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Chair

Mr. David Christopherson

Standing Committee on Public Accounts

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• (1530)

[English]

The Chair (Mr. David Christopherson (Hamilton Centre, NDP)): I call meeting number 8 of the public accounts committee to order.

I would remind colleagues that this meeting is being televised.

Perhaps our guests could wait for one moment. I want to do a little bit of business quickly and then we'll be right with you.

Colleagues, you see the agenda. There are two items. The first one is, of course, the hearing that we're about to conduct. The second item is committee business, which you have in front of you. It's the fourth report of the steering committee, with one amendment that item number 1 would include a notice that a week today that hearing would be held. We had already agreed on that date, and the rest will come as opportunities arise. That was the recommendation. It's the unanimous recommendation of the committee. I certainly will entertain any questions. I'm hoping, though, that we can deal with this fairly quickly.

Maybe Mr. Kramp would move it. Do you want the floor?

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

This was discussed quite extensively at the steering committee. We've come up with a formula, and as such, each individual party had opportunities to state preferences on that. We've come to this conclusion for the assessment of study. I would be prepared to move it at this time so that the clerk can get on with arranging witnesses and we can get into a structured focus for this next session.

The Chair: Thank you.

It is duly moved and commented on. Are there any further comments or questions?

(Motion agreed to [See *Minutes of Proceedings*])

The Chair: Thank you, committee.

Now we will revert to item number 1, which has become item number 2, and welcome our guests and thank them for appearing today.

We'll start with John, because that's the right way to do it, I think. Would you all introduce yourselves?

I understand there are two opening remarks prepared and that they have been duly circulated to committee members.

With that understanding, John, would you introduce yourself and then we'll move to Mr. Barrett and to introductions.

Mr. Wiersema.

Mr. John Wiersema (Interim Auditor General, Office of the Auditor General of Canada): Thank you, Mr. Chairman, and good afternoon to members of the committee.

As I think you know, my name is John Wiersema and I am the interim Auditor General. With me today are Ronnie Campbell, assistant Auditor General, and Frank Barrett. Ronnie and Frank have been the individuals who have been leading much of our work on aboriginal affairs over a number of years and are very knowledgeable on the subjects.

Mr. Michael Wernick (Deputy Minister, Department of Indian Affairs and Northern Development): I'm Michael Wernick, deputy minister and accounting officer for the department, now known as Aboriginal Affairs and Northern Development.

Mr. Douglas Stewart (Vice-President, Policy and Planning, Canada Mortgage and Housing Corporation): I'm Doug Stewart. I am the vice-president of policy and planning for Canada Mortgage and Housing Corporation.

The Chair: Thank you, and welcome.

Ms. Shelagh Jane Woods (Director General, Primary Health Care and Public Health Directorate, First Nations and Inuit Health Branch, Department of Health): I am Shelagh Jane Woods, director general, primary health care and public health, First Nations and Inuit Health Branch, Health Canada.

The Chair: Thank you, and welcome.

We will open with Mr. Wiersema. Your opening remarks, please, sir.

Mr. John Wiersema: Thank you, Mr. Chairman, and thank you for this opportunity to discuss chapter 4 of our 2011 status report, "Programs for First Nations on Reserves".

[Translation]

Over the past 10 years, the Office of the Auditor General has audited a broad range of services and federal activities affecting first nations. In this follow-up audit, we examined the government's progress toward achieving the commitments it made to address significant observations and recommendations from seven of those reports, issued between 2002 and 2008. We focused on the areas of education, water quality, housing, child and family services, land claims agreements and reporting requirements.

• (1535)

[English]

We noted in our follow-up that some progress was made in implementing some of our recommendations. Overall, however, we concluded that Aboriginal Affairs and Northern Development Canada, the Canada Mortgage and Housing Corporation, and Health Canada have not made satisfactory progress in implementing our recommendations.

In some cases, conditions have worsened since our earlier audits. For example, the education gap has widened, the shortage of adequate housing on reserves has become more acute, the presence of mould on reserves remains a serious problem, and administrative reporting requirements have become even more onerous.

[Translation]

Mr. Chairman, although departments have made efforts to implement our recommendations, the results have not led to significant improvements. This situation has led us to consider some of the causes that have inhibited progress on these issues.

In a preface to the audit, we identified four structural impediments that we believe severely limit the delivery of public services to first nations communities and hinder improvements in living conditions on reserves.

[English]

The first impediment is a lack of clarity about service levels. The federal government, mainly through Aboriginal Affairs and Northern Development Canada, supports services such as education and drinking water on reserves that are provided by provincial and municipal governments off reserves. It is not always clear what the federal government is aiming to achieve because it does not define what type or level of service it is committed to supporting.

The second impediment is the lack of a legislative base. Programs delivered on reserves are often designed and delivered based on federal departmental policies. Unlike provincial programs, there is no legislation supporting programs on reserves in such key areas as education, health, and safe drinking water. As a result, the services delivered through these programs on reserves do not always have well-defined roles and responsibilities, eligibility criteria, and other important program elements. There is also often a lack of clarity about federal responsibility for funding these services.

Mr. Chair, a third impediment that we identified is the lack of an appropriate funding mechanism. The federal government uses contribution agreements to fund the delivery of core programs on first nations reserves. Our audit found that many contribution agreements must be renewed yearly, which can cause disruptions and uncertainty for first nations in their ability to provide core services to their members.

With contribution agreements, the federal government does not necessarily accept responsibility for meeting any targets or goals, or for making progress. Contribution agreements often focus on activities rather than on results. They may not include service standards. As a result, it is often unclear who is accountable to first nations members when it comes to improving outcomes or achieving specific levels of service.

The fourth and last impediment I would like to discuss is the lack of organizations to support local service delivery. There are often no organizations, such as school boards, health services boards, and social services organizations, in place to support local delivery of programs and services. In contrast, provinces have established such organizations. Aboriginal Affairs and Northern Development Canada has started to work with groups that represent more than one first nation, but much more work needs to be done in this area.

Mr. Chair, change is needed if first nations are to experience more meaningful outcomes from the services they receive. In our opinion, real improvement in living conditions on first nations reserves will depend on many factors. These include addressing the structural impediments we identified in the preface to our chapter. In effect, Mr. Chairman, what the preface is calling for is a fundamental change in the government's approach to programs for first nations. And frankly, Mr. Chair, I think this is probably a bigger problem than Mr. Wernick, in his department, can address on his own.

We also recognize that the federal government cannot put all of these structural changes in place by itself. Federal officials must work with first nations, who themselves play an important role in bringing about the needed changes. We also recognize that the change required will not happen overnight. Solutions will take many years to fully implement, and they will have to involve many parts of government and include political leadership and the will to make the necessary changes to policies and to legislation.

This committee, Mr. Chairman, may wish to ask Aboriginal Affairs and Northern Development Canada for its views on the structural impediments, as well as what the government would need to change, including political direction, policies, and legislative reforms, in order to bring about the changes needed.

I should note, Mr. Chairman, that our audit work for this chapter was completed on November 1, 2010. We did not audit actions taken by the government since then.

That concludes my opening statement, Mr. Chairman. We would be pleased to answer the committee's questions.

• (1540)

The Chair: Very good. Thank you very much, Mr. Wiersema.

We go over to Mr. Wernick.

You have the floor, sir.

[Translation]

Mr. Michael Wernick: Thank you, Mr. Chairman.

This is my fourth appearance at this committee in the 65 months I have served as accounting officer for the department.

During that time, I have had the privilege of working closely with three remarkable ministers. I have worked through three prorogations of Parliament, two federal elections and seen changes at the top of almost all of the national and regional aboriginal organizations, as well as almost all provinces and territories, and almost complete turnover at the House and Senate committees we answer to.

[English]

One of the few constants in my time as deputy head has been our working relationship with the Office of the Auditor General. I do want to take this opportunity to go on record conveying my deep personal respect for Sheila Fraser, John Wiersema, Ronnie Campbell, and Frank Barrett, all of whom, alas, are moving on to other things. We've had a spirited, vigorous, and very productive working relationship, which I hope will continue with their successors.

I know, Mr. Chairman, from experience that the committee doesn't appreciate long opening statements, or even long answers to questions for that matter, so I'm not going to make one. There are some issues on which I could quibble with the findings of the chapter by pointing to progress that's been made since the chapter was put to bed last spring, based on a snapshot that was taken even earlier. I'd be happy to table those detailed responses with the committee, or commit to further progress reports if that's what the committee desires.

I'm not doing that to diminish the importance of the chapter—quite the opposite. Madam Fraser's parting gift to this new Parliament is quite simply the best piece of analysis on first nations issues in decades.

[Translation]

I agree with the Auditor General completely so I don't want discussion on the details of any of specific findings to distract from the power of her cogent central message. The six-page preface is the best road map Parliament could ask for.

[English]

I'll take just one quotation from page 2 of the report:

We believe that structural impediments severely limit the delivery of public services to First Nations communities and hinder improvements in living conditions on reserves.

Absolutely.

Having participated in the evolution of these issues for the past five years, I am confident that the next year or two can mark a turning point in this area, and for our country, if we listen to that clear advice. I hope we're prepared to work together across departments, across federal and provincial jurisdictions, across public and private sector boundaries, and across partisan political interests to use the road map and make structural changes that are required.

It's quite probable that as members of this new Parliament you will have the opportunity as legislators to put in place modern legislative foundations for education, water standards, new approaches to financing infrastructure, and procedures for free and fair elections; to enhance the capabilities and transparencies of first nations governments; and of course to implement new treaties and settle old historic

claims. It's by working together with first nations and others that we'll be able to move on all of the critical aspects highlighted in chapter 4: education, water, housing, child and family services, treaty implementation, and reporting burden.

[Translation]

Let me conclude with one more quote:

Change is needed if first nations are to experience more meaningful outcomes from the services they receive. We recognize that the issues are complex and that solutions will require considered efforts of the federal government and first nations, in collaboration with provincial governments and other parties.

[English]

I would be pleased to take your questions and try to explain what the women and men in my department are doing right now to make progress where it's possible with the tools we have, and to discuss the work we have under way with many partners to set the table for structural change.

[Translation]

Thank you, Mr. Chairman.

The Chair: Thank you.

[English]

Thank you both for your presentations.

And again, thank you all for attending today. It's much appreciated.

We'll now begin questions in the rotation previously agreed upon, and we'll begin with Mr. Saxton.

You have the floor, sir.

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

From the outset I just want to say that our government has a strong and ongoing commitment to improving the lives of aboriginals. We have made progress and we are achieving concrete results in areas such as economic development, infrastructure, education, water, child and family services, and land claim settlements. We recognize that more needs to be done, but we also know that this work needs to be done in collaboration with first nations. We must build and strengthen capacity together and ensure there is transparency and accountability for all first nations communities. We will continue to move forward on initiatives that support progress and improve the lives of aboriginals.

My first question today is for the interim Auditor General. Sheila Fraser took time to pay particular attention to the efforts and actions of the government when it came to the \$70 billion in spending to improve aboriginal services. Can you explain to us why Ms. Fraser took such an effort to highlight this component of her report?

● (1545)

Mr. John Wiersema: Thank you for the question, Mr. Chair.

The former Auditor General, in recognition of the importance of first nations programs, their size, their significance, and the challenges facing government, very early in her mandate identified aboriginal issues as one of her focus areas. So it has been throughout the former Auditor General's mandate an area in which we have undertaken a significant amount of audit activity, as I indicated in my opening statement. We followed up on this particular piece on seven of those audits. Mr. Wernick tells me that over 30 of those audits touched on first nations issues, so it was an area of focus that was identified right at the beginning of Sheila Fraser's mandate. Mr. Campbell, I believe, led the work on Sheila's behalf, on the office's behalf, for the majority of that period.

Mr. Andrew Saxton: Thank you.

My next question is for Aboriginal Affairs.

Many agree that we cannot just throw more money at a problem we discussed here, and that there needs to be a new approach to addressing these issues. We recently announced the joint action plan with the AFN, for example, to look at things like education and governance. Can you comment on how partnerships can be a better approach to improving the lives of aboriginals in Canada?

Mr. Michael Wernick: Thank you for the question.

There are many aspects to the possible answer. I'll try to be very brief.

I think it's very clear from experience over the last 20 or 30 years that it is impossible in this area, as it is in others, to simply legislate or make changes in programs without the direct involvement of the people who are affected. That's especially true of aboriginal people, who have entrenched rights in the Constitution and will very much want to be shaping programs, services, and legislation that affect them.

The challenge for governments is always how far can you move with partners. How much agreement can you get on legislative changes? It's been a very thorny issue for governments and parliaments in the past. There have been successes and legislation has been successfully passed by Parliament, and we hope there'll be more in the coming Parliament.

The other partnership that is becoming very important is the involvement of provincial governments. We create a three-corner conversation, which we tend to call tripartite. That's because the services we've been talking about in this chapter are the kinds of services most Canadians get from provincial governments: education, water, housing, child and family services, and so on.

Whatever public policy or public administration expertise there is out there, it tends to be in provincial governments or provincial institutions. If we can get first nations governments working together—not overseen and not regulated by but working together—with provincial governments, and our involvement of course, financially and otherwise, then we think we have the winning recipe for enduring change.

Mr. Andrew Saxton: Thank you.

My next question is also for Aboriginal Affairs, but also Health could decide to respond to it as well.

We've signed a number of tripartites across the country with provinces and first nations on child and family services. In fact, a tripartite agreement was just signed in north Vancouver recently regarding the delivery of health services. A critical part of these tripartites is defining culturally appropriate services and placement options. Can you explain why this is so important?

Mr. Michael Wernick: I think in the history of first nations in Canada there is a great deal of concern about what child welfare policies have done in the past. The most striking example would be residential schools, children being forcibly separated from their families and communities and brought to residential school settings. There have also been examples of what they called the “sixties scoop”, of well-meaning child welfare agencies removing children from what they saw as harm by bringing them out of communities and into a non-aboriginal context.

There's been a lot of work done by provincial child welfare ministries, first nations, and the agencies to try to provide for the protection of vulnerable children who may be in harm's way in the community—wherever possible—and to use the extended family structure, which they call kinship care, to provide either prevention or protection services for those children. There have been successes in those. It's an incredibly difficult area, and you're dealing with vulnerable children, but there have been some real successes with that approach. And again, it involves the provincial child welfare authorities and the first nations-run agencies working closely together.

● (1550)

The Chair: Your time has expired, Mr. Saxton.

Thank you both very much.

We're over to Monsieur Caron.

[Translation]

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Thank you very much, Mr. Chairman.

We're talking about quite significant structural problems. The Auditor General discussed four main structural problems. She mentioned poorly defined service levels, a lack of a legislative base, deficient funding mechanisms and a lack of organization to support local service delivery.

The structural problems are really central to the problems we have observed in relations with first nations, particularly managing or obtaining services. I believe that raises some general questions.

I would like to be able to summarize a few of the Auditor General's past reports. They identified the same problems. Among others, in 2000, 2003 and 2004 in particular, an important factor appears to have been the department's interpretation of its role with regard to services to first nations and on reserves.

In 2004, the Standing Committee on Public Accounts, which had reviewed the 2004 report, indicated that the committee was not satisfied that, even if it had a clear set of roles and responsibilities, the department would want or be able to translate them into practical and useful policies because it did not necessarily have a clearly defined understanding of the role and responsibilities under the Constitution Act.

One thing isn't clear in the subsequent reports. Since that time, has the department clarified its role in program management and its relations with first nations? Is it more a guardian or manager role?

Mr. Michael Wernick: Thank you.

I believe the report's diagnosis reveals a problem regarding clarification of roles and responsibilities. Our first role is a funding role. All the tools we apply in the context of the services we are concerned about today are the funding agreements. So we provide funding to the government of a first nation, which must use that funding to offer certain services to its members. The reports the first nations governments must submit to us are the only parliamentary accountability mechanism. We're talking about the problem, about the burden that this report constitutes, but it's necessary because there is no other mechanism. I don't have the exact text to hand, but the report states the following.

[English]

We over-rely on contribution agreements, so that is a big limitation. We do what we can with funding agreements, but we do not deliver very many services directly to first nations. We do register land, we register people, we negotiate at the table on land claims, but what we're generally doing is financing a first nations government or first nations institution, and they're doing the best they can in the context they have.

[Translation]

There's a problem of scale. Most of those governments are very small.

Mr. Guy Caron: I believe my next question is for the Interim Auditor General.

Given the structural problems and the limits you have just pointed out, what steps could be taken to increase the level of responsibility? Or do those structural impediments in fact prevent the level of responsibility from rising and thus make an improvement in the situation more likely, easier?

[English]

Mr. John Wiersema: Mr. Chairman, I'll ask Mr. Campbell to elaborate in a moment, but in terms of potential solutions dealing with how the federal government funds these services, there are two things that come to mind.

Earlier this week this committee heard from the Treasury Board Secretariat and the Comptroller General, and they talked about how the main estimates process works, how the expenditure management

system works. You heard that, I think it was, two-thirds to three-quarters of federal spending is statutory, where the legislation sets out a certain level of funding requirements and departments and individuals entitled to that receive it automatically because it doesn't need to be voted on annually.

One very good question that the government, this committee, Parliament, could consider is the extent to which it wishes to use statutory funding for providing services on first nations, and I believe the preface to the report talks about that. A lot of these services, education services, are going to be required this year, next year...and one option is to look at changing the basis of funding from voted appropriations to statutory funding.

The other one is the one we've talked about, the use of the contribution agreements. I look at the annual contribution agreements to provide education services on a particular first nation. It's done every year. And there's lots of bureaucracy around that. You have to get the agreement renewed every year. By the time the first nations actually get some money, a good part of the year might be passed.

I know that Michael and his department are already moving towards the use of multi-year funding agreements. If that continues to be the basis of funding—the use of contribution agreements—then absolutely the use of multi-year funding agreements makes incredible sense.

And the other issue, as I said, is funding through statutory appropriations rather than voted appropriations.

Mr. Chairman, if time permits.... It doesn't?

•(1555)

The Chair: Sorry, no, we're already almost a minute over the time for that rotation, but hopefully we can get that answer in another response.

Thank you both.

Mr. Kramp, you have the floor, sir.

Mr. Daryl Kramp: Thank you very much, Mr. Chair.

I have many, many questions, and I do not know whether we're going to be able to get to them or not, but let me say that this occasion is one of the most frustrating and disappointing times of a parliamentarian's existence. I came on this committee in 2004 when the report was registered. At that time, dealing with education alone, it said the first nations would take 15 years to get caught up to an acceptable standard. We come back three or four years later and it says it might be 20 years. Now it may be 25 years. We are regressing. There is no progress. That is clearly not acceptable. With the greatest of respect, both positively and negatively we're getting a broken record—we have the same problem, we have the same problem, we have the same problem.

I know we have to make commitments; we have to make changes. The thing is, the results are not there. The bottom line is that we do not have the results. We need results. We have to have a sense of direction going forward. I would hope that when we move collaboratively with our witnesses here we can take a look at some serious recommendations. One of my colleagues has mentioned them. And of course I heard the statement from our witnesses: it's money. We maybe need more funding to deal with it, too.

Let me read from a statement. In 2004 the Auditor General reported that there was a "significant gap in educational achievement, measured by secondary school graduation rates." It goes on and on. In the 2011 follow-up audit, the Auditor General stated that they launched a new educational initiative in 2008. They compared the formula they had used with the formula used by several provinces, with the finding that per student funding was similar. Well, funding is similar in areas outside first nations and they're having success. Inside first nations, with the same amount of funding, we don't have success. We must have answers that give us a clear direction.

Mr. Campbell, I know you've worked on this follow-up for a long time. I'm sure you share the frustration that a number of members of this committee and certainly most Canadians face, in addition to first nations representatives themselves.

Where do we need to go, sir, to get a clear movement out of government to bring all these partners together? We now have a joint action plan that is brought forward with cooperation between the minister and the assembly of chiefs. Is that a good first start? We need a road map here, sir. I'm simply not seeing one that's going to give us definitive results. What are your thoughts?

Mr. Ronnie Campbell (Assistant Auditor General, Office of the Auditor General of Canada): Thank you, Mr. Chair.

Thank you for the question.

Yes, I do share your frustration. I've been here many, many times on this issue, and on those issues in different departments.

I think the people we deal with in government share that frustration. They may not articulate it in the same way that an independent audit office might at this table, but I'm encouraged by that, Mr. Chair. We are not having the arguments on values with the federal officials at all, and I think today you heard Mr. Wernick call for better tools. They need better tools. I firmly believe they want to go in the direction that we're talking about.

Of the four issues that we've mentioned as things that need to be fundamentally addressed, I would like to make the point that they go together. You can't solve this by simply legislating everything. The legislation needs to be related to something, and part of what needs to be done in all of those cases are service levels.

Mr. Wernick talked about providing finances to first nations and they're doing the best they can. Well, it's almost like asking "How long is a piece of string?" They're doing the best they can with the funding they get. Without a target and without these service levels saying this is what we're supposed to be doing and this is the funding to do it, everyone remains unsatisfied. No one's satisfied, and the member asking the question isn't satisfied. We're not satisfied. I don't

think the bureaucrats are satisfied either. You need all four of those things.

• (1600)

Mr. Daryl Kramp: Okay, thank you.

Mr. Wernick, can you give me some hope, sir? I know you're working hard on this file. Please don't take any personal offence to my comments, because I know it's an unbelievably difficult challenge. Can you give us some area of optimism that we can possibly achieve some definitive results moving forward?

Mr. Michael Wernick: Thank you for the question, and yes, I'm very optimistic. I wouldn't come into work every day if I weren't. I think there are some things in the context of the next couple of years that are encouraging.

The first is—and I hate to sound as though I'm sucking up to the Auditor General—I think this is a very good road map, and I agree entirely with Ronnie's comment that all four pieces fit together. The legislation can provide the standards. It can create bodies like school boards. It can stabilize funding so people can plan and so on. So all of the pieces can give you some comfort, I think, that results would improve if we went down that road.

The other encouraging sign in my tenure, which is only four or five years, is that there's been a massive increase in the engagement of provinces. They used to sit back and...with all due respect, the attitude was that they're Indians so they're a federal problem. That is just not happening anymore. They're all willing to engage, to put their people and sometimes their money and their experts on the table. That's very encouraging. It's the private sector, universities, foundations, and all kinds of people. I get a call every month from somebody saying they want to get involved and asking who they should talk to and how they can help.

I think that through mobilizing multiple partners around this and hopefully keeping this a relatively non-partisan issue, this Parliament really can make historic breakthroughs.

The Chair: Thank you, both.

Next is Monsieur Dubé.

[Translation]

Mr. Matthew Dubé (Chambly—Borduas, NDP): Thank you, Mr. Chairman.

I also want to talk about education because I believe education is a good foundation for progress and structure.

Recommendations were made by the Auditor General and by the members of this committee in the previous reports, particularly that of 2004. Is it possible to provide more details on the issues? Why were the results of the education action plan's implementation so unsatisfactory?

Mr. Michael Wernick: That's a very good question. I entirely agree that education is a basic problem that has to be addressed, or rather the basic solution. Education is the basis of social progress, economic progress and better governance for the communities. I believe the government has acknowledged that. It made a commitment in the last throne speech and in the last budget.

As we cannot impose any solutions, we have established a mechanism for the Assembly of First Nations. An expert panel is currently travelling and will submit its report and recommendations to the minister and national chief before Christmas. That will at least lay the groundwork to enable parliamentarians and other individuals to commit to courses of action. I hope the report will contain quite specific recommendations. It is not our report; it's an entirely independent exercise.

[English]

In the meantime, we have pursued partnership programs. We have made investments in schools. We are developing agreements where we can, with local school boards and education authorities.

One of the issues is—and people don't like to talk about this—the small size of the communities. You're talking about first nations with a median size of 410 people. That means half of them are smaller than 400, with fewer than 200 adults. Without school boards, without structures that bring people together on a geographic basis

[Translation]

like the school boards in the provinces

[English]

to share some of the resources, it's very difficult for the best-meaning teachers and principals in a small community to get the kinds of results, no matter how much money is put into those kinds of situations. I don't want to be misinterpreted—financing and stable, predictable funding are certainly part of the solution, but without the other structural pieces, I wouldn't expect a big gain in results.

• (1605)

[Translation]

Mr. Matthew Dubé: Thank you.

I have no doubt about the work you're doing. However, we can see from the report that funding may not be the central aspect of the problem.

I have reservations about the findings outlined in the report where they are linked to the former recommendations. According to the latter, the idea was to develop a plan by consulting the first nations. In your response, you mentioned the size of the reserves and of the communities, which are smaller. Perhaps they are in a position to work with the provinces to put forward solutions. If the auditor is providing a good road map, as you said earlier, why, after a number of attempts, have we not managed to find a solution with the cooperation of those communities?

Mr. Michael Wernick: We've found solutions locally and regionally. I could cite a number of examples of progress made across a region, a first nation and even a province, such as New Brunswick or British Columbia. However, a national solution would require the engagement of all regional coalitions and the Assembly of First Nations. It is really difficult to achieve a consensus on specific measures. I believe we can readily agree on the diagnosis, but not on the specific solutions.

[English]

There are a lot of different views out there on what should be done and how to do it. If you follow what's happened with legislation affecting first nations over the last 10 or 15 years, you will see that none of them have been easy. They have always been controversial and they always require a decision by Parliament: are we prepared to move with this despite the fact that not everybody is happy about it? And that's going to be the case when we bring forward legislation about education or water or any of the other pieces the government has in mind for this Parliament.

The Chair: The time has expired. Thank you both.

The next speaker is Mr. Aspin.

You have the floor, sir.

Mr. Jay Aspin (Nipissing—Timiskaming, CPC): Thank you, Chair.

And welcome to the presenters.

The AG's report focuses on a number of different areas. My question is relative to the area of water quality. The report identifies a need for legislative standards for both water and waste water systems on reserves. As you are all aware, we have a bill that addresses this concern, the Safe Drinking Water for First Nations Act.

Mr. Campbell, could you enlighten me with your comments as to why this is so important?

Mr. Ronnie Campbell: Certainly, Mr. Chair, and thank you for the question.

It is very important, and I would say that when I first started auditing in this area—far too many years ago—the federal government was of the view that it was not really its responsibility but it was helping out where it could. Things have come a long way in that regard. They have a long way to go.

But the quality of water is such a fundamental, basic thing that we all just expect to have every day. I saw something in the *Ottawa Citizen*: shock and horror that some part of the city had a boil water advisory and it made the front page of the newspaper. Well, that happens every day in first nations communities. It happens all the time. It's a normal part of what they have to face.

When we did our last audit, 75% of the systems were at high risk or medium risk in first nations communities. Now that number is 50%, so it is progress, but there is a long way to go.

What I would say about the legislation is that when it comes into place, that'll be a great step forward. It needs regulations. But then if I go back to the four pillars, it also needs funding. And when we did the audit, that was unclear. The legislation would get passed, then there would be regulations, and then it would be rolled out wherever it was possible to roll it out. But I think we need to have clearer service standards than that.

• (1610)

Mr. Jay Aspin: Thank you.

Could you outline for me possibly what the status of this water quality legislation is to date?

Mr. Ronnie Campbell: Thank you, Mr. Chair.

I think I'll let one of the others deal with that.

Mr. Michael Wernick: That's aimed at me.

Thank you for the question.

The government has made a commitment to bring back a bill on the issue of water and waste water standards. I don't know exactly when the minister and the House leader will agree on introduction. We're expecting it to be fairly soon.

In the meantime, we're taking advantage of the hearings that were held in the Senate on the previous version of the bill and trying to discuss with some of the first nations organizations whether we can improve the bill, address some of the concerns they raised, and make it more palatable to them, and hopefully it'll go forward.

I think it's part of that piece that if you have clarity of roles and responsibilities and you know what the standards are, then you know what the engineers have to build to and you know how to train the operators and the inspectors. It just keeps holding everything together. What is holding it together now are funding agreements, and that puts me and my department in the position that if something is going wrong with the operation or construction of a water facility on reserve, my sanction is to take away the funding from the community. How does that work?

What we need is a much clearer sense of who's responsible for what, including the department—it's not an offloading issue—so that everybody knows their part of delivering this service.

We think that standards legislation will anchor further improvements in quality on reserve.

Mr. Jay Aspin: I'd like to ask a question to Mr. Wernick.

Could you briefly outline what kind of investment has been made in water quality to date?

Mr. Michael Wernick: I probably could get you more precise numbers. The investments have been significant, and to be fair they go back to about the 2003 budget. The current government made further investments in the 2006 budget, and it renewed some again I think in 2009. We also benefited from further resources that were available in the stimulus package, Canada's economic action plan, so between us and Health Canada, we're running at about \$400 million a year. It would be well north of \$2 billion in the last six or seven years. I'd be happy to provide a financial table on that.

The government's view was that was part of it, but if you don't train the operators and have the regular oversight and governance, some of that investment won't deliver the results you want. So there has been a parallel investment in monitoring, testing, training, all of those sorts of things, and the last year has seen a lot of clarity around the state of infrastructure. The department commissioned a very thorough engineering assessment of every single facility on every single reserve. That was released in July. It's on the Internet for everybody to see. It's not an entirely pretty picture, but it tells you exactly where we can start and where we can make investments that will have the biggest return.

The Chair: Thanks very much.

It's over to Mr. Byrne.

You have the floor, sir.

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Thank you very much, Mr. Chair. I'll address my first question to Mr. Campbell.

As senior audit captain, I've been involved in this for quite some time. I'm not going to drag you into a place you don't want to go, but the language Mr. Wiersema has used seems pretty clear that the jurisdictional issue between federal and provincial governments is a key in terms of providing solutions. You've noted very, very well that capacity and capacity-building is a key and fundamental aspect to getting these services efficiently and effectively into first nations communities, and that capacity is very tough to develop, especially when they're small communities or not-so-rich communities.

Mr. Campbell, would you feel that the provincial government, with its expertise in school boards, hospital boards, providing social services within that jurisdiction, would be very helpful to getting these services in place on first nations reserves?

Mr. Ronnie Campbell: Thank you, Mr. Chair.

Thank you for the question.

The member mentioned jurisdiction, and certainly in Canada the expertise in many of these areas does lie within provincial jurisdictions. However, there is another very, very important jurisdiction, and that's first nations jurisdiction. We do mention in the report that this is not easy, and I'm sure Mr. Wernick will tell you in much more detail than I can about how difficult it is, because you have to get first nations to the table. They are concerned about their jurisdiction and they don't want to become wards of the provinces. That's an important factor.

● (1615)

Hon. Gerry Byrne: That's a very good point, getting the three corners to the triangle, the three parties.... It's not to suggest that this is a new concept, because in 2003 there was a process that began to get the three parties to the table. It concluded successfully I think in 2005, with the development and signing of the Kelowna accord. For the first time, the provinces took a very, very specific proactive role in a solution, both on and off reserve, and they were prepared to actually participate.

Mr. Wernick, my question now goes to you. Given the fact that we had a process six years ago—it began eight years ago and was completed six years ago, in intent—would first nations on reserve be better off today based on criterion and indicators if the Kelowna accord had been implemented in 2005-06?

Mr. Michael Wernick: That's a very speculative question. I'll take a stab at it, much to my peril, no doubt.

I worked very intensely on the Kelowna accord, as you may recall—I was serving in the cabinet office for Prime Minister Martin—and I know a fair bit about the process that led up to it. It was an important achievement at the time. I don't want this to sound partisan, but the Kelowna accord did not commit a penny of provincial money. It was agreement by provinces that the federal government should spend money, and that's what provinces tend to do when they get together. I don't want that to be read out of context. I think people went to the table with a great deal of sincerity about solutions, and they identified some priorities.

Had your party been—

Hon. Gerry Byrne: But offering a non-monetary value such as expertise and capacity building seemed to be on the table at the time, which is what—

Mr. Michael Wernick: There was nothing specific on the table, other than good intentions. I think what would have happened in that world, had you been re-elected in 2006, is that the minister and the department would have been asked to go and talk to provinces about implementation. The implementation route would have been precisely the one we've been following for the last few years, which is to sit down with the Government of Saskatchewan and the Federation of Saskatchewan Indian Nations and work out what's appropriate in that jurisdiction. We're looking at docking with provincial services, which are different across the country, and meeting comparability with provincial norms, which are different across the country. The education curriculum in Newfoundland is not the same as the education curriculum in Quebec.

We would have been going down a route of tripartite arrangements, which is the route we're looking at now. I think what I've seen since 2005 is a rapid increase in the willingness of provinces either to put their money where their mouth is or to put their services and their experts on the table. This is a very encouraging sign.

Hon. Gerry Byrne: Would you as a participant in the original Kelowna say that some of the things that are happening today, some of the positive things that you note that Indian and Northern Affairs are doing in a tripartite way, were in play in 2003, 2004, and 2005? Would that be fair to say?

Mr. Michael Wernick: I think the dynamic of provinces coming into play on these issues was under way. I'm not sure if any of the first ministers that were at Kelowna are still first ministers now, but their governments are more and more engaged as each day goes by. There was a whole bunch of provincial elections this month, and I'm encouraged that we'll probably be able to make further progress with the current crop of premiers and ministers.

The Chair: Thank you.

Over to Mr. Dreesen. You have the floor, sir.

Mr. Earl Dreesen (Red Deer, CPC): Thank you, Mr. Chair. Welcome to our guests.

I spent quite some time on Aboriginal Affairs and Northern Development and these are some of the things that we talked about in detail. I also spent 34 years in the classroom, so I have an appreciation for the types of things that have to take place in education.

Mr. Wiersema, you were talking about the multi-year funding agreements. I am curious about where we are at in that process. I know that's an issue that the two of you were more or less discussing.

● (1620)

Mr. John Wiersema: We finished our audit work in November 2010. At that time Michael and his department were moving towards multi-year funding agreements. Perhaps it's best if I ask Mr. Wernick to talk about that, about where they stand at this point.

Mr. Michael Wernick: Yes, this is one of the issues where I think a fair bit has happened since the snapshot was taken in this report. This is going to sound a bit bureaucratic.

You will recall, some of you who were around in the last Parliament, that there was a lot of attention paid to grants and contribution programs and the web of rules and red tape that they had created. There was a blue ribbon panel struck on how to improve them. The government responded to that with an action plan on improving grants and contributions, and they put in place what's called the transfer payment policy, which is just a way of stating the rules on contributions and grants.

We were in the mid-part of implementing that policy when the snapshot was taken and the audit was conducted. One of the things that we were looking for was longer, more predictable funding agreements, as well as more cooperation across departments when there are multiple funders of a recipient.

We were encouraged to do a more thorough risk assessment of each recipient, so that you could tell where would it be responsible to give a longer funding agreement and more flexibility and where you would want to have a more short-term relationship. We did that.

Since the report has closed we've done a round of general assessment. We've done an evaluation of the general assessment. We're doing a second round of the general assessment now. That has all been done in close partnership with aboriginal organizations, financial officers, and the like. I think it gives everybody a fairly clear tool for determining where the capacity and the risk is in the funding arrangements.

Since the snapshot was taken we have a lot of multi-year agreements in place, and in some cases we have shorter ones. There's an intervention policy called "default management" for the governments that really run into trouble. Instead of leaving them in a trap where their affairs are run by a third-party manager, this policy gives them a clear set of incentives and steps to get back and regain control of their finances.

These are all changes welcomed by first nations governments. It's making improvements in contribution agreements. We're trying to make them lighter. But I don't want to deviate from the key message, which is that we over-rely on contribution agreements in the first place.

Mr. Earl Dreeshen: Also, we do have the six tripartite agreements. There must be some discussion there—that they would also like to see the funding models changing as well and to try to go with that.

I'd like to come back to one other point. There were discussions about school boards and that type of thing. When we're talking about 410 people in a community, having worked in that particular area, I'd perhaps caution us to be taking a look at whether or not there should be school boards because of the general mindset of what a school board is. Looking at school councils and advisory groups and trying to tie in one community to another would probably be better than setting up some type of bureaucratic system that would just cause a different level of concerns and problems. Again, that's just from experience, not to say that the school boards I worked with haven't been great. But I do understand where the bureaucracy ties in.

The other aspect is educational delivery systems and options. You were talking about the private sector, and universities are trying to tie in the exciting new things they are doing in delivering different types of education and culturally appropriate services, that type of thing. Can you comment on where some of those new and exciting things are going to be?

Mr. Michael Wernick: I'm going to be very brief, Mr. Chairman. I see the signals.

On the post-secondary front, I have to commend the Association of Universities and Colleges of Canada and the association that represents community colleges. If you go to their websites, you will see very clear inventories of what each of them is doing to improve outcomes for aboriginal students. It can be all kinds of things. It's very encouraging because there's a bit of a race to the top going on, and people are learning quickly from each other. They see something at the University of Victoria and they say, I want to do that at the University of Saskatchewan, and so on. So that's a very exciting kind of collaboration.

On education, I'd certainly defer to your personal experience on this. The intention in identifying school board-like structures is not

to have more bureaucracy. It's more that it represents those second-level services, such as guidance counsellors, people who can work with kids with fetal alcohol syndrome, specialists in math curriculum, and people who train teachers. There has to be somewhere for the front-line teacher to go to. In the normal provincial systems, school boards often provide those services, or provincial ministries do. If you're a principal or a classroom teacher on a reserve, you really are in a fairly lonely place, and we'd like to help create some of those intermediate structures.

• (1625)

The Chair: Thank you.

Our next speaker is Madam Blanchette-Lamothe. You have the floor, Madam.

[Translation]

Ms. Lysane Blanchette-Lamothe (Pierrefonds—Dollard, NDP): Thank you, Mr. Chairman.

Drinking water and education were mentioned, but I think it's important to emphasize once again that the problem is not the funding services we're trying to offer. It's a structural problem. It has been observed that matters have deteriorated in a number of situations, despite the recommendations in the Auditor General's last report.

Mr. Wernick, I would like you to tell us what hope we can have that, unlike the last time, you will manage to achieve your objectives, to provide the intended services. What structural barriers have you targeted? What resources have you acquired for that purpose? What hope is there that the fundamental changes recommended by the Auditor General will be made?

Mr. Michael Wernick: I could give you a few examples, including the agreement between the minister and the chief of the first nations. The idea is to determine very specific ways of working. I believe matters are moving forward. There is a panel on education, and work is being done on the transparency issue. A number of work options have been specified in cooperation with the Assembly of First Nations. To be able to achieve certain results under this agreement, we have to work to a schedule.

I believe that, as a Parliament, you will have the opportunity to pass legislation on education, transparency and elections, as well as other potential solutions. However, it won't be easy. Every bill will be controversial, but I believe it will be possible to advance the structural reform the Auditor General has referred to.

Ms. Lysane Blanchette-Lamothe: In your view, there's a legislation issue in all that. You believe the government will have to be active and enact statutes that will enable it to do things better.

Mr. Michael Wernick: I believe that legislation will give us administrators better tools. With all due respect, I want to send the message that, if Parliament demands better results, it has to provide us with better tools.

Ms. Lysane Blanchette-Lamothe: Can you tell us about those tools that would make it easier for you to achieve your objectives? Could you give us some examples of tools the government should give you?

Mr. Michael Wernick: The first tool will be the bill we discussed a few moments ago concerning drinking water standards. The ideal solution will be to negotiate something with first nations representatives in a non-partisan manner. And I hope that your parliamentarians won't seek perfection. I think it's time to take action. I believe that establishing a legislative regime will give us the basis for progress in this field.

Ms. Lysane Blanchette-Lamothe: You also referred to openness on the part of various partners, who aren't always necessarily open to the idea of cooperating. They include the provincial governments. However, the report states that it is important to define the type and level of service as well as the role of the first nations in the entire structural change process.

Do you think the openness of these new partners will make it possible to attach more importance to redefining the type and level of the services you are going to offer?

Mr. Michael Wernick: Yes. As we said earlier, four elements must be combined. The establishment of tripartite agreements and legislative structures will clarify roles and responsibilities, and even service standards and funding levels. I think that goes together. I often repeat that it would be impossible to impose that kind of solution on the first nations. They have a very clear vision of their role as a level of government and manager of their communities. So it will be an exercise in cooperation and, at times, in negotiation.

• (1630)

Ms. Lysane Blanchette-Lamothe: With regard to cooperation with the first nations, the emphasis is being placed on the importance of the role they will have to play and on the different place that should be attributed to them.

Do you want to make a comment on that subject? Perhaps Mr. Campbell could add a few words as well.

Mr. Michael Wernick: In terms of—

Ms. Lysane Blanchette-Lamothe: What will make a change in terms of the place left for the first nations in all future structural changes?

Mr. Michael Wernick: I believe they are the stewards of their communities, at least for half of the aboriginals living on reserve. The other half live in the cities and municipalities of this country. They constitute the level of government that delivers the services. They manage the schools and the other services. It's the commitment of parents and members of the community that makes the difference. In the education field, it's the commitment of parents and families that makes the difference, regardless of where that is. I believe that's not something we can impose from Ottawa or Gatineau. I believe the role of the local governments, the governments of the first nations, is very important when it comes to looking for solutions.

[English]

The Chair: Our time has expired.

Ms. Bateman, you have the floor.

Ms. Joyce Bateman (Winnipeg South Centre, CPC): Thank you, Mr. President

I want to verify my understanding of the child and family services aspect of your audit, first with Mr. Wiersema and then follow up with Mr. Wernick on actions taken.

Just to verify that my understanding is correct, in 2008 you undertook an audit, and the aspects of the child and family services piece demonstrated that approximately eight times the number of children were in care in a reserve setting than in normal settings elsewhere in Canada.

Mr. John Wiersema: Mr. Chairman, perhaps I'd ask Mr. Campbell, who's closer to the specifics of the work, to respond to the question.

Ronnie.

Mr. Ronnie Campbell: Yes, Mr. Chairman, that's correct.

Ms. Joyce Bateman: Okay, so that's correct.

Then, clearly, action was taken. And there were some management issues identified at that time, some serious ones—a disconnect between the program and the way resources were allocated.

Fast forward to 2011. You did a follow-up audit and you found that...it would appear that the Government of Canada has provided significantly greater resources for this child and family services component now.

Mr. Ronnie Campbell: Yes, Mr. Chairman. If I can go back to my analogy about how long is a piece of string, the piece of string is getting longer, and that's a good thing. But how long it should be is the question.

Ms. Joyce Bateman: Fair enough.

There are incremental government resources that have been provided to this since the 2008 findings, but your review still has conducted sort of a difficulty, perhaps, in understanding how your.... My notes here say you haven't really defined the comparability or conducted a review to ensure that services available on reserve are reasonably comparable to off the reserve. A child is a child is a child, is my point. So thank you for allowing me to verify my understanding.

My question is to Mr. Wernick. First of all, we've heard about the partnership piece. Who are your partners? How are you going forward on this? The key piece I'm trying to understand is how you are addressing this gap for the children who happen to reside on reserves, the ones that are provincially funded.

Mr. Michael Wernick: Thank you for the question. I know this has been of great interest to this committee and others, and I certainly welcome the engagement.

The real measure I think we're all struggling to get is, are we protecting vulnerable children from risk and harm? It's not really easy to find a satisfactory measure of that. Chasing how much we're spending isn't necessarily a good indicator. If you're actually spending more on child protection, that means things are getting worse. And we doubled the spending on the child and family services program over a period of time.

What I think we identified, with the help of the work from the Auditor General, was that we had the incentives all wrong. You actually got more money as an agency if you took kids out of care. And we didn't really have a funding formula that provided a lot of resources for prevention. In many cases, early intervention and prevention with the families in the communities means that the kids can be protected from harm and risk without having to be taken out of the home and put into care. So children in care is sort of a flawed measure as well for what we're trying to get at.

We have fixed the funding formula. We make sure resources are available for prevention services. And we've put in place these kinds of tripartite agreements, because these are creatures of the provincial child protection statutes. In six of the provinces, I think it is, we have \$100 million or more in funding over several budgets. They go at the pace at which we can conclude agreements with the provinces—I can certainly provide the list—but we're now covering about 68% of first nations kids with this prevention approach.

We've had a bit of back and forth with the Auditor General about culturally appropriate services, which we discussed earlier. For me, the most important policy part of this is, are we investing in prevention? The more we can invest in prevention, the less you have to invest in remediation.

● (1635)

Ms. Joyce Bateman: Can I have a follow-up?

The Chair: Be really quick.

Ms. Joyce Bateman: My colleague, Earl Dreeshen, raised the question on education that, to me, is linked to success in this area. His point is well taken, that you could risk creating bureaucracy instead of supporting teachers in the classroom. How are you addressing that issue?

Mr. Michael Wernick: Because we flow money out through hundreds and hundreds of funding agreements to individual first nations, it's difficult to impose a systematic solution across the board. We work with each community or each school, or sometimes with tribal councils in geographic districts.

Two main things have happened over the last little while. One is investments in a school success program, which follows the recipe most provinces have followed of really working hard on student assessment, teacher assessment, performance of the schools, giving those kinds of tools to first nations educators. And the other is the partnerships program, which allows us to fund very practical local solutions, if a local school board is willing to help with teacher training, that sort of thing. Those have been the investments that the government has made over the last little while, as well as some investment in school construction so that people have clean, safe facilities to go to.

The missing piece, at this point—and I'll wait to see what the panel reports—is going to be having it all pulled together in some kind of legislative and governance structure so that we can move forward into the future.

The Chair: Thanks very much.

Mr. Byrne, you have the floor.

Hon. Gerry Byrne: Thank you very much, Mr. Chair.

We started this discussion talking about the frustration over the lack of progress, and the lack of positive progress, in terms of the indicators—the criterion of the standard of living index—to show that life for first nations on reserve is getting better.

Mr. Wernick, as a key principle originally in the Kelowna accord—I can't help but ask you, as someone who knows this issue from the draft of the Kelowna accord and who has participated very directly and very positively in trying to find solutions to this day—if the Kelowna accord were in place today.... You were on both sides of this case, and I'm not trying to put you in a difficult situation, but people want to know. We've had instances where premiers, where first ministers as early as just a year ago, were still suggesting the Kelowna accord would provide a positive road map for this circumstance. The Assembly of First Nations and others continually suggest that if the road map were provided by the Kelowna accord, we would be better off.

I'm not going to put you in too difficult a spot, but I have to ask you, is much of the progress made today in tripartite agreements and other things...? Has a kernel of that come from some of the successes of a tripartite agreement signed in 2005, called the Kelowna accord, which at least can provide us with a good example of a road map on other things and other progress?

● (1640)

Mr. Michael Wernick: I think there are other pieces of the progress made that are outside the architecture of the Kelowna accord we've been discussing, sort of provincial-like services on reserve. One, I would say, would be the promotion of economies in aboriginal communities and economic participation, and the other would be the settling of land claims and outstanding grievances from the past. Kelowna really didn't have anything to say about those. It wasn't designed to.

So I think in many cases, the conclusion of litigation and the settlement of land claims clears the baggage of history. It often provides resources to first nations communities, and it makes investment in natural resource projects, transportation projects and so on more possible, because who has rights to what and what is going to be done with the section 35 rights in the area have been dealt with.

I think one of the real accomplishments of the last little while has been the negotiation and settlement of litigation and claim settlements. We hope to have even more progress over the next little while. That's not something I can commit easily to, because it depends on a give and take at a bargaining table with particular communities.

The real recipe, I think, for a lot of further progress ultimately is going to be economic activity. You cannot get past a certain point improving social conditions in communities where there's no economy. There have to be jobs, there has to be opportunity. So I think work on education and child protection provides a basis for healthy teenagers to come out of the communities, but we have to work on the other tools to get them into the labour market and give them the chance to get jobs and employment.

We've been lucky in Canada—there has been a lot of growth in the resource sectors in all parts of the country, which I know you know very well. That gives me some ground for optimism: if we're going to have several hundred billion dollars of resource, transportation, and infrastructure projects over the next 10 years, we have a pool of young aboriginal people living in those areas. If we put those two together, we're going to see some interesting results over the next little while.

Hon. Gerry Byrne: Well, I hope for the aboriginal leaders across the country hearing your words and your position...that you're bringing them more hope, not less, in their desire that the Kelowna accord be resurrected.

I want to go to Mr. Campbell. You have a preoccupation—and I think it's a positive preoccupation—with a legislative framework. What benefits would a legislative framework provide first nations? Would it actually create a capacity that if the Government of Canada were not fulfilling its fiduciary responsibilities, first nations would have a capacity now to sue for provision of those services within the statutory framework? Is that a positive thing or a negative thing, if that indeed is the case?

Mr. Ronnie Campbell: Thank you, Mr. Chair.

No, I wouldn't characterize it as a preoccupation with the legislative base. I think my office feels very strongly that the suite of issues that we've talked about—all four of them—are fundamentally important, need to be addressed, and need to work together. So within that context, the legislative base would provide a degree of clarity to the people who are receiving the services. They would also provide a degree of guidance to the bureaucrats who are designing the programs, and it would clarify their roles and responsibilities.

Hon. Gerry Byrne: Does it afford additional protections in terms of a legal mechanism to challenge if there are services not being provided or if it's felt that services are not being provided? Does it provide a legal mechanism to impose that responsibility, that act of duty, on the federal government, which is non-existent now?

Mr. Ronnie Campbell: Mr. Chairman, not being a lawyer I would hesitate to go too far down that road, but it certainly would provide clarity to citizens as to what the government is committed to providing to them, and if they felt they weren't getting that, they could avail themselves of whatever tools they felt were appropriate.

Hon. Gerry Byrne: Thank you very much. I think that's well over time.

The Chair: We'll move on.

Mr. Hayes, you have the floor, sir.

Mr. Bryan Hayes (Sault Ste. Marie, CPC): Thank you, Mr. Chair.

One of the first things I did as a new member of Parliament was to meet with Chief Sayers and his council at Garden River First Nation, outside of Sault Ste. Marie. I spent a couple of hours listening to their concerns in terms of education, economic diversification, development and infrastructure, fishing rights, treaty rights, housing, comprehensive land agreements. I said to myself at that time, my goodness gracious, what can I do as an individual to correct any of that? I'm getting a sense that there actually is a lot I can do collectively. I think that's what this discussion is about today, what we can do collectively. I'm pleased to see that there is much being done, but much more to go.

One of the things we talked about was land agreements. I'm wondering, Mr. Wernick, if you can give me some sense of what is being done to improve the coordination of comprehensive land claims implementation.

● (1645)

Mr. Michael Wernick: Thank you for the question.

It's a very interesting question because I think we were rightly criticized as a government and as the public service for not paying enough attention to implementation once the ceremony announcing the treaty had finished and the lights were off and the TV cameras were gone. All you've done, then, is you've created a new government-to-government relationship with a new first nations entity and their ongoing relationships with that part of the world. The crown is still the crown, and it's not like we'll turn out the lights at INAC, as some people used to say, because somebody has to be the Government of Canada in that new relationship.

We've taken that advice and some advice from a Senate committee fairly seriously, so we have an implementation group. We have clearly developed a framework around implementation. We have guidelines and training tools for people who work in other federal departments, because it could touch on people who work in airports or training programs and other parts of the federal department. It's where our department has to herd the cats within the federal system and make sure they're aware of their obligations.

It's a large part of what my department does. It's a small part of what Transport Canada does, and so on. So we have to keep chasing, and I accept that responsibility. I've written to colleagues many times. I've pointed out specific issues. We've trained their officials. We've caught up on the reporting to Parliament, which was lagging until a few years ago. We worked closely with each of the governments or institutions that were created by the land claims agreements, the self-government agreements. We have an informatic system to keep track of all of the obligations.

One of the things that we were not very good at was this. You move on to the next treaty, the next treaty, and the next treaty, and you forget what you committed to in the previous one. We have a systematic database of that. I know it all sounds very bureaucratic, but it's actually very helpful, because even as people come and go and change jobs, they can plug in the software and they can see what the obligations are or the status. Some things are done, some things are under progress, and so on. It helps provide that accountability, which I think is the theme of a lot of our discussion today.

Mr. Bryan Hayes: Is this something new that occurred after the 2010 report, or was this in place prior to that?

Mr. Michael Wernick: We had started to give this a lot more attention I think based on some specific reports that the office had done around the Inuvialuit agreement, but also based on some advice we got from the Senate committee on Aboriginal peoples and certainly on representations we had from the Land Claims Agreements Coalition. It was a work in progress, but I will certainly concede that the audits always give you a bit of a reminder that that's another thing you should be paying attention to.

Mr. Bryan Hayes: You mentioned some of the methodologies you have in place to ensure that departments understand and fulfill their obligations under these agreements. Can you elaborate on that a bit more in terms of an internal audit function? I want to make sure that all departments really do understand this, because I think it's very, very significant.

Mr. Michael Wernick: An example might be a commitment to a land transfer and the land was held by one of the other federal departments. That's one we talked about in the Inuvialuit context. We sometimes have to chase the other department to finish the transaction and get the land into the hands of the group. In this case it would have been Inuvialuit.

In other cases there's an ongoing commitment. Most of them have a commitment involving government procurement and purchasing. If there's going to be government purchasing in the area, businesses in the land claim area should get a shot at contracting opportunities.

That tended to be sort of hit and miss. It was overlooked in some processes. I think much more systematically, the people who work in procurement shops and departments are reminded that before they push the button on a request for proposals, they had better check what their land claims obligations are. I'm not going to claim we're perfect, but I do think that everything is now moving in the right direction, and the clarification that it's my job to chase the other departments has been quite helpful.

• (1650)

Mr. Bryan Hayes: How is my time, Mr. Chair?

The Chair: You're well over. It was good questioning.

Mr. Caron, you're up again, sir.

[Translation]

Mr. Guy Caron: Thank you very much.

[English]

Mr. Andrew Saxton: Can you investigate the bill?

The Chair: I'm just getting it checked now, and I'll get back to you in a moment.

Mr. Guy Caron: I want to make sure that Mr. Stewart and Ms. Woods are not off the hook here, especially on a very important issue.

[Translation]

The Auditor General's conclusions on mould in housing are quite disturbing. She notes that there are a lack of data and insufficient funding, as well as an absence of joint action. That could have serious consequences for the health of first nations people.

In fact, I remember a feature that Radio-Canada broadcast during the election campaign. They went into the communities in northern Quebec and talked about the unhealthy conditions largely caused by mould.

The Office of the Auditor General has done an outstanding job of putting that issue back on the table. That audit was published in May or June.

You've been dealing with this situation for at least seven years. Could you tell me what you plan to do in the near future to resolve this particular situation?

[English]

Ms. Shelagh Jane Woods: I can start by giving you what Health Canada has done.

In partnership with Aboriginal Affairs, Canada Mortgage and Housing Corporation, and the Assembly of First Nations, we did the bureaucratic thing. We set up a committee that developed a fairly comprehensive strategy to address mould in first nations communities.

Health Canada undertook the responsibility to lead the development of a health promotion campaign focused on mould. It is a very practical strategy that gives occupants of houses, housing managers on reserve, chiefs in council, and ordinary citizens very practical information about the steps they can take to prevent mould from occurring in the first place, and the kinds of things they can do to remediate small amounts of mould.

In addition, the main function of Health Canada in this area is to conduct assessments at the request of the chief in council and/or occupants of houses when they say they think they have a significant mould problem. We'll go in to assess how severe it is. Is it serious enough that an outside expert is needed to come in to help? That's the kind of work we've been doing.

We've developed and disseminated material, such as DVDs, pamphlets, etc., to all the communities.

[Translation]

Mr. Guy Caron: Pardon me for interrupting, but I have quite a brief period of time.

I would like to hear Mr. Stewart, and then I'll get back to the people from the Office of the Auditor General.

[English]

The Chair: Sorry, I'm worrying about the bells.

Please continue doing the important work.

Mr. Douglas Stewart: Thank you, Mr. Chair.

And thank you for the question.

Following on my colleague's comments, one of the key parts of this strategy is to put good information in the hands of first nations so they can start to deal with mould problems themselves. I brought some examples of some of this information.

In June of this year we published three documents dealing with mould, one aimed at builders and renovators. The idea here was to provide information about how to build houses or renovate houses that have mould problems. We published another document aimed at housing administrators in first nations communities, and that is aimed at how to detect mould, how to determine how serious a problem you have, and how to manage it within the community. And we have a final document that we also published in June aimed at individual households. It's not difficult to assess your mould problem if you have the proper tools and the basic knowledge. That's the objective of this third document: to give individual householders the ability to take a look at their own circumstances and make an assessment of their mould problem.

In the interests of conveying best practices, we've also produced a number of case studies, where individual first nations have dealt with mould problems successfully. We've also published those.

I should say that the appetite for this information has been very strong. We have disseminated over 5,000 units of these publications since June.

• (1655)

The Chair: Thank you very much. I have to end it there; that's the rotation.

For the information of colleagues, in the matter of the bells, if you'll trust me, things are in hand. I've got one more speaker to complete our full rotation and a motion to go to after that to deal with the bells and where we are in a way that I think will work for everyone. So if you'll bear with me for a moment, I'll give the floor to Mr. Trottier to give him an opportunity—and also to welcome him. He's new to the committee, subbing in today.

Welcome, and I hope you enjoy your first time here at this committee. Please take the floor.

Mr. Bernard Trottier (Etobicoke—Lakeshore, CPC): I'm delighted to be here.

I want to thank the intervenors for coming today and answering our questions and doing a terrific job of really trying to wrestle with a very complex issue.

From the questions from the members opposite and all the members of the committee, I think we all have a strong desire to do more. There's no question of the objectives. It's really a question around the implementation and the tactical aspects of who's responsible for doing what.

I think there were a few very good questions related to the governance around tripartite agreements and really defining who has that local delivery capability in particular.

I appreciated the comments by the Auditor General about the fact that sometimes on small first nations it is actually a very complex thing to deliver a local delivery capacity. In a small first nation of 400 people, you can't have an expectation that there's a critical mass where you can have that local delivery capability.

I want to talk to you about housing in particular, because that's such an important issue. It's one of those areas, if you look at our three levels of government in this country, where all three levels do actually play a big role. In my own city of Toronto, in my riding of Etobicoke—Lakeshore, for example, we've got some federally managed housing projects, some municipally managed ones, and some provincial. That's not as clearly defined as with health and education, for example, where it typically resides within the province.

Can you talk about some of the challenges around tripartite agreements when it comes to housing? If you think of the life cycle of housing programs, where does it make sense for that local delivery capability to really take root and ensure that over the lifespan of these programs you can really manage these things for the longer term?

Mr. Michael Wernick: Perhaps I could start the ball rolling.

It's very unlikely provinces will get involved in building houses on reserves. That's a legitimate point of view. That's something the federal government should be doing with local governments and first nations housing authorities. Where provinces have been extremely helpful is in bringing utilities and services like water, electricity, and broadband to the reserve boundary and helping create infrastructure for the communities. Provinces do play a significant role in urban settings, where half of first nations people live, so a lot of their issues around social housing and other kinds of housing issues are essentially aboriginal issues in cities like Winnipeg and Edmonton and elsewhere.

In terms of reserves, the policy issue that is before us is that we're really trying to push money through funding agreements, compounded by the fact that these are 100-cent dollar cash arrangements. If you need \$200,000 for a house, you have to find \$200,000 in cash, and it's very difficult for governments to come up with enough cash. So what we would like to pursue, in terms of policy, is bringing more market financing and more individual tenure of houses. There's too much social housing and not enough individual tenure in the housing units. If we could change the mix over time—and this is something a lot of first nations communities want to do—we would get much better results for the money that Parliament appropriates.

Mr. Bernard Trottier: Mr. Stewart, perhaps you could answer some of these questions too.

Have some first nations experimented and actually demonstrated that they're doing a better job when it comes to housing than others? Could you describe what they've done to make it more successful when it comes to not only getting things built but in maintaining the structures for the longer term, instilling at least some sense of pride of ownership, to make sure there are the types of things you'd expect? It's not necessarily home ownership, but it's people taking responsibility at the local level to make sure the housing stock is well maintained.

• (1700)

Mr. Douglas Stewart: Thank you very much.

Yes, there are some very good examples of first nations communities that have done an excellent job in housing their members. For example, there have been first nations that have used government funds to leverage additional financing through revolving funds. This has been a very successful technique on some reserves. Some of the more successful reserves have dedicated significant resources to the administration of existing stock and have put maintenance plans in place that require regular expenditures to keep the housing up to standard.

There are quite a variety of techniques that have been used. They're not unlike techniques that would be used by non-profit corporations off reserve or municipalities that are managing large housing stocks off reserve. They're the same types of things.

Mr. Bernard Trottier: Are there particular solutions for smaller first nations where they can perhaps pool resources across more than one first nation? Is it something that could be considered if it's too small to deliver that capability or to build that capability? Are there examples of that?

Mr. Douglas Stewart: Yes. There are perhaps not as many as we would like to see, but in situations where we deal with smaller communities, perhaps tribal councils could provide the locus for expertise. It would bring together the resources of a number of reserves and those types of things.

The Chair: They were very good questions. Thank you all.

This concludes the rotation once through the committee.

We have 17 minutes before the vote. I look to Mr. Saxton for a motion with regard to the committee going forward.

Mr. Saxton.

Mr. Andrew Saxton: Thank you, Mr. Chair.

May I propose that in light of the shortened session we have today as a result of the votes, and also because I'm sure there are more questions for the witnesses, we reconvene on Monday at 3:30 and ask for the same witnesses to come back at that time?

The Chair: There is a motion for a continuance of this hearing on Monday. This is consistent with the steering committee report and our discussions, in that we reserved Monday with the thought that this may be the case. Everything is perfectly in order. That motion is in order. Is there any debate or discussion?

Hearing none, all in favour of the motion, please indicate.

(Motion agreed to)

The Chair: We enjoyed your presentation so much, we'll ask you to come back and do an encore. We'll see you Monday at 3:30, as we will all colleagues. That concludes the business of the day.

This committee stands adjourned.

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