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# **Standing Committee on Aboriginal Affairs and Northern Development**

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**EVIDENCE**

**Thursday, May 29, 2014**

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**Chair**

**Mr. Chris Warkentin**



## Standing Committee on Aboriginal Affairs and Northern Development

Thursday, May 29, 2014

•(1530)

[English]

**The Chair (Mr. Chris Warkentin (Peace River, CPC)):** Colleagues, we'll call this meeting to order. This is the 26th meeting of the Standing Committee on Aboriginal Affairs and Northern Development.

Today we have the minister with us. Pursuant to Standing Order 81(4), we are reviewing the main estimates, as well as supplementary estimates for 2014-15.

Minister, we want to thank you for being with us today. We do appreciate your taking time out of your busy schedule to meet with us yet again.

Minister, we'll turn it over to you for your opening statement, and then we'll probably have some questions for you.

[Translation]

**Hon. Bernard Valcourt (Minister of Aboriginal Affairs and Northern Development):** Mr. Chair, thank you for inviting me to outline the main estimates for fiscal year 2014-2015 of my department, Aboriginal Affairs and Northern Development Canada, and to discuss the 2014-2015 supplementary estimates (A).

As the committee members know, the main estimates support the government's request for Parliament's approval of expenditures that were already planned in Canada's Economic Action Plan 2013 or in previous decisions.

Through these main and supplementary estimates, the department accesses the funds required to continue delivering on our government's commitment to put in place the conditions for stronger, healthier and more self-sufficient first nations communities.

In addition to ongoing spending on the department's various programs and policy areas, this year's main estimates include a significant \$473 million increase for the continued implementation of Justice at Last: Specific Claims Action Plan, of which \$450 million is earmarked to pay out negotiated settlement agreements and awards of the Specific Claims Tribunal, while \$23 million is set aside to support the assessment and negotiation of specific claims.

This is a direct result of the action that our government has taken to achieve fair and timely resolution for first nations specific claims. As you probably all know, it was our government that announced the Justice at Last initiative in 2007, in order to improve and speed up the claims resolution process for the benefit of all Canadians.

We have seen real progress. We have reduced the backlog of claims under assessments and settled over 100 specific claims through out-of-court, negotiated settlements totalling over \$2 billion.

•(1535)

[English]

I'm pleased also to note, Mr. Chairman and members, that the supplementary estimates (A) renewed funding for the comprehensive claim and self-government negotiations across Canada which had sunsetted in the last fiscal year. At the same time, in addition to making progress on claims settlements, we continue to promote reconciliation between aboriginal and non-aboriginal Canadians.

In that same vein, I'm happy to report that the operating period of the Truth and Reconciliation Commission has been extended to June 30, 2015. I was speaking with Mr. Justice Sinclair this morning. This will give the commission the necessary time to fulfill its mandate, including completing its final report, holding a final event, receiving the rest of the documents held at Library and Archives Canada, helping set up the permanent national research centre in Winnipeg, and winding down its operations. We have allocated \$3.5 million in transfers through supplementary estimates (A) to the Truth and Reconciliation Commission so it can complete this work.

This decision to extend the operating period by a year reinforces our government's commitment to achieve a fair and lasting resolution to the legacy of Indian residential schools, which lies at the heart of reconciliation and the renewal of the relationship between aboriginal people and all Canadians.

Mr. Chair, these estimates also reinforce our government's commitment to improve the quality of life of aboriginal people and northerners.

For example, through supplementary estimate (A), we are accessing \$136.3 million of the funding for the first year of the renewal of the first nations water and waste-water action plan. This funding will provide for the continuation of our strategy to protect the health and safety of first nation residents and ensure that they have the same access to clean drinking water as all other Canadians.

Since 2006 our government has spent roughly \$3 billion to help communities manage their water and waste water infrastructure and in related public health activities. New investments, like the ones I just outlined, build on the concrete action our government has already taken to improve water and waste-water infrastructure.

In addition to the funding in the supplementary estimates (A) for the first nations water and waste-water action plan, the supplementary estimates also earmark \$127.7 million for the assessment, management, and remediation of federal contaminated sites, again reflecting our government's commitment to health and safety and the protection of the environment as top priorities.

The last major item in supplementary estimates (A) is funding for the first nations land management regime, which you all know gives first nations more control over their own land and resources, and supports first nations through the developmental and operational phases of the first nations land management regime. To cover the incremental costs associated with an increase of entrants in the first nations land management regime, \$6 million has been allocated for the expansion of the regime. We have seen that first nations operating under the land management regime have witnessed a dramatic increase in new business. We see this all across the country. This funding will help these first nations further down the path away from the Indian Act and toward a more prosperous and self-sufficient future.

Last, the supplementary estimates earmark \$4.6 million of new funding for aboriginal groups who are parties to the final devolution agreement, as per the Northwest Territories Lands and Resources Devolution Agreement. We signed this historic agreement in June 2013. It gives northerners greater control over their land and resources, all the while unlocking the economic potential of the region by modernizing the existing regulatory regime. This will strengthen environmental stewardship and protection and ensure that the Northwest Territories remains an attractive place to live, work, and invest.

● (1540)

[Translation]

The funding requested through these main estimates and supplementary estimates (A) demonstrates that we are taking concrete steps to address the needs of aboriginal people and northerners, and making real progress in that area. These estimates, which themselves are what we request from the Canadian taxpayer, enable us to make significant progress.

Mr. Chair, I am proud of our government's record on improving the lives of first nations, and indeed all aboriginal people in Canada, and I believe these estimates go a long way to enable us to make this progress.

I will now do my best to answer any questions that members of the committee may have pertaining to these main estimates or supplementary estimates (A).

Thank you.

[English]

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

We'll turn to Ms. Crowder for the first round of questions.

**Ms. Jean Crowder (Nanaimo—Cowichan, NDP):** Mr. Chair, let me know when I have used up five minutes, because I'm going to turn the last two minutes over to Ms. Hughes.

Thank you, Minister, for coming before the committee. I appreciate your time today. Most of my comments are going to focus on the main estimates.

On page 34, in the plans and priorities document, it shows elementary and secondary education and planned spending for the coming fiscal year. Given the recent collapse of the negotiations around Bill C-33 and government statements around a commitment to put in future funding, what plans do you have to address the gap between what first nations on reserve receive versus provincial governments, since those schools are clearly underfunded?

**Hon. Bernard Valcourt:** To be clear, since 2006 this government has invested over \$10 billion to support elementary and secondary education for approximately 117,500 first nations students living on reserve. In addition, during that same period, to March 2012 anyway, the Government of Canada invested approximately \$720 million for 429 education facility projects.

With regard to the estimates, as you can see, further to the agreement we had reached with the AFN and further to our commitment that resources would accompany the reform of an education system, which we know is failing far too many first nations students, there was a commitment of close to \$2 billion, which was reflected in the 2014 action plan, the budget, and is also in the estimates.

The largest part, over \$1.4 billion, is statutory funding. To get statutory funding you need a statute. We just got a decision, made a few days ago by the AFN, that they would not honour the agreement we had reached with them, so that statutory funding obviously cannot follow because we have no statute. Right now we are assessing the situation to see what the next step will be.

In the meantime, the funding will continue—

● (1545)

**Ms. Jean Crowder:** I'd like to move on, Minister, thank you.

**Hon. Bernard Valcourt:** —as proposed—

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

**Hon. Bernard Valcourt:** —in the—

**Ms. Jean Crowder:** I don't want you to talk out my time. I only have a few minutes.

I have another question on the urban aboriginal strategy.

As you well know, the urban aboriginal strategy has significantly changed. I looked at the report on plans and priorities and departmental performance, and under the program there is a lot of total allocation. It says that planned spending is unknown at this time.

I know that friendship centres are anxiously waiting for those funds to flow. I wonder if the department could indicate exactly when friendship centres could expect to see this funding, and when the criteria for this funding will be released.

**Hon. Bernard Valcourt:** As you know, the two new programs both have the same objective of focusing on collaboration to increase aboriginal participation in the economy—the urban partnerships program and the community capacity support program. You referred to the National Association of Friendship Centres. It will be engaged in delivering the community capacity support, which is \$22 million of programming, and also a portion of the urban partnerships, \$20 million. The department for its part will administer the remaining portion of \$10 million under urban partnerships.

As to the timing, the work is ongoing. My understanding at this stage, and I stand to be corrected by my deputy, is that the national association is already assessing projects that have been submitted by different groups across the country.

**Ms. Jean Crowder:** I'll hold that until the department—I want to make sure that Ms. Hughes gets her question in.

**The Chair:** Ms. Hughes.

**Mrs. Carol Hughes (Algoma—Manitoulin—Kapusksasing, NDP):** Thank you very much.

Contrary to what you indicated, that the government is improving the lives of first nations and other aboriginal people in Canada, many don't feel that way, Mr. Valcourt.

When we are looking at the first nations in Ontario—this is an example of your comment—they are saying that they are seeing the national child benefit reinvestment fund cut by 50%. The program is used to fund child nutrition programs and food banks, to help parents pay for child care, to fund parenting programs and drop-in centres, to fund home-to-work transition supports that reduce barriers to employment and also to provide training opportunities. As you see, it's quite varied and it helps.

I know we had a discussion in the House about this program, but it's important to raise the issue because of how much support it gives. It was heavily relied upon.

In one way it appears as though unemployed youth on reserves are being lifted on the one hand but then suppressed on the other. I wonder what the minister is planning to do to cover the shortfall that these cuts will create, Mr. Chair, and who and what will be picking up the slack.

**Hon. Bernard Valcourt:** I guess that everything is in the eye of the beholder, but the fact of the matter—

**Mrs. Carol Hughes:** Fifty per cent.

**Hon. Bernard Valcourt:** —as we explained to you, is that in terms of the priority, a shared priority with first nations all across Ontario, we are using Ontario Works to ensure that first nation youth in those communities can acquire the skills to get into the labour

market and earn a decent living. That is a priority that has been identified.

As we've explained to you, the national child benefit reinvestment initiative is not a statutory program. It is a program that would use the excess of what is not required for income assistance, and although the program remains, yes, there will be less funding. It is cut by half at the regional level because investing in skills acquisition by first nations youth is a priority.

You must also acknowledge that there are other national federal programs that put money directly into the parents' pockets to address those needs that are partially met by the national child benefit reinvestment program.

• (1550)

**The Chair:** We go to Mr. Strahl for the next questions.

**Mr. Mark Strahl (Chilliwack—Fraser Canyon, CPC):** Thank you, Minister, for your comments.

I want to concentrate on the Northwest Territories becoming the second territory after Yukon to take over management of its land and resource responsibilities, the final major step in the territories' devolution process following the passage of Bill C-15, the Northwest Territories Devolution Act. That's obviously a significant milestone for the NWT and a key element of our government's northern strategy. It served as a result of our government's proactive and collaborative approach in working with our territorial and aboriginal partners. A few of us on this committee travelled to Yellowknife to hear directly from northerners, and we were pleased to play a part in doing that. We've heard very positive responses from Premier McLeod and other stakeholders in the NWT.

I see in the supplementary estimates (A) the government is allocating \$4.6 million to fulfill our obligations to the Government of the Northwest Territories and to fund aboriginal groups.

Can you give us an update on what steps have been taken since the implementation date of April 1 to implement the Northwest Territories devolution agreement?

**Hon. Bernard Valcourt:** Sure.

As you know, the vast majority of the activities and commitments outlined in the devolution agreement were successfully implemented in the lead-up to the transfer, which was on April 1, 2014. However, as part of the closing process leading up to the transfer date, Canada and the Government of the Northwest Territories entered into a number of deferral and undertaking agreements. These range from completing financial transfers and operational accounts to amending a number of consequential agreements, such as interim measures, water, and environmental agreements.

The devolution agreement itself also has a number of post-transfer-date commitments that need to be implemented, such as the circulation of a final list of inventory. Since April 1, several of these outstanding commitments have already been completed, including the transfer of securities, amendments to the interim measures agreement between the Northwest Territories government and the Métis nation, and finalization of the inventory of sites. As you mentioned, our government is also transferring funds to the Government of the Northwest Territories in order to ensure that aboriginal groups continue to receive funding after the devolution process.

Canada and the Government of the Northwest Territories are in the process of establishing a joint management framework to oversee the implementation of the remaining undertaking and deferral agreements over the course of this fiscal year. Of the money that you referred to, the \$8.7 million appearing in the supplementary estimates (A), \$4.1 million is a reallocation of existing funding within my department that will be provided to the Government of the Northwest Territories for devolved programs and obligations, with the remaining \$4.6 million to cover obligations for ongoing funding to the aboriginal groups I referred to earlier.

**Mr. Mark Strahl:** One of the things we heard from witnesses when we did travel to the NWT was that devolution would bring greater prosperity to northerners, allowing them to finally share in the benefits provided by resource development. Supplementary estimates (A) allocate funds to ensure that aboriginal groups are receiving adequate funding from the Government of the Northwest Territories.

Could you share with the committee some concrete examples of how aboriginals will directly benefit from the implementation of the devolution agreement?

•(1555)

**Hon. Bernard Valcourt:** I thank you for the question. That's why he is such a good parliamentary secretary, Mr. Chair.

The Northwest Territories devolution agreement provides northerners with the same opportunity to benefit from their own lands and resources that Canadians living in provinces have.

Indeed, we have only to look at the territory right next door, Yukon, which has prospered and flourished since the implementation of its devolution agreement over a decade ago. Devolution, as you know, puts decision-making in the hands of those most affected by decisions: northerners. It fosters regulatory efficiency and provides the territories with more control over their economy.

Our bureaucrats in Ottawa do a good job, but northerners do a better job on their own terrain.

The Northwest Territories is a region blessed with a remarkable abundance of natural resources. This is part of the reason the Conference Board of Canada is predicting that the GDP of the territory will nearly double by the year 2020 to \$9.6 billion.

Devolution also provides for the political development of the territories, and it fosters stronger relationships between the first nations, the Métis, the Inuit, and the governments.

This funding will allow our government to meet its obligations to the NWT and to the aboriginal groups, and it will ensure that this good relationship continues to prosper.

**Mr. Mark Strahl:** Very quickly, Minister, I see that \$136 million is allocated to the first nations water and waste-water action plan. Perhaps you could give us an update on what that funding in the supplementary estimates (A) will be used for.

**Hon. Bernard Valcourt:** Since 2006 the total federal investment in first nations water and waste-water infrastructure has been approximately \$3 billion. These funds have been targeted and committed to ensure that first nations can have on-reserve water systems and waste-water systems that are comparable to what Canadians in all other municipalities have and much too often take for granted.

As I said, we have made a serious investment, and through these estimates, as you see, we are going to continue investing to support these major capital water and waste-water projects throughout the nation.

To date, there have been 198 major capital projects and waste-water projects in 173 first nation communities where this has been accomplished. These funds will allow us to continue and, of course, to build on the Safe Drinking Water for First Nations Act, which received royal assent on November 1, 2013.

For the first time, with the full participation of the residents of first nations communities and the provinces, enforceable standards to protect the health and safety of first nation residents will be developed. These funds will be used to pursue that objective.

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

We'll turn to Ms. Sgro now for the next questions.

**Hon. Judy Sgro (York West, Lib.):** Mr. Valcourt, thank you very much for being here today.

I want to ask you about first nations water, an issue which I believe you care about, but I know that all Canadians have great concerns about the whole infrastructure in and around water.

Your 2011 national engineering assessment found the need for an immediate investment—and this was back in 2011—of \$1.2 billion to meet existing protocols at that time just for operating, capital costs of \$4.7 billion over 10 years, plus a projected operating and maintenance budget of \$419 million annually over a 10-year period of time. Again, this was your own report in 2011.

Instead of the additional resources required, what first nations actually got was new water legislation imposed on them that downloads liabilities and responsibilities with very few new resources.

Does the department have a plan and a timetable for making the required investments that were outlined in your 2011 water engineering assessment?

• (1600)

**Hon. Bernard Valcourt:** Well, as will be obvious to any objective observer, since 2006 close to \$3 billion has been invested into this undertaking.

[Translation]

As we say,

[English]

Paris wasn't built in a day.

We are on a solid progressing plan where you see every year a substantial investment at a time when you know that the government is committed to balancing its budget. Notwithstanding the fact that we will have managed in this mandate to completely eliminate the deficit by 2014-15, we will still have increased and keep increasing our investments into water and waste water on reserves to ensure that the health and safety of those first nations' residents is protected.

I'm sure that this is not a problem that was born the day we were elected. Obviously, if there was that level of investment required, it must have been because before we came to government some other government also failed to invest in water and waste water.

**Hon. Judy Sgro:** In a 2011 plan of yours, they call for a 10-year plan. Did you develop a 10-year plan? Can you table a copy of that plan that you were asked to create at that particular time? Can you table it for the committee's sake?

**Hon. Bernard Valcourt:** To my knowledge there is no such 10-year plan, but I will ask my deputy to help me here.

**Mr. Michael Wernick (Deputy Minister, Department of Indian Affairs and Northern Development):** No. We get our money in budgets usually two years at a time or three years at a time. We try to have criteria for setting priorities. We have ranked lists. We assess them nationally and we do what we can with the money we get in each budget. We post the progress at least every year, sometimes more frequently.

I would say that the estimate, which is provided by consultants, is a kind of maximum worst-case costing if we use very conventional technologies available at the time, piped water systems and so on. Of course, what we're trying to do at every opportunity is get more results out of the available dollars.

The technology in water and waste water is evolving very quickly, and we're trying to encourage first nations to use it.

**Hon. Judy Sgro:** But you agree that, if you say you're going to develop a 10-year plan, it's always subject to funding on each one of those budget years. We understand that, but there still needs to be a plan with a commitment that you intend to meet it.

Certainly balancing the budget on the back of our first nations community, when they clearly have significant problems, whether we're talking about their education, their water, or their housing conditions, isn't an adequate answer.

**Mr. Michael Wernick:** It would be nice to have 10-year funding commitments. I've never had 10-year funding commitments. We would have had a long-term statutory funding commitment to K-to-12 education in Bill C-33.

**Hon. Judy Sgro:** Who's to blame for that?

Can you give the committee a detailed breakdown of that \$3 billion you referred to earlier?

**Hon. Bernard Valcourt:** Absolutely. We can provide you with the detailed breakdown of all the spending and the investments that have been made on water and waste water since 2006. We will be pleased to provide you with a copy of that.

**Hon. Judy Sgro:** Thank you.

What progress has the department actually made in developing federal water and waste-water regulations, and how has the department engaged first nations communities in the development of these regulations?

**Hon. Bernard Valcourt:** That work is ongoing at the regional level. Of course, as we have stated, regulations will not be imposed until the infrastructure is up to par. I know that many first nations are working at the regional level with the regions and some with the cooperation of certain provinces to see how to bring about those regulations. You cannot impose a standard on a system of waste water or a water system that is not upgraded and up to par. That work is ongoing, but I have no details before me as to exactly what point it is at, and I don't know whether we have that information.

• (1605)

**Mr. Michael Wernick:** Very briefly, water regulations vary from province to province, as you would know. In B.C., they're different from those in Ontario. Some provinces chlorinate, while others don't, and so on. This could be done very quickly if we just went to the Internet and cut and pasted provincial regulations and applied them. That is not what first nations want. They want to be involved in the drafting. We will try to move it along as briskly as we can. As long as the first nations lawyers and consultants and others will cooperate, I think we can get it done very quickly.

**Hon. Judy Sgro:** What specific education and labour market activities are going to be funded through these main estimates that we have before us today?

**Hon. Bernard Valcourt:** In terms of education, as is apparent in the estimates, we are going to continue investing in both elementary and secondary education, as well as post-secondary education. The investment is going up by the 2% escalator that is in place.

On the issue of what else, we are going to continue investing in the income assistance reform, which is targeting funds to skills development for youth on reserve, along with the native job fund. We now have 70 first nations that are under that program, which we want to continue to expand.

These are generally the investments that will take place under these estimates. Specifically in terms of the elementary and secondary programs currently offered, the funds will continue to pay for instructional services. They will continue to pay the tuition for on-reserve students attending provincial schools. The student support services will continue, as will curriculum and language development, high-cost special education, and other education activities that were also supported in the previous fiscal year. These will all continue with a bit of an increase in spending.

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

We'll turn to Mr. Dreeshen now for the next questions.

**Mr. Earl Dreeshen (Red Deer, CPC):** You mentioned in your address, and going back to the water discussion, \$136 million in supplementary estimates (A) this year for water and waste-water infrastructure on reserve. Of course, you mentioned coming in with Bill S-8, the Safe Drinking Water for First Nations Act. I understand this legislation is helping protect our government's significant investments in first nations water and waste-water systems. I'm wondering if you could elaborate, for some of us who are relatively new on this committee, on some of the benefits that have come about by the adoption of this piece of legislation.

**Hon. Bernard Valcourt:** Our government's investment in infrastructure is vital to the quality of life in first nation communities, and it is therefore crucial that these projects and their continued utility to the communities they serve be protected. I'm proud that our government is flowing the first allocation of funds in the supplementary estimates (A) to implement the water and waste-water infrastructure action plan commitment that were contained in our economic action plan 2013.

The Safe Drinking Water for First Nations Act provides the mandate, as alluded to by my deputy earlier, to enact regulations that are legally enforceable. This is something that has never existed under any previous government for first nations in the country. This is about the safety, the health of the residents of those first nation communities.

The act also provides communities with the added incentive to maintain the infrastructure, while also clarifying the roles and responsibilities of those involved in the operation and maintenance of water and waste-water plants in the first nation communities. The analysis reveals that one of the main reasons, and the largest factor which affects the quality of water and the disposal of waste water on reserve, is the lack of qualified operators. We have invested, and are

continuing to invest in the rider program in order to train those people and get the proper people in place. It is thus protecting the significant efforts and investment made by first nations and our government in water and waste-water facilities, consequently, as I said, improving the protection of the health and safety of first nation members.

• (1610)

**Mr. Earl Dreeshen:** Thank you.

I suppose one of the other points you have come up with, the improved on-reserve income assistance program, focuses on assisting clients in that 18- to 24-year-old age group. Of course, they want to develop the necessary skills so they can find a way to get into the job market. I see there's \$41 million allocated in the mains to increase first nation and Inuit youth participation in education and labour market opportunities.

As a teacher, I can truly say that it's so important to first nations youth, as they are vital to Canada's future growth and our economic prosperity, to be able to get them involved and to move forward. I'm just wondering if you could give the committee an update on the progress that has been made in that regard.

**Hon. Bernard Valcourt:** There has been good progress to date with respect to implementing the income assistance reform initiative. Economic action plan 2013, as you all know and I referred to earlier, promised \$241 million over five years to increase aboriginal youth participation in education and in the labour market. The \$41 million you referred to in the main estimates is the first allocation under this new initiative.

Approval of 22 enhanced service delivery projects was announced in January 2014, and these are now being implemented as we speak. As I said earlier, these involve 70 first nations and close to 3,300 clients aged between 18 and 24. Supporting these 22 projects are 11 first nation job fund projects, whereby 11 aboriginal skills and employment training strategy development agreement holders are matched and responsible for providing those skills and training supports to income assistance clients who are referred to them.

We have seven additional enhanced delivery service proposals paired with four job fund proposals that are now being considered for funding approval, and implementation is expected to begin in June or early July. This will reach an additional 15 first nations and close to 1,100 young clients.



It's promising, but as I indicated when I announced this, and the first nations all know this, we are being closely monitored by Treasury Board, because this is a new initiative, which will build on previous pilot projects. We have to prove that it is working. Up to now, I'm pretty satisfied with the good work that those first nations are putting into their program.

• (1615)

**Mr. Earl Dreeshen:** Another initiative, of course, is the gas tax fund and what we've been able to do with it in economic action plan 2014. It made permanent \$139 million of funding over five years to first nations under that particular fund, beginning this year. This translates to a \$26.7 million increase in the mains for community infrastructure on reserve.

I'm wondering what role the department is going to play in developing the proposals that are required for this new fund, and also, whether you could provide some details on the funding for first nations from the gas tax fund, which our government has made permanent.

**The Chair:** I don't know that it would be possible to give a short answer, but we're running out of time.

**Hon. Bernard Valcourt:** I'm going to try to be brief by saying that my department is working closely with Infrastructure Canada to increase first nation awareness of Infrastructure Canada's \$14 billion new building Canada fund, for which they are now eligible. Also, beginning in 2014-15, \$139 million in funding over five years from the gas tax will be allocated to first nation communities through our own first nations infrastructure fund. That again will allow us to make progress on many reserves across the country.

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

We'll turn to Mr. Genest-Jourdain for the next question.

[*Translation*]

**Mr. Jonathan Genest-Jourdain (Manicouagan, NDP):** Minister, concerning Nutrition North Canada, out of the \$53 million earmarked in the budget to support access to healthy food in isolated northern communities, what amount will be set aside for access to traditional food?

**Hon. Bernard Valcourt:** On what issue exactly do you want me to provide details?

**Mr. Jonathan Genest-Jourdain:** I would like to know what portion of the \$53 million earmarked for access to healthy food in isolated northern communities is allocated for traditional food.

**Hon. Bernard Valcourt:** As you know, traditional food is eligible under the program, but I can't tell you how much money will be available. Nutrition North Canada and its advisory board make recommendations on the use of those funds.

**Mr. Jonathan Genest-Jourdain:** Very well. You can answer me in writing.

Thank you, Minister.

The supplementary estimates (A) allocate \$127 million for the assessment, management and remediation of federal contaminated sites. That money will mostly be invested in the remediation of abandoned mines.

In the same vein, could we have an idea of the amounts invested in the remediation of smaller scale sites, such as those involved in oil spills?

**Hon. Bernard Valcourt:** I can give you the following details.

In the supplementary estimates (A), the Northern Contaminated Sites Program will receive \$70,341,737 under vote 1 and \$48,995,063 under vote 10, as part of the Federal Contaminated Sites Action Plan. That's the funding for the north. For contaminated sites on reserve lands, the funding will be \$720,000 under vote 1 and \$7,623,646 under vote 10, once again as part of the Federal Contaminated Sites Action Plan.

**Mr. Jonathan Genest-Jourdain:** Thank you.

I will turn over the rest of my time to my colleague, Ms. Crowder.

[*English*]

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

Minister, I want to touch on emergency management for a moment.

I think you're aware that the Auditor General found that the department knew the emergency program money was not sufficient and pointed out that, as we're well aware, the reallocation of funds to other programs results in delays or cancellations of community infrastructure projects.

As well, he found that most of the department's attention goes to response and recovery activities rather than to prevention and mitigation. I noticed that the plans and priorities document indicated on page 66 that there are four pillars of emergency management: mitigation, preparedness, response, and recovery.

Could you tell the committee specifically what steps the department is taking to improve the mitigation and the preparedness activities? The goal, of course, should be to prevent communities from being flooded rather than to always be spending money on recovery operations.

• (1620)

**Hon. Bernard Valcourt:** As you may remember, until the November 19, 2013, ministerial announcement that the Government of Canada is implementing a new comprehensive approach to emergency management on-reserve.... We had said that we all accepted the Auditor General's recommendation. What we announced was a new approach to emergency management that would feature a single window whereby first nations—or the provinces, wherever they provide services on reserves—will now not have to go through the Public Safety program but will come directly to AANDC.

One of the findings of the Auditor General was regarding the need for mitigation. In the last budget, as you may recall, the government committed \$40 million over five years for mitigation projects on reserve, \$3 million of which will be sought in supplementary estimates this year, 2014-15, to support on-reserve mitigation programming in an effort to proceed with value for money mitigation investment that will better protect first nations from such costly hazards as flooding.

**The Chair:** Thank you.

We'll turn now to Mr. Boughen for the next questions.

**Mr. Ray Boughen (Palliser, CPC):** I'd like to extend a welcome to the panel for taking time out of their busy day to share thoughts with us.

I have a couple of questions. First of all, looking at first nations land management, Minister, already a number of first nations who are under the first nations land management regime are managing their land and resources under their own community laws and are no longer operating under the outdated and paternalistic Indian Act land management.

This committee has extensively studied first nations land management, and we agree with the vital support of the first nations option to rid themselves of the confines and limitations of the Indian Act.

I see that in supplementary estimates (A) nearly \$6 million is allocated for the expansion of the first nations land management regime. Can you explain the benefits of giving first nations more control over their reserves?

**Hon. Bernard Valcourt:** A recent study of the benefits of the first nations land management regime indicated that first nations small business creation has increased significantly, and also community members are benefiting from increased job opportunities within the communities.

As an example, the 32 first nations respondents reported that approximately 4,000 jobs have been created for community members as well as for individuals living off reserve.

In my own corner of the world, in Madawaska—Restigouche, I have the Madawaska Maliseet First Nation who are just entering this.

The entrepreneurial spirit that these initiatives create is incredible. As you know, on March 31, I was pleased to welcome an additional 19 first nations into the land management regime. This results in more business opportunities, better incomes, jobs. It creates hope and optimism in those communities. We have to keep on investing, to incorporate even more first nations into the regime and free them from the Indian Act.

**Mr. Ray Boughen:** As we look at the development of land, the Canadian high Arctic research station—the acronym for it is CHARS, I guess—as briefly alluded to by my colleague when speaking about the Northwest Territories devolution agreement, our government is committed to development of the north as Canada's greatest asset, something which you yourself alluded to, Minister. The Canadian high Arctic research station at Cambridge Bay, Nunavut, is an important part of the government's integral north

strategy and will strengthen Canada's leadership in Arctic science, research, and innovation.

The 2007 Speech from the Throne talked about this facility coming to fruition. I'm wondering where we sit now with our commitment to keep the promise of that facility coming on stream.

• (1625)

**Hon. Bernard Valcourt:** We are on stream, and we are on target. In May, this month, we were able to award the contract to manage the conception of the Canadian high Arctic research station as a result of an open, fair, transparent competitive process. You are correct in saying that the funding decrease is planned as part of the project cycle. Initial construction should be well under way over the course of 2014. Construction will take three construction seasons, because of where it is, as we all know. Construction will include the building of a main research building, a field and maintenance building, and a triplex for accommodations for visiting researchers. Community members of Cambridge Bay continue to be involved in, and are excited about, the establishment of the infrastructure, and the science and technology program, for CHARS.

**Mr. Ray Boughen:** Thank you.

Thank you, Chair.

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

Minister, thank you so much for being here. We know that you have a flight to catch. We do appreciate your taking the time out of your busy schedule to be here.

We will suspend for a few moments. When we come back, we will have representatives joining us from the Canadian Northern Economic Development Agency.

The meeting is suspended.

• \_\_\_\_\_ (Pause) \_\_\_\_\_

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• (1630)

**The Chair:** We'll call the meeting back to order.

Colleagues, joining us from the Canadian Northern Economic Development Agency is Mr. Borbey, the president.

Thank you for being here.

I believe that you have an opening statement, before we continue with questions, so we'll turn it over to you.

**Mr. Patrick Borbey (President, Canadian Northern Economic Development Agency):** Thank you.

[Translation]

Mr. Chair, members of the committee, my name is Patrick Borbey, and I am President of the Canadian Northern Economic Development Agency, or CanNor. Joining me today is CanNor's Chief Financial Officer, Yves Robineau.

I am pleased to be here today to discuss CanNor's main estimates and supplementary estimates (A). I appreciate the opportunity to provide the committee with a short overview of the agency's work and priorities.

The Prime Minister created CanNor in August 2009, and we are approaching the five-year mark in our mandate to foster a diversified, sustainable and dynamic economy across Canada's three northern territories.

[English]

I will divide my remarks into three broad themes, Mr. Chairman: the impact of our programs and services in the north; the work of the northern projects management office; and our efforts to build a strong, skilled, and diversified workforce.

Mr. Chair, this year CanNor will deliver about \$40 million in contribution programs and services to foster economic development in the north. Since 2009, CanNor has invested over \$185 million in 910 projects. Many of these projects are funded through CanNor's two key contribution programs: first, the strategic investments in northern economic development, or SINED, program; and, second, the new northern aboriginal economic opportunities program, or NAEOP.

Supplementary estimates (A) provide \$40 million over two years to renew SINED as a program to promote economic diversification and to strengthen the driver sectors of the northern economy. As examples of past SINED initiatives, I would cite the \$16 million that we've invested since 2009 to obtain geoscience data in the three territories. This encourages exploration and helps foster further private sector investments in the tremendous natural resource potential of Canada's north. Last month, some \$350,000 of SINED money helped the City of Iqaluit build a micro auto gasification system as an innovative solution to waste management that also addresses the challenges northerners face in finding affordable energy.

[Translation]

In the Northwest Territories, earlier this month, Minister Aglukkaq announced an investment of \$600,000 to help Denendeh Investments Incorporated undertake multiple planning activities related to opportunities in the mining, energy and transportation sectors. That initiative will help increase ownership and benefits for aboriginal companies and communities in the territory.

In the Yukon, we supported the Adäka Cultural Festival, which not only brings tourism revenues to Whitehorse but also increases awareness and demand for Yukon first nations' arts, crafts and cultural experiences.

Indeed, many investments CanNor has made in small business in the north are linked to the tourism industry in the territories.

In Nunavut, we have helped build the fishing industry, which currently employs 300 seasonal fisherpersons and was estimated to be worth approximately \$79 million in 2012-2013. We helped sponsor the territory's fisheries strategy. We have funded studies to explore the turbot fishery in the Arctic Ocean and a training simulator to help Inuit prepare for a career in the fishing sector, and helped Nunavut-based companies purchase fishing vessels.

•(1635)

[English]

To better align with the federal framework for aboriginal economic development, CanNor has streamlined and harmonized its aboriginal economic development programming under a northern aboriginal economic opportunities program. This was launched on April 1, 2014. NAEOP is opportunities-driven, focused on results, and geared towards maximizing economic opportunities for aboriginal communities and businesses.

Over the years, CanNor's support to aboriginal economic development can point to many successes, including supporting communities to negotiate impact benefit agreements with resource development companies, helping start and grow aboriginal small businesses, and developing community capacity so that northerners can participate in and benefit from economic activity in the region.

These investments may be modest relative to the budgets of some of the major resource initiatives currently under development, but they have an important impact on the economy of the north. Of the northern and aboriginal individual or community-owned businesses supported by the agency's aboriginal economic development programs, 88% were still in operation after their third year.

Mr. Chairman, resource development is a key driver for broader economic development in Canada's north. At this time there are 33 major projects in the north that are either in or preparing to enter into the regulatory process. These projects represent more than \$26.9 billion in capital investment and more than 11,600 jobs, should the projects go forward.

CanNor is unique among regional development agencies in that our mandate includes the northern projects management office, or NPMO. NPMO plays a key role in working with both industry and communities to advance responsible resource development in the three territories. The NPMO shepherds resource projects through the regulatory process in a way that anticipates and addresses challenges. It coordinates all federal regulators to ensure the timeliness, transparency, and predictability of regulatory efforts, while overseeing the crown's aboriginal consultation requirements.

While we are helping major resource project proponents through the regulatory process, we also bring them together with communities to help build local capacity and readiness to take advantage of this economic activity. Through our community readiness initiative, CanNor promotes the full involvement of aboriginal people in resource development projects taking place near their communities. We also seek ways in which local people can contribute their skills and training to resource projects. For the companies and the communities, this is a win-win situation.

Mr. Chairman, the third theme I would like to touch on briefly today involves the agency's efforts to build a strong, skilled, and representative workforce in the north, which is a key factor in ensuring strong and sustainable economic development throughout the north.

In 2012 we launched the northern adult basic education program, a five-year program to give northerners access to training that will position them to participate in the labour market as the economy grows. This program is delivered through the territorial colleges, and in its first year of operation offered more than 60 programs to more than 800 adult learners.

We are also investing in a number of training projects. I have mentioned training in Nunavut for people who wish to enter the fisheries industry. We are also investing \$5.6 million over four years to help establish a centre for northern innovation in mining in Yukon to deliver the education and training required for skilled local jobs in the mining and exploration sector.

Another project, the Inuit learning and development pilot project, is a joint project between the federal government, the Government of Nunavut, and Nunavut Tunngavik Incorporated. This pilot project involves four, four-month, paid work assignments in different public service positions for up to 16 participants. It also includes a suite of culturally adapted training modules and one-on-one mentorship. It's already showing signs of success as a means to increase the number of Inuit working in the public sector in Nunavut. It is initiatives like this that will help the agency create a more representative skilled workforce over the long term.

• (1640)

[Translation]

Mr. Chair, I have only touched on a few examples of how CanNor helps foster a strong, diverse and sustainable economy across the three territories. Our programs and services help create jobs, prosperity and long-term growth in the north. We are a key player in the government's commitment to providing a foundation for a prosperous economic future for those who live, work and support their families in the north.

I would be pleased to answer the committee's questions.

Thank you very much.

[English]

**The Chair:** Thank you so much, Mr. Borbey. We appreciate your opening comments.

Colleagues, we'll be doing a round of questions. We'll get, I think, one from every party and then we'll go to voting on the estimates.

Ms. Hughes, we'll begin with you.

**Mrs. Carol Hughes:** Thank you very much.

I have a list of questions. One of them I'll ask that you respond to now, and the rest you can respond to in writing.

The ones that I actually have here pertain to the Indian residential schools. Now that the funding is winding down on the Indian residential school crisis line, I'm trying to get some sense as to whether or not it is being used by survivors. Has the rate of use

changed over the years, and if so how, and what is the trend in usage? If I can get those answers at some point in writing, that would be great.

This question is with respect to the Indian residential schools resolution health support program. It has a budget of \$59.9 million. What services and supports are available through that program? Are these services and supports being utilized? Has the number of individuals gaining access to the program increased, decreased, or maintained a steady rate? I would like that answer in writing as well.

My next question is whether there are there any information campaigns being undertaken to ensure that individuals who may require support, but have not sought it out yet, are made aware that there is an end to the program.

I think those are issues that would be pertinent for the members of first nations to know about. We know there has been a lot going on right now with respect to people indicating that they would like to be paid some of the Indian residential schools dollars because they're not able to use them up. Anyhow I would like to have those questions answered.

This question is with respect to cuts to early childhood intervention programs that help children on reserve with developmental delays prepare for school. Can you tell me how much the cuts are? What impact would you see coming forward on that? Are there any other alternatives that you're looking at to assist?

**The Chair:** We'll turn it to you, Mr. Wernick.

For those questions, some of them may fall under Health Canada; I'm not sure.

**Mr. Michael Wernick:** Yes, I was just going to say the health supports to people going through the adjudication process are provided by Health Canada. I'm happy to make inquiries as to this data on the crisis line and the health supports for people.

Just to indicate where we are, the common experience payment closed some time ago and it is essentially all done and all paid out. There are just a handful of cases still to be resolved. The adjudication of serious claims is handled by an independent secretariat; it's not actually part of my department. There were 39,000 applications to that process. They are about halfway through the adjudication process. It'll be at least another two years before the adjudicators have finished the last case, so we're probably going to be dealing with the adjudication of residential schools claims for another four years.

• (1645)

**Mrs. Carol Hughes:** I'm going to pass my time over to Ms. Crowder.

**Ms. Jean Crowder:** Mr. Wernick, when the minister was here he indicated—I asked about additional money into education—that it was a statutory obligation, but my understanding is that departments and governments can make budget allocations without a statute requiring them to spend money. For example, if the government or the department wanted to recommend putting additional money in school facilities, you wouldn't need a piece of legislation to do that. Therefore, there is no reason that additional moneys could not be invested in schools and education without legislation.

**Mr. Michael Wernick:** That is essentially the model that we've been working on for the last 30 years. You will be aware of the Auditor General's report of May 2011 that pointed to the deficiencies in that as a way of getting results. You'll be aware that the Senate committee recommended legislation. You'll be aware that the national panel that we worked on for three years with the AFN recommended legislation—

**Ms. Jean Crowder:** I don't disagree about the legislation.

**Mr. Michael Wernick:** —and you cannot have, to answer Ms. Sgro's comment, long-term, permanent funding commitments without a statute. It is much better to have statutory funding than not.

**Ms. Jean Crowder:** It's much better, but it's not absolutely required. In fact the Auditor General in 2011—I'm very familiar with the report—when she recommended a legislative base, she didn't say a legislative base that included funding. There is no reason whatsoever at this point in time, given the acknowledged gap in funding for education, that additional money could not be put in education while the details and the disagreements around a legislative framework could continue to be worked on.

**Mr. Michael Wernick:** I could, as accounting officer, give you no assurances that that extra money would generate any results.

**The Chair:** Thank you, Ms. Crowder.

We'll turn to Mr. Strahl.

**Mr. Mark Strahl:** Thank you, Mr. Borbey, for your presentation on CanNor. I want to focus my questions on CanNor.

Mr. Boughen mentioned the Canadian high Arctic research station, which I understand will be inaugurated in time for the 150th anniversary of Confederation in 2017. I'm wondering if you can confirm that it's on track to meet the 2017 deadline. Maybe you could inform the committee on the level of local involvement in the project by northerners, specifically the residents of Cambridge Bay in Nunavut.

**Mr. Patrick Borbey:** Mr. Chairman, I certainly have some history associated with the Canadian high Arctic research station and take pride in my previous role, but it is no longer under my responsibility

**Mr. Mark Strahl:** That's a shame.

**Mr. Patrick Borbey:** —so I will turn to my colleague, Mr. Wernick.

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

This is very late-breaking news. The contract for construction was just awarded a week ago, so I can't guarantee that it's absolutely going to open on the day it says, but the project has been managed very carefully. With three construction seasons constructing in the

high Arctic, it is going to take a lot of attention to make sure it opens on time, on budget, on scope, but we're quite confident.

You can go to our website and do a virtual tour of the design and see what it would look like and where it would happen. The design process took a little bit longer precisely because there was a lot of community involvement. There's provision in the building for community space and community use. It's not going to be a building up on a hill disconnected from the community, but in fact it will be integrated as much as possible into the community. There's a provision for general purpose space and for an ongoing relationship with the local community.

**Mr. Mark Strahl:** Thank you.

I'll try again on a CanNor question; maybe I'll get it right this time.

We spoke with the minister about the benefits of devolution, and how that will benefit northerners in the Northwest Territories. I know that CanNor's northern projects management office works with industry, and the report on plans and priorities indicates that it will put an emphasis on ensuring northerners will benefit from resource development.

Can you comment on what CanNor is doing to ensure that northerners will reap the benefits of responsible resource development?

**Mr. Patrick Borbey:** Yes, thank you for the question.

Certainly with the arrival of devolution in the Northwest Territories, CanNor has also continued to step up its activities. Before devolution, we signed an MOU with the government in recognition of the need for some coordination during the transition. The federal government continues to have a regulatory role in the north. It's a much different role after devolution, but we continue to have authorities under DFO, Environment Canada, Transport Canada, and other departments. Therefore, the coordination of the federal family continues to be a priority, and that's part of our mandate at the NPMO within CanNor.

The territorial government also recognized that there is some benefit to coordinating actions between territorial and federal governments so that we arrive at decisions in a timely way for projects that are moving through the regulatory process. It was a very busy year in the NWT for regulatory matters. Just before devolution, a number of major projects went through the EA process, and continue to move forward, and we hope...in this case, mostly mines, but we hope they'll become operating mines over the next couple of years, under now the lead of the GNWT.

I talked about the number of projects. There's tremendous potential there. We know that mining in NWT, for example, contributed half of the GDP of the territory in some years, so it's a very important industry. In Nunavut, one single mine is responsible for about 15% of the GDP of the territory. We have a number of other mines that we're also helping to get established, including the recent approval of Baffinland's Mary River project through the environmental assessment process. Right now as we speak resources and employees are being sent out to that site in order to bring that closer to reality as an operating mine. I believe about \$750 million will be invested in the next number of months. Some 210 jobs have been created following the regulatory approval of that project.

• (1650)

**Mr. Mark Strahl:** Thank you.

I have just a minute here.

CanNor is approaching its fifth anniversary from its inception. Obviously this was a key part of our government's northern strategy. I see \$31 million allocated to CanNor in the estimates. Could you quickly give us some highlights of some of the major accomplishments of CanNor after you went through the initial process of getting set up, what you have been able to accomplish in the north?

**Mr. Patrick Borbey:** We've been able to deliver the government's programs under the economic action plan. For example, when CanNor was created in 2009, we also deployed significant resources under those programs to be able to help northerners work through the recession. At the same time as we were creating the agency we were deploying projects to help northerners.

We've invested in all areas of the economy. I was looking at some of our stats. I talked about 910 projects over less than five years: \$21 million in projects that have supported resource development; \$5 million that has supported transportation infrastructure development; another \$3.5 million that has supported energy efficiency or energy improvement projects; about \$1 million in projects related to improving IT and connectivity, broadband access in the north; \$4 million in helping the Nunavut fisheries sector, an emerging sector of the economy; \$13.5 million to support northern tourism, including pan-northern tourism campaigns that you've probably seen on television or at the cinemas over the last couple of years; \$2 million in projects that are related to supporting our small but very healthy francophone communities in the three territories; and about \$20 million in various skill development and learning projects. On top of that there is also arts and crafts and supporting small business and helping to create a number of new aboriginal-led businesses over those years. It's been a very busy four and a half years or so, and we're looking forward to continuing.

We're quite proud of what I described a little bit earlier with the NPMO. This is a new concept that didn't exist before; this is a function that was not in place. Michael and I lived through the experience of the Mackenzie Valley natural gas pipeline project, and we swore that we would find a better way to ensure that the regulatory system produced positive results for people, for the environment, and for the economy in the north. I think that's probably the thing I'd be most proud of at this point in terms of our achievements.

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

We'll turn to Ms. Sgro.

**Hon. Judy Sgro:** Mr. Borbey, I'm quite interested in the Ring of Fire. Where does that fit on your...? Since we're talking about job creation, that certainly would create a lot. I'd be interested in a short comment on that.

**Mr. Patrick Borbey:** It's just south of the border for my activities. My agency only has a mandate to work in the three territories. However, I think we have tools, approaches, and instruments that we are more than happy to share with others who are looking at resource development on this kind of scale, and the development of positive relationships with aboriginal groups.

We are always sharing. A Public Policy Forum report recently highlighted some of our best practices. That report was looking at a broader definition of northern resource development to include the northern parts of the provinces and areas such as the Ring of Fire.

• (1655)

**Hon. Judy Sgro:** Thank you.

Mr. Wernick, I'm a bit perplexed by your answer to Ms. Crowder on the issue of being able to guarantee results when you invest in education.

Do you think that other departments look for a guaranteed result when they're investing in education in other than first nations communities?

**Mr. Michael Wernick:** I think that the diagnostic on first nations education that is laid out in the Auditor General's report, in the Senate committee's report, in the report of the national panel on education is very clear. You know the results we're getting on reserve in K-to-12 education. Just pumping up the funding and hoping for the best is not an approach I would recommend to you.

**Hon. Judy Sgro:** May I suggest that we at least start on a level playing field, so they have an opportunity to have funding equal to all the other children in Canada.

I'll leave that there. I think it's totally inadequate to look for the guarantee, but anyway, let me ask you another question.

Can you provide the committee with a breakdown of the spending on first nations water and waste water by year? How much of that spending in each year was from your A-based funding, and how much of it was from additional temporary funding that was provided in the various budgets over those years?

You might be a smart man, but I don't suspect you have all those numbers on the top of your head.

**Mr. Michael Wernick:** As the minister said, if you combine the base budget in the program with what we got in budgets that were tabled since 2006, the total comes to about \$3 billion. I'd be happy to provide charts and tables that provide the breakdown. Roughly half came from the A-based and half came from the budgets.

**Hon. Judy Sgro:** Somehow the numbers don't seem to add up.

In the main estimates you allocate approximately \$8 million in contributions to first nations for the purpose of consultation and policy development. That represents a decrease from \$29 million previously to \$11.4 million.

Given the department's stated commitment to consulting and engaging on policy decisions and legislation, and your legal and moral obligation to do so, how can you justify this planned decrease when it comes to funding for consultations?

**Mr. Michael Wernick:** I can provide further information on the specific from/to on that number. I can assure you the department has always met and will always meet its duty to consult. There has been extensive and extremely expensive consultation on every piece of legislation this committee's had before it. More than \$9 million of taxpayers' money was spent on consultations before the matrimonial property bill. There was extensive consultation before the water bill. I would be happy to provide all the details of all the taxpayers' dollars that went into consultation.

The challenge, which I think you're starting to see, is that there are 44 aboriginal political organizations, 79 tribal councils, and 630 chiefs. You cannot consult everybody equally. Governments have to make a judgment about how much consultation is adequate before they take action.

**Hon. Judy Sgro:** Have you looked at the assessment of what the impact's going to be on your ability to deliver on the consultations with these kinds of cutbacks?

**Mr. Michael Wernick:** I think there are ample opportunities for those representative organizations to become far more efficient. In the past, a lot of that was done 1970s style by getting on airplanes, going to hotels, and having long conferences, with lots of consultants and lots of lawyers. With new technology, with video conferencing, with Skyping, and with other things, I think it's possible to extract a great deal more engagement for less money.

**Hon. Judy Sgro:** Given the freeze on your operating budget, do you anticipate other staff reductions in the department?

**Mr. Michael Wernick:** It's very difficult to tell. The department has shrunk considerably. As you'll be aware, we peaked at about 5,200 employees. We're now at about 4,500. About 480 positions were eliminated in the deficit reduction action plan. Another 100-and-some left through Northwest Territories devolution and are now employees of the territorial government. We did affect some people because of the changes in the urban aboriginal strategy, since we are not going to deliver the program. The National Association of Friendship Centres is going to be on the front lines, so we require fewer staff. It is inevitable that about 500 jobs will disappear when we've finished with the residential schools agreement. We will be well south of 4,000 employees before very long.

• (1700)

**The Chair:** Very good.

We want to thank the officials for being here today. We want to thank you for taking time out of your day to join us and answer questions.

We will let you go. Thanks so much.

Colleagues, we'll move now to the votes.

We'll begin with the main estimates.

CANADIAN NORTHERN ECONOMIC DEVELOPMENT AGENCY

Vote 1—Operating expenditures.....\$11,231,366

Vote 5—Contributions.....\$18,641,803

(Votes 1 and 5 agreed to on division)

CANADIAN POLAR COMMISSION

Vote 1—Program expenditures.....\$2,439,807

(Vote 1 agreed to on division)

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Vote 1—Operating expenditures.....\$1,215,376,476

Vote 5—Capital expenditures.....\$5,695,536

Vote 10—The grants listed in the Estimates and contributions.....  
\$6,654,152,734

Vote L15—Loans to native claimants in accordance with terms and conditions approved by the Governor to Council for the purpose of defraying costs related to research, development and negotiation of claims.....\$25,903,000

(Votes 1, 5, 10, and L15 agreed to on division)

INDIAN RESIDENTIAL SCHOOLS TRUTH AND RECONCILIATION COMMISSION

Vote 1—Program expenditures.....\$2,062,393

(Vote 1 agreed to on division)

REGISTRY OF THE SPECIFIC CLAIMS TRIBUNAL

Vote 1—Program expenditures.....\$2,728,608

(Vote 1 agreed to on division)

**The Chair:** We will move on to supplementary estimates (A).

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Vote 1a—Operating expenditures.....\$99,969,074

Vote 5a—Capital expenditures.....\$1

Vote 10a—Grants listed and contributions.....\$217,313,211

Vote L15a—Loans to native claimants.....\$14,000,000

Vote L21a—Loans to First Nations in British Columbia.....\$30,400,000

(Votes 1a, 5a, 10a, L15a, and L21a agreed to on division)

CANADIAN NORTHERN ECONOMIC DEVELOPMENT AGENCY

Vote 1a—Operating expenditures.....\$2,698,469

Vote 5a—Contributions.....\$17,000,000

(Votes 1a and 5a agreed to on division)

INDIAN RESIDENTIAL SCHOOLS TRUTH AND RECONCILIATION COMMISSION

Vote 1a—Program expenditures.....\$1

(Vote 1a agreed to on division)

**The Chair:** Shall I report supplementary estimates (A) to the House?

**Some hon. members:** Agreed.

**The Chair:** Shall I report the main estimates to the House?

**Some hon. members:** Agreed.

**The Chair:** Colleagues, I do have a document that I've distributed to the members. It is a budget with regard to the study we are now conducting. I'm wondering if we might be able to vote on that immediately.

**An hon. member:** I so move.

**The Chair:** Having seen that moved, we'll vote on it.

(Motion agreed to)

**The Chair:** Tomorrow I will be reporting this, as well as the report on wills and estates, to the House.

Colleagues, thanks so much. The meeting is adjourned.

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