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Chair

The Honourable Joseph Volpe

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• (1105)

[English]

The Chair (Hon. Joseph Volpe (Eglinton—Lawrence, Lib.)): Good morning, ladies and gentlemen. Welcome to the Standing Committee on Public Accounts.

This is meeting number 25 and we're operating under Standing Order 108(3)(g) and the motion adopted by the committee on Thursday, September 30, 2010—chapter 4, “Sustaining Development in the Northwest Territories”, of the spring 2010 report. That's the spring report of the Auditor General, not the one that's already been advertised for two weeks from now.

We're pleased today to have with us, from the Office of the Auditor General, Madam Sheila Fraser, the Auditor General; Scott Vaughan, Commissioner of the Environment and Sustainable Development, all under that same department; and Mr. Frank Barrett.

Welcome, Madam and colleagues.

From the Department of Indian Affairs and Northern Development, we have Michael Wernick, deputy minister; and Patrick Borbey, assistant deputy minister of northern affairs. From the Department of the Environment, we have Mr. Paul Boothe, deputy minister. From the Department of Human Resources and Skills Development, we have Ian Shugart, deputy minister. And from the Canadian Northern Economic Development Agency, we have Madame Nicole Jauvin, deputy minister and president.

Ladies and gentlemen, thank you very much for being with us. We'll get to our presentations, which, as per practice, are five minutes per each of the presenters. Although, Madam Fraser, it's not five minutes for each of you. It's five minutes for you and five minutes for the next, etc.

I'm pleased to be at this particular meeting because we're going to be talking about a very important region of the country, the north, often forgotten by so many people, not very well known by the rest. As one of my staffers pointed out to me, given the Auditor General's report, we now discover that there are actually more people, for the first time in history, than there are caribou, as an indicator of so many other things that are happening in terms of economic activity, environmental impact, and the human resources development side of the indigenous populations.

I know you're going to be talking about all of those—not specifically you, Madam Fraser, but the others together, and we look forward to your presentations.

Without further ado,

[Translation]

Ms. Fraser, you have the floor.

[English]

Ms. Sheila Fraser (Auditor General of Canada): Thank you, Mr. Chair. We thank you for this opportunity to discuss our office's work related to chapter 4 of our spring 2010 report, entitled “Sustaining Development in the Northwest Territories”.

As you mentioned, I am accompanied today by Scott Vaughan, Commissioner of the Environment and Sustainable Development, and Frank Barrett, principal responsible for this audit.

The federal government has a mandate to promote political and economic development in the Northwest Territories and to protect the environment. Our audit looked at whether responsible federal departments have laid the foundations for sustainable and balanced development in the Northwest Territories. Our audit work was completed in November of 2009.

The audit focused on whether Indian and Northern Affairs Canada, Environment Canada, and Human Resources and Skills Development Canada had adequately implemented key measures to prepare for sustainable and balanced development. These measures included settling comprehensive land claim agreements and self-government agreements, establishing and implementing a regulatory system that protects the environment, and supporting appropriate economic development and skills training programs for aboriginal peoples in the Northwest Territories.

Comprehensive land claim agreements and self-government agreements set out governance rights and the ownership of land and resource rights. These agreements help to provide a level of certainty and predictability for business, industry, communities, and governments. Almost all of the Northwest Territories either lies within settled land claim areas or is the subject of ongoing negotiations.

At the time of our audit four land claim agreements had been finalized. One of them, the Tlicho agreement, was also a self-government agreement. Four other land claim agreements and ten self-government agreements were under negotiation. We found that Indian and Northern Affairs Canada had made constructive efforts to negotiate these agreements and had followed the established processes for their negotiation. As well, the department had used alternative approaches when negotiations appeared to be stalled. While much remains to be done, in our view the efforts to settle land claim and self-government agreements represent a significant achievement and an important step toward sustainable and balanced development in the Northwest Territories.

However, we also found difficulties with the annual funding process by which INAC supports aboriginal communities to enter into self-government negotiations. The nature of this process makes it difficult for communities to receive funding at the beginning of the fiscal year within which it must be spent. On average, the agreements we looked at were signed more than six months after the beginning of a fiscal year and several were signed in the last month before the agreement expired. First nations officials told us that this situation has resulted in overdraft charges and penalties, damaged business relationships, delays in meeting payroll, and the loss of experienced staff. These issues can affect first nations' abilities to participate in negotiations.

Mr. Chair, we also looked at the environmental regulatory system. Protecting the environment is important, particularly because aboriginal communities in the Northwest Territories depend on wildlife, water, and land for subsistence and for economic development opportunities. We examined whether INAC and Environment Canada had established and implemented an adequate regulatory system in the Northwest Territories. We found that in regions with settled land claim agreements there are systems and structures that support land use plans and provide a means of adequate consultation with communities.

• (1110)

[Translation]

In regions without comprehensive land claim agreements in place, however, there is uncertainty about aboriginal title to the land, how it may be used, and who should be consulted to make development decisions.

Moreover, in regions without settled land claims, we noted a lack of specific mechanisms for developing land use plans. Without a formal land use plan, development decisions must be made on a case-by-case basis. Decisions related to project approvals may therefore take longer because it has not been determined where different types of development should take place and what conditions should be applied.

Indian and Northern Affairs Canada also has specific responsibilities for monitoring the cumulative impact of development. This information is important because it provides co-management boards with environmental information to support informed decision making on development proposals. We examined whether Indian and Northern Affairs Canada had established priorities for monitoring cumulative impact and had implemented a plan to do so. We also

examined whether Environment Canada had supported Indian and Northern Affairs Canada in these responsibilities.

We found that, 11 years after receiving a mandate to do so, Indian and Northern Affairs Canada had not yet put in place a program to monitor cumulative impact. Similarly, funding for Environment Canada's program that would support cumulative impact monitoring ended in 2007. As a result, neither department had implemented this program.

Mr. Chair, our audit also examined skills training and economic development programs for aboriginal communities. We examined two Human Resources and Skills Development Canada programs aimed at supporting skills training. We also looked at four Indian and Northern Affairs Canada programs aimed at supporting economic development for aboriginal peoples in the Northwest Territories.

We found that Human Resources and Skills Development Canada had established clear objectives and targets for both programs we examined and that it had reported on progress toward their short-term objectives. However, the department had not assessed the progress these programs had made toward their longer term objective regarding sustainable employment for aboriginal peoples.

We found that Indian and Northern Affairs Canada's economic development programs did not have clear objectives. Instead, the programs shared a number of broad objectives that were both general and vague. We also found that Indian and Northern Affairs Canada did not monitor its programs' performance or review information reported by funding recipients. During our audit, the federal government established the Canadian Northern Economic Development Agency and transferred to it the delivery of Indian and Northern Affairs Canada's economic development programs for the Northwest Territories. We recommend that CanNor take action to improve these programs.

[English]

Overall, we concluded that Indian and Northern Affairs Canada and Environment Canada had not adequately implemented key measures designed to prepare for sustainable and balanced development in the Northwest Territories. We made eight recommendations, most of which were addressed to INAC. INAC, Environment Canada, Human Resources and Skills Development Canada, and CanNor have agreed with all of our recommendations. The committee may wish to ask the departments for their action plans and about the actions they have taken to date.

Mr. Chair, this concludes my opening statement. My colleagues and I would be pleased to answer any questions that committee members might have.

Thank you.

• (1115)

The Chair: Thank you very much, Madam Fraser.

Before we get into questions and answers, we'll go on to Mr. Michael Wernick, Deputy Minister of the Department of Indian Affairs and Northern Development.

Mr. Michael Wernick (Deputy Minister, Department of Indian Affairs and Northern Development): Thank you, Mr. Chairman. I will try to be brief so that we can get to questions.

It's always a pleasure to be here and engage with parliamentarians on important issues. Indeed, the issues that are raised in this particular chapter have been discussed recently with two other committees of parliamentarians. The House committee on aboriginal affairs and northern development looked at this in June and the House committee on environment and sustainable development looked at it in May. Some of you may have had the benefit of those conversations as well.

I'm here to assure you that INAC takes the Auditor General's recommendations regarding its role in the Northwest Territories very seriously indeed, as we do all chapters. All Auditor General chapters and all audit findings are monitored very closely by the department's audit committee, and there's a follow-up process for making sure that people are pursuing the commitments in these action plans. We have developed a formal action plan to address the recommendations in the report. We provided copies to the committee in advance. Rather than go through it item by item, we'd be happy to take questions after the presentations.

As often an issue at this committee is coordination across federal departments, and as you acknowledged by inviting four accounting officers to appear at the committee this morning, there is a responsibility for implementing key measures across several departments.

I do want to emphasize, Mr. Chairman, that there is coordination and accountability through mechanisms such as a deputy ministers committee that I chair, and assistant deputy minister committees that Mr. Borbey chairs. We work closely with other federal departments and agencies to make sure that we sustain development in the Northwest Territories.

Of course it's not exclusively a federal responsibility. That's why we have to work very closely with the northern public governments and aboriginal governments. Some of the recommendations touch on that.

In terms of the pace and rhythm of development in the north, there are things we have more control over and things we have less control over. Government can't control the world price of oil or commodities, nor can we control the negotiating position of people who are across the table with us at various tables. However, the federal government does play a central role in ensuring that a strong and effective regulatory system is in place so that all players—private sector, territorial and aboriginal governments—can carry out their responsibilities in regard to development in the Northwest Territories. We work to provide territorial and aboriginal governments, in particular, with the tools they need to participate in these regulatory processes.

The Government of Canada, after this report was concluded, tabled an action plan on northern regulatory regimes. It was announced by Minister Strahl in May 2010, and it builds on previous

efforts to create a strong and prosperous north that realizes resource potential while at the same time safeguarding environmental and cultural heritage.

It's a key component in the overall northern strategy of the government. The 2010 budget action plan, just this spring, identified the north regulatory processes as a priority. There was increased investment in environmental monitoring, both in the Northwest Territories, which is a subject of this report, and Nunavut.

Through this year's budget the government committed \$11 million over two years for the streamlining of regulatory regimes in the north and more than \$8 million over two years for community-based environmental monitoring and reporting on baseline data collection.

The recent announcement, just this summer, of support for increased research and monitoring to inform offshore exploration activities in the Beaufort Sea, just off the Northwest Territories mainland, also demonstrates a proactive approach to sustainable economic development. The Beaufort Sea initiative will address all regional concerns and provide information that will assist in the planning for future oil and gas activities in the offshore.

Beyond and above those specific funding agreements for this initiative and the ones that were referred to in budget 2010, the federal government of course transfers very significant funding directly to the public government in the Northwest Territories every year. To give you a sense of the scope of that, in the current fiscal year the Government of the Northwest Territories will receive over \$1 billion in transfer payments, targeted support, and trust funds, which is an increase over previous years.

Those resources provide a foundation for the public government in the north to develop initiatives to sustain development in the territories, but we need to work together and focus on increasing the on-the-ground capacity, so the territorial governments and aboriginal governments have the tools to support and implement these initiatives.

With these measures, public and aboriginal governments in the north will be better equipped to assume their part in sustainable development in the north. For example, and this is a subject in the report, they will have the tools needed to develop modern land use planning. The federal government agrees that land use planning is a tool for balancing investment and development opportunities with environmental stewardship and community goals. We will be providing the support to aboriginal and territorial governments in this process.

•(1120)

By investing in the regulatory regimes and working to implement the action plan on northern regulatory regimes, the federal government intends to ensure strong, capable northern regimes that will reassure northerners and all Canadians and our international partners that development will take place, but in a responsible and sustainable manner.

Our specific action plan from INAC will allow us to respond to a number of the recommendations in the Auditor General's report, and we can touch on that later. And as I mentioned, you'll find those in the action plan that was submitted to the committee. We'll work with our partner departments along the table with me to address the recommendations. We play a *chef d'orchestre* role, coordinating federal departments and agencies on the northern strategy, and we accept that coordination responsibility and hope we can discharge it. We're committed to seeing the Northwest Territories, as you alluded, Mr. Chairman, realize its full and true potential as an economically healthy, prosperous, and secure region of Canada.

Merci beaucoup.

The Chair: Thank you very much, Mr. Wernick.

[Translation]

I now give the floor to Mr. Paul Boothe, from the Department of the Environment.

[English]

Mr. Paul Boothe (Deputy Minister, Department of the Environment): Thanks.

The Chair: Did I pronounce that right?

Mr. Paul Boothe: That's good.

Thank you, Mr. Chairman. I'm here today on behalf of Environment Canada and in particular to speak about recommendation 4.62, where the Auditor General says:

Environment Canada should support Indian and Northern Affairs Canada (INAC) in identifying the information requirements for cumulative impact monitoring, and for planning and implementing programs to monitor cumulative impact in the Northwest Territories (NWT).

Our role in this is primarily as scientists, and Environment Canada has over 1,500 scientists working on environmental issues across the country.

First I want to say Environment Canada accepts the recommendation of the Auditor General, recognizing that INAC is the lead in land management authority in the north, and thus the lead department responsible for this monitoring. We look forward to working with them in implementing the recommendation.

Environment Canada agrees with the Auditor General that effective management of cumulative impacts is critical to ensuring environmental sustainability in the north. To fulfill this goal, Environment Canada conducts environmental research and monitoring in the north as well as the rest of Canada in areas of water, weather, ice conditions, air quality, wildlife, and protected areas. I'd be happy to talk about some examples of that research later in the question period if asked.

Environment Canada has been an active participant in the cumulative impact monitoring program since its inception ten years ago. As noted by Mr. Wernick, the cumulative impact monitoring program was provided with additional resources in budget 2010, and Environment Canada will work with other partners to design and implement the program as it enters its next phase.

In addition to the cumulative impact monitoring program, Environment Canada will work with INAC and other partners to support the targeted science program under the Beaufort regional environmental assessment initiative. This program will provide important information for assessing cumulative impacts of oil and gas development in the NWT. Environment Canada will work with partners to ensure that its science is incorporated through our engagement on scientific communities, with data-sharing, aligning research objectives where appropriate, and especially utilizing research partnerships.

Environment Canada is also playing an active role in supporting sustainable development in the NWT. We work with the land and water boards established under the Mackenzie Valley Resource Management Act and the Inuvialuit Final Agreement to ensure that the best available information and science is included in discussions of cumulative impacts and is available to support decision-making.

Mr. Chairman, in conclusion, we agree that effective management of cumulative impacts is critical in ensuring environmental sustainability, and we're committed to working with INAC and our other partners in the NWT to plan and implement cumulative impact monitoring programs.

Thank you, Mr. Chairman.

•(1125)

The Chair: Thank you, Mr. Boothe.

We'll go immediately to Mr. Ian Shugart, Deputy Minister, Department of Human Resources and Skills Development.

Mr. Ian Shugart (Deputy Minister, Department of Human Resources and Skills Development): Thank you very much, Mr. Chairman.

HRSDC has an important history of working with the government and aboriginal communities of the NWT. We acknowledge that the territorial government and aboriginal communities are best placed to design and deliver programs and services that meet their unique needs and priorities. We will continue to work with them to help ensure that all Canadians in the NWT, including aboriginal people, benefit from economic development and employment opportunities.

In support of that objective, we fund a number of programs and initiatives that contribute to the development of the labour force. Some of these relate specifically to aboriginal peoples. Chapter 4 of the Auditor General's spring 2010 report, as you've heard, looked at two of those programs: the aboriginal human resource development strategy and the aboriginal skills and employment partnership program.

Ms. Fraser's report noted that HRSDC had established clear objectives and targets for these two initiatives and that we're reporting on those objectives. It also suggested that we work with aboriginal groups and the government of the NWT to assess the impact of aboriginal skills training programs to ensure that they're leading to improvements in the skills and employment prospects of aboriginal people over time. That recommendation is one we agree with. We acknowledge that the longer-term impact has not to this point been adequately assessed. Let me take a minute to outline what we are doing to address this issue.

On April 1 of this year, the department launched the new aboriginal skills and employment training strategy, with funding of approximately \$1.6 billion over five years. This new program is our flagship aboriginal labour market program, and it's the successor to the aboriginal human resources development strategy that was assessed in the Auditor General's report.

ASETS, the short form of that program, focuses on three new strategic priorities: supporting demand-driven skills development; fostering partnerships with the private sector and the provinces and territories; and placing an emphasis on accountability and results. Through these priorities we are strengthening our ability to assess the impact of skills development and training activities. Under this program, we will be working with aboriginal service delivery organizations to develop strategic business plans that set out skills development and training activities and targets. The strategic business plans will include comprehensive plans for the short, medium, and long term with a focus on developing partnerships and on demonstrating employment outcomes.

The new strategic business planning process will also be supported by enhanced data collection and reporting. We've streamlined and identified more appropriate indicators and outcomes so that we can measure them and better demonstrate the difference the program is making. These measures will contribute to a reporting system that improves the communication of successes from these investments over time.

In support of aboriginal service delivery organizations, HRSDC will also be producing regular analytical reports to measure program effectiveness. These analytical reports will be shared with the aboriginal service delivery organizations on an ongoing basis, which will improve their capacity to undertake their own analysis and to tailor programming based on local labour market information.

Together these measures outlined in our action plan will improve the department's ability to assess the impact of aboriginal skills and training activities on an ongoing basis.

Let me also emphasize that we have tried to be responsive to economic conditions as they have changed. Under the economic action plan, support for the aboriginal skills and employment

partnership program was increased by \$100 million. Let me assure the public accounts committee that we will continue to work with aboriginal communities and our partners to assess the long-term impact and to ensure that programs are leading to improvements over time, because we are committed to helping aboriginal people get the skills and training they need to take full advantage of the economic activities and opportunities in the north.

• (1130)

Thank you very much, Chair.

The Chair: Thank you, Mr. Shugart.

Madame Nicole Jauvin, deputy minister and president, Canadian Northern Economic Development Agency.

[*Translation*]

Ms. Nicole Jauvin (Deputy Minister and President, Canadian Northern Economic Development Agency): Thank you, Mr. Chairman.

I would like to thank the committee for the opportunity to join my colleagues here today to speak to the Auditor General's recommendations regarding economic development in the Northwest Territories. I too will keep my comments brief.

Committee members are no doubt aware that, while the audit was being conducted, the government was in the process of creating the new Canadian Northern Economic Development Agency, or CanNor for short. The audit report acknowledges this and observes that aboriginal economic development programs would be delivered by CanNor in the territories in the future. The report makes a recommendation for the agency that relates to these programs.

We have drafted an action plan to address it. This action plan is developed around the new Federal Framework for Aboriginal Economic Development (under the aegis of Indian and Northern Affairs Canada). This framework is the result of consultation and dialogue with aboriginal groups across the country.

[*English*]

This fall Indian and Northern Affairs Canada is conducting engagement sessions on the national programs that will be delivered under the new framework. CanNor has been working closely with colleagues at INAC to ensure that the concerns of northern aboriginal stakeholders are heard in this process. Engagement sessions have been held in Iqaluit and Whitehorse—I had an opportunity to participate in this session just last week—and a third session is planned for Yellowknife in November.

There are clear strategic objectives for the overall framework, and these are very relevant to aboriginal economic development across the north. We believe this responds to the audit recommendation directed to CanNor that a strategic approach to economic development should guide program delivery in the Northwest Territories.

The audit report also calls for coordination of program delivery. CanNor, as the only federal department with headquarters in the north, is in a unique position to do this. We're on the ground, and we are the only federal organization with a mandate that is focused exclusively on the north. This helps strengthen our program delivery.

In delivering our own programs and assisting in coordinating those of other departments, we leverage our strengths and we try to ensure that the comprehensive delivery process achieves more than the sum of the individual program measures.

We're confident that our delivery of programs under the federal framework for aboriginal economic development will grant us new opportunities to leverage federal investments to achieve success in further strengthening northern economic development.

With respect to performance management, I would also note that our action plan includes the development of a performance management framework, which has been completed and has already been approved by the Treasury Board Secretariat.

[Translation]

Finally, and to echo the comments of my colleague Mr. Wernick, CanNor has also acted quickly to support the federal action plan to improve northern regulatory regimes. The Northern Projects Management Office, (NPMO) offers a single window for proponents of major development projects working with federal regulatory and environmental assessment processes in the north. Modeled after the Major Project Management Office which is part of Natural Resources Canada, NPMO aims to improve the timeliness, predictability, and transparency of regulatory decisions in the north by coordinating the review of project proposals. We have high expectations that this important initiative will make a real difference in the north.

• (1135)

[English]

CanNor is committed to economic and community development in the Northwest Territories and across the north. We welcome opportunities to work with federal, territorial, and aboriginal partners in the pursuit of this goal.

Thank you very much.

The Chair: Thank you, Madame Jauvin.

Just before I go to my colleagues on both sides of the table—I understand, Monsieur D'Amours,

[Translation]

you are the first on the list—I have a question.

[English]

It's a little bit rhetorical, but perhaps you want to address it as well. I'm wondering who the *chef d'orchestre* is going to be in the north. It's something that's on my mind and maybe we can talk about it later.

Monsieur D'Amours.

[Translation]

Mr. Jean-Claude D'Amours (Madawaska—Restigouche, Lib.): Thank you, Mr. Chairman.

I thank you, Ms. Fraser, as well as those accompanying you for being here with us today. I would also like to thank the departmental and organizational representatives.

I will begin with something that you mentioned, Ms. Fraser. It concerns the implementation, the signing of agreements. I am looking at your comments and I find that they are quite alarming. We see that some agreements are signed at the end of the agreement period or smack in the middle of the fiscal year, when we would expect that the organizations that had tabled the applications should be in a position to carry out their projects, to implement things for people, in this case in the north. But they are not able to know in advance what will happen to them. Currently, this would seem to be a trend within the government. We have seen this phenomenon elsewhere, for example in the case of Official Languages Support Programs. Today, we see that this is also affecting assistance programs for the Canadian north.

We can only ask if the government's objective is to offer the least possible while giving the impression of offering a great deal. Agreements are signed after six months, and the implication is that certain communities will be short of money because they will be short of time. In the end, it will be the citizens of those regions who will have to pay the price, because they will not be able to take advantage of specific support programs.

Do you agree?

Ms. Sheila Fraser: Thank you, Mr. Chairman.

Here, we examined the funding of negotiation processes, but we did not study other projects that could be funded by the federal government in this chapter specifically. The problem is caused by the fact that this is annual funding. Year after year, the funding has to be reviewed and approvals obtained. There are certain requirements, including I believe that of producing an audited financial statement from the previous year. It obviously takes some time to obtain these documents, then the department must proceed with the approval, which slows down the granting of the funding to aboriginal people for the negotiations.

As a result, we recommended that the department reconsider the possibility of granting multi-year funding and ensure that aboriginal people obtain more certain funding that would cover several years, so that they will not be obliged to assume interest costs as well as the other difficulties that I mentioned in my opening statement.

Mr. Jean-Claude D'Amours: Thank you, Ms. Fraser.

You stated that Environment Canada's program to monitor cumulative impact ended in 2007. No doubt Mr. Boothe will be able to provide us with more details on this issue. In order to evaluate the cumulative impact, we need to gather data and establish the future impacts. We are more or less repeating this whole discussion with respect to the Canadian census.

I am also taking a look at your notes, Mr. Boothe. We can read, as you stated earlier, that "Environment Canada will work with other contributors to the design and implementation of the program". Federal funding expired in 2007. Perhaps you could provide us with some details about the way that this program ended, about how information can be added year after year, and about the other contributors.

Is your department interested in finding outside sources of money in order to compensate for the financial shortfall of the federal government?

• (1140)

Mr. Paul Boothe: Thank you for your question.

[*English*]

Mr. Chairman, I guess I think the important thing to point out here is that more money for impacts monitoring was included in budget 2010, but throughout the period, Environment Canada scientists and Environment Canada have continued to fund monitoring and research throughout the north. There's always the question, as the north is so vast, of your having to make decisions about how you target the places where you are going to focus your monitoring, and some of that comes from trying to anticipate where development is likely to occur next. But Environment Canada has continued to monitor. We have long-term monitoring programs, both on the wildlife side and the pollution side, that have been ongoing since the cumulative impacts monitoring program began about ten years ago.

So I think the answer is that we welcome this additional funding, but we have largely been able to keep our monitoring going on a regular basis over the years for the north.

[*Translation*]

The Chair: You have time to ask one final, very brief question.

Mr. Jean-Claude D'Amours: Thank you, Mr. Chair.

Mr. Boothe, it is clearly indicated that Environment Canada's program to monitor the cumulative impact came to an end in 2007. Could we conclude from this that you are now engaged in doing a much more general rather than specific assessment of the situation in the northern regions and that it is therefore much more difficult to follow? The circumstances required you to make these necessary changes in these regions.

[*English*]

Mr. Paul Boothe: I think we had to make decisions in the interim period to ensure that we were able to support the monitoring programs, and we were able to do that. But with the new funding announced in budget 2010, I think we're in a good position to support the monitoring that will continue to be needed.

I should say that it's not just monitoring by Environment Canada scientists, but that we also provide scientific advice to other groups, including other departments and Northwest Territories and aboriginal groups who are contributing to this effort in the north.

The Chair: Madame Faillie.

[*Translation*]

Ms. Meili Faillie (Vaudreuil-Soulanges, BQ): Thank you, Mr. Chair.

Earlier, you zeroed in on a significant problem that becomes obvious, I believe, when you take a look at the action plans and the statements that have been made.

I am, to a certain extent, trying to understand the official commitments made by the various departments whose representatives are appearing before us today. It would appear that the Northern Economic Development Agency has made some commitments with respect to the development of the Northwest Territories. In other instances, the representatives talk about cooperation, determination. Here it says "Indian and Northern Affairs Canada is committed to helping the Northwest Territories realize its true potential as an economically healthy, prosperous and secure region". This is not the first time that we discuss sustainable development for the aboriginal territories. We always make the same observation, namely, the difficulty of coordination.

I would first of all like to ask the Auditor General whether she has noted any tangible commitments made to the aboriginal communities by the various departments. How do you explain the fact that financing continues to arrive late, at the beginning of the fiscal year? Have you received any indication that this situation has been resolved in the short term?

• (1145)

Ms. Sheila Fraser: Mr. Chair, I think that it may be preferable to put these questions to the departments concerned. We saw that action plans had been prepared. If everything is implemented, that will mean that the vast majority of our recommendations are being followed. However, we are well aware of the fact that commitments are often made, but that follow-through depends on funding, in particular. We have seen this in the case of the cumulative impact monitoring program. Programs are implemented and are then stopped due to a lack of funding. It would perhaps be appropriate to ask the departments concerned whether they have adequate funding to be able to take the requisite environmental action.

There is also the whole issue of consultation with the aboriginal people in the regions where there is no co-management as well as the monitoring of commitments made by development companies.

Ms. Meili Faillie: I would like to know your observations with respect to the file review and I would also like to ask the departmental representatives a more specific question.

Has the problem been resolved? Have you completed an in-depth analysis of the long-term impact of development in the aboriginal communities? Anyone can answer. Someone from the Department of Indian Affairs and Northern Development could perhaps begin.

[*English*]

The Chair: Mr. Wernick.

Mr. Michael Wernick: I'll take a run at it, Mr. Chair.

[*Translation*]

I do not know whether or not I understood the question properly. Perhaps you could clarify if I have misunderstood.

[English]

I think one of the things the Auditor General's report makes very clear and is very helpful about is that it's better to have a settled land claim than not. When you don't have a settled land claim, there's a fair degree of uncertainty about who owns what, what is the nature of aboriginal rights and so on. Most of the province of Quebec is unsettled, as you know, except for the James Bay area. It is an issue. It is an impediment to development. That's why governments for more than 30 years have tried to negotiate and settle land claims where they can. You can only settle them if you have a willing party at the other side of the table. The parameters for our negotiators are set by cabinet, and have been set by cabinets for 30 years, and we negotiate in good faith and try to settle them.

You will never get the certainty and legal clarity in an unsettled area that you have in a settled area, and I think the report makes that clear. You can work around it, you can compensate for it, you can try to encourage development, but it's always better to have a settled land claim agreement where possible.

[Translation]

Ms. Meili Faille: Thank you very much.

Could you provide me with more clarification about development in the aboriginal communities? I know that negotiations are underway and that this can take some time, but meanwhile, people are living and breathing in these territories and their situation is worsening. Not so long ago, the committee looked at the issue of early childhood development. Two weeks ago, members from aboriginal communities came here to talk to you precisely about the underfunding of education. We have people here who are in charge of job development and the environment as well as people responsible for the welfare of aboriginal communities.

Have you carried out an in-depth community impact analysis and, if so, have you shared it? Is there an interdepartmental committee that focuses on this issue? We are trying to understand how you coordinate all of your work. Are you aware of the fact that there are communities that are suffering in the north?

Mr. Michael Wernick: I believe that I have understood your question. This is no excuse, but I must point out that, with respect to aboriginal communities, there are some fundamental issues with respect to social, political and economic development. The federal government has made investments and provided programming. The lead department is our department, namely Indian Affairs and Northern Development, but other departments also have programs, particularly Health Canada and the department that Mr. Shugart represents, as well as the Canadian Mortgage and Housing Corporation. Obviously, this represents a challenge when it comes to coordination. It is up to our department and to me, as the deputy minister, to ensure that action taken in the field is done in a coordinated manner.

Currently, the investment earmarked for aboriginal issues represents, for each fiscal year, approximately \$10 billion or \$11 billion. The issues are difficult. This is no excuse, but there are issues of governance and capacity. What can we do in a small community that is somewhat isolated? Economic isolation was a result of the Indian Act and that has curbed economic development. I believe that Ms. Jauvin referred to this matter. We are trying to

change the way that we intervene economically. We have an action plan that takes into account the recommendations made by the Senate Committee on Aboriginal Peoples. We are trying to renew our programs, but we cannot do anything unilaterally. There is always a commitment or negotiation process. We are trying to obtain the participation and support of our aboriginal partners. This process is moving ahead more quickly in some regions than others.

• (1150)

Ms. Meili Faille: Perhaps the situation is more complex—

The Chair: You will have to wait for the next round.

Ms. Meili Faille: I am sorry, Mr. Chair.

The Chair: We have a small problem. Actually, it is not a problem.

[English]

Mr. Christopherson, I think you'll want to defer until a little later on. That's okay. That's not a problem for us. For now we'll go to Andrew.

Mr. Saxton.

Mr. David Christopherson (Hamilton Centre, NDP): Could I take the floor for a moment?

The Chair: Sure.

Mr. David Christopherson: I appreciate that, Mr. Chair. Simply to be clear, we're looking to give the one member from the Northwest Territories, who is at a meeting across the hall in a steering committee, a chance to be here to address this. I'd ask the indulgence of the committee to consider leaving the time from the first round, add it to the second round so my colleague, the member from Northwest Territories, can be here to take that time. Is there agreement for that?

The Chair: The committee is always willing to be as accommodating as possible for those who are going to introduce an element of accountability and transparency to any discussions we have. I think everybody is happy about that.

You've caused me to raise another question in my own mind. I know all committee members are dying to hear what I have to say, and I'm going to in a minute. Mr. Saxton, you have the floor.

Mr. Andrew Saxton (North Vancouver, CPC): Thank you, Mr. Chair, and thanks to our witnesses for being here today.

I want to say that I had the opportunity this past summer, in August, to visit the Northwest Territories for the first time, Inuvik specifically, so I got to see first-hand the development as well as the issues that the people who inhabit the north have to deal with on a daily basis. It was quite an experience for me to see that first-hand.

My first question is for Mr. Wernick from INAC. It's regarding the comprehensive land claim agreements. Four CLCAs have been settled in the Northwest Territories, one of which is a self-government agreement. Perhaps you could highlight for the committee the differences between the comprehensive land claim agreements and the self-government agreements. What are the differences between those two types of agreements?

Mr. Michael Wernick: Thank you for the question.

There are a number of issues created by the existence and recognition of aboriginal rights in our Constitution. It's not clear exactly what those rights are. They were entrenched in the Constitution in 1982, and governments ever since have been trying to negotiate some clarity around what they mean. They create issues around land title and the use of resources. They create issues around the rights to hunt, fish, trap, and so on. And they create a right to self-government, which has to be exercised within the framework of the Canadian Constitution.

We've tried to negotiate clarity with different aboriginal groups on all of those matters. Some groups have decided they want to settle the land issues first, often because economic development is the most pressing concern. They will come to the table and try to resolve the land title and what not, and then move on to self-government at a later stage.

Other groups decide—and it's really up to them—that they want to pursue the self-government issues, the creation of an aboriginal government at the same time. The best example of this would be the treaties we reached in British Columbia with the Tsawwassen community near Vancouver, or with the Maa-nulth communities on Vancouver Island, where it's a sort of a comprehensive package.

Some communities, especially those south of 60 that are Indian Act communities, are pursuing self-government, and there isn't really a land issue to resolve. There are cases of that in Saskatchewan, Manitoba, and others. And some people are only focusing on what's most important to their community, which might be education; that's the case in Nova Scotia. Or it might be child welfare, which is the case in Alberta.

We have to go at the pace of the first nations partners. It's great to get a comprehensive treaty, as we occasionally do, but sometimes it has to be more in sequence.

I don't know if that helps or not, but in the meanwhile, simply to make it interesting, the courts intervene two or three times a year with decisions that clarify what those section 35 rights may or may not mean.

• (1155)

Mr. Andrew Saxton: Thank you.

How important are these agreements in the development of the north?

Mr. Michael Wernick: They're fundamental to development in the north and they're fundamental as a path for aboriginal people across the country, in terms of how they can take charge of their economic, social, and cultural future.

What makes the north a very exciting place to visit is that we have very advanced agreements in place across most of the north. All of the Inuit land claims are settled now. They've exercised their aboriginal rights through the public government of Nunavut for more than a decade now. Many communities up and down the Mackenzie Valley have been exercising their land claims agreements for some time. The Inuvialuit I think are up to about 25 years now. They chart a path very different from that of the Indian Act. What you'll often see is a lot of south of 60 first nations leaders going up to the Yukon or the Northwest Territories to see if this is the path forward. When there is any bit of...what's the word? When the implementation

doesn't go as fast and as smoothly as it should, we're upset by that, too, because we'd like to go to first nations across the country and say there is a better way, that you can get out of the Indian Act and you can take control of your future.

The challenge is.... I could go on at length, but Mr. Chairman will cut me off. It's always a challenge for a small community—1,000 or 2,000 people—to exercise broad responsibilities. Running a child welfare agency, a school, or a health authority is hard to do for any community, so what we try to do is make sure the capacity, the management, and the human resources are in place when they take up the jurisdiction and start running these programs and services.

Mr. Andrew Saxton: Thank you.

Can you tell us the average length of time it takes to negotiate these agreements?

Mr. Michael Wernick: I could get the math for you on that.

The first one was the James Bay agreement in 1975. There was a wave in the 1990s in the Yukon and across the north; they had been at the table for close to 15 years.

You see that in some cases it gets faster because it's pretty clear what the template is. If I could take this opportunity, I'll note that the people with unsettled claims at the south end of the Mackenzie Valley, the Dehcho and the Akaitcho, know exactly what kind of agreement they could get because the Gwich'in, the Sahtu, the Tlicho, and the Inuvialuit agreements are there for them to read. They've decided they want to hold out for a different kind of agreement. We always hope that by setting the example and giving a pretty clear sense of what you can get at the table, you can go to another negotiating table and say, "Is this close enough?" or "How do you want to adapt it?"

It's the same thing in British Columbia. Now that we have treaties in place with the Tsawwassen and with the Maa-nulth, we probably can get seven or eight more treaties fairly quickly. There are a few complicated issues around fish allocation to work through, which I'm not underestimating, but I'm trying to be optimistic.

But actually the average doesn't tell you very much; we expect momentum to build, to feed on itself.

Mr. Andrew Saxton: Okay. That's my next question: could you update us on the current negotiations that are under way on agreements?

Mr. Michael Wernick: Absolutely, and we've gone through this rather exhaustively with the Senate committee on aboriginal peoples. In terms of the north—and the map is in the Auditor General's chapter—it's the south end of the Mackenzie Valley, which is the Dehcho people and the Akaitcho people. A couple of the communities have decided that they may want to get a deal on their own outside the framework of their larger grouping.

Then in the Yukon, almost all of the first nations settled in the 1990s. There are three holdouts, I think it is, and they've just decided that.... And they overlap with the same people in the north part of British Columbia, south of the 60th parallel.

But in terms of the chapter we're talking about today, it's basically two groups: the Akaitcho and the Dehcho. They overlap, just so you get a sense of our world, with the Métis who live in the Northwest Territories, and there is a severe disagreement between the first nations groups and the Métis groups as to whose rights apply where.

The Chair: Thank you, Mr. Wernick.

I'm going to go to the second round now. We'll come back, as I indicated a moment ago, to Mr. Christopherson when and if he.... There he is right now. Maybe we could begin right now.

•(1200)

Mr. David Christopherson: Why don't we do it, if you don't mind, in the course of the second round, in our regular time? It will give me a chance to settle in.

The Chair: I've served with him on another committee. He's pretty good, actually, so sure, we'll do that.

Mr. Bains.

Hon. Navdeep Bains (Mississauga—Brampton South, Lib.): Thank you very much for thinking of me, Chair.

The Chair: We're at five-minute rounds now. We're going to make an adjustment later just for Mr. Bevington.

Hon. Navdeep Bains: It's much appreciated. Thank you very much, Chair.

Thanks to all the witnesses today.

It's nice to see you again, Madam Fraser.

I want to focus my questions around two key issues: accountability and follow-up.

Ms. Fraser, in this report you made eight recommendations to the government. Are you satisfied with the government's response to your recommendations? I'm going to allude to your opening remarks. You said, "Overall, we concluded that Indian and Northern Affairs Canada and Environment Canada had not adequately implemented key measures designed to prepare for sustainable and balanced development in the Northwest Territories". Aside from that remark, are you happy overall with the government's response to your recommendations?

Ms. Sheila Fraser: Chair, as I mentioned in my opening remarks, this audit was completed in November of 2009. Since then, as was indicated by the deputy ministers, in budget 2010 there was additional funding put in for environmental monitoring and other activities in the north. You will note in some of the responses that the government refers to "if additional funds are available", and it would appear that this has occurred.

We are pleased with the action plans that have been developed by the departments, and we believe that for the most part, obviously, if these things are put into place and the actions are completed, they will address many of the recommendations. But as Deputy Minister Wernick mentioned, much of this depends upon the settlement of the agreements with those two groups, which are still outstanding and which represent about 30% of the territory. Until that certainty is there, there will be difficulties with economic development on a broader scale, with questions around ownership of resources, land, public consultation, and so on. But for the environmental

monitoring, we do believe that if the actions are put into place it should address many of the issues raised in the report.

If I could just add this on follow-up, we in the office go back and do follow-up audits to see if departments have actually done the work they have committed to do in their action plans. Furthermore, there are departmental audit committees that have a specific responsibility to track the implementation of the recommendations that have been made. So the committee can expect in probably two, three, or four years to see a follow-up report on this audit.

Hon. Navdeep Bains: Sorry, what's the follow-up timeline?

Ms. Sheila Fraser: The timing will depend upon the timing the departments themselves have given to complete these actions. I would suspect it will be three or four years before we would do a follow-up. We want to ensure we respect the time they have said it will take them and then make sure we have the time to see it actually in place. I would suspect it would probably be something like three or four years before we would go back.

Hon. Navdeep Bains: You mentioned in your remarks, as well, that the committee may wish to ask each department for its action plan and the action it has taken to date. For example, we received from the clerk, from one department, an action plan for the Canadian Northern Economic Development Agency. It's a document. When I did take a look at it, I went to the clerk to clarify, again, if this was the document that everyone received. It has a fair amount of blanks, unfortunately, when it comes to the action plan, organization, accountability, timeline, and progress to date.

That's something that caught me off guard, and I just want a clarification on that. I think in your opening remarks, Ms. Jauvin, you indicated you did have an action plan in place and that you were looking into it, but the document we received doesn't necessarily elaborate on that. I was wondering if you could follow up on that and provide us with some details as to why that's the case.

Ms. Nicole Jauvin: Absolutely. I'm actually beginning to wonder whether you have the right copy of it.

I'm sorry, Mr. Chair, but did the member say there were blanks in the document?

Hon. Navdeep Bains: Yes. For example, page 3 says, "The Canadian Northern Economic Development Agency (CANNOR)", and the first section has the Auditor General's recommendation for economic development programming. It goes through a set of those, and then there are certain sections for the action plan, organizational accountability, timeline, and progress to date, where there's no information.

•(1205)

Ms. Nicole Jauvin: I apologize, Mr. Chair. I assure you my action plan is very full, so obviously there has been a bit of a glitch in the documents that members were provided with.

Hon. Navdeep Bains: I'm glad that's the case, because the Auditor General said she'd received the plans and you indicated you had a plan. That's not what we received earlier, so that disconnect threw me off a bit. If you could provide us with an up-to-date document with that information, it would be greatly appreciated.

Ms. Nicole Jauvin: Absolutely. We can do this right now.

The Chair: Thank you very much, Mr. Bains.

Madame Jauvin, if you do have that copy, there is no reason we can't get some of our staff to photocopy it and give it to people as soon as possible, in both languages. I think you must have it.

Let me go on to Mr. Young before I go back over to that side of the table.

Mr. Young.

Mr. Terence Young (Oakville, CPC): Thank you, Chair. I was looking at that report as well.

Madame Jauvin, we're going to look at your report in detail, but perhaps you could tell us something. My understanding is that historically no prime minister, since perhaps John Diefenbaker, has understood the importance of the north better and has committed the time and resources that Prime Minister Harper has. My understanding of that is because of the consideration that there's unlimited potential in the north, and I think evidence of that is the creation of the Canadian Northern Economic Development Agency.

I was impressed with the impact of your statement. You are there on the ground—that's huge—and you have done a consultation process and you have a framework.

Could you please comment on the key principles of that framework and how they will help develop the tremendous potential of our north?

Ms. Nicole Jauvin: I believe you're referring to the action plan we have. Essentially, the Auditor General has asked CanNor to take on the responsibility for the future programs in this area.

In our action plan we actually break down this recommendation into a few parts. The first one is to clarify objectives and identify needs and gaps under the existing programs. These are addressed by the program renewal process that is—

Mr. Terence Young: I'm sorry for interrupting. I understand the process. Could you comment on the actual strategic objectives and how they're going to develop the potential of the north?

Ms. Nicole Jauvin: All right.

The program has very specific objectives. If I can find them for you, I can give them to you immediately.

Mr. Terence Young: Perhaps you could just pick a couple.

Ms. Nicole Jauvin: Certainly diversification of the economy, ensuring there is full participation by all northerners, including first nations and Inuit, in all of the economic activity that is going on in the north would be the high-level objective of our program.

The program renewal process that is covered by the new framework has four or five very specific objectives, which I can find for you.

Mr. Terence Young: Maybe we should wait for the reports to come in with those pages that were missing, and we can come back to that. I didn't want to put you on the spot.

Mr. Shugart, I was really impressed with the numbers here on the commitment to aboriginal skills and employment partnership programs. We know that equality relies on equality of opportunity.

There's \$100 million available in this program for skills development in the north. I wonder if you could just tell us who would benefit from that. Maybe you could tell us a little bit about how the program works. Are the people who develop those skills going to use them primarily in the north, or is the program there to give people equal opportunity to work in the provinces as well?

Mr. Ian Shugart: Well, I think the vision here is that increasingly as economic development occurs in the north, the people of the north themselves benefit from that activity. The historical pattern, not entirely but probably too frequently, has been that when there's development, trained people are brought in from other places in Canada, from southern Canada, and there's no lasting employment in that particular area. There might not be the establishment of a culture of long-term employment and all of the benefits that come from that entrenched kind of economic activity.

The vision is to reverse that over time and to have jobs developed in the north by northerners when there is economic opportunity. We believe the best way to do that is to work with the organizations. The program will establish agreements with service delivery organizations and develop strategic business plans that will set out the actual training and employment needs.

In the past these have been client focused in many cases, and there's nothing wrong with that, because the training and skills development do need to occur. Increasingly, as the level of economic opportunity and activity increases, we want the programs to be demand-driven so that there's an actual connection between the nature of the activity, the skills that are required, and the provision of service to aboriginal people in the north.

● (1210)

Mr. Terence Young: What kinds of jobs are those—regular, a whole range of trade skills, an so on?

Mr. Ian Shugart: There is a wide range of trades. They will typically be those that flow from resource development. Some of my colleagues can speak more knowledgeably to the type of economic activity that is forecast for the north. It would be substantially in the resource sector. These undertakings are increasingly highly technical, so a wide range of fairly advanced skills is required.

Then, of course, as development occurs and communities grow, there will be a range of infrastructure development needs, and there will be spinoff trades and occupations flowing from those.

Mr. Terence Young: Thank you.

Mr. Wernick—

The Chair: No, I'm sorry, your time is up, Mr. Young.

I have to go to Monsieur Nadeau.

[Translation]

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

Good day to you all. We should keep in mind that the issue on today's agenda is the chapter entitled "Sustaining Development in the Northwest Territories," of the spring 2010 report of the Auditor General of Canada. The report states the following:

INAC and Environment Canada have not met their responsibilities to monitor the cumulative impact of development and of various pollutants on the fragile environment in the NWT, whether or not a settled land claim is in place.

Mr. Wernick, what will you do to rectify the situation?

Mr. Michael Wernick: Ms. Fraser spoke about investments that we obtained as part of the latest budget. I think that will help to stabilize the programs and allow us to continue rolling out a greater number of projects. We do not quite agree with the Auditor General with regard to the analysis of our accomplishments over the past five years. If I may, Mr. Chair, I will let my colleague Mr. Borbey briefly explain what we are doing. We are getting things done; we are not at a standstill—

Mr. Richard Nadeau: I simply want to point out, Mr. Wernick, that the report states that the departments in question have not met their responsibilities.

Mr. Michael Wernick: Yes, that is an opinion with which I disagree.

Mr. Richard Nadeau: Madam Fraser, can you help me understand what I have just heard?

Ms. Sheila Fraser: I would like to say, Mr. Chair, that is the first time I hear the department disagreeing with the facts contained in the report. That greatly concerns me.

As was noted in our report, programs were established to monitor the cumulative impact of development. Some were established in 1998, and others expired in large part because of a lack of funds. Since that time, as we indicated, for example, Environment Canada was working to implement new management frameworks, but they were not yet in place. We also pointed out, as was the case in the departments' notes, that the funding was rather ad hoc and unstable. Today, despite the fact that funds were allocated as part of the latest budget, we maintain that they did not meet their commitments and obligations to monitor the cumulative impact in the north.

• (1215)

Mr. Richard Nadeau: Ms. Jauvin, as part of CanNor's economic development mandate, do you ensure environmental sustainability, or does northern economic development still spoil the territories with various pollutants and thus reduce the quality of life of the local populations?

Ms. Nicole Jauvin: No. Of course, that is all a matter of balance. We cannot foster economic development without taking into account not only the environment, but also the impact of rapid economic growth on a community, for example. Economic development really has to be considered as part of a whole, and that is clearly one of our concerns.

Mr. Richard Nadeau: Very well.

Do I still have some time left, Mr. Chair?

The Chair: You have time for one very brief question.

Mr. Richard Nadeau: Mr. Shugart, in your presentation you stated earlier that: "We are committed to helping aboriginal people get the skills and training they need to take full advantage of job opportunities across Canada."

That means that, on the one hand, not enough efforts are being made to ensure that Inuit and people living in the far north can actually remain there and, on the other, the labour force in the far north is being gutted because workers are forced to move elsewhere in Canada. Is that so?

Mr. Ian Shugart: In fact, Mr. Chair, as I have just said, it is our belief that the people living near economic development projects will be able to benefit from those developments. In other words, when economic development projects are carried out in a northern region, developers will first look to hire the local people to work on such projects. That is the underlying vision and motivation guiding all development programs.

[English]

The Chair: Thank you, Mr. Shugart.

Mr. Kramp.

Mr. Daryl Kramp (Prince Edward—Hastings, CPC): Thank you, Chair.

Welcome to our guests today. It's good to see you all.

I think it's both a good news and bad news story. It's just horrendous to see problems that have existed for 20, 30, 40 years still ongoing.

It reminds me of a few years ago when some of my colleagues were sitting around a table like this in the public accounts committee, and we were dealing with the aboriginal education file. Of course we spent eight or nine billion dollars over a few years and the results were even poorer than they were 20 years prior to that. So needless to say, it's just not acceptable and satisfactory to carry on with the progress that we have made, because it's been very little. However, I am encouraged now today when I see the report that there has been some progress in a number of areas and finally some activity and some action, but of course promises don't pay the bills.

We have some new arrangements that have been made. Perhaps, Mr. Wernick, first, with regard to multi-year funding, there was an obvious recognition that the present one-year funding wasn't doing the job. Of course a lot of the bills were coming in, and by the time the approval process got there—overdrafts, etc.—it was a horrendous story. Why did you not go to multi-year funding before? Why have you now agreed to, and to what extent will this be fully implemented?

Mr. Michael Wernick: That's an excellent set of questions. I may come back to education, if I can squeeze it into my first answer.

You can only put in multi-year agreements if you have a multi-year program. I cannot sign and commit funds for programs that are going to expire. Part of it is trying to stabilize the funding base of the programs. Part of it is the red tape around federal contribution programs, which was the subject of the blue ribbon panel on grants and contributions. Minister Toews announced the government response to it, and all departments that do grant contribution work will be implementing the new transfer payment policy on April 1. That creates some pretty exciting opportunities to have more stable, predictable funding agreements if you have a stable program base, and we will try to take advantage of that.

This chapter zeroed in on the funding that is given to people to prepare for self-government. We'd provide a set of loans or contributions. There are about a dozen recipients in the NWT. We're talking about somewhere between \$8 million and \$9 million a year. I'd be happy to table with the committee a list of who they are.

Part of the issue that comes up, and it's not an excuse, is that you cannot commit money to somebody who hasn't met the obligations in the previous year's agreement. Sometimes it's getting an audited financial statement or report on this or that, and we have people who have to enforce compliance. It does cause delays. That's one of the issues. It is a red tape kind of process, but if we had advanced funding early in the year to people who had not met the obligations under the previous agreement, we'd probably be discussing a different kind of audit finding.

We're going to try to find ways to speed this up, focus on the tables that are productive and look like they're going somewhere, and take advantage of that.

• (1220)

Mr. Daryl Kramp: Pardon me, but the reason for non-compliance, for those that are not obviously able to give you one, what is the main reason that they can't give the information? Are they unable, unwilling, or not capable?

Mr. Michael Wernick: I can't generalize on that. It's often that it just takes time in their systems. We're dealing with very small organizations that have a lot of demands on them, a lot of staff turnover. We ask them to produce financial statements and reports on what they did.

I agree entirely, and I don't want to leave the impression that we have a big disagreement here. Ad hoc programming and annual funding is not a very good set of tools. We would like to have more stable programs and more stable agreements.

Mr. Daryl Kramp: Okay, thank you.

I have a question for Madame Jauvin.

I'm really pleased, obviously, to see a source of both funding and program availability to address—but obviously the need. I have a concern, though. Are we just opening up another bureaucracy here? Take a look at the breakdown. The community economic development program, another community economic development program, community service report, the other business—all of a sudden, we have four or five subsections here. Why can't we consolidate? Economic development is economic development, whether it's for the community or an individual or a business. Why do we need all of this departmentalization? Are we creating

another monolith up there, rather than simply an agency that can deal with one and all? Do they not need a one-stop shop up there?

The Chair: Madame Jauvin.

Ms. Nicole Jauvin: I couldn't agree more, sir, and that's why we're here. We do administer a suite of programs, but what we try to do is ensure that our officers are actually able to go into the communities, see what the needs are, and work with the communities to see which of the programs are best suited to the needs of that community. After that, some project would be identified. The source of the program or the source of funding usually doesn't really matter to the recipient, so it's our responsibility to sort out which program is best suited to a particular project.

The Chair: Okay. Thank you, Madame Jauvin. Thank you, Mr. Kramp.

I have a question that arose from a quasi-exchange from Mr. Kramp's question. We're just going to take a moment.

Madame Fraser, you appeared to have a different point of view from that of Mr. Wernick when he was explaining how his department was addressing some of your issues. You appeared to disagree. Would you like to say what's on your mind?

Ms. Sheila Fraser: Well, Mr. Chair, the deputy seemed to indicate that he disagreed with some of our conclusions around the cumulative monitoring. We indicated in the report that under the Mackenzie Valley Resource Management Act, the department received very clear responsibilities to do this cumulative impact monitoring. We note in the report as a fact that 11 years after receiving that mandate, there was no program in place to monitor cumulative impact.

We go through, as I have explained to the committee many times before, a very long process with departments to ensure that the facts that we put in the report are valid. We would have had Mr. Wernick sign a letter to the effect that he agreed with the facts in this report, so I must admit I'm somewhat taken aback today to find out that he has indicated that he disagrees with that.

• (1225)

The Chair: I'm not sure that this would be the appropriate place for debate, but I thought it would be instructive for everybody to understand why there would be a difference of opinion.

Mr. Wernick, in fairness, you'll have about 10 or 15 seconds to say something.

Mr. Michael Wernick: That's very generous, Mr. Chair.

Just to be clear, we submitted our interpretation of the facts. And this is about interpretation, not about facts and the conclusions you draw from them. The Auditor General declined to accept our interpretation and went ahead.

We don't contest, as I said previously, that the ad hoc programs and annual funding is a problem, and we hope that we move forward. What I disagree with is that it leaves the impression that nothing happened because there wasn't a formal program. Over 160 projects were financed over the last ten years. There is a lot of activity on monitoring. It is a bit improvised and ad hoc, but I wouldn't want parliamentarians to get the impression that there has been no environmental monitoring in the Northwest Territories over the last few years.

The Chair: Thank you.

In the interest of not leaving bad impressions where no malice was intended, I think all members around the table now have the Canadian Northern Economic Development Agency draft report, which has attached the action plan, organizational accountability, timelines, and progress to date. So in fairness to Madame Jauvin, perhaps....

I don't know whether we'll be able to do it today, but we might be able to reference it a little later on. I realize that there was a level of discomfort around the table because we weren't able to address it earlier. But we'll go back to it in a moment.

I'm wondering if we can go now to Mr. Bevington.

[*Translation*]

Yes, madam, do you have a question?

Ms. Meili Faille: I would simply like to say that it is always the same with the French version, and it does not include any comments. [*English*]

The Chair: The instructions are to go right back out to get us the copy *en française*. It must be another one of those glitches. We apologize for that, and we'll make sure that it's delivered ASAP.

Let me go to Mr. Bevington. Mr. Bevington, you're going to benefit from seven minutes.

Mr. David Christopherson: I have seven minutes?

The Chair: Well, he's taking your round from earlier on.

Mr. David Christopherson: He is taking this round too.

The Chair: Well, let's do this second round.

Mr. David Christopherson: Sorry, Chair, it's straightforward. There are eight minutes from the first round, or seven, depending on what we had, and five minutes this time. That's twelve. So does the member not have twelve minutes? That was my understanding. I took the floor to make sure that it was clear.

The Chair: Mr. Christopherson, it's not a problem. I just want to give everybody a chance to ask their questions. He'll get the other five minutes. It's not a problem.

Mr. David Christopherson: Why don't you just string them together?

The Chair: Because I have a couple of other members who haven't asked yet, so I'd like them to go. Let's use the time fruitfully.

Go ahead, Mr. Bevington.

Mr. David Christopherson: Well, the most fruitful way would be to allow him to run the whole thing together. He's the only member for the area. Give him the 12 minutes, Chair.

The Chair: I have another one here, as well, from the area.

Go ahead, Mr. Bevington.

Mr. Dennis Bevington (Western Arctic, NDP): Thank you, Mr. Chair.

I appreciate the effort this committee has made to help me work through a conflict of interest I had with another committee.

I'll just start off with the Auditor General. You say pretty clearly in your report that the Mackenzie Valley Resource Management Act is an adequate instrument for environmental assessment. Is that your broad overview?

Ms. Sheila Fraser: We note that there are difficulties in the areas where there are not settled land claims. One of the major issues that comes up is consultation. When only that act applies there is not the same level of consultation in the co-management boards. We note in the report that there are projects that have actually begun and have then been halted at some later time because of inadequate consultation.

Mr. Dennis Bevington: True enough. I'll get to the unsettled claims areas. But as an instrument in the settled claims areas, you found that it was adequate for the conduct of environmental assessments as it pertains to the multi-claims areas within the rest of the Northwest Territories.

Ms. Sheila Fraser: Yes. We don't do an evaluation per se of the effectiveness of legislation, but we didn't see any particular difficulties. And actually, through the audit, we note that the co-management boards have improved. We did an audit in 2005 in which we noted a number of problems, and we noted that there has been improvement since then, and it seems to be working quite well.

• (1230)

Mr. Dennis Bevington: In reality, if we could get the land use plans in place and get the community impact monitoring in place as outlined in the act, if the act is fulfilled, we would have a very good regulatory system in the Northwest Territories.

Ms. Sheila Fraser: Yes.

Mr. Dennis Bevington: Now I just want to go to recommendation 4.51, where it talks about the need to develop land use plans for effective representation in the areas without settled claims.

The department's responses agree. But then they go on to say that they'll continue to work with willing partners to settle land claims agreements. They don't say that they agree and they will set up mechanisms that will allow—in the interim—for land use plans to proceed and for effective representation to be put on the board. So how do they agree with your recommendation here?

They said they agreed to it, and yet the response is not that way.

Ms. Sheila Fraser: I think that's a question best asked to the department.

Mr. Dennis Bevington: Okay, we'll put it to the department then.

Mr. Michael Wernick: There's no obstacle to the people being named to these various boards; that happens all the time. There are people nominated by the public government in the north, the aboriginal government in the north, and by the minister, and there are a lot of northerners on a lot of boards up north, as you know.

The issue about land use planning comes up in the chapter and in other places. You cannot have a fully enforceable and operational land use plan if you don't have a settlement.

Mr. Dennis Bevington: In other words, you don't agree with the recommendation. The recommendation is that you do settle these, you set up agreements to have land use plans in place prior to claims being settled. So you don't agree with that, or you do agree with that?

Mr. Michael Wernick: If I can put my own words in my own mouth, what you can have are conversations and discussions about the land use plan. We're doing that with the Dehcho, as you know. These help identify the important environmental areas, sacred cultural and archaeological sites, the priorities of the first nations community, the priorities of the elected public government in the north, and the priorities of the resource companies.

You can go a long way. The advice of Mr. McCrank was to have those conversations about land use planning early, so that when you move to implementation, you can move quickly. My only statement is that you really can't enforce those plans in the absence of a settlement.

Mr. Dennis Bevington: I just want to move on to cumulative impact monitoring programs, because they do actually come down to the ground. I think it's very clear that's happened in the case of our caribou population in the Northwest Territories. That is a case where we've seen declines in the caribou population to a great extent, and the understanding of that decline is hampered because we don't have cumulative impact monitoring in place.

We don't understand the differentiation between the pressures of development in terms of the diamond mines. We don't have understanding of the pressures in terms of the climate change that's taking place in the regions. We don't understand the differentiation between commercial and residential hunting on those populations.

So we don't have an opportunity because we haven't done the work with cumulative impact monitoring. So what is playing out on the ground is that we are losing our caribou herds without understanding why that's taking place.

The federal government has a responsibility under the NWT act to either declare caribou endangered, moving to extinction, or not. So the federal government has a very, very strong responsibility in this regard to the caribou that they abrogated in the spring by saying no, they don't.

I'd just like you to comment on this, because this is a serious issue that's in front of the Northwest Territories right now. We need to expand the monitoring of these herds, because they are the basis of the biological system in the Northwest Territories.

Mr. Michael Wernick: I appreciate the question, and I think we can perhaps pursue this in some written follow-up to the committee if it's of interest to you, Mr. Chair.

There is a fair degree of disagreement, as you know, Mr. Bevington, between the territorial government and some of the aboriginal groups about conservation versus hunting rights and who gets to take how many caribou and so on. Those are decisions for those governments to take.

What we can contribute—and that's why this is such an important chapter—is the baseline science about the state of the herds and what's sustainable, what should allowable takes be, and so on. That's why all of this monitoring work that Mr. Boothe alluded to is really important. You have to have science to make smart decisions. What we've done—

● (1235)

Mr. Dennis Bevington: I just want to correct one thing you said there, because in the NWT act it clearly says that the federal government is the only agency that can take away the right of aboriginal people to hunt, and they can only do that by declaring a species moving to extinction.

Mr. Michael Wernick: Yes, and if I can just finish, a lot of the projects that were financed over the last few years through our tools had to do with monitoring of caribou. I can pick five off the list in front of me. I'd be happy to table that with you and with the committee. A lot of the important priority science in the north is specifically about caribou. We'd be happy to provide a list of the projects that have been financed or that we're considering.

The Chair: Mr. Wernick, that's actually three times that you've offered to provide something either to the member or members. We'll take you up on all three offers. You'll submit them all to the clerk and we'll distribute them for everybody, if you don't mind.

Mr. Michael Wernick: Absolutely.

The Chair: Mr. Bevington, after careful consideration, in order to keep your smile always going, you'll continue for the next five.

Mr. Dennis Bevington: I just want to move on to mineral development, because I consider that to be one of the most interesting areas in the Northwest Territories that still remain under INAC control. I want to understand how your department views mineral development. What is your overall mandate for mineral development in the Northwest Territories? Do you have a fiduciary responsibility to maximize the benefits from mineral development for the people of the Northwest Territories?

Mr. Michael Wernick: I would say we have a balanced responsibility to promote economic development, much of which is going to be driven by resource industries, and mining seems to be a better bet than oil and gas these days. It will probably last longer, given the Chinese appetite for resource commodities. It's probably a better long-term play.

What we want to see in the north is sustainable mining with responsible environmental and social impacts. We don't want to see the Giant Mine repeated out of Faro. We want to have modern, what they call third-generation mining, as you know, and I know you're very familiar with this, Mr. Bevington. We're trying to promote a sustainable approach to mineral development. We think in NWT, in the Yukon, and in Nunavut, this can be one of the drivers.

To make a quick hand-off to my colleagues, if you know you're going to be pulling iron ore up the Mary River site in Nunavut for the next 35 years, you can actually do some human resource planning as to where those skilled workers will come from and where the people are, and that's why the agencies are able to actually do something that's more sustainable than fly in and fly out, bring some people in from Newfoundland and they go back after the project is finished—all apologies to that model. I think it's a very important thing.

Lastly, just to help the members understand, in the Northwest Territories and in Nunavut, INAC and the minister are basically the equivalent of a provincial lands department. We do a lot of the things you'd see in a provincial lands department. In the Yukon we were successful in devolving that to the territorial government and we've been trying to negotiate devolution to the other two territorial governments. We would like to get out of the land department business and give it to the public government in the north, where it should be.

Mr. Dennis Bevington: On that issue, when you consider that we're now looking at four diamond mines in the Northwest Territories, and diamonds are a very finite resource—diamonds might be forever, but our mines are very, very limited in their lifespans—what efforts has this department put into mineral development to ensure that we have a long-lasting industry in this regard? Where's the effort been in that regard? As you quite correctly point out, you're in charge. You make those decisions. We don't make those decisions in the Northwest Territories to maximize the return from our resources to ensure that our resources are sustainable in fashion.

Mr. Michael Wernick: There are a couple of things that may be helpful to the committee.

We don't control the world price of diamonds, tungsten, gold, or what not. What we can do to help private sector investors decide whether they want to pursue projects or not is lay on the science. As you know, in the north we barely scratched the surface on actually doing basic surveying and prospecting and knowing what's up there. Most of the focus that our colleagues at NRCan and others have done over the last few years is on the mapping, chartings, and getting the baseline in. Going with that is the environmental monitoring so you know what sort of ecosystem is up there if mining is introduced into it. I try to call it laying the foundation for that. The decisions on specific projects are going to be private sector investment decisions, whether to pursue it or not. How much public governments reap as benefits from that are a matter of fiscal arrangements between the federal government and the territories that are set by the Minister of Finance, and you know that debate very well. I think the best thing we can do is lay in really good baseline science for people to make smart decisions.

• (1240)

The Chair: Mr. Bevington, thank you.

We'll go on to Mr. Shipley.

Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC): Thank you, Mr. Chair, and thank you to all the witnesses.

It's an interesting one, Mr. Boothe. In the end of your conclusion, you talked about being committed to working with the Department

of Indian Affairs and other partners in the Northwest Territories to plan and implement effective monitoring programs.

How is the working relationship and the coordination? It's not very often we end up with four departments that were expecting to come together in harmonization, where they actually have some different objectives, I would suspect, in the big principle of it all. Can I just ask you, since you had mentioned it, how is the working relationship in coordinating? I would see that as having some difficulty, but we also, on this side—on all sides, actually—see that this is significant and important to have.

Mr. Paul Boothe: Thank you for the question.

In this particular area, I would say that it's a very strong partnership. Our role is a bit of a supporting role. INAC's in the lead. Everything that I have learned about this has been that there has been a good partnership. The Environment Canada scientists are well supported by their INAC colleagues in doing their monitoring work. I would say, certainly in this case, it's a very productive partnership.

Mr. Bev Shipley: Mr. Shugart, in your presentation and in the report—more in your presentation—you talked about the skills training strategy assets, funding of approximately \$1.6 billion over five years. You talked about how under Canada's economic action plan there would be an aboriginal skills employment partnership increase by \$100 million.

How do you measure the impact and the number of people who would be affected by that? Secondly, how do you determine the dollar effectiveness, even though you will assess the impact? I see those as two different things.

Mr. Ian Shugart: Yes, I think that's quite right. Depending on the baseline circumstance of individuals in those communities, temporary work may be better than nothing at all, but what we're really after is the development of long-term employment prospects that flow from long-term sustainable economic development.

What we are about—in response to the observation that the Auditor General has made—is not the value per se of the investment and the jobs that are created; her report indicates that the communities have responded well to these programs and the objectives are clear. Going forward, we want to be able to demonstrate to parliamentarians that we know what has been achieved.

So I think in our case, we will continue the investment that Parliament provides for skills training and job development, but our emphasis at the moment is on how we go about that so that we can in fact demonstrate value over time. These strategic plans, these business plans that we will be developing with the organizations, will articulate what those goals are, what the provision will be for long-term benefit.

Then we've been developing indicators. We refer in our action plan to some of those, the impact of the program on the duration of client employment, the impact on earnings of the clients, one indicator being the reliance of the client on employment insurance or other forms of income support, and then various measures of satisfaction of the individuals who've been through those programs.

In time, as we develop those indicators through the employers and the employees, we will be able to demonstrate much more systematically the long-term value of these investments.

• (1245)

Mr. Bev Shipley: Madam Jauvin—

The Chair: Mr. Shipley, sorry, I just checked. You were well over five minutes.

I'm going to go to Mr. Bagnell, who's taking the other Liberal question.

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

I thank all the witnesses for coming. It's great to see many of you again.

My questions are for Ms. Fraser. I'm always delighted to have you at committee.

On numerous occasions in the past you have talked about many problems with the implementation of land claims north of 60. In fact, this summer, when Michael Ignatieff and I toured the north, we heard those in spades again. However, in your speech here, in paragraph 5 you talk about agreements being finalized, including the Tlicho agreement, which was a self-government agreement. You said, "in our view the efforts to settle land claim and self government agreements represent a significant achievement and an important step".

Yet less than a month ago I got input from the Dene that says once claims have been settled, the claimant groups have great difficulty in implementing their agreements. A case in point is the Tlicho government in the Northwest Territories. Tlicho are having difficulty implementing their agreement.

How do you reconcile your glowing speech with the problems you have seen in the past and what we heard this summer and in this recent letter on the implementation?

Ms. Sheila Fraser: In this report, we are actually quite positive about the work the department has done to settle the claims. We found they were flexible and that they used innovative approaches to try to reach an agreement. But as the member has mentioned, we've also done several audits of the implementation of these agreements and found many problems in them. I would say the major difficulty we note is that while there may be respective technical legal conditions, the overall intentions of the agreements are often not met, and even when we looked at ones like the Inuvialuit agreement, I remember that some 27 years after the agreement had been made there were still difficulties with transfers of land.

So implementation of these agreements is a challenge. This report was really focusing on the actual reaching of an agreement and the work the department did to do that.

Hon. Larry Bagnell: In paragraph 7 of your remarks, you talked about the importance of the environment to aboriginal peoples in the north, etc., and that it's why you studied it. You "examined whether INAC and Environment Canada had established and implemented an adequate regulatory system in the Northwest Territories".

An important component of a regulatory system is monitoring and enforcement. I just want you to comment on that, and I want to give two examples of potential lacks here.

First of all, the government recently closed the entire Canadian Foundation for Climate and Atmospheric Sciences. A lot of that monitoring in the north, the closest monitoring of climate to the North Pole, and all of the scientists are gone. So that's a reduction in monitoring.

The second point is that when the Law of the Sea extended the 100-mile limit to 200 miles, basically adding to Canada an area the size of Saskatchewan, the government, when asked in committee, said no, they had not included any monitoring ability or forces or enforcement ability, but maybe one environmental officer in Yellowknife, which, as you know, is not really close to being 100 miles offshore in the Northwest Territories. This is a theme, actually, of this government.

So do you have any comments on the lack of monitoring and enforcement and abilities and resources to do that?

Ms. Sheila Fraser: I'll ask the Commissioner of the Environment to respond.

Mr. Scott Vaughan (Commissioner of the Environment and Sustainable Development, Office of the Auditor General of Canada): Thank you very much.

I think as the Auditor General mentioned, we've noted in the report that while Environment Canada does undertake, as the deputy mentioned, ongoing monitoring, it has limited monitoring capacity north of 60. We've already discussed INAC's cumulative environmental impact program. Their own 2005 evaluation said they were not delivering what they were required to do under the act.

There's of a broader question, which I think the deputy of INAC mentioned. As we've noted in the report, there are gaps in baseline information, and the point of cumulative effects is to understand how different environmental indicators fit together. This is particularly urgent in the context of the north because of the fragility of the ecosystems.

So there are gaps, as the honourable member mentioned. There's been a 63% reduction in the Bathurst caribou herd. But the broader question is what are the drivers of that? For that it is important to undertake a cumulative monitoring system to understand both conditions as well as linkages between the different environmental drivers.

So, yes, we've noted, first, that the cumulative impact system is incomplete and therefore that decision-making is not fully informed, and that there are gaps in critical information.

•(1250)

Ms. Sheila Fraser: If I could just add, Chair, we also mention in the report, even on the question of enforcement of licences and permits, that the department's target was to inspect 50% to 60% and that they were carrying out about 13% of the caseload. Now, what number it should be I think can be up for debate, but clearly we are saying that the department needs to be more risk-focused, needs to determine the inspections it should be doing, and then needs to carry them out.

The Chair: Mr. Dreeshen.

Mr. Earl Dreeshen (Red Deer, CPC): Thank you very much.

It's great to see you folks again.

In Mr. Shugart's address there is a discussion of aboriginal skills and employment training strategies. I know you've already spoken somewhat of those when you were talking to Mr. Shipley about the dollars invested, but what I'd like to talk about are the three new strategic priorities you were speaking of: supporting skills development; the partnership in the private sectors in the provinces and the territories; and also the emphasis you have on accountability and results. I wonder if you could speak to those somewhat.

Then, Madam Fraser, I was just wondering if you could comment on whether you feel the strategies that are there adequately satisfy the concerns you identified.

Mr. Ian Shugart: Thank you, Mr. Chair.

The first two priorities, demand-driven skills development and fostering the partnerships with the private sector and with the governments in the territories, are really working out of this vision of sustainable long-term employment and the training that will enable that. We want there to be a skilled workforce in the north so that employers, as they invest and undertake development, can draw on the base of the population in the north, and not have to source their workforce from the south, frankly.

The best way to do this is to foster between the program and those who are going to be investing and undertaking the development the kinds of linkages, for example, so that long-term skills needs can be identified, depending on the type of economic activity that is going to occur. We can then come in through these training funds, working in partnership with others to provide the training capacity so that those workers will be there. Whatever form this needs to take, whether it's training or whether it's enabling the actual jobs, those two priorities really flow from that vision.

The third one, the emphasis on accountability and results, is really very much part of the modern requirement that we all live with. You, as members of the public accounts committee, focus on the Auditor General's documents, and we, as departments, endeavour to satisfy that we not only do good things with taxpayers' money but we can demonstrate that we have done worthwhile things with that money.

We want to do this in as efficient a way as possible, but part of the program will be how we set it up and deliver it. We will have these strategic business plans. We will try to avoid them being process and bureaucracy, but they have to be a joint product of the program and of the employers so that we can document what the objectives are.

Part of it is the data development and collection, and reporting out. We can then map what has actually been achieved and use intelligent indicators, sometimes using administrative data such as employment insurance claims, to be able to tell the duration of employment in a particular area, and then report that out and over time be able satisfy parliamentarians that the investments actually have made a difference in the north.

Along the way, we think we're going to be hearing from employers and from workers, and all of the multiplier effects from that, that these programs actually are working to build a long-term workforce in the north. That's how we see it all working together.

•(1255)

Mr. Earl Dreeshen: Madam Fraser, how do you feel about the process that has been outlined?

Ms. Sheila Fraser: As we note in the report, we found that the two programs we looked at in Human Resources and Skills Development Canada had clear objectives. They were well received by the communities. And they had short-term performance measures, such as the number of people who attended training or the number of people employed. The one element that was missing was the longer-term effects, but the deputy has responded to that, indicating some of the performance measures that might be used. That was really the missing element in those two programs we looked at.

The Chair: Thank you, Mr. Dreeshen.

We're about at the end here, and Madame Faillie wanted to ask one question before we carry on.

[*Translation*]

Ms. Meili Faillie: In fact, I was actually short of time earlier, and the witnesses from the various departments did not have an opportunity to answer a number of my questions. I would therefore ask that they submit a written response to the committee.

Now I would like to ask another question during this round. Ms. Fraser, you found that INAC's economic development programs did not contain clear objectives, that the department was not monitoring the outcomes of those programs and was not assessing the data submitted by funding recipients.

Mr. Wernick, you talked earlier about an interdepartmental coordination committee. I would like you to submit in writing the date of the last meeting and the frequency at which the coordination committee meets.

I also noted that you implemented systems to produce management reports. What data do you feed into those systems? I would like you to submit to us in writing the title of the reports, how often they are produced and to whom they are distributed.

I know that you also produce internal audit reports. I would appreciate it if you could submit to us your department's internal audit reports concerning the programs that have been assessed as part of the Auditor General's report.

Thank you.

[English]

The Chair: Madam Fraser, Mr. Wernick, how about I give you about a minute apiece if you want? Otherwise, as Madame Faille suggested earlier on, perhaps anyone who feels they have additional information they would have liked to share with us would please submit it to us in writing and we'll distribute it.

Mr. Wernick.

Mr. Michael Wernick: That's our normal practice with this committee, Mr. Chair. I'd be happy, on behalf of my other accounting officers, to take the pen on a letter to you answering the questions. We'll sit down with the clerk and work out the specifics.

I would want to say in two seconds that all of our internal audit reports and evaluations are on the department's Internet site. They're there, as are the management plans and the follow-up responses. But if there's a specific one you're interested in, we'd certainly provide paper copies to the committee.

I'm only sorry we didn't get a chance to talk about the exciting opportunities of satellites to do monitoring, but perhaps that's for another day.

Thank you, Mr. Chair.

The Chair: We'll give you an opportunity on another day, Mr. Wernick.

Just in closing, I suppose one of the things that's coming up through all of this—I think you twigged to it first of all—is something I think Madam Fraser always refers to, and that is overlapping of jurisdictions. You raised the issue, and I asked who had jurisdiction. It appears you do, which leaves the question about why we would need a separate agency to do what you're going to be doing.

But primarily for Mr. Shugart, although you're the one who raised the issue of the amounts of money that are put in HRSDC for development with aboriginal communities, it's nice to have the number \$1.6 billion over a five-year period and an additional \$100 million for ASEP, aboriginal skills and employment partnership, but you didn't give us an indication how much of that was dedicated to northern development or to aboriginals in northern communities. I think it would be a little more instructive for us to have a better picture of that, and I'm wondering whether, when you're submitting your written response to us to those other three questions, you'd include that.

• (1300)

Mr. Michael Wernick: We'd be happy to do that. The theory is that INAC is the front-counter delivery agency for many of our programs, including Mr. Shugart's. We'll be happy to clarify that in the letter.

The Chair: Very good. I thank you very much.

We're almost at the very end. I want to ask committee members to stay behind for a couple of minutes more just to clarify a couple of business things.

I want to thank each and every one of the witnesses for the time they've given us. It's been good and useful. I didn't mean to generate controversy between the department and the Auditor General, but I'm sure they're used to that anyway, right? Thank you very much.

I'll take 30 seconds, and then we'll go on to business.

First of all, there is the issue of what we're going to do because our meetings go over the luncheon period. I think today was a little bit of an oversight. The clerk already has your wishes well in hand. There will be light lunches served from here on in at those meetings.

Second, the steering committee is going to meet tomorrow at one o'clock. I think the clerk will notify each of the members on the steering committee. There will be an agenda for that steering committee.

For Thursday, we're going to carry on and we're going to try to wrap up some of the issues that you as a committee had given an indication you wanted to deal with. I thought it might be well worth our while to continue with the agenda that had been established, subject, of course, to the availability of the witnesses. I understand there are still a couple that have to be confirmed. The reason I wanted to fill that out is that, as we all know, the Auditor General is coming in with a new report on the 26th, and I think it would be more than appropriate for us to get a current....

There are five draft reports that we still haven't dealt with, so I'm hoping that on Wednesday the steering committee will discuss how we are going to deal with those. It will all be on chapter 5.

Is there anything else?

Mr. David Christopherson: I have an administrative matter. For quite a number of the coming weeks I have other responsibilities on the procedure and House affairs committee, so Malcolm Allen, the member for Welland, will be filling in during my absences. So for the next while I'll probably be away more than I'm here, but Mr. Allen will be here.

The Chair: Will he be at the steering committee on your behalf?

Mr. David Christopherson: No, I'll still attend the steering committees.

The Chair: Okay, no problem.

Any other comments? Everything good?

Thanks a lot.

I'm sorry that your sugar intake was a little low this morning. We'll try to overload you next week.

The meeting is adjourned.

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