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# Standing Committee on Indigenous and Northern Affairs

EVIDENCE

**NUMBER 066**

Wednesday, May 17, 2023

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Chair: Mrs. Jenica Atwin





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Wednesday, May 17, 2023

• (1640)

[English]

**The Chair (Mrs. Jenica Atwin (Fredericton, Lib.)):** I call the meeting to order.

[Translation]

Welcome to meeting number 66 of the Standing Committee on Indigenous and Northern Affairs.

We acknowledge that this meeting is taking place on the unceded territory of the Algonquin and Anishinabe peoples.

Today's meeting is taking place in a hybrid format, pursuant to the House order of Thursday, June 23, 2022. Members are participating in person, in the room, and remotely using the Zoom application.

The proceedings will be made available via the House of Commons website. Just so you are aware, the webcast will always show the person speaking rather than the entire committee.

[English]

For those participating virtually, I would like to outline a few rules to follow.

You may speak in the official language of your choice. Interpretation services are available for this meeting in French, English and Inuktitut. You have the choice, at the bottom of your screen or on the console, of floor—for no interpretation—English or French. Please select your languages now.

If interpretation is lost at any time, please inform me immediately. We will ensure that interpretation is properly restored before resuming the proceedings.

For members participating in person, proceed as you usually would when the whole committee is meeting in person in a committee room.

Before speaking, please wait until I recognize you by name.

If you are on the video conference, please click on the microphone icon to unmute yourself. For those in the room, your mike will be controlled as normal by the proceedings and verification officer.

[Translation]

Please address your comments through the chair.

[English]

When speaking, please speak slowly and clearly. When you are not speaking, your mike should be on mute.

With regard to a speaking list, the committee clerk and I will do the best we can to maintain a consolidated order of speaking for all members, whether they are participating virtually or in person.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on November 21, 2022, we are continuing the study of the Office of the Parliamentary Budget Officer's report on the research and comparative analysis on the estimates of the Department of Crown-Indigenous Relations and Northern Affairs and the Department of Indigenous Services.

Joining us today to discuss this report are the Honourable Marc Miller, Minister of Crown-Indigenous Relations; the Honourable Patty Hajdu, Minister of Indigenous Services; and their respective officials.

From the Department of Crown-Indigenous Relations and Northern Affairs, we have Daniel Quan-Watson, deputy minister, and Darlene Bess, chief finances, results and delivery officer.

From the Department of Indigenous Services, we have Valerie Gideon, associate deputy minister; Philippe Thompson, chief finances, results and delivery officer; and Eric Guimond, chief data officer.

We will begin with five minutes of introductory comments, although I know, Minister Hajdu, you have about eight minutes prepared. I would like to hear the full eight minutes, so we'll proceed with that.

We will begin with Minister Miller for five minutes.

[Translation]

**Hon. Marc Miller (Minister of Crown-Indigenous Relations):** *Kwe, unusakut, tansi*, good afternoon, everyone.

Before I begin, I'd like to acknowledge that we're on the traditional unceded territory of the Algonquin and Anishinabe peoples.

I'd like to thank the committee and the chair for inviting me to appear before you today.

Our government is committed to supporting and investing in the right of indigenous peoples to self-determination, and righting historic wrongs. Improving relationships in meaningful and culturally appropriate ways takes time and a strong partnership.

[English]

The PBO report being considered today references large increases in spending by CIRNAC. This is the result of historic investments that our government has made to advance reconciliation, support self-determination, address historical wrongs and create meaningful partnerships to renew relationships with indigenous peoples.

It is important to be ambitious, and when we fall short, to recognize that shortcoming.

Most of you on this committee are already familiar with some of the major initiatives in investments that the government has made on this file. For example, in March, the Federal Court approved the Gottfriedson band class action settlement agreement. Through this settlement, Canada will transfer \$2.9 billion into an indigenous-led trust to support the revival and protection of indigenous languages and cultures, the protection and promotion of heritage, and wellness for indigenous communities and their members. This is the first time that Canada is compensating bands for the loss of language and culture as a result of the residential school system.

Unfortunately, if we were to rely solely on the PBO report on this settlement, this would be construed and characterized as a resistance to change, despite it being a groundbreaking agreement.

Perhaps the deputy ministers can speak about some of the challenges we had in reacting to this report on the comparison that the PBO made between planned and actual expenditures. These departments, for the most part, are funded through supplementary estimates, and we think that being aware of this point could have benefited the committee if it had been properly reflected in the PBO report.

With regard to ending the national crisis on missing and murdered indigenous women and girls and gender-diverse people, the Government of Canada has taken various steps to respond to the national action plan and implement the federal pathway. Notably, budget 2023 will invest an additional \$125 million over six years, with \$20 million ongoing to address the national inquiry's calls for justice. This builds on the \$2.2 billion provided in budget 2021 and includes new funding for improved oversight and accountability.

I know that this committee has started a “land back” study. Canada's relationship with indigenous peoples started with land, and this relationship is broken because of land.

The tip of the iceberg of this debate is additions to reserves, or ATRs. ATRs are an important aspect of some of the indicators being studied in this PBO report. It's important to note that since 2015, more than 440 ATRs have been completed, with over 265,000 acres of land to reserves being added. This past fiscal year alone, 39 ATRs were completed, and many more remain in the queue, yet we have fallen short on this indicator. This is an important thing for the committee to consider, because if you read the report, you wouldn't have seen that activity. That is important to recognize when you go over the reports that this committee has asked the PBO to produce.

When we talk about qualitative indicators, we need to talk about the quality of those indicators. Unfortunately, again, while this is a

failing, it is something that, had it been explained in the report, would have been of benefit to you in questioning us today.

Importantly, on another note, from a historical perspective, from 1973 to March 23, 2023, a total of 660 specific claims were resolved, for close to \$12.5 billion in compensation. Over the past five years alone, we've settled an average of 39 claims per year. That is up from an average of 15 claims per year over the past five previous years.

In fiscal 2022-23, we had a record year, with 56 claims resolved for \$3.5 billion in compensation. Again, this is another aspect of the qualitative indicators that is missing in the details of the report. That would be important to consider. These record settlements are changing lives in communities. It's important to be ambitious not only when setting the indicators but when implementing them.

I will conclude on this point: I think that some responsibility is mine when it comes to the two years that covered the COVID pandemic. Let's be honest: A number of these indicators had to be paused during this period while we focused on something very basic to indigenous peoples: their lives and their safety.

There is no indicator in this report that measures the success of the COVID response of this government. If you compare mortality rates—and sadly, unfortunately, you do have to sometimes compare mortality rates in indigenous communities in Canada versus those in the U.S.—this may be the first world pandemic in which indigenous communities were at or even surpassed non-indigenous communities in how they responded. That was thanks to the work they did. That's measured nowhere in this report, but it is something that is important to realize. Again, we are a country, and things do arise that periodic indicators will not encapsulate.

I'm not at this committee to level any undue criticism. As we review these indicators, I think it's important to look at them, question our department on where we are not meeting those indicators, look at the quality of those indicators and continue to be ambitious, as a country and as a government, about meeting them.

What I put to you today is a humble suggestion that perhaps future reports that scrutinize these departments could focus on the quality of those indicators to get more depth so that this committee can better hold people sitting here like me to account.

Chair, I thank you for the ability to speak for five minutes. I'm ready for questions or the next presentation. Thank you.

● (1645)

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

We'll now move to Minister Hajdu for eight minutes.

**Hon. Patty Hajdu (Minister of Indigenous Services):** Thank you very much, Madam Chair.

*Kwe kwe. Unusakut. Hello. Bonjour.*

I too am with you here on the unceded territory of the Algonquin Anishinabe people.

[*Translation*]

I'd like to thank the Parliamentary Budget Officer for his report.

I welcome the opportunity to address this committee today to help clarify some key points about the work of Indigenous Services Canada in partnership with first nations, Inuit and Métis to achieve transformative change.

• (1650)

[*English*]

The creation of Indigenous Services Canada and Crown-Indigenous Relations and Northern Affairs Canada was driven by the Liberal government's efforts to begin the important work of rebuilding trust with indigenous partners by demonstrating that the extensive consultations undertaken by the Royal Commission on Aboriginal Peoples over two decades earlier wouldn't be forgotten. In fact, the split of the department is a direct response to an RCAP suggestion.

It's important to note that despite all of this rapid evolution, the overhead for the Department of Indigenous Services Canada remains below average. In 2023-24, it's only 0.6%, as reflected in the main estimates.

The investments that we're making now are starting to show positive results. For example, since 2015, the federal government has invested in 15,690 housing projects, with 4,460 new homes being built, 9,359 renovations and upgrade projects, and 1,871 lots serviced. This means, according to the 2021 census, 1,455 fewer on-reserve households are now considered overcrowded.

In 2022-23, 100% of the funding envelope for first nations on-reserve housing was fully allocated. This means over \$662 million was spent to build on-reserve housing.

True reconciliation means understanding and supporting a shift to the principles and actions that support self-determination. Indeed, many governments before us imposed solutions on first nations that led to short-term fixes that didn't meet the long-term needs of communities. When you think about it, reconciliation is equally about dismantling colonial structures that impose solutions and learning to support and work with goals that are set by communities that can better meet their needs and their vision.

Since 2016, we've been advancing on a new fiscal relationship with first nations. This has resulted in access by 142 first nations to a 10-year grant that provides funding predictability, sufficiency and flexibility.

Since the coming into force of An Act respecting First Nations, Inuit and Métis children, youth and families, 200 indigenous groups have received capacity funding to work towards exercising jurisdiction and developing their own child and family services laws and

models. So far there are seven agreements across Canada over four provinces, and we expect more to be concluded soon.

I would say, having been at these ceremonies, that this work represents generational change. This is about keeping children rooted in culture, family and community, changing their reality and increasing their chances of reaching their full potential.

Long-term drinking water advisories; aging infrastructure that was often beyond repair; unequal access and funding for education; and no commitment to any concept of Jordan's principle, the essential program that provides services and products to support children's healthy development were features of the previous government. We now have an additional \$10.9 billion budgeted for 2023-24. This is an annual increase of over 90%.

When communities have lived with austerity for over 150 years, the gap is huge, and it takes large investments and it takes time to build up infrastructure, capacity and much more. Since 2015, investments have been unprecedented, and they've been aimed at catching up with this chronic underfunding of core services. In fact, many indigenous partners have noted this unprecedented investment and are excited about what the future holds.

For 2023-24, Indigenous Services Canada has allocated \$39.6 billion in maintenance. That includes \$19.6 billion for the department to partner with indigenous peoples to deliver programs and services, along with \$20 billion for a settlement for family and child services, a need that I might point out has arisen as a result of the decades of systemic racism and underfunding.

Decades of denial, neglect and systemic racism will take generations to fully address and heal. We, as a government, have sought a balance in focusing of resources into both immediate measures and enduring change.

The creation of Indigenous Services as a stand-alone department right from the start has had a positive impact by focusing the attention of an entire department on service delivery and meeting the needs of communities. This is, as my colleague pointed out, most evident in the broadening of the type of services that Indigenous Services Canada can provide during emergencies. As we're seeing just in the past several weeks—and there are many examples over the last number of years—first nations communities are on the front line of the impacts of climate change, and now the department is able to plan for integrated health and social services as part of the emergency response.

During the emergence of COVID-19, ISC took a holistic approach to supporting communities facing this emergency, with every area of the department involved. In addition to public health, supports were mobilized in regard to food security, transportation, mental health, schools and income supports. This could never have been done as quickly or as holistically without all service and funding areas being together under one roof.

Formerly, in previous times, there was one minister charged with overseeing what was then known as Indigenous and Northern Affairs Canada. The creation of the two departments means that first nations, Inuit and Métis peoples have three ministers who are now working with them to undo these decades of racist colonial policies.

When the Conservative government left office, the annual spend to educate, house and provide health services to indigenous peoples, amongst other needs, was \$8 billion. As I mentioned, this chronic underfunding left first nations communities in desperate need.

As I've spoken about here previously, the nine regional education agreements to set the foundation for the future success are a critical example of how things are beginning to transform across nations. These education agreements now mean that first nations have control over the education of their students and have the full authority and capacity to ensure that the curriculum protects and promotes culture and language. These are both evidenced ways to keep children resilient and healthy.

The latest departmental results framework and indicators have been co-developed with the AFN and the ITK. This work means that now first nations and indigenous peoples are in control not only of how things happen but also of what they believe needs to be measured. Outcomes must be important to the communities, and they must have full control over determining how to assess how best to reach them and when progress is made.

The work of self-determination means that the federal government must learn new ways to let go of control and to work to return control to indigenous peoples.

• (1655)

[*Translation*]

I'd like to thank the commission for its interest in such an important undertaking.

*Meegwetch. Qujannamiik. Marsee.* Thank you.

[*English*]

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

We'll proceed to our first round of questions, beginning with Mr. Vidal for six minutes.

**Mr. Gary Vidal (Desnethé—Missinippi—Churchill River, CPC):** Thank you, Chair.

Thank you, Ministers, for your opening comments, and to your officials for being here to answer questions today.

We had a very frank conversation on Monday with Mr. Giroux, the PBO. We talked about the significant increases in spending over the period of 2015-16 to 2022-23, but what we actually delved into

more than that were the targets, the departmental results indicators and the measurements of what we're trying to achieve in these departments.

To be honest with you, the frustrating part for me—and what I heard from Mr. Giroux—is that there was a substantial failure in the ability of the departments to meet the targets they set for themselves. I emphasize the fact that it's the departments that set the targets.

I know, Minister, that you just talked about those being co-developed now, but these targets are set internally by the departments, and there are many of them that change and there are many of them that are left to be determined for years. Having my own personal experience with an organization that I served that used this kind of management system, I understand the challenges. I do have some personal experience with it.

The frustration for me is the Parliamentary Budget Officer's comment that there's not a “commensurate improvement in the ability of these organizations to achieve the goals that they had set for themselves.” In fact, he said, “Based on the qualitative review the ability to achieve the targets specified has declined.” I can drill into a bunch more in this preamble, but I'm not going to.

My question is really simple. After you read this report—I'm going to ask each of you to not talk too long, because I do have one more question I'd like to get to—what was your response to the report? Was anything done to change any processes within the department to improve this?

We're shooting at a target to improve the ability of the departments to achieve those goals that they set for themselves. Was there any response to this report internally within each of your departments?

**Hon. Patty Hajdu:** I'll start. Maybe Mr. Miller can speak. Then I'd like to turn to the associate deputy minister, Val Gideon, who's been working specifically in this area.

I think the reflection of the Parliamentary Budget Officer is a reflection of the fact that in this transformation of how we do business to support indigenous communities, we are also really reflecting about who should be setting those targets and what they look like.

I'm sure you can appreciate that it takes time to start to demonstrate achievement on targets related to long-term outcomes. We are starting to see some modest improvements, for example, in employment and income for people on first nations.

In terms of setting the targets, the real work is working with communities to determine how and what they would like to measure, and how they are going to define for themselves success in the targets that we set together. That's the frustrating part, I think, when you're changing targets midstream, if you will—although, what is midstream in the context of 150 years? All of a sudden, you're measuring new things.

The other piece, I will say, is that we're really reflective of the right to data sovereignty. Indigenous people have been studied ad nauseam—to death, in fact—often with deleterious effects. The concept of indigenous ownership and control over their own data and their own research is a really important concept for the department.

I'll stop there. Maybe I can turn to Marc.

• (1700)

**Mr. Gary Vidal:** If you could, Minister, just keep.... I do want to get to one more question. I don't want to cramp your style, but give me a short answer.

**Hon. Marc Miller:** I guess the answer is.... I alluded to it quickly in my opening statement, Gary.

First, 70% of the indicators were met and some others were very close. None of us should be making excuses. When we set targets and they are ambitious, we should be in a position to meet them.

I think my immediate reaction was to look, with the team, at those indicators that we are falling far short on, and to try to adjust that. We need to ask, "If not, why? No one around this table would agree that we should be less ambitious in those indicators, but this is about performance.

Finally, there could have been some benefit with some back-and-forth with the PBO to qualify some of this so that you could have more flavour in asking the questions on which you need to hear from us.

**Mr. Gary Vidal:** Thank you.

I want to quickly get on to one more question. At the end of our time the other day, I really tried to get to a solution-based discussion with him and say, "Okay, how do we actually come up with some ideas?"

I won't give a long preamble because I don't have much time, I don't think.

One of the things we talked about was the executive compensation component. This is not just your department; I think this is a government-wide thing and I'm looking at it from the bigger picture.

If we understand how the performance compensation works at and above executive levels.... There were a very significant number of people in both your departments who got bonuses through this process or got their at-risk pay. I get that concept, but the at-risk pay and the bonuses are tied solely to personal performance goals. They're not tied to corporate goals, not tied to the organizational goals. I think that's a failing that we have.

When I asked Mr. Giroux about it, I asked if there is merit in considering a change to make sure that the organizational goals are factored into the achievement pay. There's this whole thing that what you incent gets accomplished, right? In the organization I came from, 85% of the performance compensation of our executives was based on the organizational goals and 15% was based on the personal goals. Here we have 100% based on personal goals, if I understand the system correctly.

Would you go back and advocate within cabinet, at the cabinet table, and say that maybe we have to look at this from a broader perspective to make sure that we're incenting the right things, that we're actually accomplishing the right things by incenting the right things? That might mean making sure we tie the organizational goals to the performance system within the executive management system, if that makes any sense.

**Hon. Marc Miller:** In an independent public service, I think the ability of ministers to dictate who gets how much salary and what the corresponding bonuses are should be scrutinized heavily, MP Vidal. It doesn't mean that we don't have a view on these things.

Frankly, if you were to ask me, I do believe that bonuses should be based on—

**Mr. Gary Vidal:** Sorry, Minister, I'm not asking you to determine the bonuses. I'm asking you to create a system that incents the proper things by saying that we need to incent managers across government—not just in your departments—to actually consider the organizational goals that we're trying to achieve. The stats that the Parliamentary Budget Officer gave us say that we're not hitting those things.

**The Chair:** Mr. Vidal, you're out of time, actually. I'd like to hear from the witness.

**Hon. Marc Miller:** Yes, certainly, that's a discussion that we would perhaps like to have with the Clerk of the Privy Council. There are people around this table for whom, if I had the discretion, I would have increased their bonuses significantly because they saved lives during COVID.

**Hon. Patty Hajdu:** I'll just say that I think there is an important role for Treasury Board and the Clerk of the Privy Council to be constantly reflecting on how performance is measured. I think that is work that's ongoing.

• (1705)

**The Chair:** I'll go to Mr. Battiste for six minutes.

**Mr. Jaime Battiste (Sydney—Victoria, Lib.):** Thank you, Madam Chair.

I think I'll just keep going with the discussion around COVID and the supports we offered.

I have to agree. When I talked to first nations across the country, they said it was the first time that they had seen an issue in this government when, with respect to indigenous communities, we didn't try to control where all the funding went but instead created a flexible approach and said, "Here is what you need, and here's what we're going to give to you."

Based on the success of getting through COVID by providing money and working with indigenous communities, did we learn any lessons about how we can more efficiently get money out the door to indigenous communities, not only in times of great need, such as during COVID, but also for the various other crises that communities are dealing with? Could both departments speak to that a little bit?

**Hon. Patty Hajdu:** Thank you very much.

I want to congratulate my colleague Minister Miller, because in fact it was Minister Miller who led this approach with the COVID response for first nations.

What we learned was that we needed to more rapidly move to a trust model for first nations and that the method of distributing money and resources in emergency times was overly burdensome for first nations experiencing crisis. We've certainly taken the lessons of COVID-19 and applied them to the transformation of the emergency management program so that communities have the flexibility to be able to respond quickly in a very personalized way.

When things are too prescriptive and application-based, two things happen. One, communities really are set up to fail, in some cases, if there's an application they may not have the ability or time to complete, especially in a crisis; two, categories can be so prescriptive that the hands of the community are tied with respect to using creativity or self-determination to respond in a way that could be more effective than a government-determined approach.

We have taken the lessons of COVID-19 to heart. We are transforming a number of programs, and as new programs come on board, we are using those lessons of self-determination and autonomy in the design of how money gets to first nations and indigenous peoples.

I think part of that reconciliation is to have trust, just as we would with provinces and territories. You know, massive amounts of money are transferred to provinces and territories every single year for health, social services and infrastructure, and a lot of that money is transferred with very little requirement for outcome measurements, never mind criteria about how that money needs to be spent.

Now we are in a nation-to-nation relationship, leaning into this new fiscal way of ensuring that communities have that autonomy to respond.

**Mr. Jaime Battiste:** Minister Miller, do you want to chime in?

**Hon. Marc Miller:** I agree largely with what Minister Hajdu said. I think if there's any lesson to be learned from an epidemic of this size, it is that we need to move quickly, we need to be ambitious and we need to be able to adjust on the fly.

I share the committee's frustration about the shifting nature of some of these indicators. Obviously sometimes percentages increase, so we want to be hitting goals at a higher rate, but that does impede our ability to look backwards to see where the issues were and then how to fix them in the future.

Again, this is a model that is evolving, and it is one that we've learned a lot about through the lens of the COVID response and the ability of communities to exercise a very basic right of self-deter-

mination. That requires financial capacity, but it also requires support from the federal government in a way that has to be more nimble than it has been in the past.

The inevitable question is whether splitting into these two departments has been valuable. The answer, I think, is resoundingly yes. There are challenges, because as we disaggregate these two departments that have been intertwined for years, we do feel challenges and we do see overlap, and hopefully we don't see mispending. It is important to have these two departments separate and investing in indigenous communities in the way that we as a nation aspire to do, which is on the basis of being equals.

Those are some of the reflections we've been having internally and that we are glad to share with this committee.

• (1710)

**Mr. Jaime Battiste:** Thank you for talking about the evolving model. Before I was a member of Parliament, I spent a lot of time working for bands across Nova Scotia. One great thing we did as a government was this. Previous to our government, if you didn't spend the dollars by March 31, a lot of the time the federal government took those dollars back. I remember the stress in March of getting funding in February and then trying to spend it by March 31 or having it go back to government. We've taken steps away from that to create flexibility within our government so that if you don't spend it by March 31, our government is much more flexible in terms of rolling the money over.

Is that something we continue to do—look to flexibility in how we fund indigenous communities to make sure that we're not taking any money back as a government?

**Hon. Patty Hajdu:** It's never a good scenario when we have to take money back. It means that people either didn't get services or the infrastructure didn't unfold as planned.

Absolutely, we take every step possible to help communities plan to use that money in the next fiscal year. There are infrastructure projects that are complex and span a number of years. We work to manage cash to ensure that the community has access to those funds. We work on changing targets.



COVID has been, as you know, a huge shock to the system, and infrastructure costs have been deeply affected. We work with communities to make sure that commitments we made pre-COVID on infrastructure projects that weren't completed, or in some cases weren't started, and were delayed by COVID can be adjusted as we go forward into the next phase of building. Those are difficult conversations, I can tell you, because in some cases costs of building a particular facility have gone up in the tens of millions of dollars, but we work with communities to make sure that we as a government can honour our commitment and that we can support them to manage the unexpected delays that have happened through COVID and in other ways.

**Mr. Jaime Battiste:** Okay, thank you.

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

[Translation]

Go ahead, Mrs. Gill. You have six minutes.

**Mrs. Marilène Gill (Manicouagan, BQ):** Thank you, Madam Chair.

Minister Hajdu and Minister Miller, thank you for being here with us.

First of all, I have a question not about the content of the report from the Office of the Parliamentary Budget Officer, but rather about how to do it.

Mr. Miller, I don't want to put words in your mouth, but I think you said that at the end of the day, the picture painted by the PBO might be inaccurate—another word could be found for it. Nevertheless, this may make it difficult for elected officials and for me in the opposition not to read the report, but to find the information in it to qualify things and for you to answer our questions.

It's a bit like telling me that the current PBO formula isn't working for anyone. The report certainly contains some valid, interesting and relevant information. Again, I don't want to put words in your mouth, but my understanding is that some of the criteria no longer hold up, for example in terms of effectiveness, and therefore things would no longer have to be measured in terms of effectiveness to be effective. Minister Hajdu's comments were somewhat along the same lines. I don't know if you see the intellectual tour de force here.

Anyway, I'd like to ask you this question. Are you saying that with the current formula, neither the opposition nor the governing party can properly read the budget?

Madam Chair, of course, my question is for both ministers. I'll give them time to answer.

Thank you.

**Hon. Marc Miller:** This is mainly to avoid apologizing for indicators that we haven't been able to meet.

After reading the report, according to my analysis, the Office of the Parliamentary Budget Officer could have benefited from more active feedback from our two departments responsible for the indigenous affairs portfolio. There are some statements that should be corrected that tend to be misleading, particularly when we talk about current spending and planned spending, which is on page 12

of the research and analysis document. These expenditures don't take into account a fairly unique factor of our two departments. We operate mainly after additional requisitions that are reviewed each time new supplementary estimates are tabled. It's hard to draw conclusions without considering this very important factor.

In terms of the departmental performance indicators and the report itself, those are qualitative indicators, so it's important to look at the quality of these indicators, particularly the number of communities with certain laws in place to remove from the Indian Act. We have to wonder whether that percentage was achieved and how close those indicators were to the objectives to be achieved. That's another factor that isn't necessarily reflected here.

When I looked at the report, I thought that there was some accountability and that we had to look at the indicators in question to determine where there was a failure, even if it meant correcting the situation. Still, this is a report that your committee had requested. I have all the tools at my disposal to ask these questions.

When your committee received this report, it didn't have all the indicators so that it could then scrutinize the details to see if there was a failure or if the indicators, broadly speaking, were achieved, and ask us questions that are therefore more relevant.

It's not a question of criticizing anyone, but of ensuring that feedback is provided in advance so that the committee can have a clearer picture of our two departments.

• (1715)

**Mrs. Marilène Gill:** What ad hoc solutions could you propose? You've already proposed some avenues, but it's a bit like saying that there's a tool, but that it can't really serve the population as a whole adequately. Again, this isn't a personal attack. Maybe there needs to be a methodology, I don't know. What would you suggest?

I imagine that if this [*Technical difficulty—Editor*] and perhaps it's complex given the various departments, namely Indigenous Services Canada and Crown-Indigenous Relations and Northern Affairs Canada. This can also happen elsewhere.

**Hon. Marc Miller:** I would say two things.

First, it's important to understand how the specific budget cycle of our two departments works.

Second, more attention needs to be paid to the quality of these departmental performance indicators. Perhaps two or three should be selected, or perhaps the ones that haven't been met, and more detailed consideration should be given to why those indicators weren't met.

**The Chair:** Mrs. Gill, could you raise your microphone to your mouth the next time you speak? Thank you.

[English]

We'll now move on to Ms. Idlout for six minutes.

**Ms. Lori Idlout (Nunavut, NDP):** [*Member spoke in Inuktitut, interpreted as follows:*]

Thank you, Madam Chair. Thank you to both ministers for bringing your presentations to the committee.

On the departmental results indicators and the Parliamentary Budget Officer's report on the departmental results indicators, questions are important.

I have a question.

I was planning with my interpreter earlier regarding the indicators and writing down notes on the departmental results indicators, so we were planning earlier on some of the terminology. However, I understand now that these indicators or the forecasted targeted budgets are constantly being revised. These revisions of the indicators, perhaps....

Will there be a year when these indicators will be changed or revised? Do you have any expectations that these indicators will remain the same, or will we be given more solid results through the analysis of the indicators?

I do want to hear truthful indicators, but we've been informed through this report that this report is not complete. If this report was completely and fully written, I would want to ask solid questions.

Both ministers can answer me, please.

• (1720)

**Hon. Patty Hajdu:** Thank you very much, MP Idlout.

Yes, I think each area will have indicators that will end up being accepted and supported by indigenous partners and that we agree on. There's been quite a bit of work through an indicators framework that the department has been working on with partners to determine what those will be. They will be encapsulated in the departmental results framework.

Maybe I can turn to Associate Deputy Minister Gideon to talk a little bit about that.

**Ms. Valerie Gideon (Associate Deputy Minister, Department of Indigenous Services):** We got approval just last fall from Treasury Board for a very exciting transformative approach for us in terms of our departmental results framework. It's enabled us to significantly streamline the complexity of our program inventory.

We're going from four core responsibilities to one core responsibility. We're going from 11 service areas to eight. Our program inventory is going to be collapsed from 33 to 18 programs. That's going to enable us to have a much stronger focus on outcomes-based indicators. We are hoping that the majority of these will be populated by first nations-led, Inuit-led and Métis-led research and data collection.

That builds on the success we've had with the first nations regional health survey—which Eric and I were involved in since it was first started over 20-some years ago, so we're dating ourselves—the national Inuit health survey and the funding that has been committed. Our budget 2021 investment of \$81.5 million was to actually support first nations, Inuit and Métis in building those

data strategies. That's what we intend to draw from in terms of the indicators and the data sources.

**Hon. Marc Miller:** I don't have a ton more to add.

I do think, by their nature, that these indicators do evolve, particularly with the work we do to co-develop them. It does sometimes impede the ability to look backwards and see the consistency of them. It would be helpful sometimes, when we look at the indicators, to look specifically at their quality and to scrutinize deeper into them.

You mentioned a more complete report. Not that I would invite more scrutiny, but certainly a more complete picture would probably have you posing more difficult questions into some of the real challenges that we continue to face.

Obviously, we need indicators to properly reflect where we are as a country and we need to be quite honest about what they actually mean at their basis. You could look at a couple of these indicators and say that 80% of this is done, but the remaining 20% is probably the hardest stuff to do. There's some scratching under the surface of these indicators that is well warranted.

Obviously, it's not the scope of this report, but I think for a matter of transparency and honesty, we foremost go to indigenous peoples. It's something that we have to continue to be committed to.

**Ms. Lori Idlout:** [*Member spoke in Inuktitut, interpreted as follows:*]

Yes, of course, these forecasted indicators change from time to time, but we all know that as first nations people, we're lobbying the federal government for the same reasons.

The federal government has been informed for many years that first nations are struggling within the cost of living area. There are not a lot of services or resources rendered to indigenous peoples, and these services and resources are not being rendered in a timely manner. We all know we have to lobby even more.

When are you going to produce a report—for instance, the departmental results indicators?

The Parliamentary Budget Officer should produce a report that is not divisive. The report should be completely full, because otherwise, we won't be able to ask proper questions.

That's not a real question, but rather a comment.

• (1725)

**Hon. Patty Hajdu:** If I could take a crack at answering, I think the entire system is rooted in colonialism. It's not just these departments.

The decolonization of how we interact with indigenous people to select indicators and create a national outcomes-based framework together means changing the way indigenous lives are measured from one that the government is in control of—the government is also the one that reports on that—to returning the control and self-determination to communities. This way, they can measure for themselves how things are going and understand better if the things they're doing, in addition to the inputs from the government, are resulting in outcomes that they see as enhancing the community and benefiting community members.

It's not an easy project, because there is a long-standing tradition in this place—and rightly so—of attaching fiscal accountability to outcomes. However, in my mind, it hasn't been done in a way—including in many of these offices—that fully reflects the autonomy of indigenous peoples and the rights of indigenous peoples to measure for themselves and control for themselves their own data and to determine for themselves what they want to measure.

Anecdotally, when I was preparing for this meeting, I understood that the education outcomes are shifting from graduating on time or graduating outside of the standard time. That's not the way we've talked about it; we've talked about graduation rates, period.

If I think about that, from the conversations I've had as a minister, it makes sense to me, because it isn't only about whether you graduated or not. What communities are asking is if it took longer for an indigenous person to graduate. This reflects the compassion of a community to understand that sometimes it takes longer if you've come from a background of inequity and that those accomplishments should not be discounted.

I think there's some real promise in this, because it is about data reconciliation as well.

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

We'll go to a condensed second round, beginning with Mr. Schmale for five minutes.

**Mr. Jamie Schmale (Haliburton—Kawartha Lakes—Brock, CPC):** I have five minutes. Okay, perfect. Thank you, Chair.

Thank you, ministers, for being here for this important conversation.

Minister Hajdu, you just mentioned the graduation rates for indigenous children. Thank you for bringing that up and reminding me about that.

The last time you were here, in March, we were having a discussion about setting a graduation rate, which was something you had set in your departmental plan for the last two years. The target to come up with that rate was the end of March.

Has that rate been set yet?

**Hon. Patty Hajdu:** I will turn to Deputy Gideon.

My confusion at the time was not fully comprehending how the indicators were being worked through with first nations and indigenous peoples. Now, as I just highlighted, developing those targets is under way.

I'll turn to Val Gideon to talk a bit about where we are.

**Mr. Jamie Schmale:** Answer very quickly if you can, please.

**Ms. Valerie Gideon:** In terms of the target for first nations, we are still setting the year-over-year increase that we're anticipating, and we are doing that with partners.

The minister is absolutely correct that we have changed the methodology in 2022-23 from measuring on-time rates to extended-term rates in terms of the graduation piece. That was new in 2022-23.

**Mr. Jamie Schmale:** I want to go back to the DRIs, the departmental result indicators. That seems to be a topic of conversation today. We're looking at results that seem to be, according to the Parliamentary Budget Officer, going down. One of his quotes was, "I think it's up to ministers to set the targets and try to make their officials stick to them." I know both of you spoke a bit about how you're trying to keep departments on tasks.

Is there a guarantee that we have? We've been here doing this for quite some time. The targets seem to change every time a target isn't met. I don't think some of this would be tolerated in the private sector. What are we doing to make sure that we aren't just kicking the can down the road and that we're actually getting results?

• (1730)

**Hon. Patty Hajdu:** I'll start.

Maybe I wasn't clear earlier, but I disagree that ministers are the ones to set targets. I disagree that this is my role. My role is to support the department to ensure that targets are set, and there is a clear distinction in this. In fact, it's a colonial practice that ministers would set targets that would determine what outcomes needed to be achieved for what dollars. The colonial practice is telling first nations what they must do with the money or the programs they receive. Instead, this approach is truly rooted in reconciliation and self-determination.

My role as a minister is to ensure that the department is doing the work of setting targets with first nations and indigenous peoples and that they have the resources they need to do that work in a timely way. This is with the understanding that sometimes it isn't the department that sets the timeline either, and that we work with first nations and indigenous peoples on their timelines and in a flexible way with communities, because they are often shuffling many priorities or have their own consultations that are complex to complete.

That's the constant balance as the Minister of Indigenous Services. It's wanting to see, just like you, that there are targets arrived at but also—

**Mr. Jamie Schmale:** I'm sorry, Minister. I only have five minutes and I'm really tight for time.

**Hon. Patty Hajdu:**—wanting to make sure we do that in a respectful way.

**Mr. Jamie Schmale:** I appreciate that. We want to take away the top-down approach. I agree with that. I think we're on the same page.

Given that's the path we seem to be all heading towards—and rightly so—why did the department jump in employees from 4,500 to 9,200, according to the PBO report? If you're trying to put it bottom down instead of top down, why are we continuing to surge in the department's numbers?

**Hon. Patty Hajdu:** I don't think that's a fair assessment of what's happening here at all. In fact, what we're seeing are severe shortages in certain areas of the department.

In the first nations and Inuit health branch, for example, we have significant incentives to recruit health care workers but huge gaps in the ability to recruit and retain them, just like other jurisdictions.

Certainly the department has a number of officials who work in a number of different areas, including frontline services. For example, I think communities expect that when they pick up a phone with a forest fire approaching, emergency management will have the capacity to deploy people.

Val, maybe I can turn to you for a few more comments.

**Ms. Valerie Gideon:** Absolutely. I think it's important to also recognize that the way the PBO assessed our HR levels was based on what's included in terms of our departmental plans, which happen at the beginning of the year. With supplementary estimates, we do at times get increased approvals for FTEs, and those also skew the overall picture of growth, because we can't staff people until we have approved FTEs, and that will come with additional investments that are approved over the course of the year.

We have seen a growth overall since we were established as a department in terms of human resources, but we've also seen an incredible amount of increases in funding—as the minister has noted—of over 90%, if you take the out-of-court settlements out. That has also driven demand and requests for services.

Jordan's principle is a perfect example. It is reliant on public servants approving requests within a 12- to 48-hour window. That requires additional staff; otherwise, it's not possible to be able to meet our legal obligations under that order.

Non-insured health benefits are another area where we also have seen growing demand, and it has been based on the fact that the government has approved expanded scope and increased access to services in that area.

My final point is that when you look at some of the targets around service delivery—for example, non-insured health benefits—or when you look at the percentage we have achieved in terms of meeting our service standards on secure certificates, you see that we have actually exceeded them. That is because we have been able to access the capacity to more effectively deliver those services.

**Mr. Jamie Schmale:** If I could quickly, Madam Chair—

**The Chair:** You're very much out of time.

**Mr. Jamie Schmale:** I just want to correct myself. I believe I said “the PBO report”. I meant to say “the departmental plan”.

**The Chair:** That is so noted. Thank you very much.

We'll now move to Mr. Weiler for five minutes.

**Mr. Patrick Weiler (West Vancouver—Sunshine Coast—Sea to Sky Country, Lib.):** Thank you, Madam Chair.

I'd like to thank Minister Miller, Minister Hajdu and the officials for being here today to answer some questions on the PBO report.

First, to you, Mr. Miller, one of the criticisms in the PBO report is that the department's actual spending is always much higher than the planned spending because it doesn't take into account the supplementary estimates. In your opening, you brought up the Gottfriedson settlement, which was groundbreaking for being the first time that bands were ever compensated for the impacts to culture and language from residential or day schools, on top of the impacts to survivors and descendants.

Why is it that in this case, the supplementary estimates are not being considered? Is there something that could be done to address this, going forward?

• (1735)

**Hon. Marc Miller:** It's a great question.

I'll take a step back and look at the way this department and Minister Hajdu's department are funded through supplementary estimates.

It is a good chunk of that profile. A report like this looks only at the planned spending, which is based on the main estimates. They're highly technical for most people but very important in a profile of this department, which depends so much on supplementary estimates. There are billions of dollars going to historic settlements—and changing people's lives—for harm that occurred, sometimes over decades and even centuries. Gottfriedson is one of the particular examples secured through the supplementary estimates.

Again, if we were to take the report to its logical extension, it would be qualified as a resistance to change, which is bizarre. I'm pointing to page 12 of the report. What would have been beneficial is a proper back-and-forth with our departments to give some colour to that so that members could have a fully fleshed out report that would reflect the way these departments behave and the different articulations of the spending profiles that underpin them.

I'll take a quick moment as well to respond to MP Schmale's comment about some of these indicators.

We have sometimes collapsed indicators that we have met. Examples are the percentage of first nations with fiscal bylaws or laws and the percentage of first nations communities with financial administration laws. Those are two separate indicators. We met them, but we got rid of one of them because it was subsumed in one of the other indicators that were more general in nature.

There is some housecleaning involved in some of these. It isn't self-serving to remove them. In fact, keeping them separate would have been self-serving, because you'd have two substantially similar indicators indicating success.

I sometimes have the opportunity to look at these indicators and ask why we're doing them. I can't solely or should not solely change them, but it doesn't mean we don't scrutinize them.

**Mr. Patrick Weiler:** I want to pick up on the response you had earlier, when you said that it would have been beneficial to have a back-and-forth with the PBO on this.

To both of you, Minister Miller and Minister Hajdu, as far as you know, were you or anyone in your departments approached to contribute other qualitative or quantitative data to support the PBO study?

**Hon. Patty Hajdu:** I just checked with my officials. No, we weren't.

**Mr. Daniel Quan-Watson (Deputy Minister, Department of Crown-Indigenous Relations and Northern Affairs):** No, we were not contacted. We tried to see whether we could seek some corrections and were told it was too late. It was already being published.

**Mr. Patrick Weiler:** Thanks for that.

There have been a lot of questions here about the indicators. I was hoping you could provide some clarity to the committee and explain when and how often these indicators are reviewed, and whether that's on a set schedule.

**Hon. Patty Hajdu:** I will turn to Deputy Gideon for that.

**Ms. Valerie Gideon:** We have an opportunity every year to make adjustments to indicators, but I think the approach Indigenous Services Canada is taking with this new departmental results framework is that we're in it for the long haul. We're turning things around. Instead of imposing administrative reporting on recipients as a condition of funding, we're working with first nations, Inuit and the Métis nation on the co-development of indicators and investing in their capacity to do data collection that is honourable to the ownership, control, access and possession principles that first nations developed. We want to maintain that type of sustainable long-term commitment to that partnership.

That being said, obviously we're open to feedback about some of these indicators. We could bring that to our partnership conversation, but it will for sure want to align with, for example, the national Inuit health survey and the questions Inuit will design. We don't want to deviate from those types of core data sources.

• (1740)

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

[*Translation*]

Mrs. Gill, I'm sorry about the first round. This time, you'll have three minutes and 15 seconds.

**Mrs. Marilène Gill:** Thank you, Madam Chair. I'm going to time myself.

Very briefly, what I'm hearing is that the old way of doing things at Crown-Indigenous Relations and Northern Affairs Canada and Indigenous Services Canada is no longer working. Ms. Hajdu, you said that you would like the targets to be set in consultation with indigenous communities, groups and nations.

Today, we're discussing the report, which was requested in 2021 and received in 2022. I hear that we can no longer rely on the rules or ways of doing things that existed before, because things have changed. I don't know if I'm interpreting what the officials are saying correctly. I didn't think I would have to analyze the Parliamentary Budget Officer's approach because there are new data and new ways of doing things that make the picture we have in the report not accurate. However, I'm hearing that we don't have a good picture of the departments, given the many nuances and things we would like to see done that can't be done here. I hear that what we do, as elected members on this committee, isn't relevant. I'm saying this with all due respect, but that's what I'm hearing.

I'm wondering if you have an idea of how to do things differently. If the Parliamentary Budget Officer doesn't have the tools he needs to do his job, as he seems to be saying, what can we do?

The question is for everyone so that this can change. It would be a shame and worrisome to go through exactly the same thing again, as much for Quebecers and Canadians as, of course, for indigenous peoples.

[*English*]

**Hon. Patty Hajdu:** I think the point of our presentation today—and the officials are talking about exactly that, Madame Gill—is the reform of how we set measurements together with first nations and indigenous peoples, how we report back on that, who controls and owns the data, and who does the research. This is the work of reconciliation.

Far be it from me to really understand the work other offices are doing, but I will say that it is incumbent on every office and every office-holder to look at things through the lens of self-determination if we truly want to reform how we do things in this place. That's hard work, because it's about changing long-standing practices.

It is disappointing that the two departments weren't contacted, for example, because I think there would have been a rich opportunity to talk about the work of joint indicator selection. That is undoubtedly challenging work, but I think it has the longevity we're look for in terms of measuring what's important to first nations, to indigenous peoples. To me, that's the exciting part of this work. We will get to a results framework. We're very close to being able to release it. It will be a document that will be refreshed and revisited, but it will be a document that's been co-created with indigenous peoples.

[Translation]

**The Chair:** Thank you, Mrs. Gill.

Ms. Idlout, you have two and a half minutes.

[English]

**Ms. Lori Idlout:** [Member spoke in Inuktitut, interpreted as follows:]

Thank you.

Based on the fact that collaboratively you are going to be implementing working with indigenous people, as I look into the future, I'm envisioning a better structure of indicators, and if these indicators were not accurate, perhaps indigenous people are going to be held accountable. How can we be well informed that you are going to be collaborating and that this collaboration will strengthen and empower indigenous people?

Indigenous people need to be empowered. We always think of ways to improve and empower our people. Can we have a solid indicator that in working together, you're going to base your foundations on collaboration with first nations indigenous peoples for empowerment?

Thank you.

• (1745)

**Hon. Patty Hajdu:** That's a pretty profound question. It touches on the philosophy behind reconciliation, and it's a hard question.

There's a book that I read a long time ago called the *Pedagogy of the Oppressed*—maybe you've read it—by Paulo Freire. I read it in university first, but I don't think I fully understood it. I reread it again when I was appointed to this position.

It talks about oppressed people and how it is never going to be the colonizer that has the answers to decolonize; it is really the indigenous peoples themselves. This is what you're touching on and what we're trying to do as the colonial partner in the relationship, which is reflect on how we get out of the way so that indigenous people have the power, the self-determination and the tools, which were promised in many different ways, to rebuild community, to rebuild governance and to rebuild, in this case, a measurement of how communities are doing and whether or not the things the federal government would like to measure are the same things that indigenous people want to measure. Lo and behold, we find they are sometimes not the same, that they are not measured in the same way or that they're not even conceptualized in the same way.

When I talk about education, that was such an “aha” moment for me. In western culture, you either graduated or you didn't. There isn't an in-between. When I reflected on the change in the indicator, it's a different philosophy of education, which is that it's ongoing. Sure, we could talk about how long it took someone to graduate, but we can't discount that someone will graduate in the future. Doesn't that make sense? It made sense to me as an indigenous perspective when I heard the measurement that was selected in partnership.

I think that as the colonial partner in the relationship, we have a lot to learn as a country, and I think it will benefit all Canadians.

Thank you for that pretty profound question.

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

I'd like to thank our ministers and their teams for joining us this afternoon.

There is agreement in the room to adjourn our meeting.

**Mr. Jamie Schmale:** Unless the ministers want to stay longer...

**The Chair:** Unless the ministers want to stay and keep...

• (1750)

**Mr. Jamie Schmale:** I'm happy to go another round, Chair.

**The Chair:** The meeting will be adjourned. We're adjourned.









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