is, can you describe the nature of the national engineering assessment, how it's being evaluated and when the assessments might be completed?

**Mr. Michael Wernick:** One of the things we realized we needed to do in order to make a good business case for further investments in systems is to start with a better baseline of the state of the infrastructure out there. The Parliamentary Budget Officer just made the same observation about schools.

We have started on water and have gone through a process of tendering, and we were able to announce the award of a contract just this week, actually. It's taken longer than I would have liked, but that's government contracting processes.

We'll be going through all of the water and waste water systems right across the country and doing a snapshot of their state and a technical engineering assessment of all of them. This will allow us to have a very solid baseline and track their quality on an ongoing basis in future years, and prioritize investments. The one piece of the puzzle that's missing is very clear standards by which those plants should operate.

**Mr. LaVar Payne:** In terms of the standards, is something being developed so that communities—

**Mr. Michael Wernick:** I think it's indicated in the RPP that the government would like to table legislation that would allow the minister to establish standards for water quality on reserve, just as there are standards in the neighbouring communities.

**Mr. LaVar Payne:** Do I have any more time?

**The Chair:** *Vous avez deux minutes.*

**Mr. LaVar Payne:** Thank you.

Just going on in the same vein, Budget 2009 allocated another \$165 million over two years to accelerate water and waste water infrastructure, and on March 19 the minister announced 14 new projects.

My question is, on what basis were these communities selected, and was the funding provided in the budget directed to be identified for priority communities?

**Mr. Michael Wernick:** I'll have to give you a more detailed follow-up answer. Basically the Budget 2009 initiatives, for schools and water and housing, were a combination of the needs methodology the minister described and shovel readiness. They had to be projects for which enough of the work had been done on design, engineering, feasibility, community support, and so on, that we would be confident that shovels would be in the ground within the two-year period of the stimulus package. The money disappears two years from now.

We went through and cross-referenced our capital plan against shovel readiness, and those were the projects that came to the top of the list.

**The Chair:** You have 30 seconds left. Do you want to use them?

**Mr. LaVar Payne:** No, that's fine.

**The Chair:** It's up to you; it's your time.

Thank you, Mr. Payne. Now we'll go to Mr. Russell for five minutes.

Mr. Russell.

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

Good morning to the witnesses.

I have a very specific question on the TRC, the truth and reconciliation commission. It's been a year now since the announcement was made, or thereabouts. There has been no formal invocation of this commission after a little breakdown involving some of the commissioners.

I'm wondering where we are with this. Some of the calls I get indicate that people really want to move on with it; they feel that a year has been lost. We can come up with all kinds of things saying there is some work being done on this, that, and the other thing, but a lot of people feel that a year has been lost in terms of this particular process. I'm wondering where the process stands.

**Mr. Michael Wernick:** Thank you for the question, Mr. Russell.

Yes, a year has been lost, and that's deeply regrettable. We certainly hope the commission will recapture some of the momentum that was there last year.

There was a process involving all the parties to the agreement—the governments, churches, aboriginal groups, and so on—that dealt with the governance issues that may have contributed to the breakdown of the first commission. All of the details on a selection process are on the TRC website.

I was the minister's representative on that selection committee. Its advice has been handed in, and we're expecting an announcement very shortly on the new commissioners.

•(1030)

**Mr. Todd Russell:** Thank you very much.

Can you give us an update on where we are with the post-secondary education program, or the review of the education program generally, in terms of the level of consultations and the nature of consultations? Is the department on track to report next fall about the renewal of that particular program?

**Mr. Michael Wernick:** The short answer is yes. We're deeply engaged with consultations with people who would be affected by it. It's one of those situations in which the program needs to be renewed, and we're asking people whether they want to pursue renovation as well. This committee studied the issue and has given us advice.

There are lots of findings. We have an audit on the program that points to a lot of deficiencies in the current design. I'd ask Christine to speak about whom we've talked to and when. As far as I can tell, we're on track to give cabinet advice this fall.

**Ms. Christine Cram (Assistant Deputy Minister, Education and Social Development Programs and Partnerships Sector, Department of Indian Affairs and Northern Development):** AFN has approached us. They're very interested in working with us on both the response to the audit and the review. A number of first nations and first nations regional organizations have also approached us. We're contemplating, at the present time, engaging with them on both the audit and the review.

**Mr. Todd Russell:** I have another question on child and family services. Almost every report that has come out from outside the department per se has indicated that this area is grossly underfunded and has led to an exorbitant number of first nations children in care, much higher than among the general population.

I think there is general agreement as well that child and family services on reserve are not funded to a level comparable to that for those who are off reserve. The department has seemed to say that they need to move into a tripartite type of process involving the provinces and that they're going to be funding some of these initiatives "one off", so to speak.

Is there any sense of how much this will cost, if it were fully implemented across the country?

**Mr. Michael Wernick:** Very quickly on child and family services, I've said this at the public accounts committee and it gets me into trouble: I don't think there is a lack of funding in the child and family services agencies. The funding more than doubled, because a lot of kids are being taken into care—the system is biased towards taking kids into care. That is the most expensive solution for the children. One of the reasons we've had to take money out of capital and community infrastructure is the very rapid growth of the bills for child maintenance.

What was missing from the old approach to child and family services was prevention services in the community—culturally relevant kinship and family based prevention services. That's what the tripartite agreements are about: providing that possibility in the renovation. We have made investments in those provinces where we have an alignment between the first nations agencies, the provinces—because they operate under provincial child welfare legislation—

and our funding. We've done the renovation in three provinces; we're open to doing it in others, as the minister said. We hope to do two more within the next few months. We have a couple of other provinces in the "on deck" circle.

We think that as the investments are made in prevention services—which are cheaper per child—the bills for maintenance of kids in care will come down over time.

**Mr. Todd Russell:** May I just ask very quickly...?

Do I have 30 seconds?

**The Chair:** We'll give you some time here. You have 30 seconds. That's it, though, for the answer too.

**Mr. Todd Russell:** There was a complaint lodged with the Canadian Human Rights Commission around the underfunding of child and family services. I know the department or the crown has taken a certain position. Can you give us an update on where that particular process stands?

**Mr. Michael Wernick:** I can provide the details in writing. Basically, it's in procedural things before the Canadian Human Rights Commission. They're trying to figure out when to deal with it and how to deal with it. It's a complaint made based on a set of facts in Alberta several years ago, and we have no choice, when sued or having complaints, but to defend our position. We have had to do that.

I find it deeply regrettable, because the renovation through tripartites is the solution in child and family services.

•(1035)

**The Chair:** We'll have to leave it at that. Thank you, Mr. Wernick and Mr. Russell.

We'll now go to Mr. Duncan.

**Mr. John Duncan:** Thank you, Chair, once again.

I welcome the officials.

I want to go back in my question. I went to the northern development agency with the minister and I would like to delve into that a little more.

This is for the northern development agency. I don't actually remember when it was, but when you were here earlier, there was a statement that the intent was to purchase as many corporate services as possible, which were to be shared with the department, with the possibility of eventual partnership with others. Does this mean there's a deliberate attempt to have core funding not all gobbled up by staff? Is this in order to retain flexibility and offer greater vision and a chance to adapt to changing circumstances? If so, that agrees with a lot of the philosophy and concerns that were expressed to me in my short visit to the Yukon recently.

That's my first question.

**Mr. Michael Wernick:** I'll try to be quick on that.



When the agency is announced by the Prime Minister, it will have its own deputy head, accounting office, RPP, and estimates. You'll be dealing with them just as you're dealing with us. It will be a small agency, by the usual standards. We're thinking it will be between 100 and 120 employees when it's fully mature. We certainly are proceeding with the offer and the possibility of sharing as much of the back office as possible so that as many dollars as possible go into the programming and not into the overhead of delivering it.

**Mr. John Duncan:** Is it anticipated that many of those personnel would come from existing INAC personnel?

**Mr. Michael Wernick:** We're starting with that, with the people who work in Patrick's area on northern economic development and project management. We've offered possibilities to other departments to embed staff in the agency, and we'll be hiring new people.

As the minister said, the agency has new things to do with the CAF program, the RInC programs, new initiatives in skills development, and the SINED renewals. Its programming base is quite significantly more than the department was delivering a few years ago.

**Mr. John Duncan:** This is probably a premature question based on your first answer, but can you describe in what way the design and function of the new agency will be different from the design and function of the existing regional agencies?

**Mr. Michael Wernick:** It will very much be tailored to northern issues. We're going to have some function that will deal with stickhandling and navigating the regulatory process. Something analogous to the major projects management office is likely to be part of the agency. We need people who can be eyes and ears on the ground for other federal departments to make sure that all the federal suite of programs is delivered more effectively in the north. I'm sure the committee has heard that a lot of the programs designed south of 60 don't quite work as well when they're delivered in the north. The kind of SINED that we know about and the aboriginal economic development programs we know about will be delivered by the agency as well.

**Mr. John Duncan:** Has there been a decision made as to whether the agency would be created by statute? What would be the advantages and disadvantages of a legislative approach?

**Mr. Michael Wernick:** It will initially be started by order in council under existing legislation that's there for the reorganization of government. It would be up to the Prime Minister and the government as to whether they wanted to put it on a legislative footing at some point, as was done with new agencies in the past.

The disadvantage is that it takes time to get legislation through. We want to go through some period of break-in and of making sure that northerners have lots of input into the agency before we set anything in concrete, but legislation down the road is certainly a distinct possibility.

**Mr. John Duncan:** Can you describe possible partnerships the agency might have in the north? I'm sure there have been some preliminary discussions in that area.

• (1040)

**Mr. Michael Wernick:** Based on the SINED experience of the last few years, we would have very strong partners in the three territorial governments. We've met them bilaterally and we've met

them together. We've had an ongoing conversation with the territorial governments.

Obviously there are the aboriginal land claims groups; we've met with them and we've dealt with them, and there's a huge private sector interest in pipelines, mining, oil and gas, tourism, and other groups. The advantage the agency offers is that there will be one-stop shopping with a headquarters in the north. People from the north will be able to put forward their ideas and feedback very directly to the new agency.

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

[*Translation*]

We will now hand the floor over to Mr. Lévesque for five minutes.

**Mr. Yvon Lévesque:** Thank you, Mr. Chair.

I apologize for having had to leave very quickly, earlier on. I do not know if the residential schools agreement was raised with you. We will be celebrating the anniversary of this agreement a week or two weeks from now. I would like to know what the situation is regarding payments or settlements involving the people concerned and the claimants.

**Mr. Michael Wernick:** Thank you, Mr. Lévesque.

Earlier, I talked about the reconciliation commission. Related to that are two significant support programs. The first is called

[*English*]

the common experience payment.

[*Translation*]

It is a payment to each individual who attended a residential school.

[*English*]

I can get you more recent data. What I have now is that we're very well advanced. About 98,000 applications came in for CEP. We've processed almost 94,000 of them. Some people are not eligible, and most are. We've dealt with over 73,000 payments. Over \$1.5 billion has gone out under the common experience payment. We've given people the benefit of the doubt when documentation was incomplete and paid out for what we could demonstrate. So we still have about 10,000 cases in reconsideration, trying to fill in the gaps and deal with any issues. There is an appeal process for people who are not happy with those outcomes. So we're very well advanced on the common experience payment.

The other process that's available is for people who have claims of serious physical or sexual abuse. This is an independent assessment process. There's a set of adjudicators who deal with those and make payments. We're well into that and reporting to the courts on their implementation. My numbers are that about 7,000 claims have come in, and there were about 2,000 that carried over from before the settlement agreement. We've resolved over 2,000 of them. About 1,000 are in the process right now. Over the next three or four years we hope to deal with all of those. We can't be absolutely sure how many claims will come forward, because people still have some time to bring claims forward.

[Translation]

**Mr. Yvon Lévesque:** I would like to know the approximate percentage of people who made a claim in one area or another, and actually survived to see a ruling applied. The people who were abused are in the majority of cases, very elderly or very ill. Given all the time it has taken to reach a settlement, some will die before being compensated, even if they are registered. Are you tracking this issue?

[English]

**Mr. Michael Wernick:** On the common experience payment, there was an advanced payment to elders. About 9,000 payments went out even before the settlement was fully implemented. That was dealt with under CEP. In both processes elderly claimants are flagged and given priority processing and put to the front of the line. Obviously we're not going to be able to catch everybody, but we do take note of urgent cases of people who are elderly. It's just a case of about 7,000 files that have to be adjudicated. There are only so many adjudicators. These are difficult cases to hear, but the court supervises very closely, I assure you, and they're satisfied with the progress that's being made.

• (1045)

[Translation]

**Mr. Yvon Lévesque:** I recently toured Nunavik very quickly, not too long ago. In those areas, the cost of air transportation is partly subsidized to help people get around. I was unable to gather what percentage of these costs are paid for, as it were, by the Department of Aboriginal Affairs and Northern Development. Other departments also make a contribution. I would like to know how much each one of the parties, at the federal level, contributes. I was wondering if you were able to provide us with some figures on this. Since you allocate funds to help with air transportation, this would be included in the estimates.

**Mr. Michael Wernick:** I do not believe that this is the case, but I will double check. We can send you our answer in writing.

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

[English]

At this point I'll just interject and ask members whether there is accord for the agenda that was circulated. Because if we need to have a discussion, we'll have to leave that at the end and allow time accordingly.

You had a question, Monsieur Bélanger?

**Hon. Mauril Bélanger:** I have a question on the agenda.

**The Chair:** Okay. We will take one more question and then we'll have a very brief suspension—very brief—and then we'll go in camera for the last 10 minutes of the meeting.

The final question, then, Mr. Albrecht.

**Mr. Harold Albrecht:** Thank you, Mr. Chair. I'll try to be brief.

Economic development has occupied a lot of our time, not only at this committee meeting today but in our committee over the last number of years. We have had the privilege of seeing some great examples of positive economic development stories in many first nations communities. Many times they have something of an advantage, possibly because of geographic location or specific resources that are present. I'm wondering what the department's

plans are to initiate or come alongside first nations communities that might be more disadvantaged because of geographic location or the resources they might have available right next to them. I think that's probably our biggest challenge.

**Mr. Michael Wernick:** Thank you for the question. There's a lot we could talk about. I'm conscious of the time and I will be very brief.

As I'm sure you're aware, last year's budget committed to a renovated aboriginal economic framework and suite of programs. The programs we have date from the early 1980s. We need things that are more geared to entrepreneurship and business creation. We've done a lot of consultation on this. We have a national advisory board. There are assets in every community, whether it's the people, the location, entrepreneurship, access to resources. Sometimes the very isolation is the asset, for ecotourism purposes and so on.

So what we need is a suite of tools that really allows the entrepreneurship in the community to emerge, and we're hoping that we'll very soon have a new suite of programs and an overall framework. Economic development is the same everywhere in the world. It's capital, business knowhow, people skills, and leveraging the assets you have. There is lots of room for optimism in aboriginal communities as well.

**Mr. Harold Albrecht:** It's very encouraging to see that a lot of study has gone into even the isolated communities, and your point about sometimes the isolation being their actual advantage is well taken. I think we need to be reminded of that. Thank you.

Thank you, Mr. Chair.

**The Chair:** Actually, we still have some time here.

Madam Crowder?

**Ms. Jean Crowder:** Just really quickly, I have a B.C. question, of course.

Because of the way the estimates are outlined, I can't tell if the B.C. first nations education has been funded as a result of that legislation. I know there are ongoing discussions about funding, and I know it was still up in the air as of a couple of months ago.

On the second B.C. question, I notice there's a reduction in loans to first nations in B.C. for supporting their participation in the B.C. treaty process on 15(2). I'd like to know about that, given that there are so many treaties outstanding there.

**Mr. Michael Wernick:** Yes. The second one is simply the state of the various tables and the views of the treaty commission on what's needed. We've actually made so much progress on AIPs and finals that they may not need as much loan funding. We hope to have more treaties this year to join the Maa-nulth and the Tsawwassen and some of the others. And we're in active negotiations right now with FNEESC, as we speak.

• (1050)

**Ms. Jean Crowder:** Will there be any conclusion soon?

**Mr. Michael Wernick:** It would be inappropriate to negotiate through the committee room, but we do appreciate the importance of this, not just to B.C. first nations but as a demonstration project of how we can move forward on K-12 education.

**The Chair:** And continuing to work in the same five-minute slot, we have a bit of time left, and Mr. Bagnell has a very short question as well.

Mr. Bagnell.

**Hon. Larry Bagnell:** Yes. Michael, do you know what my question is? It's on the Carcross First Nation. We signed into law that they're allowed to take down a service, have an agency of their own, whether we like it or not, whether it's efficient or not. That's in the law. I think your letter directing them to go work with other governments is basically breaking the law. I'll leave it.

**Mr. Michael Wernick:** We would never knowingly do anything that breaks the law. The letter was vetted by our lawyers. We will fulfill the treaty, and if they want to take down the jurisdiction, we will do that. I simply said to the first nations that there are a lot of problems in child and family services agencies south of 60 that are

caused by very small scale...and that before they leap into a small micro-agency, we would encourage them to talk to their neighbours in the territorial government. If they decline to do that, of course we'll go into direct discussions with Carcross.

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

On behalf of all the members, ladies and gentlemen, I appreciate your time and your presentations here this morning. They were very thoughtful.

Members, we are going to have a brief suspension. If you don't need to get out of your chairs, that would be advisable because we need about five minutes to answer questions on the schedule. We'll suspend again.

*[Proceedings continue in camera]*

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