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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 now declare this ninth meeting of the Standing Committee on Public Accounts in order and duly convened.

Before we begin with the agenda matter at hand, which is to continue our study of chapter 4, “Programs for First Nations on Reserves”, I want to advise colleagues here that the government House leader tabled the certificate of nomination of the new Auditor General of Canada in the House just moments ago. Therefore, with that in mind, I will go to Mr. Saxton for an in order motion.

Mr. Andrew Saxton (North Vancouver, CPC): Thank you, Mr. Chair.

As you mentioned, our government is pleased to announce that Michael Ferguson, the former deputy minister of finance of New Brunswick, will be the next Auditor General of Canada. His nomination has just been tabled, as you mentioned, in the House by my colleague.

Mr. Ferguson has a proven track record of public service for the Province of New Brunswick. He served as auditor general of that province from 2005 to 2010, is currently the deputy finance minister, and has demonstrated a strong record of non-partisan public service.

Therefore, with that in mind, I would like to put forward the following motion: That in light of the Conservative government's commitment to accountability, transparency, and a strong Office of the Auditor General, the Standing Committee on Public Accounts shall hear from Mike Ferguson on October 31, 2011, from 3:30 to 5:30 p.m., to provide opening remarks and answer committee members questions, culminating with a vote to ratify his nomination as Canada's fourteenth Auditor General.

That is my motion, Mr. Chair.

The Chair: Thank you.

I guess that we have to leave the flowery stuff in there to get to the substantive part, but—

Mr. Andrew Saxton: It's all accurate, Mr. Chair.

The Chair: Well, that's debatable, and what we don't want to do is to enter into a huge debate. However, the motion is in order, and debate is open. If there is any debate or if there are any comments, they are in order at this time. If not, the committee will be determining what the next scheduled hearing will be, and it would be to invite the candidate in for us to have a session with him.

Mr. Andrew Saxton: It's not actually the next one; it's the one on Monday.

The Chair: I actually meant the next open one that we have. Wednesday is plugged, and then Monday is open, and that's when this will happen.

Mr. Andrew Saxton: That is correct.

The Chair: Is everybody okay on the issue? Does everybody understand the motion?

Monsieur Caron.

[Translation]

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): Can we talk about the date? Actually, I would have much rather received the motion in advance so that we could have discussed it at the meeting of the subcommittee.

I know the nomination happened today and we have to decide on a date right away. I don't have anything against the date, but I would have liked to be notified that this was coming up. This is the first I have heard of it.

[English]

The Chair: Thank you.

Mr. Kramp.

Mr. Daryl Kramp (Prince Edward—Hastings, CPC): I can certainly understand the concern of my colleague, but this is one of those unique situations in which there could obviously be no information going forward. We as government members were not aware of this at the time. As a common courtesy, we would have definitely done that, but in this particular case we would have breached parliamentary privilege to have made any comment at all prior to its being presented.

• (1535)

The Chair: Monsieur Caron.

[Translation]

Mr. Guy Caron: I understand that.

Meanwhile, we could talk about the witness when the subcommittee meets on Wednesday. We could talk about it then, make the recommendation and decide. Right now, we are going to decide on a meeting that will take place next week, without any discussion.

[English]

The Chair: The member is entitled to move a motion of tabling, or referral to the steering committee, if he wishes.

[*Translation*]

Mr. Guy Caron: I am going to do that. It is not that I don't want to talk about the nomination, but we have to establish whether October 31 is in fact the best date for it.

[*English*]

The Chair: I was just conferring with the clerk, because I didn't think there was any debate.

It's a motion to refer this matter to the next steering committee. There is no debate.

(Motion negatived)

The Chair: We are on the main motion. The main motion is back in order, and the floor is open for discussion.

Mr. Shipley.

Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC): Thank you, Mr. Chair.

We don't oppose those just for the sake of opposing them. It's a week away. We now have the opportunity, from this date forward, to do as much background work and information gathering as we desire to do.

And I think we want to proceed. I think there's an expectation for Parliament to proceed—not just the government, but Parliament—with that appointment of the Auditor General. I certainly think the interim Auditor General is looking forward to our moving forward also.

With that aside, I just give this opportunity to all our members over the next week. My point was that we don't do this just to oppose; I think we have the time to actually do our due diligence as a committee.

Thank you, Mr. Chair.

The Chair: Thank you, Mr. Shipley.

Mr. Byrne.

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.): Mr. Chair, notwithstanding that the nominee in question was actually revealed somewhat through the media some weeks back and that we are now receiving word formally in terms of a parliamentary authorization, the candidate himself is extremely well known, and we are able to receive background information on him based on his past experience as an auditor general from the Province of New Brunswick.

Given the fact that the nomination of the current interim Auditor General of Canada is set to expire at the end of November, I believe there is a certain value and need for haste to get the committee to review the nomination and report its findings to the House. Given that the Senate of Canada is also required to carry out much the same process, I would encourage all members, having now heard the name formally and having it available to us for review, to move quickly to receive the nominee and express our point of view at that point in time.

The Chair: Thank you very much, Mr. Byrne.

To be fair, Monsieur Caron, I indicated to Mr. Saxton that moving it quickly seemed okay to me, but that does not at all override your right to raise the issue—and if I should have touched base with you, I apologize. I was thinking of John, too, and realizing just how lucky we were to have him stay this long, and that there was a chance to expedite this and still do it properly.

So if there was too much haste, a lot of it was my doing in acknowledging to Mr. Saxton that I thought it was okay. If I owe you an apology, you have it.

With the matters now before us, is there any further discussion or debate?

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

The Chair: If there is no further business, then we will proceed with the scheduled agenda of the day, which is to begin a second hearing on this chapter.

Colleagues will recall that the last time, we managed to squeeze in the last rotation before we went off to vote. So we're now in a position to begin the rotation anew.

Therefore, Mr. Saxton, you have the floor, sir.

Mr. Andrew Saxton: Thank you, Mr. Chair, and thanks to our witnesses for coming back on this very important subject.

My first question is regarding last week. The importance of working with partners was highlighted, and I believe it was Mr. Wernick who indicated there was a sense of momentum on a range of partnership initiatives.

Could you please provide the committee with additional information on the progress achieved in establishing tripartite partnerships?

• (1540)

Mr. Michael Wernick (Deputy Minister, Department of Indian Affairs and Northern Development): Thank you for the question.

I'll try not to go through all of the details but just give the committee a feel for how much momentum has been established since the early days of this effort in 2006.

We have province-wide tripartite agreements in education with British Columbia, Alberta, Manitoba, New Brunswick, and P.E.I. We have a sub-regional agreement, which means the one for the Saskatoon area, in Saskatchewan. There's an agreement in Nova Scotia on education outcomes. And we have discussions under way in Quebec, Saskatchewan, Ontario, and the Yukon that were interrupted by recent elections but that we hope to get back to with the incoming governments.

I think we talked about child and family services. We have tripartite agreements with Alberta, Saskatchewan, Nova Scotia, Quebec, Prince Edward Island, and Manitoba, and we're at the table with British Columbia and New Brunswick. So we've covered about 68% of on-reserve children.

There are agreements on income assistance with Nova Scotia and British Columbia, a health tripartite agreement with Saskatchewan, a tripartite agreement on Jordan's principle with Saskatchewan, an income assistance agreement with Quebec and with Saskatchewan. And you probably will have seen the very recent agreement with health partners in British Columbia. It's not my department's, but it's a very important breakthrough in British Columbia.

There are other agreements of the same sort in which we're bringing together the province, first nations representatives, and the Government of Canada on a variety of issues. One of the oldest ones is in Nova Scotia with the Mi'kmaq people; it covers a range of subjects.

We're hoping to carry on with these, now that the round of provincial elections is almost over—with the exception of Saskatchewan's.

Mr. Andrew Saxton: Thank you very much.

Last Friday the government announced the initialling of the Sliammon final agreement. It represents a significant achievement for all parties involved and Canadians. But are treaties the only solution for getting out from under the Indian Act, Mr. Wernick?

Mr. Michael Wernick: The short answer is no. The longer answer is that there are a variety of tools that can get you out of parts of the Indian Act, for a variety of purposes.

One of the things that's most important to first nations is to have control over land management and resources, the kinds of things a municipal government would do, that is, local land management decisions. Parliament created the First Nations Land Management Act on that front a few years ago. The breaking news since I was here on Thursday is that we reached an agreement on a new funding formula with the first nations who are running that regime, which will allow us to resolve a bit of an impasse on how much first nations should be contributing out of their own resources once they've gone into land management. We hope to be moving forward another batch of first nations on that very quickly.

You can get self-government arrangements that are limited to child and family services, or to education, as a way of getting out of those parts of the Indian Act. And you can run your own oil and gas revenues. So previous Parliaments have given first nations a number of optional tools, rather than a one-size-fits-all approach for the entire group. We hope to have a few more of these tools available in the coming Parliament.

Mr. Andrew Saxton: Thank you.

Along those same lines, I just want to mention that the Office of the Auditor General concluded that Aboriginal Affairs and Northern Development was beginning to take into account the spirit and intent of land claim agreements, in part by developing guidance indicating a broader interpretation of the federal government's obligations.

What additional measures will AANDC need to take to achieve the spirit and intent of the land claim agreements?

Mr. Michael Wernick: If I understand the language, I think it means not being entirely literal about the text of the agreement and what the lawyers will tell you is the narrow obligation, but to look at what the aspirations were at the time the self-government agreement

or treaty was reached. They're often about greater local decision-making. And they may be about greater economic development, more participation, resource development, and so on.

The main tool that gives me some confidence is that we have a clear set of guidelines for other federal departments, as well as our own officials, in terms of what the expectations are. We'll have a single-window database of what those obligations are. And we're doing a lot of training for federal officials who are involved in this. So I think the chances of things being dropped or forgotten in the rush of current work are much smaller than they used to be.

The spirit and intent was largely to develop their own governance capacity and to participate in the economic life of the country, and those are things that we should always keep in mind.

● (1545)

The Chair: Thank you.

The time has expired. Thank you.

We welcome Linda Duncan, who's joined our committee today. I've been advised that the NDP is offering up its question space to Madam Duncan.

So, Madame Duncan, you have the floor.

Ms. Linda Duncan (Edmonton—Strathcona, NDP): Thank you, Mr. Chair. And thank you for welcoming me to your committee.

I'm actually only going to ask one question, and then I will disappear from the table. So thank you very much.

I'm sorry I missed the presentation earlier. It is a most important report. I previously thanked the Auditor General, and I'd like to thank him again for a fantastic report. It's very succinct and basically says what needs to happen, after too many delays.

My question is for Mr. Wernick, the deputy minister of Aboriginal Affairs and Northern Development.

I looked at *Hansard* for some of the replies that were made. I'm just looking for a little bit of clarity, and I'm trying to get at all of this in one question. I hope we can get you back to our committee on aboriginal affairs and that we can pursue this in greater detail there.

Of course, you're well aware of the Supreme Court of Canada's decision on the duty to consult. To consider and accommodate means that, when there's any kind of a policy shift, it has to be founded on direct consultation with the potentially impacted first nations.

Here I noted the comments about the movement toward tripartite agreements. Some first nations are more interested in these; others don't like the thought of the provincial authorities being at the table.

My first of a two-part question is this. Have you been directly consulting with individual first nations, as opposed to the regional council or Assembly of First Nations, about how they feel about entering into tripartite agreements? And are these agreements considered to be some of the transfer of the responsibilities of the federal government to the provincial governments to deliver?

I am particularly interested in the aspect presented by the First Nations Land Management Act. As was pointed out very clearly last week by Aboriginal Affairs and the land management board, that act only applies to reserve lands; it doesn't apply to the traditional lands. In my jurisdiction, in Alberta, where most of the impact is occurring, the concerns are with the traditional lands. It's a huge gap, as there's no federal regulation of that area.

I'm sorry that this is a rather complicated question, but I am interested in this general direction, which suggests that the federal government is interested in moving to fee simple land. What are the implications of that for the duty to consult and consider, and the shift towards considering giving the provincial government some of the responsibility?

Mr. Michael Wernick: I appreciate the question.

I'd be happy to take this up with the other committee. There are about seven issues in there, at least. If you would bear with me, Mr. Chairman, I will try to pick it apart as best I can.

Government is not moving to fee simple land on reserve. That's not on the agenda. There is an initiative coming out of first nations country, lead by Manny Jules and the First Nations Tax Commission, looking at a form of property ownership and property tenure that would not be fee simple. The government is not going to pursue that unless there is some evidence of some first nations support in that area. It's an intriguing area that's being driven from first nations country. I certainly commend it to parliamentarians, that they inform themselves on it. We're certainly not trying to dump responsibilities on the provinces.

I was going through the tripartite agreements last week. The intention is simply to bring to bear the expertise and the networks that are in provinces on issues like kindergarten to grade 12 education, child protection, municipal infrastructure, and so on, because the only people who really know about that are in the provincial governments—not in my department. In working with first nations governments and institutions, we of course we have a significant responsibility arising from our core responsibilities, including funding. Bringing those three ingredients together does seem to cause some momentum and progress in these areas.

These are things that first nations would freely enter into, and if they don't want to, they don't have to. Nobody would be coerced into a tripartite agreement, or into dealing with the provinces if they don't want to. We come across less and less resistance among first nations communities to at least having conversations with the people who work in provincial governments in these particular areas, such as education, child and family services, and those sorts of things. If they don't want to, they don't have to. But these conversations are sometimes taking place by themselves, whether we invite them or not.

On the duty to consult, I have to go on the record that the section 35 duty, in the view of the Government of Canada, is fairly narrow. It's when the crown is thinking of making a decision that would potentially impact on treaty and aboriginal rights. That would include a regulatory approval, a land disposal, and things that directly impact on definable section 35 rights of a definable community. There is a lot of jurisprudence on that. It doesn't extend to every piece of policy, programming, or administration the

government takes on—at least, that is not our view. I know there are different views in some first nations circles. As a matter of practice, going back decades, governments consult with first nations people on changes that would potentially affect them. Sometimes you get support, and sometime you don't. That's the history of reform in this area. There isn't anything that would come before Parliament where there hasn't been extensive engagement with some constellation of first nations groups. The art in it is that between the national and regional groups and the specific communities, what combination would you deem to be enough consultation?

• (1550)

The Chair: Great, thank you. The time has expired.

We will go over to Mr. Kramp. You have the floor, sir.

Mr. Daryl Kramp: Thank you, Chair.

And, certainly, I thank Mr. Wernick

I offer you my sympathies. You must have what is literally the most challenging department in government. That stated, the dissatisfaction with the progress over the years certainly doesn't fall on a shoulder, but many, many shoulders. My concern is not what has taken place in the past, but where we are going in the future.

I have a question both to you and Mr. Wiersema. I expect there might be a difference of opinion on this. I'm not going to drill down in this point now, but I would just like to have it on the record so we can move forward.

In terms of the road map forward, should it be legislatively addressed or can it be done through initiatives from the department? Which way should it be done—either, or, or both?

Mr. John Wiersema (Interim Auditor General, Office of the Auditor General of Canada): I believe, Mr. Chairman, from the perspective of the Office of the Auditor General of Canada, a legislative base for many of the programs Michael and his department, and other federal departments, deliver is part of the solution, as well as some information on the outcomes and service levels that Canada is attempting to achieve. I believe the legislative base is one part of a solution for moving forward here.

Mr. Daryl Kramp: Thank you.

What do you think, Mr. Wernick?

Mr. Michael Wernick: There is no disagreement. One of the really important parts of the Auditor General's report is that it shows there are four winning conditions or missing conditions. The combination of those is what's likely to result in enduring change. You could pick any one of them, such as legislation without funding, or funding without legislation, and so on. They would have some results, but they would probably be temporary, in our view. If you want enduring structural change, it's the combination of these tools.

Mr. Daryl Kramp: Okay. I'm going to shift directions a little bit to education and young people's initiatives.

I have a particular post-secondary institution in my riding, the First Nations Technical Institute. It is always challenged for funding and, of course, it's a political football. The province administers education, but it doesn't want to control it and thinks it should be federally paid for. And federal officials say, "Yes, we have some obligations, but we don't administer education. We have never had a sense of direction that we are comfortable with on issues like this."

Obviously, there are other post-secondary institutions facing similar circumstances. This particular institution has close to a 95% placement rate for its graduates. Yet, of course, its budget has been under pressure for years.

So I'm suggesting that we have some difficulties with in post-secondary education, as well as primary and secondary education. What are your thoughts on this, and do you see any potential solution to breaking this impasse between the federal and provincial levels?

Mr. Michael Wernick: Yes, and again it is about bringing people together around these kinds of three-cornered architectures with the province.

The institution you're discussing has a long history. I know you're probably more familiar with it than I am. It has been a bit of a pitfall. Normally the federal government is not directly involved in the operating costs of the post-secondary institutions; that's just generally not what we do. The federal government's involvement has been through research councils, research grants, and student assistance directly to students and their families to help them participate in post-secondary education—and occasionally infrastructure. There was a dollop of Canada's economic action plan that did go to universities and colleges, which helped them deal with some of their backlog.

First nations institutions sit there somewhere in the middle. Provinces used to say, if this has something to do with first nations, you should go to see the feds. Then we would say, you're a post-secondary institution, and...

We've been trying to draw a line, saying that you should get accredited as an institution with the Association of Universities and Colleges of Canada or get accredited with the Association of Colleges in Canada. We're not into funding private schools and religious schools and institutes. So they should meet the standards of accreditation, and we would then be in a better position to decide whether we should be getting involved with them or not.

It is my understanding—and you can correct me here—that this is where we were on FNTI and a couple of others. But our main tool is to actually help the students and their families.

• (1555)

Mr. Daryl Kramp: Thank you.

The population of aboriginal young people is growing dramatically. It's quite a demographic. On the one hand it's a time bomb, and on the other hand it's an opportunity. I'm wondering about the implications.

Could you extrapolate a little bit on them from your perspective and say where you see this going?

Mr. Michael Wernick: It's both. If anybody ever tells you that Canada is an aging society, you will say yes. But there's a large young aboriginal population within the country, especially in some parts of the country. The median age is 25, that is, half of them are under 25 years of age. We know they're there, because they are already on my registry, and they are either an enormous opportunity for the country for dealing with some of the demographic and labour shortage issues or they are going to be a time bomb for our cities and our social conditions. Whether we get them basic education and get them into the labour market and participating in the economy really is going to determine which it will be.

The Chair: I'm sorry, but the time has well expired.

Monsieur Dubé, you have the floor.

[*Translation*]

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

We are going to continue talking about education. This morning, I had the pleasure of meeting the representatives from the Canadian Federation of Students. We talked about some of the pressing issues around first nations. Among other things, we talked about the youngest segment of the population, which is quite vast. Among people between the ages 15 to 24, the unemployment rate is 41%, which I feel is simply unbelievable for a country like ours in 2011.

That said, we can also see what contribution those young people could make. For example, if they had better access to post-secondary education, aboriginals could make a contribution of up to \$400 billion to Canada's GDP. I think that would be very good for our economy.

We are talking about funding and you talked about standards in schools. I know there is legislation, but what are you doing to understand their standards and their needs rather than those we perhaps want to impose? What are you doing to bring them to the bargaining table in order to discuss their needs and address this awful problem?

Mr. Michael Wernick: Is the question about elementary and secondary education only or also about post-secondary education?

Mr. Matthew Dubé: It includes post-secondary education.

Mr. Michael Wernick: At the moment, elementary and secondary education are being discussed more. It is how tripartite tables are designed. We have direct discussions with a number of aboriginal groups, including the Assembly of First Nations of Quebec and Labrador. We try to develop mechanisms in order to establish standards. But aboriginal governments and institutions strongly believe that the standards they adopt should come from them. We hope the standards will be defined jointly with the provinces and that we will be able to establish some mobility in terms of diplomas. If someone gets a diploma from a school on a reserve in Quebec, we hope that the diploma will be recognized by a university, college or an employer in Quebec. So there are many avenues for consultation and development.

No consultation is underway at the moment on the post-secondary aspect, but it was quite a hot topic a few years back. Two aspects are controversial. One is funding and the other is the mechanism through which grants can be awarded to students. Aboriginal governments are currently responsible for that. The band council receives the money and decides who in the community will receive a grant. There are other potential mechanisms. We have actually put together five or six options. You can find them on our website. But it is a very controversial topic for aboriginal governments. They want to remain in charge of deciding which student will receive the grant.

● (1600)

Mr. Matthew Dubé: Okay.

I had another question. It is on another topic, but it is still related to consultation and education.

This is for the people from the Office of the Auditor General. In terms of recommendations, do you basically try to consult with other countries that have significant aboriginal populations? Do you try to see how the relationship between audits and recommendations can lead to solutions that we could use in education, for example, or that would help us?

[English]

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

Yes, the Office of the Auditor General of Canada is quite active with the international legislative audit community and compares notes on common subjects that we are examining in our audits. In fact, Mr. Campbell quite recently attended a meeting with the Auditor General of Australia, where frankly they were looking to learn from our experiences here in Canada in auditing aboriginal issues.

Beyond the Australians, Mr. Campbell, perhaps you could speak more about the international collaboration we have done.

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

Yes, the Australian National Audit Office invited us and representatives from New Zealand to a symposium where we exchanged ideas. I think the three countries and their audit offices are quite different in many respects. I think it was very useful from our point of view, but I suspect that the Office of the Auditor General of Canada has done considerably more work in this area than those of our counterparts in other countries.

The Chair: Thank you.

Sorry, your time has expired.

We'll move along now to Mr. Shipley. You have the floor, sir.

Mr. Bev Shipley: Thank you, Mr. Chairman.

And thank you to the witnesses for being here today.

Mr. Wernick, the other day you talked about a number of things, but one of them was the partnership approaches that are being used to address issues that came out of the OAG report. I think developing partnerships is always a strong, significant approach to be looking at, so I have a couple of questions that will revolve around that.

Are these alternative approaches being used to address, for example, housing issues?

Mr. Michael Wernick: I'll defer to my colleague from CMHC on that one, if it's all right.

Mr. Douglas Stewart (Vice-President, Policy and Planning, Canada Mortgage and Housing Corporation): Yes, there is one tripartite agreement in place in British Columbia with respect to housing.

Mr. Bev Shipley: As we look at partnerships, is that something that reaches out across the country and that you hope to develop further?

Mr. Douglas Stewart: Certainly I think it would be beneficial if this model could be replicated in other provinces.

Mr. Bev Shipley: Okay.

Then I want to follow up on that. Maybe you could expand on that model a little further.

Mr. Douglas Stewart: The model involves the Province of British Columbia and the first nations in British Columbia, as well as the Canada Mortgage and Housing Corporation and Aboriginal Affairs and Northern Development Canada.

There are a number of focuses for the work. In particular, there is an objective of trying to coordinate the activities of the different agencies that have some responsibility with respect to housing. As you can imagine, activities of the province can affect the ability to produce housing on reserve.

There is a focus on governance. Certainly all three partners recognize there is an important job with respect to putting in place the institutions and the governance models that can produce housing.

All three partners are concerned with capacity development, the training and the passage of expertise to first nations from experts in the other two levels of government.

So I think and hope that gives you an indication of some of the activities and concerns of the participants in the MOU.

● (1605)

Mr. Bev Shipley: I have one more question in my round.

Last week, we talked about small communities. In my riding there are a number of smaller communities, in terms of first nations. Whether it's first nations or small rural municipalities, their size often creates challenges just to be able to provide services. When we're talking about smaller communities and being able to provide the services that are needed, I'm wondering about shared resources. I'm talking about some of those basic services that are needed by communities.

Let me give you an example of what I mean.

What would you be looking at as an agency in terms of support to develop their capacity, whether with water, sewer, or senior housing projects? How do we encourage partnerships for those types of initiatives, even with municipalities—and not just in one community, if you have a number of them that are fairly close together?

Mr. Michael Wernick: I guess there are two parts to an answer to that, and I'll try to stay at the very top level.

One is that we do try to encourage aggregation for service delivery, the creation of health and education authorities, or boards that can pool resources, because they can hire the staff and create the public administration to deal with 5, 10, 15, or 20 first nations at the same time, and they're more likely to have results. It can't really be forced, if they're not willing to work together in a configuration like that. But there's been a lot of progress at the level of tribal councils, which line up somewhat with the political structures of the first nations. And there were comments in the Auditor General's chapter about still having a long way to go, in terms of those on-the-ground service arrangements.

The other is capacity-building. Over about 20 years, every time the government has done something, there's usually been a little bit of money associated with capacity and training to implement the initiative. I think we have close to 30 of those initiatives and institutions around. The problem we have now, I think, is that there are too many of them. They're too scattered and we need to consolidate them and make better use of partnerships with the universities, the professional associations, and other sources of expertise. There's about \$600 million going into this area, but I don't think Parliament is getting its full value yet if we don't do some consolidation and renovation in this area.

The Chair: Thank you.

The time has expired. Thank you very much.

We'll go over to Mr. Byrne. You have the floor, sir.

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

One of the topics that we as parliamentarians can use as benchmarks or milestones in judging progress on the status of improvements is the renovations to, or the construction of, a legislative framework, which the Auditor General has noted is one of the four key planks for future success in improving the quality of life of first nations.

Mr. Wernick, would you be able to provide the committee with a road map, or at least a description, of the specific areas where the department is contemplating legislative proposals for your minister and cabinet to bring forward to Parliament? What areas are being discussed? What would their status be? What are some of the

challenges? Basically, lay out a road map as to what areas are being considered for legislation in education, health, and social and community benefits, as described within the status reports and the reflections of the Auditor General.

Then, Mr. Chair, based on that answer from Mr. Wernick, I ask if Mr. Wiersema could provide the committee with his observations as to whether that meets the expectations or suggestions within the findings and recommendations of the Auditor General's office.

The Chair: Mr. Wernick.

Mr. Michael Wernick: Thank you for the question.

We actually deal with a fair number of private members' bills and private senators' bills. In terms of government legislation, I hasten to add that the government will decide whether to pursue legislation or not, and Parliament will decide whether to adopt it. There were a number of statements of intention in the Speech from the Throne and the budget to proceed with legislation in this Parliament—and there are others that were being discussed, which will need a cabinet decision as to when and whether they go forward.

To pick up on the question from Ms. Duncan, there are still some first nation consultations to be done before we would think about tabling a bill.

Not strictly speaking in the scope of this chapter, you'll know that Bill S-2 has already been tabled. That's the matrimonial property issue coming back for the fourth time. Hopefully, Parliament will find a way through that in the next little while.

You'll see a number of bills that are related to land claim settlements and treaties. There will probably be at least three or four of those in the next year where you have a specific agreement and you need implementation legislation.

There are probably two that are the most relevant to the chapter. One is water standards legislation. There was a bill on this in the previous Parliament, and we're now in discussions with first nations groups about whether we can make it more palatable. I think you'll see water standards legislation within a matter of months at the outside. That goes straight to one of the issues in the chapter.

The big, elusive one is probably first nations education. We're going through the exercise with a national panel, that is, as a joint project with the Assembly of First Nations—and not without controversy in first nation circles. Once we have that report around Christmas, the minister and the national chief will have to decide how to move forward. I think there's a very good chance of government legislation on first nations education in calendar year 2012.

● (1610)

Mr. John Wiersema: If I may, Mr. Chairman, I believe the member's question goes to the heart of one of the issues we raised in this report, the issue of improving the legislative base, which is one of the four impediments. I'm not going to tell this committee its business, but one of the recommendations this committee could make is to request from the government exactly the road map you're looking for. That's one of the four impediments. It requires serious attention, Mr. Chairman.

I personally haven't spent a lot of time on first nations reserves, but Mr. Campbell and Mr. Barrett have. Madam Fraser, the former Auditor General, spent a lot of time on reserves, and she and Ronnie and Frank saw what it's like out there. These matters, Mr. Chairman, are serious and they're urgent. We've heard discussion today about a time bomb, or an opportunity. I'm not sure I'll take a position on which they represent, but these are very serious matters. It is not pleasant out there. The Government of Canada and first nations have been dealing with this for some time.

I believe we need clarity and urgent action on all four pillars, including the legislative pillar, if we're going to deal with what the former Auditor General called an unacceptable situation out there.

Thank you.

The Chair: You have 10 seconds, Mr. Byrne.

Hon. Gerry Byrne: Mr. Campbell, you may not appear again before our committee in the capacity of auditor of Indian and Northern Affairs and first nations governance. So I just want to say thank you very much for your service.

I understand that you're moving to a different duty within the Office of the Auditor General. So thank you very much.

Mr. Ronnie Campbell: Thank you.

The Chair: Perhaps through other questioning, we can get the responses you're looking for from Mr. Campbell. Thank you very much.

We'll go over to Mr. Aspin. You have the floor, sir.

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

My question could be classified as a background question. To Mr. Wernick, in 2008 the Prime Minister issued a statement of apology to former students of Indian residential schools. Sir, could you elaborate on what has happened since that time, particularly with regard to advancing reconciliation with aboriginal peoples?

Mr. Michael Wernick: Thank you for the question.

I also think that was an important moment in Parliament's history. I remember the day very well.

At some level, reconciliation is achieved every time we deal with an historic issue, if there's a land claim issue or a piece of litigation. Or in the specific claims area, there are grievances about transactions that the Government of Canada made in the past, which were seen as, or were, unfair to first nations in many cases. All of those settlements that bring a bit of closure to the past are a part of reconciliation.

In terms of the residential schools agreement and the Canadians who went to residential schools and whose families and communities were affected, the first job is the steady implementation of that settlement agreement, which started in 2006. We're a little bit past the halfway mark on that. We've dealt with the common experience payment by and large. We're working our way through other parts of the settlement agreement, some of which involve commemoration projects in making sure that history isn't forgotten. And some of it involves the Truth and Reconciliation Commission itself, which is travelling around the country and will be in Halifax this week to have another one of its national events. So that's an important part of it.

Just to answer about another sort of a legislative possibility, which is really purely symbolic in terms of its effect but still an important part of the reconciliation, Minister Strahl committed at the Winnipeg event of the Truth and Reconciliation Commission to see if we could find legislation that would wipe off the statutes of Canada all of the provisions that created the residential school system in the first place. I'm hoping that it's a bill that this Parliament will see this fall, as well.

● (1615)

Mr. Jay Aspin: Thank you, sir.

You will also recall that the Government of Canada launched an action plan to reform the administration of grants and contributions, G and Cs. Under this action plan, programs and departments were given additional flexibilities for the management of transfer payments. Has the department used these flexibilities to benefit first nations, Inuit, and other recipients?

Mr. Michael Wernick: Yes, and this is one of the areas where the picture has improved a little bit since the snapshot was taken by the Auditor General almost a year ago. They caught us partially implementing some of the flexibilities that the transfer payment policy provides.

I do want to go on the record again and say that making a better tool out of contribution agreements is not a complete answer. We over-rely on contribution agreements as a tool. But that being said, I think we can make them smarter and more flexible, and lessen some of the paper burden and bureaucratic overload on first nations. That's a topic the Auditor General has gone back to many times.

We have now been able to hammer out more standard language, language that is common to us and other funding departments. Last year there were about 250 multi-year agreements. We're at well over 750 now. There are some agreements now that are five-years, some that are seven-years, and I think we even have one that is ten-years long agreement. So that has certainly reduced the burden of constant renegotiation of these agreements.

We are working on a couple of pilot projects to see if we can have a single agreement across three or four departments that's a lot easier for the first nation to deal with. There's a very good pilot in Quebec, in Mashteuatsh, on that front. And we're trying one up north, as well. We have done the risk assessment, which the chapter saw as incomplete at the time. So we've done a thorough risk assessment of all of our recipients, and we're going through a second round of that. That will give us some reasonably objective basis to give some communities much more flexible and long-term agreements. And for others where there's higher risk, we would have shorter and less flexible agreements.

The Chair: Okay, that's your time, Mr. Aspin. Thank you.

Colleagues, I'll be leaving the chair shortly for another obligation, and the first vice-chair, Mr. Kramp, will assume the chair, so I only have one question and I'd like to insert it now if I can.

Mr. Wernick, in your opening comments you mentioned that you've been in this position 65 months and have been in front of this committee four times. You'll probably recall that I was here for every one of those months and every one of those hearings. You may also recall that the one thing that launched me more than anything else regarding the Auditor General's reports was when there had been previous audits with the same findings and the situation had become worse. And then we would look at the responses from the previous time and see that they were very similar to the ones we would get at the current time. Mr. Kramp and I have been through this a number of cycles.

My question to you is this, and I say it with the greatest respect, that you're the accounting officer and you're on the dime, sir. I accept that the problems are huge and that they're not all yours alone. But I do have to ask the question, sir. What difference is there now between the promises you're making today on behalf of the government versus the promises that have been made in the past that weren't kept? In other words, why should we believe the department today, given the track record on so many of these issues?

• (1620)

Mr. Michael Wernick: Thank you for the question, Mr. Chair. Yes, I do remember a lot of the previous questions.

I think what I can tell you is that where there are specific recommendations and specific issues, we do follow through, and there I can point you to dashboards and progress reports. We meticulously follow through every audit finding, every OAG

finding, and we do make progress. There's been progress on water, there's been progress on school construction, and there's been enormous progress on settlement of specific claims. I can go through a long list of accomplishments of the men and women in my department over the last five years.

I think the key message of the Auditor General's report, as I hear it—and they can speak for themselves—is that we have reached the limits of a lot of further progress with the tools we have, and that we have to get better tools if Parliament wants better results.

The Chair: Thank you. I appreciate the answer.

With that we will move on to Madame Blanchette-Lamothe. You have the floor, madame.

[*Translation*]

Ms. Lysane Blanchette-Lamothe (Pierrefonds—Dollard, NDP): Thank you. I would also like to thank the witnesses for joining us today.

Mr. Wernick, you said that you strongly support the Auditor General's assessment. You also said that the six pages of the foreword were a roadmap for Parliament. Just now, you told us about the tools you need. In your view, you are doing as much as you can with the tools available to you.

I would like to give you a chance to expand on that. Do you have something to add on what the government can do to provide the department with better tools?

Mr. Michael Wernick: Thank you for your question. I feel we keep going back to the same issue of tools being combined. A combination like that would establish the legislative base, the legislative footing. For some of those activities, it means moving ahead with the tripartite agreements with the provinces and territories for those key areas. Every so often, resources have to be strategically distributed, which might help us with some areas. Combining everything would give us results that are more lasting in the medium and long term.

Ms. Lysane Blanchette-Lamothe: You talked about the legislative base you need. For example, you talked about the legislation dealing with the quality of drinking water. On the legislative side, does the department need anything else?

Mr. Michael Wernick: From the areas brought up in the Auditor General's report, the two main topics are drinking water and elementary and secondary education. I feel that, if Parliament can pass legislation dealing with those two areas, the results will definitely be different.

Governance is another major topic. I think that, if we can strengthen the capacity and accountability of aboriginal governments and institutions, we might get better results. Aboriginal institutions and governments are the front line for delivering services and results to the community. Their financial transparency needs to be improved. Perhaps an electoral reform is also needed because the electoral system is not really up to date.

I think what can help us and what will certainly help communities is if Parliament can get to grips with governance matters.

Ms. Lysane Blanchette-Lamothe: Thank you.

I would like to go back to the role of our Standing Committee on Public Accounts. Mr. Wiersema, you suggested that we ask the government to take steps in order to meet the objectives set in your report.

Mr. Wernick, or Mr. Wiersema, is there anything else you could add to what our report should include in order to encourage the government to provide the necessary tools?

[*English*]

Mr. John Wiersema: Well, Mr. Chairman, thank you for the question.

As I've indicated, these problems that aboriginals are dealing with on first nations reserves are very serious; they're urgent. What I think we need is a fundamental change in the approach to dealing with them, in addition to dealing with the four structural impediments that we've identified in the report. In order to avoid a possible time bomb, I think we need urgent action and a clear path forward.

So as I've indicated earlier, Mr. Chairman, if this committee were to request from government some clarity as to how it intends to proceed in dealing with this very serious matter, as I consider it to be, then both this committee and Michael and I in our capacity as auditors could use that as a basis for holding government to account.

A former chair of this committee used to call the public accounts committee the accountability committee, and I believe that what we need here is a basis for this committee to be able to hold government to account for dealing with these serious matters on a go-forward basis in order to avoid that time bomb.

• (1625)

[*Translation*]

Mr. Michael Wernick: We are all for that. We have no objection to providing the committee and Parliament with information about the results. I hope we will have enough time to do the work needed to move matters forward.

But I think it is a good idea to check once in a while with the government and the department on how things stand. It is about priorities in relation to other priorities, which is a political issue. It has to do with other potential investments and other potential legislative priorities, and so on. It is also about relative priorities. That is what you have to deal with, as political decision makers.

[*English*]

The Vice-Chair (Mr. Daryl Kramp): Thank you.

Now Mr. Hayes, please.

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

Mr. Wernick, I think you mentioned last week that the answers to the issues identified in the Auditor General's report are not only about more money. I'm hearing today, and we heard last week, that there are structural impediments and that the number one priority should be governance. I'm almost confused about what we should be trying to prioritize or where we should be going first.

Do we tackle all four of the structural impediments, or is there a specific structural impediment that we should tackle first? Where do we put our resources, if we as a government had to choose and prioritize the single most important issue that we should be dealing with as it relates to this report?

Mr. Michael Wernick: I appreciate the question and I don't want to sound evasive, but it's really for the government to decide its relative priorities. There are lots of things it can spend finite resources on. This is one and there are others; and cabinets and ministers of finance have a tough job in choosing relative priorities.

I think all I was trying to convey, and I do this with the greatest of respect for parliamentarians, is that funding without the structural reforms will only lead to temporary gains. I'm not saying it's not worth doing and that if the Minister of Finance were to give me \$100 million—which isn't very likely any time soon—I could get some results out of it in terms of building things or moving programs along.

All I was trying to convey is that, if you want those changes to last and to be enduring, we have to get to some of the issues Madam Fraser has raised.

The Vice-Chair (Mr. Daryl Kramp): Thank you.

Mr. Wiersema, you indicated that you would like to respond to this as well.

Mr. John Wiersema: Thank you, Mr. Chairman.

Just very briefly, I believe that if the government were to focus on one of the four structural impediments at the expense of the others, and not deal with the others, that would be a significant missed opportunity. I think these very much do need to be addressed as a package, because these need to work together well.

The Vice-Chair (Mr. Daryl Kramp): Thank you.

Mr. Bryan Hayes: I have a follow-up question. Last week you suggested that economic development and attachment to the labour market were central to ensuring the well-being of first nations. Could you please elaborate on some of the activities under way to promote aboriginal economic participation?

Mr. Michael Wernick: Yes, thank you for the question.

What I was trying to get across is that if we want to get to some of the social conditions in many communities, if people don't have some connection to an economy within the reserve or a connection with the broader economy, you're not likely to get very good results over time. This isn't a new thought. Other people have pursued it, and there are a number of first nation leaders who can advocate for it much more eloquently than I can.

Government realized a number of years ago, out of audits and evaluations, that we had a lot of 1970s and 1980s programs that weren't really catching up with the new economy. So we did start a consultation and engagement with first nations people—which again goes to Ms. Duncan's question. We did a lot of work with the national advisory board, which has some very talented people on it from first nations, Inuit, and Métis areas. We put together a framework on economic development, which was released in 2009 and basically gives you the four pillars, a road map, and a basis for engagement. It's on the Internet.

We have been able to make modest investments in some tools. We've been able to experiment with loan guarantee and loan loss kinds of programs.

We have something called the strategic partnerships initiative now, which tries to deal with the problem of shopping around multiple departments, a problem that some first nations have and which makes it very slow to seize opportunities.

The land management regime is certainly a big one, because the land base is a big part of the economic assets of a first nation. So moving more nations into first nations will be a big part of this.

We have business development programs. I'm not going to say they're the best programs in the Government of Canada, but they do some good with particular communities. And we've done at least 44 projects in the area of resource and energy development, because that's really going to be the opportunity for a number of first nations. There is economic activity near many, many first nations. So we have a lot of confidence that if we can get that connection....

And my colleagues at Human Resources and Skills Development, who have all the literacy training and skills development tool kits, have made huge investments in the aboriginal labour force over the last five or six years.

• (1630)

The Vice-Chair (Mr. Daryl Kramp): We'll go to Mr. Byrne now, please. Thank you.

Hon. Gerry Byrne: Mr. Chair, I want to just follow up on the previous question I asked of the witnesses appearing before us.

Mr. Wernick, you provided as fulsome an answer as you could, understanding that all of the necessary legislative requirements have not been completed in the cabinet process yet. You did list to us a particular interest of the department, that of coming forward with legislation on education, water quality, and some other issues.

I'll move now to Mr. Wiersema. Based on your findings in previous audits, could you provide the committee with a catalogue of the legislation that would be necessary and helpful to actually resolving many of the systemic issues facing first nations on reserve?

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

I'll turn to Mr. Campbell to help me out here in a moment.

Mr. Wernick has already talked about legislation for water standards.

For each of the areas we examined in this audit—including housing, education, family services, water, and others—I would have to go back and ask if each were supported by strong legislation clearly defining the federal role and what the federal government were hoping to achieve. Were service standards set out? I'd have to do that detailed analysis of whether or not that legislative base were there for each one of those things, in defining roles and responsibilities and service standards. And for each area where they're not, what this audit is calling for is that those areas be set out clearly in federal legislation.

Ronnie, is there anything you can...?

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

I have just a few thoughts, very briefly. I think any legislation—and I'm sure Mr. Wernick would agree—would require first nations support and involvement. Legislating in this area is not easy, and that would be one of the things you should look for. Are first nations onboard with whatever comes forward?

Mr. Wiersema talked about service levels. I think that's one of the biggest things that's missing: is the government setting out what it intends to do and what it intends to supply? That's hugely important.

We keep talking about capacity, so any time you're looking at legislation coming forward, make sure the capacity is built in. I recall auditing child and family services when first nations agency social workers were the most junior people around. And you probably could argue that they should be the most experienced social workers, dealing with the types of issues they're dealing with. But the agencies couldn't keep them. They couldn't compete with provincial salaries, so those young people would come out of school and work for a couple of years and then go on to better paying jobs. I think that's hugely important for you to look at too.

Thank you.

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

Mr. Wernick, one of the criteria or indicators that you use in assessing the overall standard of living of first nations living on reserve is the United Nations health.... I have forgotten the specific name of the index, but it's one that has actually shown a very positive, favourable result for Canada and Canadians as a whole, but has not shown equally as positive a track record for first nations.

Does the Department of Aboriginal Affairs and Northern Development intend to continue to use that criterion, that United Nations index, and will it continue to make sure that information is made public? Is that information condensed? Is it formulated on a macro capacity or is it done on a first-nation-by-first-nation basis?

•(1635)

Mr. Michael Wernick: I really appreciate the question. I'll go over it very quickly.

It's not that we use the UN Human Development Index, used by others to compare countries. Somebody had the bright idea about 15 years ago to ask if we could do an index that would compare first nations and other communities, so we have developed—and this is well before my time—something called the Community Well-Being Index, which is the same idea. Pick three, four, or five different numbers, run them through an index, and you will get a sense of the relative states of communities, and if you do it more than once you will start to see whether communities are trending up or trending down.

We have the 2006 data on the Internet, and they would have been the basis for the comparisons that were done. We fully intend to pursue one with the 2011 census data, which we haven't got from Statistics Canada yet, because they've just been in the field, but we hope to be able to do that. Then you're going to have some interesting trend lines for the people who like to crunch numbers and do the analysis.

What it lets you do is precisely that kind of community-by-community comparison. If we find two communities 50 miles apart, one trending up, the other trending down, we can start asking why. What are the factors and conditions? It gives the policy analysts and policy wonks a lot to work with. It gives evaluators a lot to work with. We have the resources secured to do that, and we fully intend it to be available to Canadians and parliamentarians as a way of evaluating progress in this area.

Hon. Gerry Byrne: Thank you very much.

The Vice-Chair (Mr. Daryl Kramp): Thank you, Mr. Byrne. That is your time now.

We will go to Ms. Bateman, please.

Ms. Joyce Bateman (Winnipeg South Centre, CPC): That you, Mr. Chair.

My first question is for Mr. Wiersema.

Clearly this report was a nice pinnacle for a wonderful

[*Translation*]

Auditor General.

[*English*]

at the end of her career, and there are many pieces in that. I'm trying to knit together the structural impediment piece, and I'm just curious about the following, sir. The Government of Canada spends all sorts of time, effort, energy, resources, both human and financial—you name it—on the negotiation of land claims and self-government agreements. There has been some discussion today on those agreements.

After years of effort, we have about 25 agreements in place, plus or minus. Should we continue on this path?

Mr. John Wiersema: Yes, Mr. Chairman, the government has made good progress on negotiating and implementing comprehensive land claim agreements. Whether or not the government wishes to pursue that course of action ultimately is a policy question for the government, but there are longstanding issues that first nations communities are dealing with, which have their origins in treaty rights and so on.

Progress on implementing land claim agreements is a good thing, and I think the Office of the Auditor General would support that; but, ultimately, that is a policy decision.

Ronnie, is there anything you want to add?

Ms. Joyce Bateman: Fair enough.

Now, Mr. Wernick, what is being done to ensure that all parts of your department understand and fulfill their obligations under the agreements? I understand the land claim agreements that are in existence have multiple responsibilities.

Mr. Michael Wernick: I think I went over a little bit of this ground last week, so if I'm being repetitive, forgive me.

I think part of it was being aware of the obligations, because we tended to have one agreement after another roll in, and people were not fully aware... especially with a lot of staff turnover in departments. So we've created a database. It does sound like process. I know there are people who think these are process answers, but they're actually fairly important in terms of accountability, in knowing what the obligations are and who has them. Some of them are very specific and finite—a land transaction or whatever—and some of them are more in terms of the spirit and intent of the agreements, the kinds of issues that were raised in an earlier question.

We have tried to establish very clear guidelines telling people who join these middle management jobs or line jobs that this is what they should expect in the area of claims obligations. We have provided training for about 1,500 or 1,600 federal officials on this. We're working with provinces to make sure there isn't a lot of back and forth on whether it's a federal thing or a provincial thing. And we have a database that tells people very quickly where the treaties are and what the rights and assertions are of aboriginal groups in the area.

So I think these will all help, and we have created mechanisms that bring very senior people in the departments together to deal with problems quickly. I think one of the frustrations that was expressed was that it would just take so long to work its way up the chain in the department and back. Issues were often dealt with once people were aware of them, but we had to speed up the turnover time. We now have committees at the assistant deputy minister level, and I've got deputy minister contacts I can raise the issues with, and I do. Generally, when issues are raised with other departments, the departments do spring into action and see what they can do to resolve them. So I think we have some momentum in this area. It's not enough; we haven't completely dealt with it.

I'd like to take a few seconds to say emphatically that we think the communities that have modern agreements are doing better than the ones that don't—and there's a cost to the country of leaving land claims sitting there unresolved as well, which has to be taken into account.

• (1640)

Ms. Joyce Bateman: What about the first nations communities having extensive reporting commitments?

By the way, as to my earlier question, I hope that the changeover in personnel is solved now, that that it's not the reason we're not addressing.... You mentioned that things were falling into the cracks because of a change of personnel?

Mr. Michael Wernick: No, I just meant that the turnover rate in the federal bureaucracy—not just my department—means that people change jobs roughly every three years. So people are coming in and going out, and it's important that they pick up the torch from their predecessor as quickly as possible and learn what their obligations and expectations are. So we try to create the tools to allow that to happen as fast as possible.

The Vice-Chair (Mr. Daryl Kramp): Thank you very much, Ms. Bateman.

Now, Mr. Caron, please.

[Translation]

Mr. Guy Caron: Thank you very much, Mr. Chair.

I would like to go back to the questions I asked last week about mould. Could you tell me what has been done since the Auditor General's last report? This question is specifically for Ms. Woods and Mr. Stewart. Based on your answers, aside from wanting to form a committee in order to develop a strategy, what you have done is distribute fliers and literature. In doing so, you were hoping that people could solve their problems by themselves.

I am worried about something in the Auditor General's report. And I quote: "Mould contamination, liable to cause respiratory illnesses, continues despite a strategy being implemented". So there was a strategy already in place. It stresses that "the three federal organizations had not allocated additional funding to address mould as a result of the strategy, had not determined the magnitude of the problem... Moreover, because the organizations had not developed performance indicators, they did not know whether the strategy was making a difference." So it doesn't look like there was an accountability process or evaluation of results.

Could you tell me whether the strategy currently in place and the steps you want to take will be coordinated? Could you also describe the steps? If the department coordinates this, I would like Mr. Wernick to answer that question. If not, I would like an answer from Mr. Stewart and Ms. Woods.

Mr. Michael Wernick: That is a good question.

We always agree to coordinate efforts in other departments. When an issue comes up, we bring our colleagues together. It has nothing to do with passing the responsibility onto others.

That said, I think that specific measures can fall under other organizations, including Canada Mortgage and Housing Corporation and Health Canada. I am not sure if that fully answers your question. We accept the responsibility to convene, coordinate and sometimes push people, but at the end of the day, it is up to the department or agency to deliver the goods.

Mr. Guy Caron: You talked about what you have been doing since last June. Are you planning other steps to deal with the fundamental issue of public health? You talked about developing a strategy. How will you be able to set up mechanisms to evaluate results? According to the Auditor General, it seems that there are none.

• (1645)

Ms. Shelagh Jane Woods (Director General, Primary Health Care and Public Health Directorate, First Nations and Inuit Health Branch, Department of Health): That's a good question. Thank you.

We are currently implementing a strategy. At Health Canada, we are working with the communities. The idea is not that

[English]

—you have to solve it yourself.

[Translation]

Environmental and public health officers from Health Canada have a responsibility to educate people, to give them advice and to support their efforts to keep mould under control.

[English]

We continue to work with our partners in assessing our efforts. It is true that we have not dedicated additional funds, but each of us has had funds available to do some of the work we've done. For example, Health Canada has invested money in the development of the documents and the tools and the kinds of things I talked to you about last time. So while we didn't have additional funds, we have continued to spend, and we do continue to work with our partners and the Assembly of First Nations, but much more importantly, with the communities themselves, on our efforts.

The Vice-Chair (Mr. Daryl Kramp): Thank you.

Mr. Wiersema also wished to comment on the question, Mr. Caron.

[Translation]

M. John Wiersema Thank you, Mr. Chair.

I think the member raised a very important question.

[English]

Mould in housing is a serious health issue, and it is getting more serious out there.

[Translation]

In my view, it is much more complicated than having

[English]

information sessions or educating aboriginals. It's very closely connected to overcrowding in houses. So if the Government of Canada and aboriginal people are going to work together seriously to deal with the problem of mould in housing, which is a serious health issue, a great deal more than information sessions is going to be required. We've got to deal with the housing shortage. This is an important problem that needs creative, thoughtful solutions.

The Vice-Chair (Mr. Daryl Kramp): Thank you, Mr. Wiersema.

Now, Mr. Dreeshen, go ahead please.

Mr. Earl Dreeshen (Red Deer, CPC): Thank you very much, Mr. Chair.

And welcome to our guests.

Mr. Wernick, I'd like to start my questions with you. Last week, we talked about the educational reform measures that have taken place in the kindergarten to grade 12 area, and we discussed the national panel on education, the joint action plan. Earlier today, you talked about the educational tripartite agreements as well as the educational partnership programs, which are part of the reforming first nations education initiatives. And I suppose, even on a broader basis, we could go back to what Madam Fraser said in her report, that the current funding mechanism and delivery model used to fund post-secondary education does not ensure that eligible students have equitable access to post-secondary education funding.

I wonder if you could elaborate on what you're doing with respect to ensuring that first nations students have access to post-secondary education.

Mr. Michael Wernick: I think this builds on a couple of other questions where I could not give you an assurance, as accounting

officer, that the funds allocated for post-secondary actually are spent on post-secondary education, because they go into block funding agreements. First nations actually have some flexibility to choose what they spend the funds on, and that's deliberate. There's nothing wrong with that, as I say, but it does mean that we cannot trace every dollar through to the end use on students. There are communities receiving dollars for post-secondary education that don't spend them on post-secondary students in exactly the proportion they got them in, if at all. They make tough choices at the community level. I don't intend to be critical in any way.

So, no, we cannot guarantee that those resources end up in the hands of students. I think what the Auditor General underlined, and I would concur with it, is that the current delivery model is problematic. There are 450 points of delivery; it's run through band governments. I'm not being critical of them. They try to do their best and they do wonderful work in many communities to get their students ready, but they're doing all the leg work. There are some very painful choices about which kids are going to get supported each year.

I think there's actually a fair bit of money on the table, which, if it went through a single entity directly to students and their families, would get better results, but that's a very controversial position. Not all first nations groups would agree with that, which goes back to one of the earlier questions. If you want perfect consensus and first nations support for some of these reforms, we might be waiting a while. You're going to have to make decisions as legislators as to how much support is good enough in order to advance.

● (1650)

Mr. Earl Dreeshen: I think that comes back to the impediments Mr. Wiersema was speaking of earlier. You talked about the clarity of service levels—so that's one aspect of it—and the legislative base that we discussed earlier and, of course, the appropriate funding mechanisms. Those are being addressed, but you still have to get down to the final part, which is to look at the service delivery and see what is going to take place there.

I wonder, Mr. Wiersema, if you have any comments on that, and also if we could maybe expand it somewhat into the reporting requirements of federal organizations so that people do have some idea of what is taking place with the money that is being spent.

Mr. John Wiersema: Mr. Chairman, I do not have a great deal to add to what has already been said, except to say that I agree with the member. It's all four elements; it's the legislative base, the service levels or standards and the outcomes the government is trying to achieve, the funding mechanism, and the capacity of the first nations themselves to deliver it. All of those have to work together to advance the lot of first nations on reserves.

With respect to the reporting burden, I think you've heard Mr. Wernick talk a little bit about that. A lot of it is driven off the funding mechanisms the government has chosen to use, the contribution agreements. A lot of this reporting is required by these contribution agreements. As the government moves to multi-year funding and funding to a broader group of communities, the reporting requirements might be lessened, but I still think the core issue is, as Mr. Wernick has indicated, that the government is excessively dependent on contribution agreements as a vehicle for funding.

Mr. Earl Dreeshen: Mr. Wernick, can you perhaps give us a little bit of an idea of what has been done to help streamline some of those reporting requirements?

Mr. Michael Wernick: What I found about reporting requirements is that, if you mow the lawn, the grass comes back. There are all kinds of people asking for data. They can be Treasury Board analysts who want to know about something. There can be a flap in Parliament, with all due respect, about an issue like fire protection, and people want to know about it, and the only way to know is to go and ask for data from first nations about what's going on. We don't have a lot of other sources to use, other than the census, which only comes around every five years. Our way to get information on what's going on out there is often to ask for reports to be sent to us. Sometimes, if you send money, you attach reporting conditions and so on.

There's lots of pull for more data, more reports. You have to really lean against it and say, "What do you need it for? Who's going to read it? What are you going to do with it?" and create some checks and balances to stop that.

I have taken one of my very senior people with a lot of field experience and put him full time on the issue of reporting burden. I told him, "Don't mow the grass; tell me where the roots are; what can we do to stop this proliferation of reports?" We've gone deep into the plumbing of our data collection instruments and where this comes from. I think we are making a lot of headway on that and we've stopped the growth of reporting requirements and have started to prune things, asking whether anybody is going to read something and what they are going to do with it. We ask, would it make a difference, would it help parliamentarians, would it help Canadians understand what's going on here?

Over the next year for sure, I think we'll see a dramatic drop in the number of reports, but I concur entirely with the observation of Mr. Wiersema. That's great. It really takes some of the load off administrators in band governments, but it's because we have very few other ways to get information that we do so much of that.

The Vice-Chair (Mr. Daryl Kramp): Okay, thank you.

And thank you to all of our members here today.

I would like at this time to take a very brief period and allow Mr. Wernick and Mr. Wiersema an opportunity for brief closing statements, should they wish. Please feel free to do that, but I can understand why that might not be necessary with the exhausting responses you've given us over this last couple of sessions.

You have the floor, Mr. Wernick.

• (1655)

Mr. Michael Wernick: Thank you.

I really just want to express my appreciation to members of the committee. An invitation to the public accounts committee isn't always the most welcome thing that officials and colleagues receive. I really do appreciate the seriousness of the engagement. As members of other committees and of your party caucuses, I hope some of this will be part of your engagement as parliamentarians in the months and years to come.

Thank you.

The Vice-Chair (Mr. Daryl Kramp): Thank you.

Go ahead, Mr. Wiersema.

Mr. John Wiersema: Mr. Chairman, I would echo what Mr. Wernick said, and I'd go one step further. I would congratulate members of this committee for the quality of their questions and interventions. I believe the committee is starting to get an appreciation of the complexity of the challenge that's facing us when it comes to aboriginals on reserves.

I believe the situation is serious. It's urgent, and I ask this committee to weigh in, underscoring the seriousness and the need for action on this file, so that we don't miss the opportunity to improve the situation for the current generation of children out there.

The Vice-Chair (Mr. Daryl Kramp): I thank all of our guests for coming here and giving their time and their expertise. Might I say, with these committee hearings being televised, I think it's an opportunity for the public to understand the complexity of the problems that are before the Government of Canada, let alone the first nations files and all the departmental officials involved.

I suppose the one common assessment that has come from all of this, of course, is that there is no single solution. It's going to require all of the partners, as has been stated many times. It's going to require first nations, and it's going to require both the federal and provincial governments, and both legislative and departmental organizations pulling together.

I would like to say that your input to this committee has truly been informative. I certainly appreciate the comments and the support of the Auditor General on this. I can tell you as well that the Auditor General has given us some perspectives that I think are demanding, quite frankly. They've created a sense of urgency before this committee that we have a responsibility to bring to Parliament.

In closing, might I just say, Mr. Wiersema, that this could potentially be the last time you are before this committee on this topic alone—let's put it that way. But with your report, you have clearly enhanced the accountability within Canada and the institu-

tions. You have the respect of all the committee members here today. I can tell you that we appreciate your candid approach to this. Thankfully, I think we're very proud and pleased to live in such a democracy where we can be forthright and honest and bring answers forward, and deal with them in a democratic fashion, both from government and from opposition members working together trying to find a solution.

So thank you very kindly.

The meeting is adjourned.

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