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Chair

Mr. Chris Warkentin

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•(0845)

[English]

The Chair (Mr. Chris Warkentin (Peace River, CPC)): Colleagues, we'll call this meeting to order. This is the 63rd meeting of the Standing Committee on Aboriginal Affairs and Northern Development. Today, colleagues, you know that we are undertaking a review of both the main estimates as well as supplementary estimates (C).

Today we have the opportunity to have the minister here. This is the minister's first appearance before our committee. We appreciate his willingness to come on short notice, as well as this early in his tenure.

We appreciate that and recognize, Minister, that you have undertaken a fair bit to be here this morning.

We also, of course, are joined by Mr. Wernick as well as Ms. Swords. We thank you for coming again.

I will turn it over to you, Minister, for your opening statement. Then, of course, we'll undertake to have questions for the remainder of the hour.

Hon. Bernard Valcourt (Minister of Aboriginal Affairs and Northern Development): Mr. Chair, first of all, let me say that I am pleased to be here today and honoured that the Prime Minister has appointed me to the role and responsibility of aboriginal affairs and northern development. As minister, of course, I look forward to working with you, Mr. Chair, and all of your committee members in order to advance our, I'm sure, mutual desire to see healthier, more prosperous, and self-sufficient aboriginal communities across Canada.

As some of you may know, I had a limited but most exciting stint in this department back in the 1980s. I served as the minister of state for, in those days, Indian affairs and northern development, mainly in charge of the native economic development program. Coming back almost 20 years later—I was very young then—I am pleased to see and I acknowledge that much progress has been made since then from settling land claims and specific claims, to achieving self-government agreements, to increasing economic development both on an off reserve. There is clear evidence that aboriginal peoples are participating more fully in Canada's social and economic life. That said, however, I also acknowledge—the government knows and I know—that more critical work remains to be done.

[Translation]

Over the coming weeks, I will be meeting with aboriginal leaders and communities across the country, including aboriginal youth, to

advance dialogue on our shared priorities. In my short tenure thus far, I have already had the opportunity to meet with a number of aboriginal partners, including the National Chief; Métis and Inuit leaders; and representatives from the Native Women's Association of Canada. I look forward to working together with all of our partners.

I want to assure you that our government's commitment to creating jobs, economic growth and long-term prosperity doesn't stop at the door of aboriginal communities or of first nations. We want aboriginals to take full advantage of all the economic opportunities that Canada has to offer. That is why we are taking action to address remaining obstacles and structural barriers that are preventing aboriginal people from achieving their full potential.

For example, we have heard from first nations who have been calling for improved education systems. That is a fundamental issue, one that I feel is key. We are responding to those calls, just as we are responding to calls to ensure access to safe drinking water on reserve. We are taking action.

But we are not only committed to making these structural reforms, we are also committed to supporting these reforms with the necessary resources, but in a way that is responsible, of course, as well as transparent, strategic and targeted. I believe that committee members will see that this commitment is made clear in my department's 2013-14 main estimates and supplementary estimates (C) for fiscal 2012-13, which is what I am here to speak to you about today.

•(0850)

[English]

The 2013-14 main estimates, Mr. Chair, forecast departmental expenditures of approximately \$8 billion. That's a net increase of \$178 million, and is 2.3% above last year's main estimates.

That increase, at a time of economic uncertainty and fiscal prudence and of our commitment to Canadians to reduce the deficit, and eliminate the deficit, reflects our government's unwavering commitment to improving the quality of life for aboriginal people and northerners and to creating jobs and economic growth.

I'm sure you all know that last year's economic action plan included increased funding for Aboriginal Affairs and Northern Development Canada in several key areas over the coming year. This includes more money for the Indian Residential Schools Settlement Agreement and for the priorities we share with first nations, such as the first nations water and waste water action plan, first nations education, and other priorities. You can see this increased funding reflected in the main estimates.

Mr. Chair, I want to take this opportunity to maybe expand a bit on these items.

The main estimates include additional funds of \$224.5 million for fiscal year 2013-14 to go towards the continued implementation of the Indian Residential Schools Settlement Agreement. This includes additional funding for claimants under the independent assessment process and the alternative dispute resolution and common experience payment program. It also includes funding for the administration and research required for the government to continue to fulfill its obligations under the agreement.

As you know, the Indian Residential Schools Settlement Agreement is court directed and agreed to by multiple parties, including legal counsel for former students, the Assembly of First Nations, and Inuit representatives. Our government, I can assure you, will continue to honour and respect the terms of the agreement.

[Translation]

The estimates also include \$137.4 million for the First Nations Water and Wastewater Action Plan. Our government and first nations have a shared goal of ensuring first nations have the same access to safe, clean drinking water in their communities as all other Canadians.

Access to safe drinking water, the effective treatment of wastewater and the protection of sources of drinking water in first nation communities are critical to ensuring the health and safety of first nations. You may remember that Economic Action Plan 2012 included \$330.8 million over two years to help sustain progress made to build and renovate water infrastructure on reserve and to support the development of a long-term strategy to improve water quality in first nation communities.

More specifically, this money is going towards training for operators of water and wastewater systems on reserve and capital investments targeted at the highest risk systems. And we are already seeing results. We have seen the number of high-risk water systems on reserve decrease by more than 8% and we have trained hundreds of operators through the Circuit Rider Training Program.

• (0855)

[English]

These resources are only one part of our government's comprehensive long-term plan to improve on-reserve water and waste water, which is founded on three pillars: one, enhanced capacity building and operation training; two, enforceable standards and protocols; and three, infrastructure investments.

Bill S-8, the safe drinking water for first nations act, is currently before the House, and is a critical step toward ensuring that first

nations have enforceable standards for safe drinking water on reserve. I hope that this bill will come before the committee soon.

The last area I'd like to expand upon is the \$115 million for initiatives to improve first nations education, which is also included in the main estimates. Our government goal here is to provide first nations students with a quality education that provides them with the same opportunities and choices as other Canadian students. By improving the graduation rate, we will ensure that first nations students have the skills they need to pursue additional education, or enter the labour market and become full participants in a strong Canadian economy.

Economic action plan 2012 committed an additional \$275 million over three years to support first nations elementary and secondary education. This included new resources to build and renovate schools on reserve, and to support early literacy programming and partnerships with provincial school systems.

[Translation]

We know that money is not the only answer. That is why we are committed to making the structural changes needed to improve literacy and graduation rates and to ensure students have safe and secure learning environments. All of that will help pave the way for the development of a First Nations Education Act. As you are aware, this project is currently the subject of intensive consultations across Canada. This legislation will put in place the structures and standards to support strong and accountable education systems on reserve.

We are committed to working with first nations parents, educators, leaders and others to have a First Nations Education Act in place by September 2014. It is an ambitious goal, but I truly believe that we can reach it. I hope committee members will support us in these efforts.

I cannot ignore the reality that my department, Aboriginal Affairs and Northern Development Canada, must demonstrate fiscal prudence. As you know, the department's budget will be reduced by \$240.1 million over three years. Of that amount, \$160.6 million will be ongoing annual savings starting in 2014-15. We have achieved these savings by identifying departmental efficiencies and streamlining operations while protecting delivery of essential programs and services to first nations and northerners.

• (0900)

[English]

Supplementary estimates (C) for the fiscal year 2012-13 also contain key initiatives totalling \$36.9 million. This includes \$20.6 million to address urgent health and safety pressures on first nations communities, especially as they relate to evacuations in northern Manitoba and Ontario due to forest fires, recovery from flooding in Saskatchewan, and floods and storm surges in the Atlantic region under the emergency management assistance program.

There is \$12.7 million for the urban aboriginal strategy, to reduce the barriers to urban aboriginal peoples' participation in the economy.

Mr. Chair, these investments and initiatives I've outlined today will contribute to the progress we are making in addressing issues facing northerners and aboriginal peoples in Canada, and will enable them to take advantage of all the opportunities Canada has to offer. Our plans support the partnerships, advance our legislative initiatives, and set the stage for continued progress. I'm confident they will drive progress on important issues of concern to aboriginal peoples, and indeed to our country as a whole.

If I want to give you a chance to ask questions, I better shut up. At this time, I'd be pleased to answer any questions that members of the committee might have on the content of these estimates.

Thank you, Mr. Chair.

The Chair: Thank you, Minister.

We'll begin our rounds of questioning with Ms. Crowder, for the first seven minutes.

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Thank you, Mr. Chair.

Minister, welcome to your new position and welcome to the committee. I was very pleased to note that you did support the NDP motion, which called on the government to invest in economic development and move forward on treaty implementation and on a full and meaningful consultation on key policy and legislation. I was very pleased to see that you supported the principle for that motion.

It's unfortunate today that we're being asked to deal with the main estimates without the department's plans and priorities. What we have before us is incomplete information, and it's going to be difficult for us to vote for the main estimates when we are being asked to consider information without that very important document on the plans and priorities. I would presume that the minister would be prepared to come before the committee once we get the department's plans and priorities.

As you know, we have limited time. I'm going to give you four questions, and I would ask that you reply in writing. For the last question, I'd like you to reply verbally. That has been past practice, and we've been very grateful that the minister and the department have been willing to do that.

One question we'd like a reply in writing on is, what are the department's plans? You noted in your speech that there is a 2.3% increase in the department's spending for this coming year, but in effect, there's been a 2% funding cap in place since 1996, despite the

growth in the population. I believe the Auditor General indicated it was about 11%. I wonder if, in writing, you could provide the committee with what the department's plans are to address the population growth and move that 2% funding cap.

The next question to which I would appreciate a response in writing is with regard to consultation and policy development. In the main estimates, there is a decrease of approximately \$18 million from the previous fiscal year with regard to contributions for the purposes of consultation and policy development. I wonder if the department could indicate how it intends to fulfill its commitments around consultation, especially with regard to a number of key pieces of legislation that are coming forward.

The main estimates have indicated there's a reduction of \$40 million to the income assistance program. I wonder if the minister and the department could let the committee know how they're going to deal with the significant impact, which has been noted by a judge in New Brunswick, that reductions in the income assistance program will have on those communities that are already living well below the poverty line.

The last written response I would appreciate has to do with the status of the fiscal harmonization negotiations and how that's moving forward.

The question I'd like you to address before the committee today is with regard to first nations education. You've indicated in the main estimates that there's an increase of \$115 million. I wonder if you could tell the committee a couple of things.

First of all, I understand there are seven consultations that are going to be taking place, or have started to take place, with regard to the new first nation education act. Is that the extent of the consultations, and how much is the department willing to change? I understand there were proposals put forward. How much are they willing to change the proposals they put forward in those consultations? How much of that \$115 million will go into direct delivery of education in the classroom?

• (0905)

Hon. Bernard Valcourt: First, let's talk about the discussion guide.

As you know, this is as a result of working with aboriginal representatives and answering their call to address the concerns that have been raised not only by the AFN but by the Auditor General and others as to the mismatch or the state of these education programs.

The discussion guides advance us ideas to discuss. That is the purpose of the consultation. We don't have a piece of legislation in place. We want to develop this with the full input and participation of parents, of leaders—

Ms. Jean Crowder: Can I just clarify? Our understanding of a couple of the consultations that have happened is that they have been presented with proposals and essentially been told to take it or leave it, to pick one of the proposals.

Are you indicating that's not the case, so that it's not—

Hon. Bernard Valcourt: No. Absolutely not. I assure you.

As a matter of fact we have an open door policy through our website for people who have ideas, if they care to and want to participate and offer views and ideas on how legislation can achieve the results that we hope and all agree are essential for the economic and social success of these aboriginal communities.

So, no. Not at all. If some people have reported that, I want to clear the record. Absolutely not. These consultations are meant to receive the input of those stakeholders who are mostly affected by this. There is no closed door here. Hopefully at the end of the process we can build on these ideas to propose a piece of legislation that will bring about the results we need.

In regard to the funds, there was \$275 million announced in the 2012 budget for school infrastructure and programming. Of this, \$115 million will be allocated in the 2013-14 fiscal year. I can give you the details.

There's \$40 million for early literacy and partnership activities, \$75 million in funding to support the commencement and continuation of priority school construction projects in communities.

Also on wanting to help ensure residents for the new first nations education system to be outlined in the legislation, budget 2012 invested \$100 million over three years to provide, again, early literacy programming and other supports and services to first nations schools and students, and to strengthen their relationship with the provincial school system. There is \$175 million over three years, as I said, to build and renovate schools on reserve.

So what—

● (0910)

The Chair: Thank you, Minister. I'll cut you off there. I apologize, but we've extended over the time.

Ms. Ambler, we'll turn to you now, for seven minutes.

Mrs. Stella Ambler (Mississauga South, CPC): Thank you, Mr. Chair.

Thank you, Minister, and department officials, for joining us today to talk about the main and supplementary (C) estimates.

My questions, Minister, are with regard to first nations water and waste water management. The estimates we have here indicate, and you mentioned in your remarks specifically, it is a priority of this government to aid with self-sufficiency in this area. We've committed the necessary resources to help do that to the tune of \$137.4 million to support the implementation of the first nations water and waste water action plan. We know that last year alone we supported over 400 water projects on reserve, and we're training expert operators across the country to ensure safe drinking water on reserve.

Could you please tell us a little more specifically about the \$137.4 million that was allocated in budget 2012, and how those funds are being used and will be used?

Hon. Bernard Valcourt: As I indicated in my introductory remarks, the budget 2012 investment, this comprehensive long-term plan to improve on-reserve water and waste water, is founded on the three pillars I mentioned. Budget 2012 investment is to support

improvements in each of these areas by increasing funding for on-reserve water and waste water systems operator training and operations and maintenance. When we talk about the risk, it is important, it is crucial, it is fundamental, that we have properly trained and qualified operators for these systems. That is one of the areas covered.

The other is trying to support the creation of regional hubs to monitor and, where feasible, operate systems remotely. Again this is to try to make the best use of limited funds in order to achieve better results. Also the budget will cover the minimum program requirements for the new circuit rider training program. Circuit riders provide on-site training and mentoring to on-reserve water and waste water systems operators and support first nations in the development of these regional hubs of expertise to serve communities in prioritizing capital investment to target high-risk systems.

As you mentioned, in 2011-12 the government supported 402 major and minor first nations water and waste water infrastructure projects. Two hundred and eighty-six are currently planned for 2012-13, and 2013-14 allocations are not yet finalized. We are in the process of doing that. To reduce risk ratings, 30% of the 2012-13 investment in water and waste water infrastructure projects is to address high-risk systems, and 47% is to address medium-risk systems. The first thing I asked was, if we have high risk and medium risk, why do we invest more in the medium risk? It's simply to avoid having them become high risk.

Few Canadians know that at all times according to the Water Chronicles, the non-governmental organization that tracks water-quality issues across Canada, there are between 1,380 and 1,420 water advisories across Canada, including 122 in first nations communities. This is not a problem that is particular to reserves. A lot of Canadian communities are affected by this problem. The bulk of the investment we are making is for these water and waste water systems.

● (0915)

Mrs. Stella Ambler: Thank you, Minister.

I also note that out of the allocations in the main estimates for this, the ratio of operations to capital is actually, to me, quite positive. We're talking about \$10 million for operating and \$127 million in grants and capital. I'd say that was sort of indicating an investment in structural changes, which I think will benefit first nations well into the future.

I'd like to ask specifically, Minister, about Bill S-8, the safe drinking water for first nations act, which as you also mentioned is currently going through the House and is almost at second reading. We hope to see that here at committee soon.

Can you tell us how Bill S-8 will help provide access to safe drinking water, and specifically how it relates to the funds allocated?

Hon. Bernard Valcourt: Access to safe drinking water, effective treatment of waste water, and the protection of sources of drinking water on first nation lands are a priority for our government. The government and first nations throughout the country believe that first nation communities should have access to the same quality of safe, clean, and reliable drinking water as Canadians outside of first nation lands.

This bill would allow the government to work with first nations and other stakeholders to develop federal regulations for access to safe drinking water, to ensure effective treatment of waste water, and to protect sources of drinking water on first nation lands.

Provinces and territories have their own legally binding safe drinking water standards, and currently the federal government has no legally enforceable protections for first nations governing drinking water and waste water on first nation lands.

The Chair: Thank you, Minister. I'll jump in here. We just want to make sure that we keep our time frames for each of our colleagues. I'm sure others will go back to that.

Ms. Bennett, we'll turn to you now for the next seven minutes.

Hon. Carolyn Bennett (St. Paul's, Lib.): Thank you.

Welcome, Minister, and we hope that you'll come back soon to build the relationship with this committee. Because today we are dealing with the mains without, as my colleague said, the benefit of seeing the plans and priorities, would you commit today to come back after we've seen the plans and priorities and the budget, so you can walk us through the decisions that the department has made?

• (0920)

Hon. Bernard Valcourt: Thank you for your kind words of welcome.

On the issue of the report on plans and priorities, I will ensure that it is tabled within the time prescribed. It is difficult at this time. I'm getting into this, so I don't know my time commitments, but the report on plans and priorities will, of course, be tabled, and if the committee decides to invite me, I shall surely consider such an invitation in light of my schedule.

Hon. Carolyn Bennett: Well, we hope that we'll see you again before the end of May so we can get on with a few of the specifics.

You've said both in your remarks and in your responses that safe drinking water is a priority, but that there are limited funds.

I'd like to hear from you about rebuilding the trust with aboriginal peoples in Canada. When do you think that 100% of first nation households in 100% of first nation communities will have access to safe drinking water and waste water treatment? Is there a strategy for what, by when, and how?

Your own department says that it's billions of dollars behind and requires a \$1.2 billion investment urgently. I don't think you can do

this by just tweaking around the edges. There has to be a goal of 100%, and then a decision on how long it will take to get there and how much money it will require.

Will it be two years, three years, or four years? When will we get 100%?

Hon. Bernard Valcourt: I have no crystal ball that can enlighten me as to when all of these first nation communities will benefit from the kind of water system and waste water treatment system we're talking about.

Hon. Carolyn Bennett: Will you commit to going to see some of these places—

Hon. Bernard Valcourt: Absolutely.

Hon. Carolyn Bennett:—where there are 12 people living in one house and no running water, places where only 20% have running water if they happen to be on the footprint of the Health Canada building?

Hon. Bernard Valcourt: There's no question that I am fully aware of these communities, especially smaller, isolated communities that have these problems, but we have to be realistic, and we have to be practical. We have to find ways of ensuring that we can address, with the limited resources we have... Listen, if money were not a concern, we could of course commit—

Hon. Carolyn Bennett: Do you think it's okay that people live in third world conditions?

Hon. Bernard Valcourt: Of course it's not okay, but you have to manage the problem, ensuring that you make progress. I think throwing money at it as the only solution would be a mistake.

Hon. Carolyn Bennett: What we're saying is we don't think legislation is an answer if there aren't the resources to back it up.

Hon. Bernard Valcourt: When you look at the 633 first nations communities in this country, you will find many that will be able to solve that problem through economic development. It's not isolated.

Hon. Carolyn Bennett: Just a second, Minister.

We need a commitment in terms of attitude. Is there a gap or not in the per student funding per year of first nations children on reserve compared to children in the provincial systems? Only a third of first nations youth are finishing high school. It is going to require a commitment. Do you or do you not believe there is a gap in the funding per student? Will you table what you've got?

The chiefs and councils are saying this is very different. Folding in the money the department spends to hand it out, or folding in what the bands have to pay to send the kids to off-reserve schools isn't working in the communities where they know they've got no money for language and culture. They've got no money to pay the teachers properly. They've got no money for pensions.

Would you admit to this committee today that there is a gap in funding for first nations children attending school on reserve?

• (0925)

Hon. Bernard Valcourt: I read the report of the national panel, and they expressly warned us not to look at per student spending as the barometer of a successful initiative.

Right now, with the information I have, the Government of Canada invests approximately \$1.5 billion in first nation education for about 117,500 students.

Hon. Carolyn Bennett: Okay. Let's go over the estimates—

Hon. Bernard Valcourt: You asked the question, let me answer it. It compares to the level of spending that is being invested at the provincial level.

Hon. Carolyn Bennett: Okay.

In the supplementary estimates it says that you're increasing income assistance by \$1.4 million, but in the main estimates you're cutting it by \$40.4 million, as my colleague said.

You're before the courts. The department spent \$3 million trying to throw out the Cindy Blackstock case. You're spending money chasing her around. When more kids are in care now because their parents can't afford to look after them—this is about poverty—how can you defend cutting \$40.4 million in income assistance programs?

The Chair: Ms. Bennett, Minister, we're over time now on this, but if you'd like to give a short answer, Minister, we'll give you the opportunity to do that.

Hon. Bernard Valcourt: If I were political, my short answer would be, are you advocating that we not defend Canada in these actions and proceedings that are being taken against Canada? You refer to the \$3 million cost, but I think the government has a responsibility on behalf of all taxpayers to present Canada's position and then respect the rule of law in the decisions that are made.

With regard to the specific \$40 million—

Hon. Carolyn Bennett: Then you'd only have \$37 million—

The Chair: Thank you, that was a short answer.

We'll turn now to Mr. Boughen, for the next seven minutes.

Mr. Ray Boughen (Palliser, CPC): Thank you, Chair,

Minister and officials, let me add my welcome to that of my colleagues for taking time to join us this morning. We appreciate that. We enjoy the opportunity to dialogue and hear your position on various issues.

One of those issues that I would like to ask you about is education. I know it's our government's goal to establish the structures and standards to support strong and accountable education systems on reserve, all of which will set the stage for more positive education outcomes for first nations children and youth as they pursue their educational goals. Can you share with us how much the government currently invests in K to 12 education and how this spending supports that goal?

Hon. Bernard Valcourt: You're really piggybacking on the question that was raised by Ms. Bennett.

In 2010-11, the Government of Canada provided, as I told her, \$1.5 billion to support approximately 117,500 elementary and secondary first nations students who ordinarily live on reserve and go to school on or off reserve. Approximately 60% of those students attended band-operated schools across Canada, while 36% attended provincial schools, and 4% attended federal and private schools. An additional \$304 million was provided to first nations for the construction and maintenance of education facilities on reserve. In 2010-11, the Government of Canada spent \$13,524 per full-time-equivalent student, including funding for basic education services, as well as a range of targeted programs.

What I want to stress is the government's commitment in budget 2012 to work with first nations to develop this new legislation and to explore mechanisms to ensure stable, predictable, and sustainable funding for first nations elementary and secondary education. This is an answer to the call by first nations, the Senate committee, the Auditor General, and stakeholders in the aboriginal communities of Canada.

• (0930)

Mr. Ray Boughen: Minister, you mentioned the development of education legislation in your previous response. What does the government hope to achieve with this new legislation? Can you tell us how this will improve educational outcomes for first nations?

I know you haven't had much time on this file, Minister, so I'll apologize for asking specific questions, but we don't have the chance to meet with you very often.

Hon. Bernard Valcourt: I understand.

What the government wants to do is work with first nations partners to put in place educational legislation that can provide the modern framework they need to build standards and structures, strengthen governance and accountability, and provide the mechanism for stable, predictable, and sustainable funding. It's not putting the cart before the horse. Putting in place a good, legal legislative framework will allow for that stable and predictable and sustainable funding, which will ensure that the graduation rates go up, and that these kids, the youth in all the aboriginal communities, become full participants in our economy and the social development of their own communities. It happens through education. That's why this is so important. I would hope that we would not play politics with such a critical issue for first nations across Canada.

Mr. Ray Boughen: I certainly agree with that.

Coming back to Ms. Crowder's question, can you share with us the format of the meetings that have occurred with departmental officials and folks on reserve in looking at restructuring the education act?

Hon. Bernard Valcourt: As you know, I don't have a lot of hours behind me since my swearing in. My understanding—and I will be corrected by Mr. Wernick if I'm wrong—is that we have already had two of these consultations and that participation has been excellent. Great ideas, valuable comments have been put forward. As I indicated to Ms. Crowder, we're going to have these consultations in certain cities. For the parents of these aboriginal kids and first nations, there is a process through the website, through our regional offices, where they can offer their views about this discussion guide. As I said, it's not limited to what is there. What we are trying to do is bring the stakeholders together so that we can, in the best way possible, ensure that we have a piece of legislation that will bring about results. That's our main concern.

Mr. Ray Boughen: Thank you, Minister.

The Chair: We'll turn now to Mr. Genest-Jourdain for five minutes.

[*Translation*]

Mr. Jonathan Genest-Jourdain (Manicouagan, NDP): Hello, Mr. Minister.

I have a few questions for you, but if we should run into time restraints, I would like to have your answers in writing.

I would like to begin with the First Nations Land Management Act.

In 2012, our committee went to Mashteuiatsh, in the Saguenay-Lac-Saint-Jean region. We were able to see the limitations of and flaws in the First Nations Land Management Act, particularly in terms of transferring environmental responsibility and liabilities to the communities that sign the agreement set out in the act.

Mr. Minister, I would like to know what the annual budget is for the First Nations Land Management Act, not including the funds allocated in the 2011 budget. In addition, I would like to know if additional funds will be invested in the rehabilitation and environmental assessments of lands belonging to communities that sign the agreement set out in the First Nations Land Management Act.

I also have a quick question about residential schools. Has the department estimated the financial and human resources that will be required in order to hand over to the Truth and Reconciliation Commission of Canada all of the relevant documents held by Library and Archives Canada? How much of an increase might be needed to meet that obligation?

I would also like to ask about first nations infrastructure, since the infrastructure in many communities is insufficient and it is a real problem in many communities. Does your department intend to implement other targeted funding programs to help communities that still need help developing their infrastructure?

Could you provide an explanation and some details about those topics?

Thank you, Mr. Minister.

● (0935)

Hon. Bernard Valcourt: Since I am not a machine, I would prefer to answer each and every one of your questions in writing. I

cannot honestly say that I am able, at this point in time, to reply to each of them off the top of my head.

However, as for the question about documents at Library and Archives Canada, I would like to inform the committee that, as I said during my opening remarks, this issue is currently before the courts. We will fully meet our obligations, as set out in the agreement that was signed and that the court is overseeing.

If I remember correctly, some 1.3 million documents have been submitted by various departments so far. Library and Archives Canada has provided 1.3 or 1.4 million documents. And some 22 departments have contributed to those 1.3 million documents. I am referring to documents at Library and Archives Canada. Discussions are on-going and, as you know, the court made a ruling. But other circumstances may have to be set out in detail to ensure that the Commission can fulfill its mandate.

Rest assured that the most important thing is that the goals of the agreement are met. We are confident that the resources and means are in place to ensure that Canada, the government and Canadians respect the agreement signed before the court.

Mr. Jonathan Genest-Jourdain: How much time do I have, Mr. Chair?

[*English*]

The Chair: You have 20 seconds.

[*Translation*]

Mr. Jonathan Genest-Jourdain: Since you have brought experts with you this morning, perhaps some of them might be able to talk about today's topic of first nations land management? This issue has been debated at length. We have talked about it in detail. Perhaps the experts with you this morning could speak to that.

Hon. Bernard Valcourt: Do you have anything to add?

Mr. Michael Wernick (Deputy Minister, Department of Indian Affairs and Northern Development): I can clarify all of that in a written response.

I will say that we have invested the resources needed to increase the number of participating communities. As you know, we added 18 communities a year ago and another eight or nine recently. Resources are in place to implement this act in the communities.

● (0940)

[*English*]

The Chair: Thank you.

We'll turn now to Mr. Clarke for the next five minutes.

Mr. Rob Clarke (Desnethé—Missinippi—Churchill River, CPC): Thank you, Mr. Chair.

Thank you, Minister, for appearing before the committee. Welcome to your first testimony before this committee.

Minister, I have a couple of questions on the main estimates with respect to the Indian Residential Schools Settlement Agreement. I'm interested in this because with my private member's bill, I am trying to address this issue as well with regard to repealing the residential school clause out of the act.

How is the \$707 million allocated in the main estimates for the continued implementation of the Indian Residential Schools Settlement Agreement to be used?

Hon. Bernard Valcourt: In September 2012, a total of \$725.6 million over four years was allocated to our department, Health Canada, and the RCMP for the continued implementation of the settlement agreement. Of the \$725.6 million allocated, our department was allocated \$147.5 million for 2013–14 to continue implementing our obligations as per the agreement, including administration and research required for the common experience payment, the independent assessment process, and document disclosure to the Truth and Reconciliation Commission.

Our department was also allocated close to \$600 million, exactly \$559.8 million, to issue compensation payments to IAP claimants, for a total of \$707.3 million in 2013–14. The net increase of \$224.5 million is the result of \$482.8 million in previous approvals that sunset in 2013–14, partially offset by approved funding of \$707.3 million provided in budget 2012 and from the Department of Finance.

That is how this \$707 million will continue to implement the agreement.

Mr. Rob Clarke: In the estimates, it indicates an increase of \$224.5 million in funding for the Indian Residential Schools Settlement Agreement. What is the status of the settlement agreement?

Hon. Bernard Valcourt: We discussed this briefly with the member on the other side.

The implementation began in September 2007 following the agreement reached between the legal counsel and all the parties, so we are diligently fulfilling our obligations under the court-ordered agreement, including all its components.

As you may know, although September 19, 2011 was the application deadline for the common experience payment, applications were accepted until September 19, 2012, in cases of disability, undue hardship, or exceptional circumstances. As of December 31, 2012, a total of 105,540 applications were received under the common experience payment. Of these, 102,548, or 97%, have been resolved. It's a serious accomplishment in progress, and \$1.62 billion has been paid to 78,750 recipients, representing 98% of the 80,000 estimated eligible former students.

Serious and meaningful progress has taken place and we are confident that all the terms of the agreement will be settled within the timeframe imposed by the court and agreed to by the parties.

● (0945)

The Chair: Thank you, Mr. Minister.

That brings our questioning to an end for you, Minister. We thank you for your time. We appreciate the time that you gave to us. We look forward to having your officials here for the remainder of this meeting.

We'll now suspend, colleagues, and will return shortly.

● (0945)

_____ (Pause) _____

● (0950)

The Chair: Colleagues, we'll call this meeting back to order.

We'll return to the questioning of the officials.

We'll begin with Dennis Bevington, for the next five minutes.

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

Thanks to the witnesses for being here today.

I want to go to the nutrition north program and deal with some of the issues surrounding it. You're of course aware that the cost of living in northern communities, according to Statistics Canada, has gone up and has doubled in comparison to the rest of Canada.

What we see here is that the dollars for the nutrition north program have remained the same and have actually declined from expenditures that have been made in previous years. You're not budgeting for any increase, even though the cost of living has gone up and the cost of transportation has gone up. Can you explain why there isn't any increase? The population numbers for the regions have probably gone up as well. You have no increase showing here.

Mr. Michael Wernick: No, the answer to many questions is the mains are a snapshot before the next federal budget. The program budget will depend on some decisions we look forward to in the next budget.

Mr. Dennis Bevington: So you agree there are some issues with the statistics, the population and the cost of food in there. Why has the department quit monitoring the food basket costs in a variety of northern communities?

Mr. Michael Wernick: As you know, the program has shifted to subsidizing the retailers. We have much deeper, richer, broader data because there is point of sale information from cash registers. This is the 21st century now, so we can get from the electronic cash register very precise information on which commodities are receiving the subsidy. There's a lot of data available on the program, far more than there was under the old food mail program. We can track by commodity, by community, the changes from quarter to quarter and from year to year in a way that was just not possible under the old program.

● (0955)

Mr. Dennis Bevington: Are you releasing that data on a regular basis?

Mr. Michael Wernick: It certainly can be.

Mr. Dennis Bevington: It can be?

Mr. Michael Wernick: Yes, I think we're putting it out roughly quarterly and we're making it available to the advisory committee on the program.

The other variable...and it's not just population, it's which commodity you want to subsidize by how much per kilo. You can also adjust it by community. You can have different rates in different communities in different commodities. The program can be fine-tuned in a way the old food mail program never could be.

Mr. Dennis Bevington: Okay.

Under your budget here you show a large increase under “Northern Land, Resources and Environmental Management”. Could you explain to me how you're planning to invest those moneys?

Mr. Michael Wernick: Could you point out which page or line you're referring to? It would be easier.

Mr. Dennis Bevington: That would be on page II-179 and it would be under “Northern Land, Resources and Environmental Management”, page 179.

Mr. Michael Wernick: We're trying to find the right page.

It's a shift in the profile of contaminated sites projects. As you know, we have a portfolio of projects and they move from fiscal year to fiscal year. It's just a change in the work plan associated with remediation.

Mr. Dennis Bevington: Where would that have come from?

Mr. Michael Wernick: We've got increased resources.

Mr. Dennis Bevington: No, where would that have come from in the budget? If you're moving resources from one area to the other, where would it come from?

Mr. Michael Wernick: No, we move them from year to year. The projects are on various timelines and money gets paid out as work is done. If it's not entirely needed in one year, we spend it the following year, and it's an accounting for the fiscal year.

Mr. Dennis Bevington: Are those funds also what you run your various departments in the three northern territories on as well, or are they simply for contaminated sites?

Mr. Michael Wernick: The bulk of it would be the actual remediation, which is usually done by third party contractors, and there's a small staff complement, as you know, that supervises the projects.

Mr. Dennis Bevington: So you don't separate in any way the dollars that you're expending in the three northern—

Mr. Michael Wernick: We probably can provide that breakdown. At this level of aggregation that Treasury Board provides, it's rolled up at a pretty high level. We do have a staff complement, as you know, that does supervise the projects.

Mr. Dennis Bevington: Do I have seven minutes?

The Chair: It's a five-minute turn. Thank you, Mr. Bevington, your time is up.

Mr. Dennis Bevington: Thank you.

The Chair: We'll turn now to Mr. Rathgeber for five minutes.

Mr. Brent Rathgeber (Edmonton—St. Albert, CPC): Thank you, Mr. Chair, and thank you to the departmental officials for being here.

I was hoping you could square a circle for me. In the minister's opening comments he indicated a budget reduction of \$240.1 million over three years, \$160.6 million of which is going to be achieved through streamlining and efficiencies.

He also indicated in his opening comments that the 2013-14 main estimates of \$8 billion represents a net increase of \$178 million, or 2.3%, over last year.

My question is, how realistic is it that there is going to be a budgetary reduction on 2014-15, and where are those efficiencies hoped to be achieved?

Mr. Michael Wernick: Thank you for the question.

Last year's budget injected about \$700 million over three years into the department, and the minister set out some of those new investments. It also took our reductions under the deficit reduction action plan. The breakdown of where those reductions are going to flow by area and year is posted on our website. It was posted in response to the Parliamentary Budget Officer at the same time as other departments. It has been there since October 28, and it's there for people to look at.

To try to answer your question, in the process we took a 10% reduction on the operating budget of the department, a 10% reduction on our staff complement, a 15% reduction on our executive complement. We tried to reduce internally first. There are some impacts on outside funding, which were announced on September 4 by Minister Duncan. We had no reductions, essentially, in province-like program areas or in northern programs.

That's all on the website. If there are further questions, next time we're back, I'd be happy to take those.

● (1000)

Mr. Brent Rathgeber: Thank you.

What was the First Nations Statistical Institute, and why was it deemed expendable?

Mr. Michael Wernick: It was a small stand-alone organization created by the previous government at the time of the first nations statistical act. It pre-dates my time as deputy. At the time the First Nations Land Management Act was created, so was the statistical act and the First Nations Commercial and Industrial Development Act. This was a suite of initiatives designed to create stand-alone first nations institutions.

There was basically no take-up for FNSI by first nations. Nobody was going to it and nobody was using it, so when we had a reduction target to meet, it was one of the things the minister decided to reduce.

Mr. Brent Rathgeber: That's a \$5-million line item, and I'm assuming, then, from your previous answer that there was no push back when it was announced it was being discontinued.

Mr. Michael Wernick: FNSI was not happy about it, but there was essentially no push back from first nations communities.

Mr. Brent Rathgeber: Thank you, sir.

The Chair: Thank you.

We'll turn now to Ms. Hughes.

Mrs. Carol Hughes (Algoma—Manitoulin—Kapusking, NDP): Thank you very much. I appreciate the department being here.

Our path forward must include a commitment to action with respect to treaty implementation, land claims, proper consultation, and proper resources. In order for first nations to have the ability to improve their economic outcomes, we have to look at long-term planning. We have to make sure the money being invested is going to be enough for them as well to be able to move that forward.

My questions will revolve around treaty rights and treaty implementation and land claims. To begin with, I'm wondering if you could tell me how many outstanding large claims there are currently, so large claims that are a bit greater than \$150 million.

Mr. Michael Wernick: You're referring, then, to specific claims, I think, as opposed to comprehensive claims. Comprehensive claims are where there's no treaty resolved, as in the Yukon and parts of Northwest Territories and Quebec.

Specific claims are allegations of violations of past obligations. At last count—and I will correct this if I'm wrong—there are four or five that are estimated to be above the \$150-million threshold.

Mrs. Carol Hughes: The 2013-14 main estimates identify a spending decrease of \$347 million, from \$716 million to \$369 million, under the heading of "Co-operative Relationships".

Could you explain why there is such a decrease? Could you also advise what programs fall under the heading of "Co-operative Relationships"? What do those programs do?

Mr. Michael Wernick: I can answer the first one fairly quickly.

One of the large claims above \$150 million was the Coldwater claim in Ontario. It was resolved and paid out last year. That's why you see a bigger number last year than this year. Simply put, the money is not needed this year. The decline is simply that Coldwater was paid out with last year's resources.

What you'll see, and I know there's a bit of frustration for the committee, is settlements tend to come in large clumps. It goes up; it goes down. It depends on what year the settlement is reached. We continue to have aspirations to have more settlements this year. That was a big lump payment that went out last year.

On cooperative relationships, I don't have the specific program areas at my fingertips. It's a grab bag of programs that have to do with negotiations and implementation of agreements and also, I think, some of the governance and the capacity-building programs, of which we have many.

I can certainly provide a list.

Mrs. Carol Hughes: Yes, send us some information after.

Will the decrease in spending affect the capacity of the ministry to resolve land claims in a timely manner?

Mr. Michael Wernick: No, we certainly don't expect so. Last year on September 4, Minister Duncan announced on behalf of the government its intention, in response to frustrations expressed by first nations, to try to speed up and move the negotiation process to a more results-based approach. We're in very active discussions with first nations around the country on how we can unclog and unkink negotiations. We have limited staff resources and negotiation resources. To be very candid, we're trying to focus those on the tables that have some prospect of moving in the next year or two and

take them away from tables that are not really moving because of impasses or other issues. Sometimes there are overlap issues between first nations, and sometimes there are local issues that make it difficult for the first nation to get a mandate. Over the next few years, we're going to try to really move where the opportunity to move presents itself.

• (1005)

Mrs. Carol Hughes: We've heard over and over again that treaty implementation and land claims are some of the biggest barriers to first nations economic development. I can refer to one with respect to the Thessalon First Nation. The government may indicate that it's at an impasse, but these are willing partners and they want to be at the table. The problem, from what we can gather, is that the negotiators don't have the mandate to really negotiate. They don't want to displace themselves, and I'm assuming it's because of funding cuts to the ministry's office.

In the estimates, it indicates a reduction of \$341.1 million in expenditures under negotiation settlement and implementation of specific and comprehensive claims. Can you provide an update on the progress of resolving outstanding land claims? How many outstanding claims are there? How many have been resolved this past year? I know you answered part of that a while ago, but how many have been resolved this past year? What impact is felt by this reduction in spending? What, under this heading, will be cut as a result of the decrease in departmental funds? What do you recommend to improve the capacity of the ministry to settle land claims in a timely manner in light of these funding cuts?

The Chair: Ms. Hughes, you'll have to get that in writing, because, as I was indicating to you—

Mr. Michael Wernick: I'll be very quick. We are always at the table with a mandate. It's not always a mandate the other side of the table likes, but we are never in a situation where we don't have a mandate, clear policies, and clear parameters. I'd be happy to look into the specific table that you referred to.

I think you're referring, at the end of your question, to specific claims. There's an inventory on the website. It's updated quarterly. Our inventory right now is about 345 claims, with about 200 of them in active negotiation. We are working through the smaller claims at a very rapid clip, and that data is on the website.

The Chair: Thank you.

Mr. Rickford.

Mr. Greg Rickford (Kenora, CPC): Thank you, Mr. Chair, and my thanks to you folks for being here today.

I want to focus on education. Standing back from this, reflecting on the water and sewer, the waste water treatment plant process, I think we came to, as the minister mentioned in his speech, a three-pillar approach. First, we'd be looking at the capacity, reporting, monitoring, and maintenance; second, at an ongoing commitment to infrastructure; and third, at a piece of legislation that would create some standards for—

The Chair: Mr. Rickford, I apologize, but there are indications that there are votes in the House at this time. I think there has been agreement to suspend the meeting, at least the questions, at this time, and move immediately to the votes on supplementary estimates (C). If that's the case, we'll now do that.

I do apologize to our officials.

Mr. Michael Wernick: Mr. Chairman, we'd be happy to sit down with the clerk and get the list of written questions and make sure those come back in writing.

Mr. Greg Rickford: I had a couple of questions on education, about the great Kenora riding.

The Chair: We appreciate that.

Colleagues, I'll move immediately now into votes. It will be specifically on two different votes. If we're ready, I'll begin.

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Department

Vote 1c—Operating expenditures.....\$1

Vote 10c—The grants listed in the Estimates and contributions.....\$1

(Votes 1c and 10c agreed to)

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

Some hon. members: Agreed.

The Chair: I will do so.

Colleagues, thank you so much.

We'll now adjourn the meeting so we can head to the House for votes.

I declare this meeting adjourned.

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