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

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**EVIDENCE**

**Wednesday, November 30, 2011**

**Chair**

**Mr. Chris Warkentin**



# Standing Committee on Aboriginal Affairs and Northern Development

Wednesday, November 30, 2011

• (1540)

[English]

**The Chair (Mr. Chris Warkentin (Peace River, CPC)):** Committee members, we call this seventeenth meeting to order. The meeting is now in session.

Of course, I'm sure our friends in the media know the considerations of meetings that are in process. We understand that the minister got tied up with the media on his way in, so I'm certain that the questions for him have been asked and answered. It's now time for the committee to have the appropriate amount of time for its own considerations as well.

Minister, we do want to turn it over to you immediately, because we know that our time today is tight.

Madam Bennett.

**Hon. Carolyn Bennett (St. Paul's, Lib.):** On a point of order, given that the minister was kind enough to give us a copy of his remarks, which we have now all read, I wonder if we could go straight to questions.

**The Chair:** I think you may be the only one in the room who has read them. So we will turn it over to you, Minister.

**Hon. John Duncan (Minister of Aboriginal Affairs and Northern Development):** Thank you very much, Chair. I'm pleased to be here today in this committee room, which I think I've spent a little bit of time in before.

Thank you for the opportunity to discuss the supplementary spending estimates of Aboriginal Affairs and Northern Development Canada. I appreciate the role that the committee plays in reviewing the department's expenditures.

The investments included in supplementary estimates (B) support the Government of Canada's plan to improve the quality of life of aboriginal peoples and northerners across Canada. As members of this committee recognize, this plan includes strategic and important investments in infrastructure, funding for programs and initiatives, and the implementation of agreements such as the Indian residential schools settlement agreement.

I'll do my best to answer your questions in a few minutes. First, though, I'd like to provide details about a few key items listed in supplementary estimates (B). The allotment of \$179.4 million to the independent assessment process for the residential schools settlement is the largest single item on the list. This amount includes \$136 million in new funding, and \$43.4 million reprofiled from last year.

This investment supports the Government of Canada's commitment to respect the terms of the court-ordered Indian residential schools settlement that was agreed by all parties. The additional funding will respond to the increased application levels to the independent assessment process.

The Government of Canada remains committed to concluding agreements with former students and their families. Continuing the implementation of the settlement agreement builds on our government's commitment to moving towards healing, reconciliation, and resolution between aboriginal peoples and other Canadians.

The second largest item in the supplementary estimates is \$109.1 million for the assessment, management, and remediation of federal contaminated sites. The Government of Canada is committed to the health and safety of all Canadians. This money will support our government's ongoing efforts for safe and timely environmental cleanup. Our government continues to work closely with first nations, Inuit, and northern communities to remediate contaminated sites. Budget 2011 allocated \$68 million over two years to the federal contaminated sites action plan. Most of this investment focuses on priority sites in the north such as the Giant Mine in Yellowknife and the Faro mine. In the past two years, the Government of Canada has committed more than \$330 million to projects at hundreds of sites in the north and on reserves across the country.

Mr. Chairman, I'd also like to highlight a few other items listed in the supplementary estimates and explain how they relate to this government's broader goals. Improving the quality and availability of first nations child and family services is a case in point. Significant improvements have been made in recent years as a result of a series of tripartite agreements between Canada, first nations, and provincial governments. The services delivered under these agreements focus on prevention and early intervention, leading to better outcomes for first nations children, youth, and families.

Two items in the estimates support this goal. There is \$6 million to fund an agreement in Manitoba, and \$1.2 million for a dedicated database to track results. Agreements are already in place in Alberta, Nova Scotia, Saskatchewan, Quebec, and Prince Edward Island. This means that nearly 70% of all first nations children who live on reserve have access to services delivered under the new model. We hope to complete agreements with other jurisdictions in the next few years.

• (1545)

Mr. Chairman, I'd also like to highlight a few other items that are listed. Bill C-22, for instance, which I'm happy to note just received royal assent yesterday, completes an agreement to establish the Eeyou Marine Region and authorizes first nation groups to co-manage and protect islands in James Bay and southeastern Hudson Bay. Bill S-2 proposes to close the legal gap that exists in matrimonial rights and interests on reserve. And Bill C-27, the First Nations Financial Transparency Act, is part of the government's commitment in the 2011 Speech from the Throne to support democratic, transparent, and accountable first nation governments by requiring that chiefs and councillors publish their salaries and expenses and audited consolidated financial statements.

I'm also committed to reintroducing a bill that will propose a mechanism to set standards to safeguard the quality of drinking water in first nation communities.

A goal of these and other legislative initiatives is to create the accountability mechanisms needed to foster economic and social development. This committee will have an important role in moving the agenda forward. I believe the study currently under way on sustainable economic development will be valuable and pertinent.

In June, the Auditor General's status report analyzed why so many Government of Canada programs fail to deliver the intended benefits to first nation communities. The key factor cited in the report is that many programs have no legislative base. Should a program fail, no one can be held accountable. To ensure that programs and investments achieve their goals, this government will continue to develop and implement appropriate legislative remedies in collaboration with our stakeholders.

Another element of the Government of Canada's strategy to promote economic and social development among northern and aboriginal communities is working with willing partners. I'm proud to note that this past June, the National Chief of the Assembly of First Nations and I announced the Canada-first nations joint action plan to improve the lives of first nation people across Canada. The action plan expresses our joint commitment to work together to improve the long-term prosperity of first nation people and all Canadians.

Strategic partnerships with provincial and aboriginal groups that continue to improve education outcomes in a growing number of first nation schools are another instance of the work that we do with willing partners. Collaborative initiatives to improve the educational outcomes of first nation students are now under way in seven provinces. Engagement sessions were held last year, helping to inform improvements to aboriginal economic development programs, including efficiencies in program delivery. Strategic partnerships have also inspired significant progress on specific claims and first nation access to safe drinking water.

The Beaufort regional environmental assessment is another example of a strategic partnership, among Inuvialuit, the oil and gas industry, territorial and federal governments, regulators, and academia, to prepare for oil and gas activity in the Beaufort Sea. Together they have supported research and actions that will provide

information and data in support of efficient and effective regulatory decisions.

The larger goal of the government's plan is to ensure that all citizens, aboriginal and non-aboriginal alike, can share in and contribute to Canada's prosperity. The investments included in the supplementary estimates are designed to complement existing programs, partnerships, and legislative initiatives. I'm confident that the items under review will lead to further progress for aboriginal peoples, northerners, and all Canadians.

Thank you very much. I'll do my best to answer any questions the members of the committee may have about supplementary estimates (B).

• (1550)

**The Chair:** Thank you, Minister. We appreciate that testimony.

I didn't say it earlier, but today we are considering votes 1b, 5b, 10b, under Indian Affairs and Northern Development, as well as votes 27b and 29b under Health Canada.

I'm sure you'll be prepared to answer questions as they relate to these supplementary (B) estimates.

We'll begin that questioning with Ms. Duncan, for the first seven minutes.

**Ms. Linda Duncan (Edmonton—Strathcona, NDP):** Thank you, Mr. Chair.

Thank you, Minister, for attending. Our party has fought long and hard for you to be here. It's regrettable that our time will be so short, but hopefully we'll have some key questions for you in the short time we have been allotted.

You mention, Mr. Minister, the last report by Auditor General Sheila Fraser, in which she slammed your government and the previous Liberal government for a decade of failed action on her recommendations in 15 chapters on Inuit and first nations, and an additional 15 chapters on aboriginal peoples and the delivery of safe drinking water to them, the removal of living conditions on first nations reserves that are worse than elsewhere in Canada, and a high school graduation rate half that of other Canadian students. The problem is clearly greater than Attawapiskat. Thirty reports over a decade by the Auditor General have made that clear. She blamed the government—as you mentioned, Mr. Minister—for structural impediments. You mentioned that you're bringing forward some legislation.

In my second question, I'll get to some concerns that first nations have raised about the process of developing this legislation.

But clearly the Auditor General said it was time to have clear measures to hold the government accountable. She did not point fingers at the first nations. Why then is your first response to the crisis at Attawapiskat to bring in third-party governance when in fact these problems have been known for quite some time? Isn't the pot calling the kettle black on access to information and accountability here?

And is this now a warning to all other first nations as to what may well befall them if they publicly raise their concerns?

**Hon. John Duncan:** We put officials into the community on Monday. They were there because there was concern about the health and safety of residents of the community. Their on-the-ground take on things was that immediate action is required.

On the basis that, immediate action is required, and the fastest way to respond is to put in third-party management. They are able to manage departmental funds in the way that the first nation would normally manage them. They can respond very quickly. We also left an engineer in the community, so work is now ongoing on renovating some of the homes.

We have mobilized very quickly and I think it's an appropriate response, given the real concerns for the health and safety of Attawapiskat residents.

• (1555)

**Ms. Linda Duncan:** Thanks, Mr. Minister.

You mentioned the legislation you're bringing forward, and the fact that you are collaborating with stakeholders. I'm not sure what that means. I don't know if that means simply the individual first nations.

Of course, Mr. Minister, you're aware that you have a constitutional duty, upheld by the Supreme Court of Canada, to consult, consider, and accommodate aboriginal and treaty rights and interests in advance of any law, policy, or program that potentially may impact first nations.

This summer, as you are aware, I wrote to you—and I'm still waiting for a reply—about my concerns as to whether or not this government was going to revise their policies and practices. The federal court held that the then-federal Minister of the Environment, Jim Prentice, had erred in law by deeming that he did not have to consider the rights and interests of aboriginal peoples when he made decisions under the Species at Risk Act.

I've consulted with first nations across the country and, in particular, I just had a meeting with the grand chiefs of Treaties 6, 7, and 8. They are very concerned and they consider that they are not being adequately consulted on the laws you're bringing forward, including the laws you have mentioned. We've just heard, as I understand, that CEAA has cancelled their consultation process with aboriginals.

The first nations have called for a more collaborative hands-on approach in consulting with them well in advance of any new policies and practices. That of course has been the policy of this government in any policies that might impact provinces and territories.

I wonder what measures you're planning to take to improve, in response to the requests made by the first nations to genuinely consult as per your duty under the Constitution.

**Hon. John Duncan:** As I said, we've worked with willing partners in the first nations community because we think it's the right thing to do. The legal duty to consult and accommodate is very clear to us. I believe we go well beyond it because we're talking about section 35 rights. When we collaborate on child and family services, when we collaborate on education, when we collaborate on water, when we collaborate on electoral reforms, those are all things that are somewhat discretionary for us to do. But we want to do it because we'll end up with better legislation and support from the first nations leadership. This just makes sense for us to do; we've done a lot of it. That's the philosophy we've been operating under.

In terms of your questions about CEAA and the Species at Risk Act, I'm out of my element on those. That's something you'd have to talk to the environment minister about.

**Ms. Linda Duncan:** Thank you. I have one last question.

Mr. Minister, you mentioned the agreements that you're about to enter into. We're hearing serious concerns about the failure of this government to deliver on its binding obligations, constitutionally entrenched, to deliver on the land claims agreements that it and previous governments have already signed. Can you please advise when you're planning to move on your implementation requirements to the Council for Yukon Indians, to the Nunavut, to the Nisga'a?

**Hon. John Duncan:** Well, I'm actually meeting with the land claims group that you are referencing. We've made enough serious progress over the last three years really that most of the issues have gone away. Our implementation has been done very well. I may hear of some specific items today, but my understanding is that, for the most part, we've really addressed the whole implementation issue very well.

• (1600)

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

Mr. Rickford, for seven minutes.

**Mr. Greg Rickford (Kenora, CPC):** Thank you, Mr. Chair.

Thank you, Minister, for coming here today. We appreciate your time.

Minister, first of all, I took great comfort from your remarks on responding to the Auditor General with respect to a legislative base for many of the large-scale programs and projects. As somebody who has lived in isolated and remote first nations communities for quite some time, I've always appreciated the need for that. I look forward to working with you in those regards.

First of all, I do want to talk a little bit about Attawapiskat. The questions are twofold, Minister. There has been much said in recent days about the state of affairs. Obviously, as a government and like all other Canadians, we want to be able to proceed with an effective plan to help them through the emergency circumstances and to set a platform for longer-term objectives and ensure, ultimately, that families have safe and warm places to live.

I was wondering, then, if you could comment on your actions to fill that void in the short-to-immediate term. Could you comment as well, from the perspective of the department, on some of the uncertainty around the \$80 million the community has received from your department? And what you will be doing to ensure that those resources and any further resources from your department for Attawapiskat will be for the ultimate benefit of the community members?

**Hon. John Duncan:** Thank you for the question. I know you're quite familiar with northern Ontario and with many of these remote reserve communities, the first nations communities.

I mentioned we've had officials in the community since November 28, which was Monday. They have assessed the situation. They know what's needed to ensure that the residents have access to warm, dry, and safe shelter. These needs are urgent and demand immediate action. As a consequence we've put the first nation into third-party management. Part of the manager's role will be to administer the department's funding. This is normally managed by the first nation. In addition to that, we will be doing a comprehensive audit of spending from the department over the last five years to see why our results have been so poor.

**Mr. Greg Rickford:** Thank you, Minister.

Now I'm going to shift gears here. My colleagues and I have a number of matters that were addressed in your speech that we'd like some further information on. I'm going to start, Minister, with the state of the implementation of gender equity in the Indian registration act, referring of course to Bill C-3. Could you give us an update in regard to that?

**Hon. John Duncan:** We approved \$20 million over five years to ensure that Bill C-3 applicants could be registered efficiently. That started on January 31 of this year.

**Mr. Greg Rickford:** How many applicants do you anticipate, Minister?

**Hon. John Duncan:** We anticipate that 50,000 applications will be received, with about a 10% ineligibility rate, resulting in about 45,000 new entrants.

As of the middle of this month, we had received 22,900 applications. Of those, 8,800 have been processed, 6,700 have been finalized, 5,300 have been registered, 530 have been denied, 950 files were closed due to non-response from applicants, and we've requested additional information on just over 2,000 applications.

**Mr. Greg Rickford:** Thank you, Minister.

I understand that the department had an opportunity to gain some valuable experience in the processing of these applications, and may have made some modifications. Can you talk a little bit about those?

**Hon. John Duncan:** I gather there have been a lot of efficiencies created since the process started. There was a staff of 55 dedicated solely to that function of registering Bill C-3 applicants. The department also augmented its call centre capability and capacity to ensure efficient client services.

We are anticipating the completion of 23,000 files by the end of March, which will bring us within our service standard to register applicants within six months.

●(1605)

**Mr. Greg Rickford:** I appreciate that. So it's about increased efficiencies and additional resources.

I'm going to talk a little bit about the Specific Claims Tribunal in the last minute-plus here. Can you describe, Minister, what progress has been made on resolving specific claims since the coming into force of the Specific Claims Tribunal Act on October 16 of 2008?

**Hon. John Duncan:** This has been a real success story of this government, because the specific claims process was so bogged down. I have chiefs in my riding who have been chiefs for more than 20 years and who've basically had specific claims for the length of time they've been in office.

**Mr. Greg Rickford:** I understand there was a significant backlog, Minister.

**Hon. John Duncan:** I think the backlog was around—

**Mr. Michael Wernick (Deputy Minister, Department of Indian Affairs and Northern Development):** It was 900 at least.

**Hon. John Duncan:** Yes, around a thousand. So we've cleared up a backlog of over 500. We've also settled 40 through negotiations, totalling \$925 million. We now have an inventory that's reduced by more than half. We have 102 claims under assessment and 300 claims in negotiation, for a total of 402. We have concluded 1,029 claims altogether. I remembered around a thousand. So that's where we are. I think it's a real success story.

One of the things we didn't know as we dealt with the backlog was whether we were going to get another onslaught. It hasn't happened. There are a few that have dribbled in. But basically we see this backlog as one that we can deal with, and then the regular intake will be very simple and straightforward to deal with.

**Mr. Greg Rickford:** Do I have any more time?

**The Chair:** No, your time is up.

Ms. Bennett, you have seven minutes.

**Hon. Carolyn Bennett:** Thanks very much.

Minister, when were you first notified of the state of emergency in Attawapiskat?

**Hon. John Duncan:** I would say it was last week, about Thursday.

**Hon. Carolyn Bennett:** So despite the fact that it had been in the media since the end of October, there was no action for a month?

**Hon. John Duncan:** It had been in the media, but there is a process that's involved here.

**Hon. Carolyn Bennett:** And would that be the same process if it were a tornado or a flood?

**Hon. John Duncan:** No.

**Hon. Carolyn Bennett:** But people living in tents with winter coming, that's dealt with differently? There's three or four weeks of paperwork for that?

**Hon. John Duncan:** No, there's no paperwork.

What we have is a process. When a first nation wants to declare a state of emergency, it does so in a format that reaches us. That did not happen. There was no official state of emergency delivered. And in actual fact, when we did receive what we received, it had no specifics attached to it.

**Hon. Carolyn Bennett:** Did anybody in your department pick up the phone and find out how it's going up there?

**Hon. John Duncan:** We've had people in the community for months and months dealing with the school construction and other things. The visits were made on March 15, May 19, April 12, July 2, July 7, July 12, September 2, October 21, October 25, and October 31.

I can tell you that the member from Timmins—James Bay has had many, many opportunities to talk about this, which didn't happen either.

• (1610)

**Hon. Carolyn Bennett:** I think some of us would beg to differ. Attawapiskat has become a household name since Shannen's Dream.

**Hon. John Duncan:** Yes, that was about the school.

**Hon. Carolyn Bennett:** Well, it's about a lot of things.

I understand that in the media, it says that Kashechewan and Fort Albany have also declared a state of emergency. Do you know anything about that, Minister?

**Hon. John Duncan:** It's news to me.

**Hon. Carolyn Bennett:** In the estimates, sometimes it's about what's there, but it's also about what's not there. Since April, your department has had a paper that you commissioned showing the huge need in terms of water and waste water for hundreds of communities across the country, and I don't see any money in the estimates for that. Are we to expect that in the coming budget?

I think I've already sent you a letter saying that we won't be supporting any legislation unless there's money to go with it.

**Hon. John Duncan:** We have money in the budget for water and waste water.

**Hon. Carolyn Bennett:** Is that the \$1.2 billion that was in the report?

**Hon. John Duncan:** There may not be anything in the supplementary estimates, but we've certainly been spending much money on water and waste water. As a matter of fact we are committed. By the end of 2012-13, we'll have spent \$2.5 billion just on those two items since forming government.

**Hon. Carolyn Bennett:** But just continuing to spend in the same way when you've commissioned a report to look at the needs assessment. Will there be any alteration in the budget based on the results of that report you commissioned? Are you just going to keep spending and leave all these homes without running water?

**Hon. John Duncan:** No.

We were setting our priorities on where to spend our money on water and waste water based on the survey that was done, I believe, in 2003 under the Liberal administration, which very conveniently, for example, excluded communities without piped water.

**Hon. Carolyn Bennett:** Yes, I've heard you say that before.

**Hon. John Duncan:** Yes you have, and all I'm saying is that we are now in possession of a report that we commissioned—

**Hon. Carolyn Bennett:** Your government voted in favour of the Liberal motion two weeks ago. In order to fulfill the obligation under that motion passed by the Parliament of Canada, can we expect to see some money in the budget to actually realize it so that 100% of first nations homes will have safe running and drinking water and waste water management?

**Hon. John Duncan:** Yes, and that's why we supported the motion. We have been spending with that exact objective, and we—

**Hon. Carolyn Bennett:** No, no, this is the future we're talking about.

**Hon. John Duncan:** —have a two-year commitment that extends into next year.

**Hon. Carolyn Bennett:** At the same level?

**Hon. John Duncan:** Yes. We are in a time of concern about expenses, but we have a way of setting priorities, and water and waste water are priority items for the government.

**Hon. Carolyn Bennett:** So the housing—

**The Chair:** Colleagues, I have to interject here. I do apologize, Ms. Bennett. We'll stop the clock.

We do have bells ringing. I need all-member consent to continue sitting as a committee until 4:25, I'm thinking, which will still give us some opportunities to ask questions and give us time to get back to the House.

Is there all-member consent to do that?

**Some hon. members:** Agreed.

**The Chair:** There is full consent.

Ms. Bennett, we'll return to your question.

**Hon. Carolyn Bennett:** Thank you.

With regard to the assessment you did on water, was there an equal assessment done on the housing need? I understand from your department that you think there are about 25,000 homes that are required, yet the AFN says it's probably 85,000.

Do you have a report telling you the housing needs? Again, there doesn't seem to be any money in the estimates for housing.

**Hon. John Duncan:** We have data, but we don't have it to the same level as the water assessment. I think we looked at 98% of all residences or public buildings, in terms of their water and waste water. It was a very comprehensive survey.

So, no, we don't have it to that level. We make capital plans, and the capital plans are done regionally and nationally to set priorities.

I understand your position is that you would continue to throw money until such time as everything is taken care of, but it just doesn't work that way.

•(1615)

**Hon. Carolyn Bennett:** I think that's what Kelowna was about, that there had to be an accountability piece, plus health, education, housing, and economic development. I think the Kelowna accord was very clear about the interactivity of those things—with \$5 billion, though, as well.

**Hon. John Duncan:** You can do the math. I just finished saying that we've spent \$2.5 billion just on water and waste water. If you look at what we did on housing and other infrastructure, I'll take no back seat to whatever—

**Hon. Carolyn Bennett:** We're looking at tents with children in them and winter coming.

**Hon. John Duncan:** —you have to say about your plans that were never implemented.

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

Thanks, Ms. Bennett.

Mr. Clarke, for seven minutes.

**Mr. Rob Clarke (Desnethé—Missinippi—Churchill River, CPC):** Thank you, Mr. Chair, and I thank the Minister for coming.

I get amused when I hear the Kelowna accord as the last-ditch effort to try to make it right. It's kind of a joke, because when I was in the House of Commons, I asked for a copy of the Kelowna accord from one of your colleagues and she couldn't even produce it. So it's quite insulting to hear from a Liberal: when they could have tabled it, they failed to do so.

I look at the current funding, which is \$10.2 billion for first nations and aboriginals, to try to meet some of these issues. Back in 2005, I believe it was at \$5.4 billion. I remember sitting on the health committee and listening to the department talk about additional funding just for health care, and the whole program with the Kelowna accord was only an additional \$5 million. So slap me on the head, I don't know what else to say. As a first nation, I should be insulted whenever they mention the Kelowna accord.

Anyhow, I have vented here enough, and I apologize, Minister. It's just that the Kelowna accord was a false promise, a hollow promise, and it irks me when I hear about it.

I'm curious about the residential schools. My grandmother and grandfather attended the residential schools in Duck Lake, and I've seen some of the hardships of the residential school survivors. I have to say my grandmother and grandfather actually benefited from residential schools, to the point that when there was a cash payout, they didn't spend a cent of it but it remained in her bank account until the day she died.

With regard to the residential school settlement agreement, can you please update the committee?

**Hon. John Duncan:** Yes, I can.

Before I do that, you had a segue about spending. We had a surge of \$1.4 billion from the economic action plan that went to first nations, and some of that was leveraged with provincial money. It was over and above the normal capital spending by the department, so this made a real difference in a lot of places. This is one of the reasons why one of the local chiefs in my area said we had

accomplished more in three years than the Liberals had in 13 years in terms of aboriginal affairs.

As to the residential school settlement agreement, in September we passed the deadline for applications for the common experience payment. At that date, 97% of the 80,000 originally estimated claimants had been paid. That's a pretty good track record. There was a lot of public information, a lot of advertising, to make sure that people got the message that the program was ending.

We will continue to process applications until September 19, 2012, so it's not as if the door has closed. This would be in cases of disability, undue hardship, or exceptional circumstances, so it's a subjective decision. In respect to the independent assessment process, 21,000 applications have been admitted and 12,400 claims have been resolved. We expect the current application forecast to reach 30,000 by the deadline of September 19, 2012.

•(1620)

**Mr. Rob Clarke:** I'm curious about the independent assessment process and the number of applications that came through, if I could just get more clarification on those numbers.

**Hon. John Duncan:** The numbers are more than we predicted or forecast. The award per claim is also more than we forecast, so this is an expensive process. But it really isn't about the money. We reached an Indian residential schools settlement because it was the right thing to do. It's all about reconciliation. It has had profound emotional consequences for many families, that I've been personally aware of, including families who didn't know what had gone on with their own siblings. It had been hidden, and it all came out after the Prime Minister's apology. The fact that this is arm's length, court approved, court supervised, and court adjudicated, I think is fantastic. It's absolutely been the right thing to do, and it's a proud moment, I believe, for our government that we made this happen.

**Mr. Rob Clarke:** On that note, could I get some insight on some stained glass that's possibly being installed...?

**Hon. John Duncan:** Because we're 308 members of Parliament who are very used to our surroundings, we forget what special real estate we're occupying. The Centre Block is an extraordinary structure. If you stand in the foyer of the House of Commons, where all the scrums are, and you look straight ahead, there are three windows over the entrance door. That's a south-facing wall. There are always lots of light on that wall. We have the Speaker's permission to utilize that middle window to commemorate the residential school survivors, the Inuit, Métis, and first nations. We're going to set up an advisory panel, and they're going to commission an aboriginal artist to create that stained glass window, with the full expectation that the project will be finished in 2012. That's a legacy that will always be there.

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

Your time is up, Mr. Clarke.

Colleagues, we will now suspend this meeting until—

**Ms. Linda Duncan:** Mr. Chair, on a point of order before we suspend, can I please request that the officials come back? I believe we'll be finished voting in plenty of time for the officials to return.

**The Chair:** I'm just suspending the meeting. I fully hope that we will have some opportunity to question further.



If members hurry back after the vote, we should have some time for questions and some answers, and then we'll want to vote on the supplementary estimates before 5:30.

Thanks, colleagues.

We'll suspend now.

• (1620) \_\_\_\_\_ (Pause) \_\_\_\_\_

• (1705)

**The Chair:** Members, we will call this meeting back to order. We are still considering the estimates.

The officials are here with us for the next number of minutes.

Colleagues, we will want to complete our questioning by 5:20 so that we can vote on the estimates.

We will now turn to Monsieur Genest-Jourdain, for seven minutes.

**Mr. Jonathan Genest-Jourdain (Manicouagan, NDP):** Have you initiated any new federal laws with your cabinet to ensure environmental assessment and regulation on first nations' lands, including in the north?

[Translation]

**Mr. Michael Wernick:** The department of Environment is in charge of environmental assessments on reserves. It works with the Canadian Environmental Assessment Agency on projects on reserves. However, there is no bill per se.

**Mr. Jonathan Genest-Jourdain:** Are there directions or measures to apply in order to help populations that have problems with, for example, oil spills or things like that, in isolated communities, say North of 53?

Are there directives on that?

**Mr. Michael Wernick:** There is a legal framework for oil development on reserves. It is the Indian Oil and Gas Act. During the last Parliament, several amendments have been passed, and the act has been updated. We are now implementing the new regulatory framework. This is done with the full cooperation of the first nations who own these resources. The Indian Resource Council is the custodian of this process.

• (1710)

**Mr. Jonathan Genest-Jourdain:** So the communities must be directly engaged in the review process?

**Mr. Michael Wernick:** That's something else. Consultations about pipelines going through aboriginal lands and reserves are led by regulatory agencies, such as the National Energy Board or the Canadian Environmental Assessment Agency. They operate in a set fashion, and the process is financed by a third party.

**Mr. Jonathan Genest-Jourdain:** This is a question I would have liked to ask the minister, but do you have plans to clean up the school property in Attawapiskat?

**Mr. Michael Wernick:** I don't have any specifics about that community, but I'll forward the answer to your clerk.

We manage contaminated site all over the country, in the North and in the South. I know your committee looks into this. The

program has just been renewed for five years. We are now prioritizing the sites and rehabilitating them according to a five-year plan.

**Mr. Jonathan Genest-Jourdain:** I'll now leave the floor to my colleague.

[English]

**Mr. Dennis Bevington (Western Arctic, NDP):** Thanks, Chair.

I'm just going back to some of the items in the main estimates. One of them is "Northern Land, Resources and Environmental Management". The budget was reduced from \$293 million in 2010-11 to \$73 million this year. Could you tell me what programs have been sunsetted or eliminated under that?

**Mr. Michael Wernick:** I'll have to check with my colleagues. I'm guessing that the main estimates reflect the fact that there was sunsetting. Main estimates are usually prepared before the beginning of the fiscal year and do not reflect decisions taken in the budget. I know that this is frustrating for committees like this. Whatever was renewed in the budget shows up in supplementary estimates (A), supplementary estimates (B), or supplementary estimates (C).

**Mr. Dennis Bevington:** Do you have anything that's been added to Northern Land, Resources and Environmental Management in supplementary estimates (B)?

**Mr. Michael Wernick:** In this particular package, no. But there will still be supplementary estimates (C) this year. I can certainly find out if there is something. My understanding is that there will be three rounds of supplementary estimates this year.

**Mr. Dennis Bevington:** Will you get back to us with that information?

**Mr. Michael Wernick:** I'm checking with colleagues if I can get it before we leave.

**Mr. Dennis Bevington:** Once again, under "Contribution for promoting the safe use, development, conservation and protection of the North's natural resources", you went from \$82 million in 2010-11 down to \$24 million.

**Mr. Michael Wernick:** If you are reading from the main estimates, I'm sure that what we are discussing are sunsetters. I'd be happy to look into that.

**Mr. Dennis Bevington:** Within the overall budget, then, would you see there being additions to these areas in the supplementary estimates?

**Mr. Michael Wernick:** You'd have to look at the spending this year, which would be in the main estimates, plus supplementary estimates (A), plus supplementary estimates (B), plus supplementary estimates (C).

**Mr. Dennis Bevington:** Do you have anything in supplementary estimates (B) in this particular category?

**Mr. Michael Wernick:** I think the initiative about cumulative impact monitoring programs announced in the budget is actually in this package. There's some money for Nunavut and the Northwest Territories.

**Mr. Dennis Bevington:** How much was that?

**Mr. Michael Wernick:** I understand it was \$9.6 million. There is some money in this particular package to underwrite the Beaufort regional environmental assessment the minister mentioned, which is an environmental assessment for the whole delta and offshore area. Instead of one assessment per project, the one for the region will cover multiple projects.

**Mr. Dennis Bevington:** In the main estimates you did sunset \$289 million for supporting investments in first nations infrastructure for school construction, water and waste water projects, and on-reserve housing. Has that money been put back into the budget in the supplementary estimates?

**Mr. Michael Wernick:** The spending this year will be very similar to that for the year before, except for the parts that were specifically tied to Canada's economic action plan, which had a two-year injection. The baseline spending this year will be very similar to that in last year, with the exception of the CEAP.

• (1715)

**Mr. Dennis Bevington:** Do you know what that amount was?

**Mr. Michael Wernick:** Community infrastructure is around \$1 billion all-in.

**Mr. Dennis Bevington:** How much of that would have been the Building Canada fund?

**Mr. Michael Wernick:** Sorry, the CEAP would have been on top of that. As the minister said, in the CEAP we got a two-year injection—one-time only spending, that is, use it or lose it—for projects that were shovel-ready, which amounted to about \$1.3 billion or \$1.4 billion. Those projects are all essentially complete now.

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

Mr. Wilks, go ahead for seven minutes.

**Mr. David Wilks (Kootenay—Columbia, CPC):** Thank you, Chair.

Thank to the committee for coming back after the vote.

As you're aware, the rights of aboriginals are very important to our government. They're at the forefront. I'm wondering if you could elaborate on why it's important to have legislation to provide matrimonial real property rights and protection to people living on reserves.

**Mr. Michael Wernick:** I appreciate the question.

I think this committee will get ample opportunity to discuss this when the bill arrives for your consideration shortly. This will be the fourth attempt, I think, to pass matrimonial property legislation.

The situation was created by court decisions almost 20 years ago, which voided the application of provincial law in this area. It meant that spouses on first nations reserves, male or female, who had a marriage breakup because of death or divorce had nowhere to go to get recourse and no security in terms of matrimonial property division. If you or I had to do it, we'd always have the provincial courts to go to. First nations people don't have those, and so there is a very hard burden on first nations' women and their dependants. It has gone on for a very long time. There have been many attempts to wrestle with this.

We were talking about consultation and engagement. There was a process that cost nearly \$8 million and criss-crossed the country. There was a special representative, Wendy Grant-John, for this. It's not an easy subject. There are a lot of technical issues in terms of administration and application. The government has retabled Bill S-2, and I understand that it is headed towards this committee.

**Mr. David Wilks:** Thank you.

I wonder if I could just switch gears for a second, Mr. Chair, and go back to something that was discussed prior to the break. Both Dr. Bennett and Mrs. Duncan alluded to this. It was with regards to water and waste water requirements of first nations. One thing they both failed to speak to was the fact that we need regulations and laws to come into effect to make sure that drinking water and waste water systems conform to safe standards. We see that off reserve, certainly with municipalities. I wonder if you could speak to that, and to how important it is to have the regulations and laws in place so that when we put waste water and water treatment systems in place in first nations communities, they stay in place for some time.

**Mr. Michael Wernick:** I would commend to the committee, if you want somebody's independent view on this, the spring report of the Auditor General, Chapter 4. Madam Fraser talks about this quite extensively and comes down very clearly on the need for a legislative basis and standards. I certainly agree with that, and I talked about this at the public accounts committee last month.

There are several pieces of the puzzle to improve results at the end of the day. There is no question that building the physical infrastructure—the plant for treatment and distribution of water and waste water—is part of it. What we learned in a number of communities on and off reserve is the importance of operator training and management. You'll remember Walkerton and Prince Albert, and other things. You must have people who are well-trained in the management and operation of these things, as well as a system of reporting and management and accountability on that.

What happens outside first nations reserves to pull it all together is that there's a legislative framework and a set of regulations. So engineers know what to design to, operators know what to manage to, and governments know what to police and regulate. That's completely missing in first nations communities. So the regulations are important glue in making the whole thing operate properly. It holds the operators to account, the managers to account, and my department to account as well.

**Mr. David Wilks:** Thank you.

Do I have time, Chair?

**The Chair:** You have about three minutes left.

**Mr. David Wilks:** I defer my time to Mr. Payne.

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

Thank you, Chair.

I'm very pleased to have you folks come back after our votes.

One of the things we were doing in the last Parliament was our study of Nutrition North. We heard there were a number of problems, particularly with the food mail program. I wonder if you could give us a bit of information on the high cost of living in the north and how Nutrition North is benefiting northerners.

● (1720)

**Mr. Michael Wernick:** I appreciate the question. Certainly we've talked about it at this committee many times.

The new program came into effect on April 1 and replaces the old food mail program, which, just as it sounds, paid Canada Post to deliver parcels of food to communities. There was very little transparency and accountability as to what happened with that money. I got lots of questions about the money we transferred to Canada Post in previous years.

The new system changes the design so that it is the retailer that is subsidized. We now have the point-of-sale data from retail stores telling us exactly what's being shipped. We have a set of rates per community and a set of eligible goods. All of that is out on the web and has been discussed quite a bit.

We have an advisory council of people who live in northern communities to help fine-tune this and there have been tweaks and adjustments made. There was a phasing-in period, which will end next year. Some things were left in the program but will drop out next year, and that's all been made clear.

We now know from the point-of-sale data where the subsidy is going and can report that to you more clearly. In the first three months, we know there were 6 million kilograms of food and eligible products shipped. We know about 25% of that was perishable vegetables and fruits; about 17% was milk and dairy products; 13% was fresh and frozen meat, poultry, and fish; and about 11% was perishable grain products.

The program is not designed to deal with all of the issues of the cost of living in the north. There are tax issues and northern allowances and other things that help compensate people. It's designed to focus the taxpayer subsidy on nutritious food commodities, and that's where we are right now, about half a year into the implementation of the program.

One of the things I like about it is that it's more transparent about where the money is going, and you as parliamentarians can see what you're getting for your \$60 million.

**Mr. LaVar Payne:** I don't know if you have any comments from your advisers in the north on that, and particularly from the individuals who are buying these products. Are they seeing some benefits? It is much more transparent for them as well, I presume?

**Mr. Michael Wernick:** It's difficult to judge from Ottawa. The people who are unhappy are the ones who get the media attention, and the squeaky wheel gets the grease, etc. There are people who are unhappy in some cases about the rate structure or the choice of commodities, and they've made that very clear.

My sense of it, from having people out in all of the nearly 100 communities, is that the program is being very well received. People are in a much better position and they're able to know who to complain to if the produce is not arriving in good quality. They start with the retailer and that's entirely appropriate.

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

Ms. Bennett, I do want to give you some time here.

Colleagues, I'm going to go a little bit past the time I had hoped, but I do know that you need to be out of here at 5:30. So we're going to have to run through the estimates very quickly, because I do want Ms. Bennett to get in at least a portion of her questions.

**Hon. Carolyn Bennett:** Thank you, Mr. Chair.

It won't be in the estimates because it just happened, but with Attawapiskat, I understand that in your department's evaluation on intervention, the officials agreed that while third-party management was undesirable, it's occasionally unavoidable, or should be reserved for situations where there is unwillingness or a total lack of capacity, or where the creditors are threatening to garnishee first nations funds.

I also understand that it costs an average of about \$180,000 to have third-party management. I am wondering what the process is. The minister gave an answer around efficiency, but it seems pretty brutal. I haven't seen any lack of willingness to cooperate on the part of the chief and council.

**Mr. Michael Wernick:** One of the other reasons you can invoke third-party management is for health and safety issues, and that was the recommendation I gave to the minister earlier today. Our people came back and said there was an urgent health and safety issue, and that's certainly the consensus in the media coverage.

The reason we did it was to get decisions taken quickly. I'm not in the business of blaming anybody here. This is a community that has had a lot of trouble with speed to decision. There's a long history here that will become clear when the audit is done and we've had a chance to dig deeper into it. They're doing their best in difficult circumstances, but they take a very long time to take decisions.

We want to deal with the current situation before the winter, to make sure there's a safe, warm, and dry place for people. The community twice chose not to use its own emergency management plan, and that's very frustrating to us, of course. The Red Cross did not speak to the Ontario emergency management people before they started intervening.

We need to make some decisions very quickly so that people are safe for the winter. Then there will lots of time to discuss what happened and whether the money was well spent.

One of the other things the minister asked me to trigger was an audit. The audit will look not just at what happened in terms of the flow of money through the community, but at our own vigilance and surveillance of that money as well. We'll let the chips play, and we'll see what information turns up.

● (1725)

**Hon. Carolyn Bennett:** When there was the sewage backup two years go—again, from the donated construction trailer—the stories are that the department refused to help out in that situation, whether it was evacuating or getting these people out of the homes where the sewage had backed up.

Can you tell us about that, because it seems to be where the band got into some trouble in terms of cash management?

**Mr. Michael Wernick:** This was the first instance that I am aware of. I'll tell you what I'm aware of, and we may uncover more things over the next little while.

There is an emergency management plan. Each first nation has its own plan and they're responsible for developing and implementing it. There are safe facilities in the community. There is a healing centre. There are other facilities.

Evacuation out of the community is not the first choice for people: It disrupts families and so on. The community had choices in that situation that it didn't exercise, and I still don't understand exactly why. We're going to try to get to the bottom of the chronology of that.

They acted unilaterally, declared an emergency and a need for evacuation, which other people in the emergency management business didn't agree with, so we got into an argument about whether we should reimburse them for a unilateral decision or not.

But in all of these situations, we put the health and safety of the community residents first.

**The Chair:** Thank you. I hate to jump in, Ms. Bennett. I know there are more questions, but it's important that we get through the estimates. I did want to make sure that you had at least an opportunity.

Thank you very much, witnesses, for being here. We appreciate the information you've been able to provide to this committee.

Committee members, I'd like now to run through the votes, if there is a willingness to do that.

You have copies of the votes before you. I think everyone had an opportunity to ask questions with regard to these votes, so I'm hopeful that we can move through these very quickly.

I will begin.

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Department

Vote 1b—Operating expenditures.....\$287,667,458

Vote 5b—Capital expenditures.....\$2,783,054

Vote 10b—The grants listed in the Estimates and contributions.....  
\$251,238,851

(Votes 1b, 5b, and 10b agreed to)

HEALTH

Canadian Northern Economic Development Agency

Vote 27b—Operating expenditures.....\$308,094

Vote 29b—Contributions.....\$1,697,756

(Votes 27b and 29b agreed to)

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

**Some hon. members:** Agreed.

**The Chair:** Colleagues, thank you so much again.

Officials, thanks so much for your testimony today.

The meeting is adjourned.

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