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Chair

Mr. Bruce Stanton

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• (1530)

[English]

The Chair (Mr. Bruce Stanton (Simcoe North, CPC)): Good afternoon, ladies and gentlemen, members, witnesses, and guests. I'm delighted to have you back. We have a very busy two-hour meeting in front of us today.

These will be our last 45 minutes hearing from witnesses on the issue of the Aboriginal Healing Foundation. I should indicate that this study is pursuant to Standing Order 108(2).

Today we welcome Regional Chief Bill Erasmus. He is joined by Elder Joseph Williams.

I'd also like to acknowledge that we have in our gallery here today National Chief Shawn Atleo.

It's good to see you back here. We appreciate your interest in this ongoing study.

As I said, we have 45 minutes to get through this first section. These will be our last witnesses, although we will be continuing the study later this afternoon with instructions to the analysts, as well as a short segment on our consideration of the northern economic development.

Let's go directly to Regional Chief Erasmus.

I'm sure you've done this before, Chief. We'll start with a ten-minute presentation for both of you. Then we'll go directly to questions from members.

Go ahead.

Chief Bill Erasmus (Regional Chief, Northwest Territories, Assembly of First Nations): Thank you, Mr. Chairman. It's a pleasure to be here.

We have a presentation. I'll make some comments, and then Elder Williams will also make some comments. We will then be prepared to take some questions. We'll also provide you with the written comments I will make.

As you said in the opening, I am the regional chief for the Assembly of First Nations. I hold the national portfolio on national families, which includes health and residential schools. As you know, the Assembly of First Nations is the national political organization representing first nation citizens in Canada. We are signatories to the Indian residential schools settlement agreement. Two of the key outcomes of the success of the Indian residential schools settlement agreement are healing and reconciliation.

The Aboriginal Healing Foundation is a credible first nation organization that continues to provide leadership and culturally appropriate community-based services—and let me stress “community-based services”—for the purposes of healing. As you are aware, a recent evaluation of the Aboriginal Healing Foundation commissioned by Indian and Northern Affairs Canada recommended that the Government of Canada renew support for the foundation, at least until settlement agreement compensation processes and commemorative initiatives are completed. The CEP operates until 2011, the IAP until 2012, and the Truth and Reconciliation Commission just received an extension. The framework for the commemoration program is not yet developed by INAC and the TRC.

The Assembly of First Nations supports this recommendation and agrees that there is an urgent need for the Aboriginal Healing Foundation projects to continue. Specifically, we support a \$125-million renewal over three years. INAC's evaluation report offered a number of reasons for renewing the foundation. We would like to highlight a few of those reasons, but also offer some unique observations from the perspective of the Assembly of First Nations.

First, the evaluation report noted that the compensation process administered by INAC in a commemorative initiative headed by the TRC will increase the need for health supports. The AFN agrees. We know that uptake for compensation for both the CEP and the IAP, which examines serious cases of sexual and physical abuse, are higher than originally projected. The original projections for CEP were 65,940; however, actual applications have numbered 95,458. Similarly, IAP projections were 12,500 for the entire five-year period, but more than 14,879 applications were received within the first two years.

Reconsiderations on the CEP and IAP claimants on hold create further trauma and stress for former IRS students. Reports show that these processes can trigger powerful memories, trauma, and in fact suicide. Aboriginal Healing Foundation projects had an important role to play in supporting survivors through these processes. More than one-third of AHF projects, or 36%, were supporting survivors through compensation processes. In many cases AHF projects were on the front-line of helping survivors access settlement agreement benefits. INAC's evaluation also showed that there has been a rise of 40% in AHF program enrollments. Similarly, it is expected that commemorative events offered through the TRC will increase the need for health supports, both on-site and in communities. We expect there will be a number of survivors who may not participate in TRC events, but who will be impacted indirectly, for example, through media coverage.

• (1535)

It has been stated before this committee that the Aboriginal Healing Foundation was never meant to be a permanent organization. This is true. We are not asking Parliament to make the Aboriginal Healing Foundation a permanent organization but to consider funding the foundation as a partner to Health Canada's health support program for three more years. Our rationale is sound. All evidence suggests that the demand and the need for services is higher than we predicted and that the AHF was key in helping to address those needs.

A second point of why we support renewed funding for the foundation is that we're aware that a number of residential school survivors and their families will not qualify for support under Health Canada's Indian residential schools resolution health support program. Even though Canada is obligated to provide support for all survivors and their families under the terms of the Indian residential schools settlement agreement, it is not known what specific training prepares HC resolution health support workers for dealing with the trauma associated with disclosures of sexual abuse and violence. The lack of professional training and adequate skills may put former IRS students at risk.

To qualify for health support offered through Health Canada, survivors must be eligible to receive CEP, be resolving a claim through IAP, alternative dispute resolution, or a court process, or participating in TRC, or commemorative events. A number of survivors may not meet these requirements and may not be eligible to access services.

To this we would add that there are already long waiting lists for mental health supports in first nation communities, whether it is for Health Canada's Indian residential schools resolution health support program, or other programs. Health Canada intends to draw upon such as the national native alcohol and drug abuse program, Brighter Futures, or the national aboriginal youth suicide prevention strategy. Many of these programs are operating at capacity and do not necessarily have the expertise to deal with the type of trauma we know residential school survivors experienced.

As a third point—I know there has been some testimony to this point already—Health Canada's support programs provide specific services that are complementary but different from those offered through the AHF. From the outset, the extension of the AHF was to avoid duplicating existing services provided by or within funding from federal, provincial, or territorial governments. The scope of the services covered by Health Canada is too narrow to achieve the necessary results toward healing.

Mr. Chairman, we'd like to add that it's not a question of choosing between funding Health Canada's Indian residential schools resolution health support program or the AHF. Both programs are needed. We should be supporting a multi-level approach to health supports that casts as wide a net as possible to reduce the risk of anyone falling through the cracks. It's not about choosing one over the other.

Health Canada's IRS residential health support program offers individual services. AHF projects, by contrast, allow communities to identify and design projects that meet the collective needs and broadly engage families, leaders, youth, elders, and the whole

community in the process of healing, in ways that are meaningful to their cultures and traditions.

Without the AHF's unique programs, such as the five-week family healing program, healing circles, and projects that reconnect survivors and their families with the land, their culture and languages will be lost. Communities and survivors will lose the ability to design projects tailored to their needs, and also lose the level of self-governance and capacity building in healing processes. That is not achievable through a federally run program. For example, AHF projects engage youth, create volunteerism, and encourage the growth of informal health networks.

Health Canada can fly in counsellors, but it cannot broadly engage communities in the necessary work of rebuilding their own healing capacity, something many communities lost as a result of the residential schools in the first place.

That is a key difference between the two programs and is an important distinction. This is why we say that Health Canada services will not be able to replace the services offered by AHF.

• (1540)

In closing, Mr. Chair, we would suggest that when Parliament made its historic apology to residential school survivors, it was a non-partisan apology. We believe that there was a sincere effort on the part of Parliament to acknowledge the past, to move forward, and to forge a new relationship with indigenous peoples. In fact, the Prime Minister noted: "You have been working on recovering from this experience for a long time, and in a very real sense we are now joining you on this journey."

Mr. Chairman, we need you to continue walking with us on this journey. As part of that journey, perhaps the most compelling reason to renew the AHF is that we as indigenous peoples want to contribute to our own community healing. We need to put the power back in the hands of our elders, our youth, and our community members. The AHF is the only program that truly allowed first nations to address healing in this way.

The Chair: Okay.

Chief Bill Erasmus: Just as a final comment, I want to say that the funding.... It's been five to six weeks since the news came to us. We're finding it abundantly clear that there really is no political will to continue funding the AHF. Therefore, in the best interests of our people, we ask that the federal government immediately engage us in a discussion to expand Health Canada's mandate and criteria to include community healing among the services, as well as other solutions such as expanding physical and geographic coverage, and be prepared to provide additional funds necessary for adequate and comprehensive healing services. We urgently need to start this new dialogue so we can discuss how we can broaden the scope of Health Canada's current mandate and criteria.

The Chair: Thank you.

Chief Bill Erasmus: We ask the assistance of this committee to facilitate and expedite that process.

The Chair: Thank you, Chief. *Meegwetch.*

We have a few minutes we can allow. We do have to go to questions at about 13 minutes to the hour.

Perhaps, Elder Williams, if you had a few other things to add, we'll hear from you now. Unfortunately, Mr. Williams, it is just for a few minutes.

Mr. Joseph Williams (Elder, Assembly of First Nations): How many minutes, Mr. Chair?

The Chair: About three to four minutes is all we have.

I know that members will have some important questions to ask.

Mr. Joseph Williams: I want to thank you for allowing me to be here.

I want to start off by saying that we were brave children. To echo the words, I am a survivor. I spent 12 years in residential school. I'm 70 years old, and I suffered all the atrocities I'm sure you've heard about—all the things that are affecting a lot of the survivors who are still compelled to try to meet their needs of healing.

I'm aware of the need for healing because I personally went through that and still suffer the impacts of what happened to me as a child of six years old. I know it never goes away. I've learned that through therapy. However, I think we learn how to live with it over time. It's through programs like those that were given by the AHF that address those dire needs and the losses that we experienced as children—language, culture, the ability to parent, the ability to love. I'm sure you've heard all of this from other people. I'm hoping, as the chief said, that you can advocate for us, the thousands still out there who are suffering, those who are falling through the cracks, who are not going to be able to access those programs that are so crucial to their healing process. I, for one, can admit how difficult it is sometimes to go from day to day, just to live.

Like many of my peers, I've lost a lot of friends over the years. They didn't have the benefit of the common experience payment or the joy of being able to go to the IAP to bring some closure to their past life, as I have. I'm very cognizant of how much suffering is out there among my peers, among those people I shared those dormitories with and who were abused by those many pedophiles out there at the time, back in 1945, 1946, when I went to school.

I thank you for this time, and I wish I had more time to speak with you, to share some more thoughts I have in relation to the importance of this program and programs that need to be met at the community level.

I want to thank you for this opportunity to say these few words. Thank you very much.

• (1545)

The Chair: Thank you. *Meegwetch.*

In fact, you will probably get an opportunity. I'm sure members will have some questions for you, Mr. Williams, as well.

[*Translation*]

Mr. Lévesque, do you have a question?

Mr. Yvon Lévesque (Abitibi—Baie-James—Nunavik—Eeyou, BQ): I just want to ask the witnesses not to speak too close to the microphone because it causes interference for the interpreters.

[*English*]

The Chair: Now let's go to Mr. Bagnell for the first question. It will be seven minutes.

Go ahead, Mr. Bagnell.

Hon. Larry Bagnell (Yukon, Lib.): *Meegwetch.*

Elder Williams, Regional Chief Erasmus, National Chief Atleo, and everyone else who is here, thank you very much for coming.

As you know, I started this study because of the uproar across the country of thousands of people who went to healing projects and still need healing. I appreciate you coming to help in this. We've even had an emergency debate in the House of Commons because it's so important.

Just briefly, I'll tell you, you're the last witnesses in our study, and believe me, I've never been in a committee where things were almost so unanimous.

Mr. Erasmus, we'll help you with what you asked for at the end of your speech. We'll get into it in more detail in my questions.

Basically, all the witnesses pointed out that your programs are community-based. They're designed by aboriginal people for aboriginal people, which makes them totally different from government programs. There are thousands of participants in even one project, and there are 134 projects in 12 institutions. There are thousands who still need healing, and will for a number of years. The evaluation—which is sometimes rare in government programs—was very, very successful, of the whole program. Usually, you keep things that are so successful.

There were insufficient funds to transfer to Health Canada, if they were to even try to take over some of that. They were given only 40% of what you would have been using. Of course, their programs are totally different. Health Canada said their programs are different. The Health Canada statement said they couldn't do what the Aboriginal Healing Foundation projects are doing. Yours are locally culture-sensitive, and they offer complementary programs.

So the political will may not be there from your discussions with the minister or the parliamentary secretary, but I can tell you, you couldn't sit through our committee hearings and hear things such as Elder Williams said, from a number of people, and the almost unanimous support of the Aboriginal Healing Foundation, and not have political will here in this committee.

So we're going to forge on, but if the incomprehensible occurs, that this is not followed and it isn't funded for some more years to continue these valuable institutions and keep them from being disassembled, and if Health Canada tries to take on some of these things you were doing, totally different from their present skills and operations, what sort of things do you think need to be done to make that plan B a reality?

Obviously, their mandate would have to be changed. Probably the criteria for their funding would have to be broadened, and perhaps contracts with some of your best institutions, their mandate increased to allow community healing programs, and their geographical coverage increased. Maybe you could elaborate on that.

If there's more time, Mr. Williams, after Mr. Erasmus is finished, and if you want to go on to say the things that you didn't have time to say, please do so.

Chief Bill Erasmus: Thank you for those questions.

I think what's needed is that we have to be engaged with Canada on this question. Canada can argue that it has lived up to its part of the agreement because there was an understanding that the Aboriginal Healing Foundation would be funded for five years. So they lived up to that; they funded it for five years and they didn't extend it. Now the Department of Indian Affairs has to pay for the CEP, and so on, and Health Canada has to take care of the healing process. We need to sit down and talk about how that's supposed to work, because it's a real thing, and Elder Williams can talk about that.

You go into one of the meetings.... The Truth and Reconciliation Commission, for example, will be going into our communities, and they are really depending on these projects to assist them. There are 134 different communities. In four regions of the country, there are going to be absolutely no programs—in the Yukon, where you're from; in Nunavut; in Manitoba; and in P.E.I. So the Truth and Reconciliation Commission will come into a community and will begin talking about the issues and people will begin disclosing their experiences, etc., and we're afraid that if you don't have the resources there to deal with those issues on the spot and afterwards, then you really have a problem, because you're triggering people and you're not providing the kind of support they need.

So we have to talk this out. They're looking at the world differently and we're not understanding it right now; and it might mean, as I said earlier, that because our criteria are so narrow, essentially dealing with individuals and not with families and the community, they're going to have to expand the way they're looking at things. It might also mean, because of this, that they'll also have to provide additional dollars.

So we're quite prepared to do that, and I think it's in that kind of discussion where your committee may be able to assist.

•(1550)

Hon. Larry Bagnell: And it didn't apply to non-survivors.

We have a fiduciary responsibility for aboriginal people. That doesn't expire. If there's a house on fire and we're putting water on it and we run out of the contract water and the house is still on fire, you don't stop putting water on it. So I don't take that argument that it's expired.

Elder Williams, did you want to talk more about your personal experiences?

Mr. Joseph Williams: Thank you very much, yes.

I'd like to share some of my own thoughts about just what it is that an individual goes through.

I've been clean for quite a number of years, but like everybody else, I experienced that dark chapter in my life and detached myself from the experience of the sexual abuse, for example. We remove ourselves from reality, and everything is not real. What you do is that you try to numb the pain.

I was five and a half years old when this happened to me. I was pretty torn, pretty ripped. It happened to me over a period of four years, until I was nine, until the pedophile was able to find somebody who was more to his liking than me.

So over the years I behaved in a way that I'm sure some of you may understand, that we all have a death wish. I hanged myself twice and the Creator saw fit to have a friend come and cut me down, and I survived.

I went to school two miles from my home in 1945, and I didn't go home for the first seven years. We weren't allowed to go home. So I came home as a teenager, full of a new-found knowledge, which I thought was the best for me. Then I realized all too soon that it wasn't: there was something terribly wrong with my behaviour that I didn't understand. I was 14 years old. I was doing the usual stuff, getting into alcohol and fights. They were usually bigger guys than me. I often wondered why, and now I'm cognizant of that. I realize there was a death wish in everything I did.

•(1555)

The Chair: Please don't take any offence, Elder Williams, but our time is up on this round. There may be some other questions. I appreciate that.

[*Translation*]

We now have a question from Mr. Lemay or Mr. Lévesque, of the Bloc québécois.

Mr. Lemay, you have the floor.

Mr. Marc Lemay (Abitibi—Témiscamingue, BQ): Mr. Chairman, I confess having great difficulty asking even one question after hearing the words of Mr. Williams, an elder — I am probably not the only one around the table feeling this way. I do not really know how to approach the subject.

It is obvious, Mr. Williams, that you have experienced extreme hardship. In the area where I come from, in Abitibi, there also was an Indian residential school — that is how it was called. What you recounted has been experienced by many other people. I have no doubt that you are not the only one who went through this.

I will likely ask only one question because your testimony was eloquent enough. I read all the documents. I will not even mention money. Personally, I am more interested in the time this can take. With all due respect, Mr. Williams, you seem to me to be about 50 or 55 years old, maybe a little bit more. It took a long time before you were able to talk about your experience.

I wonder about one thing. Chief Erasmus, you might be able to answer. I do not know how long it could still take. I liked the first part of your presentation where you say that the healing has just started. In fact, I am not sure it has. Honestly, after listening to elder Williams, I am not sure it has. If you believe that healing starts with talking about it, you may be right, but one is still far from being healed. Should we not be looking at it in the longer term? I will listen to what you have to say. I do not want to take any more of your time. I am very impressed.

Elder Williams, thank you for having come here to share with the members of the committee.

[English]

Chief Bill Erasmus: Thank you.

I don't know exactly how long it takes to heal. Maybe Elder Williams can talk a bit about his own experience.

What we're finding is that this issue has not been talked about until very recently in our communities. Part of it is because many people acted like it didn't happen. Their church denied that it happened. The Canadian government denied that it happened. Many of the provinces and territories denied that it happened. So even the individuals began to deny it or were wondering if this really happened to them. There was a lot of confusion over the years.

Since we've been dealing with it we're finding that many of these programs we've had out there.... The Healing Foundation has been there for 12 years, but in places like Nunavut, it didn't start right away. They only got assistance in the last six years.

I can talk about my area, for example. We have a project there, and this is the only one that will continue for another year. It's called the Healing Drum Society. That group has been there for about five or six years. I find that this year finally people feel comfortable with that body working with them. They're just starting to feel comfortable to speak about their issues, to see these people. They've got very good people working with them. And now the funding is cut.

That's partly why we say we're just in the beginning of dealing with this. It's very much like alcohol and drug abuse. If one person is an alcoholic, they say at least ten people around that person are affected, for a whole number of reasons. Approximately 8,000 to 10,000 students are still alive in my area in the Northwest Territories, and if that's the case, that means every person in the Northwest Territories is affected. So we have to learn how to deal with it. We don't know how to do that yet. We're just at the beginning stages. It takes a while.

Elder Williams can maybe talk about his own experience, when he started talking about this and where he is at in his journey in healing.

Thank you.

● (1600)

Mr. Joseph Williams: Thank you.

It's still really hard for many of us, as you can tell, even after all these years. We like to say we're at a point in our lives where we can function and be normal, whatever that is, but certainly in my case it's been a long journey.

I went for my IAP, I guess in 2005, so that would have made me 65 years old when I finally came to grips with needing to do something about what happened to me. Over that period I had never spoken about it to anyone. I was able to tell my wife then and my children, who saw me as this great person. They looked up to me and they respected and honoured me, so I thank them for that.

I don't know if it ever goes away, I really don't. I can't answer that. I think you're scarred for life. I'm sober today, thankfully. I thank the Creator for that. I've been sober for over 40 years. I have been able to overcome that addiction. I had to overcome other addictions as well. So when you say how long does it take, I believe for me personally

that when they finally put me to rest, I'm sure then it will be over—certainly.

However, having said that, I continue to work on myself to try to be able to deal with it better, as I can do here. Six years ago I would have run out of this room when I first opened my mouth. I've made progress. I've been able to sit among total strangers and share my story.

The Chair: Thank you very much, Elder Williams and Mr. Lemay.

Now let's go to Ms. Crowder.

Ms. Jean Crowder (Nanaimo—Cowichan, NDP): Thank you, Mr. Chair. And I want to thank Elder Williams and Chief Erasmus for coming.

I'm going to keep my comments very brief so that you have more time to speak.

There is an acknowledgement that there is continuing work required around healing, given the fact that the government chose to put roughly \$69 million into Health Canada. So there's already acknowledgement there that the healing is not finished.

I have two questions for you.

One, were you ever consulted about why the choice was made between funding Health Canada versus putting that \$69 million into the Aboriginal Healing Foundation? That's question number one.

Question number two: If we should go the Health Canada route, should that continue? I pulled out a report, the *Non-Insured Health Benefits Program - Annual Report 2007/2008*. In the Indian residential schools program in Health Canada, they talk about the fact that services aren't available in many communities and that either people will have to be flown out, transported out, or people will have to be flown in to do the treatment.

The report indicates that, overall, the medical transportation expenses, on the first nations non-insured health benefits, take up 29% of the budget, so almost a third of that non-insured health benefits budget. But in two provinces or territories.... In Manitoba it takes up 44% for transportation and in Nunavut it takes up 49%. So I guess the question I have is instead of using community-based healing, in some communities they could use half of that budget that could be allocated for healing for transportation.

Perhaps you could answer those two questions. Were you ever given a reason for the money not being put into the Aboriginal Healing Foundation? And could you comment about the amount of transportation costs that will take away from the healing?

● (1605)

Chief Bill Erasmus: Thank you.

To my knowledge, we were not consulted. And you may have heard this from them when they made their presentation. We were told the Aboriginal Healing Foundation.... Their understanding was that they were on solid ground with the minister, partly because they had just completed a report on the Aboriginal Healing Foundation, which was in all respects a very good report. They thought they were going to be included in the budget. So, no, we were not consulted. It was made at the higher levels of decision-making, which would have been Treasury Board, the Department of Finance, or the PMO. No, we were not consulted.

We're still trying to determine how Health Canada is supposed to deal with these issues. I think they're still grappling with it, because they've been given these instructions. One of the first things they're trying to do is a gap analysis on what the impacts might be, and then proceed from there. But even if they do that, as mentioned earlier, their criteria are so narrow that they're not really going to be able to deal with the problem as required.

In terms of transportation, you're absolutely right. Before you even start, the dollar is reduced so much, how can you tackle the problem, as needed? So we agree with you.

Ms. Jean Crowder: Elder Williams, do you have anything you would like to add?

Mr. Joseph Williams: I really believe in continued healing, as I was saying, and I believe that one of the ways is to find some solution to how people can aspire to meet that challenge at this level. Certainly at the survivor level, one of the things that we cry out for is help. Many of us don't know what to do at this point, because something has been pulled away that was really helping a lot of us. A lot of people now have nowhere to go.

I'm also very cognizant of the therapeutic aspect of healing. I'm not saying that these people who come in are not capable. They are. However, having said that, my earlier remarks were about what I lost when I was in school. I lost my identity, my culture, and my language. Those things are part of the key to therapy, and that's been proven. That's been proven by programs that were community-based, that provided the language. Instead of saying what is the presenting problem here, as therapists, we know what the presenting problem is, but what is it that we need to work with? A lot of times that was missing in the therapy that was provided. It's still missing today. Often they're not providing the service that meets the need of that individual, which is a basic need, if you will. It's to be able to say *Achuk*, our home. Where do I come from, who is my family—those kinds of things.

That's why it was important for many of us to have programs that alluded to those kinds of therapies that met the needs of the survivor. I'm not saying that western methodology is not good. It has its place as well. I understand that now, but I'm really advocating for the other piece that very often is the missing component.

• (1610)

The Chair: Okay.

We're just about out of time there, so thank you very much, Ms. Crowder.

Let's go to Mr. Duncan.

Mr. John Duncan (Vancouver Island North, CPC): I think it's Mr. Rickford.

The Chair: Pardon me. I didn't see that.

Let's go to Mr. Rickford then, for seven minutes.

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

Thank you, Chief Erasmus and Elder Williams. I also want to acknowledge the national chief for his presence here. I think it's a tremendous show of support for an important process.

I know I've reminded committee members of this before, but for both your benefits, perhaps I should mention I was a signatory to the agreement. I was a relatively new lawyer participating in that process for a firm out of Kenora I worked with, and I subsequently represented a number of clients in the ADR process, which now is known more commonly as the IAP. I was involved in drafting numerous future care plans that respected the individual needs of the survivor and made serious considerations for the impact it had on their families and the broader community.

I also appreciate, Chief Erasmus, that as part of your presentation today you expressed a willingness to work with Health Canada. I understand your principal position on this matter, and will continue to work with and through that, but I was wondering if you could discuss or allude to some of the things that you see. I know you mentioned that the resolution health support programs, or things that Health Canada had been doing prior to this new infusion of resources, almost \$70 million, complemented the activities of AHF.

I have two questions, then. In communities in areas where I believe the 12 projects will continue, what do you think is the best possible way for the Aboriginal Healing Foundation and Health Canada to work together? How can they share infrastructure, resources, and capacity in these regards? And for the hundreds of other communities who never even had access to the Aboriginal Healing Foundation's programs, what recommendations might you give to Health Canada, as they continue to deliver in those programs? Could you perhaps comment on some of the priorities and on some of the culturally sensitive things they might entertain as they engage a broader first nations community across Canada and, from the perspective of the MP for Kenora, a number of isolated communities who have had real trouble accessing some of the services under any of the Truth and Reconciliation Commission ADR without great hardship, and the Aboriginal Healing Foundation?

Chief Bill Erasmus: Thank you.

Well, there's a number of ways to look at this. First of all, one of the first things that came to mind was if you're not going to provide funding to the Aboriginal Healing Foundation.... The model is already there, it's a good model, it works, and Health Canada is not able to provide the same kinds of services that are needed and are required. Do you want to start up a new institution similar to what we already have, or can Health Canada take on the role that the Aboriginal Healing Foundation was engaged in, or parts of it?

I think that's the discussion we need to have, because at this point their instructions, as I said earlier, are quite narrow.

•(1615)

Mr. Greg Rickford: Sorry, Chief, are you saying that you're not aware of any discussions in the near future that would facilitate that? In fairness, we are going to be making recommendations and discussing implications of the study. I'd like to know whether you're aware of that yet.

Chief Bill Erasmus: Well, we're quite open to talking about that. There are different ways to do it.

I probably shouldn't say this, but if the expertise can get to our communities and it works, it may not matter so much who does it. But it would help everyone if we knew what Canada is thinking.

Mr. Greg Rickford: I appreciate that, Chief Erasmus.

I have to give you a bit of background here, very briefly—I'm sure I'm almost out of time. Prior to my legal career I was a nurse in the Kenora riding, northern Manitoba, northern Saskatchewan. I had a chance to do some work in Klemtu and parts of the Arctic, so I have a real appreciation of the ability of any program to reach its effective constituents under certain circumstances, particularly in the wake of the Indian residential school agreement.

As a former employee, I want the record to reflect that in fairness to Health Canada, there is infrastructure in a number of communities, particularly the isolated and remote communities, which I think will be of some benefit to those communities that had not previously had any support, even from or through the Aboriginal Healing Foundation.

We know cultural support services are going to be provided by local first nations organizations. There are provisions and considerations for elders to be involved in that process, including emotional and culturally sensitive support. Access to professional counsellors I guess will depend on the region, their availability to go to the communities, or perhaps by choice, to where survivors would want to go to other communities, another location.

Just in finishing, considerable resources are going into ADI, the aboriginal diabetes initiative, youth suicide prevention programs, maternal and child health, aboriginal health human resources, and aboriginal health transition. I was just wondering, as we close this session, if you could comment on that. You did mention that everyone is affected, and it's not obvious in some ways. Do you consider that contribution a considerable way of dealing with the broader implications of the need for healing? Do you have anything you'd like to stress with respect to the delivery of those programs in the context of...?

Chief Bill Erasmus: I think it needs to be a comprehensive approach and it needs to be worked out, fleshed out with us. As we mentioned earlier, it may cost more money, but as you know, spending money now and getting the benefits down the road is worth it. It's difficult to determine because of the nature of healing and the nature of what we're dealing with. We're going to have to understand that it's more than just earmarking a number of dollars, and there needs to be a comprehensive approach to it.

The Chair: Okay. Unfortunately, we're out of time, Mr. Rickford. Sorry. We're a little over, about the same as the others.

Members of the committee, we are running a little bit late right now. I'm going to suggest, if the committee is agreeable to this, that

as we only have one witness scheduled for Tuesday, if you would agree, we'll move to Tuesday the portion of this meeting that we were going to consider for instructions to the analysts on this study. We'll use the second hour for our next witness instead of trying to rush on instructions for this study for the last 15 or 20 minutes we have left today.

Do you understand what I mean by that?

•(1620)

Mr. Marc Lemay: I vote in favour. *C'est bon.*

The Chair: Okay. We have consensus.

We then have the ability.... And I appreciate the patience and understanding of our witnesses who are here as well, but you get some extra time, which is good.

We'll take one short question, let's say three minutes, from Mr. Russell, and Mr. Duncan after him. Three minutes. *Juste trois minutes, oui.*

Mr. Russell, we'll start now. Go ahead.

Mr. Todd Russell (Labrador, Lib.): Thank you, Mr. Chair.

Mr. Williams, thank you for what you've shared. I believe the silence was indicative of the respect that we have shown for what you shared with us. Compelling words, that's all I can say, and I'm deeply moved by them, as I'm sure others in this room are.

But I think the words also carry responsibility for us to act, so I want to ask my question to your colleague, Mr. Erasmus. The government has made all kinds of apologies for why they have killed the Aboriginal Healing Foundation. But they have killed it. I have to ask you, with everything they've put on the table, everything that they have brought before us, does it adequately replace the work the Aboriginal Healing Foundation had done, all of that building over 12 or 13 years?

The comment made by Mr. DeGagné was that it was a program designed by aboriginal people, for aboriginal people, delivered by aboriginal people. It's not the same. There's a fundamental and profound difference from just some aboriginal people working in the non-aboriginal Health Canada system. There is a fundamental difference between the approaches, and that is so meaningful in terms of having an outcome.

Do you agree with that? Do you agree that we cannot replace the Aboriginal Healing Foundation with some adapted Health Canada approach?

Chief Bill Erasmus: Thank you.

We agree with what you're saying. That's why I think it's so important that we begin a dialogue very quickly. The more I understand Canada's decision and the more I understand the direction they have given the departments to work on this, I don't think that decision is going to change.

They need to be instructed to change their approach to the extent that we're able to sit down and make room here so that we can design something that is indeed by our people and for our people. It's not too late to do that.

I think Canada needs to be told that this decision-making that they've exercised this time around shouldn't and can't happen in the future.

The Chair: Thank you, Mr. Russell and Mr. Erasmus.

Let's go to Mr. Duncan for our final question.

Mr. John Duncan: Thank you very much.

I'm sort of hidden away here, but they're my friends, so it's okay.

We were all very touched, Elder Williams. It's not the first time I've been close to such testimony, but it always has a similar impact on me. I'm happy that you're with us and that you're doing as well as you're doing. Obviously I'm assuming you have your supportive wife beside you and it's very nice to see that.

My question I guess is for Chief Erasmus and it deals with the Health Canada mandate, trying to take a practical approach here. I'm just wondering if you had a chance to review any of the testimony that Health Canada provided to this committee on this question. Because I thought I detected a high degree of interest in trying to be culturally sensitive, to use many of their aboriginal employees—I understand they have over 400 employees—and to use elders and the experience and history of the AHF to try to do exactly as you've suggested. But it's not going to happen without collaboration and cooperation.

So I guess that's really my question. Do you feel that's realistic and do you think that engagement process is workable? It would be nice if we could walk away with some feeling of positive movement out of this.

●(1625)

Chief Bill Erasmus: Yes, thank you.

I don't want you to get me wrong. I think much of what Health Canada does is good, but it's not designed to deal with the whole issue of healing. That's the difficult situation we're in. And that's why we're emphasizing the need to expand what they do, if they are indeed going to be the body that deals with the survivors.

We're quite prepared to work with them in developing that. And yes, we had a chance to review the comments they made and the material they have out there.

The Chair: Thank you very much, everyone. I want to especially thank our witnesses today, Regional Chief Erasmus and Elder Williams.

To Elder Williams and your family, I'm sure I can say, on behalf of all members, that we wish you good health and more of that resounding strength of spirit and courage that you clearly have in your continuing journey ahead.

Thank you very much.

Members, we'll take a brief recess for about three to four minutes while we change the tables for our next witnesses.

We will suspend.

●(1625)

(Pause)

●(1630)

The Chair: Let's carry on with our second part.

I'll reiterate my appreciation for our guests today. We have changed the schedule somewhat. That sometimes happens at committee.

Members, we are now moving to our ongoing consideration of our study on northern economic development. We're delighted to welcome today Auditor General Sheila Fraser. This is on chapter 4 of the spring report of the Auditor General's department.

She is joined today by Ronnie Campbell, the Assistant Auditor General; and Frank Barrett, principal. We also welcome Scott Vaughan, who is the Commissioner of the Environment and Sustainable Development, which is a division of the Office of the Auditor General of Canada.

With no further ado, let's lead off with Ms. Fraser for ten minutes. We have an hour, so we'll do our best to get through first presentations. Then we'll go directly to questions from members.

●(1635)

Ms. Sheila Fraser (Auditor General of Canada, Office of the Auditor General of Canada): Thank you, Chair, for this opportunity to discuss our office's work related to chapter 4 of our spring 2010 report, entitled "Sustaining Development in the Northwest Territories".

As you mentioned, I'm accompanied today by Scott Vaughan, the Commissioner of the Environment and Sustainable Development; Ronnie Campbell, Assistant Auditor General; and Frank Barrett, the principal. They are all responsible for this work.

The federal government has a mandate to promote political and economic development in the Northwest Territories and to protect the environment. Our audit looked at whether responsible federal departments have laid the foundations for sustainable and balanced development in the Northwest Territories. Specifically, the audit focused on whether Indian and Northern Affairs Canada, Environment Canada, and Human Resources and Skills Development Canada had adequately implemented key measures to prepare for sustainable and balanced development.

These measures included settling comprehensive land claim agreements and self-government agreements, establishing and implementing a regulatory system that protects the environment, and supporting appropriate economic development and skills training programs for aboriginal peoples in the Northwest Territories.

Comprehensive land claim agreements and self-government agreements set out governance rights and the ownership of land and resource rights. These agreements are therefore important for economic development. They help to provide a level of certainty and predictability for business, industry, communities, and governments. Almost all of the Northwest Territories either lies within settled land claim areas or is the subject of ongoing negotiations.

At the time of our audit, four land claim agreements had been finalized. One of them—the Tlicho agreement—was also a self-government agreement. Four other land claim agreements and ten self-government agreements were under negotiation. We found that Indian and Northern Affairs Canada, or INAC, has made constructive efforts to negotiate these agreements and had followed the established processes for their negotiation. As well, INAC had used alternative approaches when negotiations appeared to be stalled. While much remains to be done, in our view the efforts to settle land claim and self-government agreements represent a significant achievement and an important step towards sustainable and balanced development in the Northwest Territories.

[*Translation*]

However, we also found difficulties with the annual funding process by which INAC supports Aboriginal communities to enter into self-government negotiations. The nature of this process makes it difficult for communities to receive funding at the beginning of the fiscal year within which it must be spent. On average, the agreements we looked at were signed more than six months after the beginning of the fiscal year, and several were signed in the last month before the agreement expired. Officials told us that this situation has resulted in overdraft charges and penalties, damaged business relationships, delays in meeting payroll, and the loss of experienced staff. These issues can affect First Nations' ability to participate in negotiations.

We also looked at the environmental regulatory system. Protecting the environment is important particularly because Aboriginal communities in the Northwest Territories depend on wildlife, water and land for subsistence and for economic development opportunities. We examined whether INAC and Environment Canada had established and implemented an adequate regulatory system in the Northwest Territories. We found that, in regions with settled land claim agreements, there are systems and structures that support land use plans and provide a means of adequate consultation with communities.

In regions without comprehensive land claim agreements in place, however, there is uncertainty about Aboriginal title to the land, how it may be used and who should be consulted to make development decisions. Community leaders from these areas have also indicated that the existing process does not provide their communities with adequate representation for considering development proposals that affect their lands under negotiation.

Moreover, in regions without settled land claims, we noted a lack of specific mechanisms for developing land use plans.

Without a formal land use plan, development decisions must be taken on a case-by-case basis. Decisions related to project approvals may therefore take longer because it has not been determined where different types of development should take place and what conditions should be applied.

INAC also has specific responsibilities for monitoring the cumulative impact of development. This information is important because it provides co-management boards with environmental information to support informed decision-making on development proposals. We examined whether INAC had established the needs and priorities for monitoring cumulative impact and had implemen-

ted a plan to do so. We also examined whether Environment Canada had supported INAC in these responsibilities.

[*English*]

We found that eleven years after receiving a mandate to do so, INAC has not yet put in place a program to monitor cumulative impact. Similarly, funding for Environment Canada's program that would support cumulative impact monitoring ended in 2007. As a result, neither department had implemented this program.

Mr. Chair, our audit also examined skills training and economic development programs for aboriginal communities. We examined two Human Resources and Skills Development Canada programs aimed at supporting skills training. We also looked at four INAC programs aimed at supporting economic development for aboriginal peoples in the Northwest Territories. We found that HRSDC had established clear objectives and targets for both programs we examined and that it had reported on progress toward their short-term objectives. However, the department had not assessed the progress these programs had made toward their longer-term objective regarding sustainable employment for aboriginal peoples.

We found that INAC's economic development programs did not have clear objectives. Instead, the programs shared a number of broad objectives that were both general and vague. We also found that INAC did not monitor its programs' performance or review information reported by funding recipients. During our audit, the federal government established the Canadian Northern Economic Development Agency and transferred to it the delivery of INAC's economic development programs for the Northwest Territories.

Overall, we concluded that Indian and Northern Affairs Canada and Environment Canada had not adequately implemented key measures designed to prepare for sustainable and balanced development in the Northwest Territories.

Mr. Chair, this concludes my opening statement. We would be pleased to answer any questions committee members may have.

Thank you.

● (1640)

The Chair: Terrific. Thank you, Ms. Fraser. We'll go directly to questions from members, beginning with Mr. Bagnell, for seven minutes.

Hon. Larry Bagnell: Thank you, Mr. Chair. You're doing an excellent job chairing.

Meegwetch.

Basically, I think the gist of the first part of your report is that it works better for sustainable mechanisms when the land claims self-government agreements are in place.

I want to go back to a couple of your previous reports to get an update. In your previous reports on the north, including the Northwest Territories, where this report was centred, you commented not that the land claims weren't good, as you said here, but that they weren't being implemented well, that the government wasn't living up to the spirit. I'm more worried about the technicalities of the agreement. In any event, the implementation wasn't good.

Could you give us an update? Now that the government has had those recommendations for a few years, how is that working out?

Ms. Sheila Fraser: Chair, we are doing a follow-up to be reported next spring on a number of issues in INAC, of which implementation of land claims is certainly going to be an important section. So we don't have any really up-to-date information; we'll have it for the spring. But certainly there have been a number of issues that we've noted over the years, and I think the major problem, if I could resume, was that while there may have been, in many cases, strict attention to legal interpretation, there was not very good focus on the overall intentions.

For example, I remember the one that always comes to mind was an agreement where the objective was to increase aboriginal employment in the north and one of the conditions was to hold a meeting. So people would say, well, we've had the meeting. And we would say yes, but are you increasing aboriginal employment in the north?

So there have been actually many to and fro discussions with the department on that issue. We will obviously have to look to see if they have changed their approach or are still taking a very narrow legalistic approach to these agreements.

•(1645)

Hon. Larry Bagnell: Thank you.

You say here that in the regions with settled land claim agreements, there are systems and structures that support land use plans and that provide adequate consultation. I assume that it's better related to sustainable development.

Just last week, the minister had a different interpretation, I think. He said that this wasn't working and that he would, if need be, open up these land claims. Do you have any comment on that? And perhaps Mr. Vaughan, the Commissioner of the Environment, could comment on whether the existing land claims are not protecting the environment, so these structures, which you're saying are working, may have to be changed.

Ms. Sheila Fraser: Our comment is largely related to clarity about ownership of land and about the consultation process. What the minister may have been referring to is that in many of these agreements, various water boards have been established. We looked at the question of water boards, the various boards, about four years ago, and we noted a number of problems in how they were

operating. We recommended at the time that the federal government do more to support them. We have indicated that we have seen progress. They appear to be working better. I think you have to admit that it is quite a complicated regime because of the various land claim agreements and the various boards that exist there. But we think that there has been progress, actually, on how these boards are working.

The main point of this audit is that it's important to get those land claims settled so that there is more clarity around land ownership, land use, and consultation, of course, with the aboriginal communities.

Hon. Larry Bagnell: You suggested that the people from the areas that didn't have these agreements were having difficulty making their representations on development projects. Because of recent court decisions, if the proper consultation isn't done, it would certainly make them liable to court action and would probably solve the problem in a less than perfect way. But it would at least solve the problem that way.

Ms. Sheila Fraser: We note in the report, and Mr. Campbell might want to elaborate, cases where development projects had been under consideration for actually quite a long time and had gotten quite far through the process, but consultation wasn't done early enough. There were court challenges, and the projects had to be stopped. So it's become a very frustrating experience for everyone involved. The question is getting a consultation earlier.

Mr. Campbell might want to elaborate a little more.

Mr. Ronnie Campbell (Assistant Auditor General, Office of the Auditor General of Canada): Certainly.

Thank you, Mr. Chair.

Yes, we did note that in areas where there was no land claim settlement, there were a considerable number of applications referred to the crown for additional consultation, which I think reflected the fact that aboriginal groups did not feel that they had been properly consulted. We compared that with areas where there had been a land claim settled, and we found that in none of those cases did they have to be further referred for consultation. In the course of our work, we did notice that imbalance in the amount of additional consultation that aboriginal groups sought after the fact.

Hon. Larry Bagnell: This is my last question. It seems from your comments that some of the economic development programs in HRSDC and INAC did not have a specific overall strategy and plan or measurable results that met the objectives of that plan from those programs. Could you comment on that?

Ms. Sheila Fraser: I'll let Frank Barrett respond to that one.

Mr. Frank Barrett (Principal, Office of the Auditor General of Canada): Yes, certainly.

I would say, first of all, with respect to HRSDC's programs, that we did see that they had established objectives, and they were measuring short-term progress towards achieving those objectives. What they weren't doing was seeing what overall impact they were having over a period of time.

With respect to INAC, we had considerably more significant observations in that we had for a long period of time programs that were established but that had very vague objectives. There was no means of measuring them and no attempt to measure them.

• (1650)

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

Maintenant, Monsieur Lévesque, pour sept minutes.

[Translation]

Mr. Yvon Lévesque: Thank you, Mr. Chairman.

Ms. Fraser, it is always a pleasure to meet with you and your team to hear your unadorned opinion, which is quite sound, even very sound. I would like to refer back to point 8, on page 3 of your report, in both languages. You say the following: "In regions without comprehensive land claim agreements in place, however, there is uncertainty about Aboriginal title to the land, how it may be used [...]"

From that point of view, does it mean that this is slowing economic development?

Ms. Sheila Fraser: Absolutely, Mr. Chairman.

I believe that any developer or business wishing to set up in a region would want to have some certainty with regard to land and property ownership. Certainty with regard to resource ownership is therefore absolutely essential for ensuring economic development. There is also the matter of consultations with the Aboriginal communities, which is essential.

As we mentioned, we have seen cases where projects were launched, but there had not been sufficient consultation at the outset. A lot of time goes by and, in the end, the project does not come to fruition because of that.

Mr. Yvon Lévesque: If I am not mistaken, this is the reason behind your recommendation 4.52, aiming at correcting this situation.

Ms. Sheila Fraser: Of course, we encourage the department to work on finalizing agreements as quickly as possible. We see that they have made progress, but land claim agreements have yet to be completed for approximately 30% of the territory.

Mr. Yvon Lévesque: And where are these lands? This is not limited to the Northwest Territories; there is also Alberta and Saskatchewan.

Ms. Sheila Fraser: Yes, this audit dealt exclusively with the Northwest Territories. We did not extend the audit to the entire country.

Mr. Yvon Lévesque: In the Northwest Territories proper, there are only...

Ms. Sheila Fraser: For approximately 30%.

Mr. Yvon Lévesque: That is enormous when we are dealing with economic development.

You state the following at recommendation 4.89: "Indian and Northern Affairs Canada should ensure that benefits plans related to development projects under the Canada Oil and Gas Operations Act meet the requirements set out in the Department's guidelines before approving projects [...]"

Do you believe that the department obtained the opinion of the First Nations before establishing for this specific territory the environmental measures desired by these First Nations?

Ms. Sheila Fraser: I do not believe that we looked specifically at that issue. However, given the regimes in place in that area of the territories where land claims have been settled, there is obviously strong consultation and strong participation on the part of First Nations in order for them to agree to the project. They have a tremendous influence over economic development and environmental protection.

However, we did not examine that legislation specifically.

Mr. Yvon Lévesque: From the time when those land claim settlements came into play and the rest, and given the delays, in your opinion, how many years of delay, approximately, with regard to the economic development of the territory, have been brought about because of this lack of...?

• (1655)

Ms. Sheila Fraser: We did not consider that aspect. Obviously, I believe that studies have been done on this, but we did not look at that aspect specifically.

Mr. Yvon Lévesque: You have also seen that, after 11 years, there has still been no move to measure the cumulative effects, with a monitoring program, for example. Could you list for us the cumulative effects?

Ms. Sheila Fraser: The Commissioner of the environment could probably talk to you about the cumulative effects.

Mr. Scott Vaughan (Commissioner of the Environment and Sustainable Development, Office of the Auditor General of Canada): Yes. As we mention in the chapter, a system for the measurement of the cumulative environmental effects has begun to be put in place, but we also observed, as you have stated, sir, that after 11 years, there still is no system in place.

Mr. Yvon Lévesque: Are there elements you base yourselves upon to measure the cumulative effects?

Mr. Scott Vaughan: Yes, we mention in this chapter that Environment Canada and Indian and Northern Affairs Canada even have systems to identify the needs so as to measure cumulative effects. We also noted that Environment Canada intends to put in place a system to measure indicators. Lastly, as Ms. Fraser was saying, a project was started but there is no project in place for the time being. There is no financial assistance for this project. There is therefore in fact no measurement system.

Mr. Yvon Lévesque: Do I have any time left?

The Chair: Thirty seconds.

Mr. Yvon Lévesque: I will let someone else take over.

The Chair: Thank you, Mr. Lévesque.

We will now hear Mr. Bevington, who has seven minutes.

[English]

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

Thank you, Madam Fraser and everyone else, for coming here today.

I am very interested in your report. And certainly for people in the Northwest Territories it was very significant at this time, because of course we're going through a process now in which the federal government is looking at regulatory changes.

One of the regulatory changes that has been proposed, and which seems to have some weight within the government, is to actually condense many of the boards into a single board. Now, within your paper you seem to indicate that the regional boards are working effectively. I think for most people in the Northwest Territories, when you propose opening up land claims to make these boards into one board, there are some real stop signs that go up for people.

Is it your impression that the system we have in place now with the regional boards is effective in dealing with the situation?

Ms. Sheila Fraser: Chair, I'd perhaps like to start by saying that we don't actually evaluate the effectiveness of boards or in fact any programming. We can only look to see whether they do those evaluations themselves.

This particular audit was a follow-up to an audit that we did in 2005 on the various boards. On the co-management boards, we had found a number of problems with capacity, with lack of clarity around decisions they were making, and in fact with what seemed to be seemingly contradictory decisions. So we recommended at the time that the federal government needed to intervene to help build the capacity to support them, because many of them, as I'm sure the member is quite aware, are small and would often maybe not have a lot of projects and then would get something very significant that they would have to deal with. So it was to build the capacity of these boards to be able to deal with often very significant projects.

In this audit we looked at the recommendations we had made and the commitments that the department had made at the time, and we found that they have actually done a lot of work to support the boards. Now, that doesn't really get at the question of whether the boards themselves are effective. That's quite a different issue. But we have seen quite significant progress on the questions of the roles and responsibilities, strategic direction, and how they are carrying out their work.

• (1700)

Mr. Dennis Bevington: Okay.

In your report you talked about the environmental process in the Northwest Territories. You talked about the regulatory system protecting the environment. But really, the Mackenzie Valley Resource Management Act is much more than that, because the Mackenzie Valley Resource Management Act provides communities and people in the Northwest Territories with the ability to at least comment on the kinds of issues that would be most likely in the provincial regime.

Section 115 deals with "the protection of the social, cultural and economic well-being of residents and communities in the Mackenzie

Valley". So when you speak of the environmental regulatory system, you speak mostly of the environment. You don't speak of the other part of that act in terms of how effective it is at delivering that for the people of the north, or how that is working. Because that certainly is the unique aspect of the Mackenzie Valley Resource Management Act.

Ms. Sheila Fraser: Again, I agree. We didn't look at the social or cultural impacts and how those were being protected. Our audit was much more focused on environment. And again, we didn't go into an evaluation of the effectiveness of the act. That would be something that INAC, actually, would have to carry out, in conjunction obviously with communities and the territorial government.

Mr. Dennis Bevington: But you agree the environmental regulatory system in the Northwest Territories is designed to do much more than just look at the land and water.

Ms. Sheila Fraser: Absolutely. We looked only at the environmental portion of that.

Mr. Dennis Bevington: When you talk about the economic development programs, perhaps if you wanted you could get into a little more detail on that. Was there any sense of why the programs were not being judged for effectiveness, why there wasn't a system in place to do that?

Ms. Sheila Fraser: This is not an uncommon finding in our audits, that for many of the programs, especially programs that have been established for quite a while, the objectives were often very general at the time they were set up. There were not clear performance indicators established. I think we'll have to see over time. There is a new policy that all direct program spending is supposed to be evaluated over five years, which will be coming into effect in 2013.

So if that policy is respected, then for all of these types of programs there would be effectiveness evaluations done to help managers decide if they are meeting the objectives, or if improvements have to be made. But often it goes back to actually the establishment of the objectives, and we see that one department, HRSDC, did have fairly clear objectives and performance indicators, whereas INAC did not. So that's something they should be working on to improve over time.

Mr. Dennis Bevington: Out of the environmental assessment process, many times there were objectives for industry. You didn't actually go into that detail, where you would look at what came out of the environmental assessment process that laid out patterns for industry to follow in terms of its development. Did you assess those, or is that another matter?

Mr. Scott Vaughan: Chair, that would be another matter. We looked at the regime and the structure of the regime per se. We didn't look at specific environmental assessment procedures and whether or not they created then a clearer road map for industry.

Going back to your related question, what we did say, in the areas with the settled land claims, is that an important and critical component of the well-functioning co-management boards was the degree of public participation and clarity, and, as the auditor said at the beginning, in terms of who was to be consulted, and if they were not consulted it created delays for industry and the project approvals.

The Chair: Thank you very much, Mr. Bevington and witnesses.

Now let's go to Mr. Duncan.

Mr. John Duncan: Thank you very much.

Welcome to the committee.

It probably has not escaped your attention that the Minister of Indian Affairs was in the north this week. A major reason he was there is that the regulatory system in NWT has become a reason for investors to vote with their dollars to go somewhere else. This has become a concern and a refrain that is reflected in feedback we get from the local politicians in NWT, and our own department recognizes it as well. That's a backdrop to much of what we're doing.

Part of chapter 4 dealt with monitoring cumulative impacts on the environment. There was money in Budget 2010 for that activity; of course, Budget 2010 came out after chapter 4, very shortly thereafter. That was more formally announced this week when the minister was in NWT. More importantly, the minister has appointed a chief federal negotiator to lead consultations and negotiations on structural changes to the land and water boards as part of the work to amend the Mackenzie Valley Resource Management Act, Northwest Territories Waters Act, and Territorial Lands Act. These are all significant and major changes since your work was done.

As a result of the economic action plan, obviously there has been a lot of stimulus spending in the north. We're getting feedback right now that some of the little economic activity actually being generated in big parts of NWT is a result of government stimulus spending, and that this could actually be a much worse picture than it actually is if you look at other sources of investment. There is definitely a need to make some changes, so I congratulate you on pointing it out and offering some direction in that regard.

I'll come back to where I originally was going to start: why did the Auditor General pick NWT? You had three northern jurisdictions. First, how did you get there? Once your office has done a study such as chapter 4, do you actively continue to follow up, or is it just the next time? Consequent to that, is there some kind of report card or not?

• (1705)

Ms. Sheila Fraser: Thank you, Chair.

I'll let my colleague think about why we picked Northwest Territories and answer that question.

I appreciate the member's having provided an update. This work for this chapter was completed in November of last year; obviously there has been a lot of new development since then. I would also reiterate that we don't look at effectiveness of boards and things. That is really a policy decision on which we would not comment. Our only mention of the boards here was to say that we did a follow-up on the 2005 audit and found that the department had actually met

the commitments that it had made previously and had provided much more of the needed support to the boards.

Our usual process in doing an audit is that when we have recommendations and the department responds and agrees with us, they will usually produce an action plan that will say specifically how they are going to address the issues raised. Depending upon the timelines that they themselves establish, we will go back and do a follow-up audit at some point in the future. It could be two or three or four years from now. There would be some sort of monitoring or understanding of what's happening, but we don't track in great detail all the progress the departments are making. For purposes of our own performance report, we get an evaluation from them once a year as to progress that's being made.

I know we wanted to do some work in the north and we wanted to do a joint project between our INAC team and the commissioner's group. I'll let Mr. Campbell answer the question of why we picked the Northwest Territories.

• (1710)

Mr. Ronnie Campbell: Thank you very much.

We chose the NWT for a couple of reasons, one being that we thought it was a much bigger task to include all three territories with their different regimes that play there. We did want to focus in part on the relationship among those various pillars, the settlement of land claims, the regulatory regimes that would be put in place, and the capacity of aboriginal people to take advantage of that economic development. In the NWT, of course, there is so much activity on land claims settlements that we thought it was an opportune time to do that.

In addition to coordinating with the Commissioner of the Environment, we also ordered the audits of the various territorial governments. Our audit team responsible for the NWT is about to table a piece that has some relationship to the work we were doing. All the stars sort of lined up there.

We had also fairly recently completed some work on the Inuvialuit final agreement and its implementation. We had an audit team that had some knowledge of the structure and environment in the territory, so it made sense for us to do it that way.

The Chair: Thank you.

Mr. John Duncan: Just a final comment, not a question.

Just on the record, we agreed with all the recommendations of your report. I just wanted to put that on the record.

The Chair: It's on.

Now we are going to go to our final round. Members, I think what we'll try to do here, if it's all right, is maybe try to stick to three minutes. That will allow us to get a few more questions in with the remaining time.

Mr. Bagnell, you have three minutes. Then we'll go back and forth, to get as many in as we can.

Hon. Larry Bagnell: When we were in government still, the program put in \$500 million for cleanup of federal sites in the north. In that you're doing the environment, did you look into how that is going at all?

Ms. Sheila Fraser: That wasn't specifically part of this audit, no.

Hon. Larry Bagnell: Okay.

I'm interested in oil and gas, both on land and in the water. Rather than me asking a question, does anyone have any comments? Do you have any involvement, in that they are obviously related to the environment? Then I'll ask my questions.

Ms. Sheila Fraser: The commissioner can talk about some of his upcoming work.

Mr. Scott Vaughan: As the Auditor General said at the beginning, we looked at the regulatory systems per se. An important part of that is the overall cumulative environmental assessment. One of the difficulties with assessing cumulative effects is trying to understand past impacts, current impacts, and future impacts, meaning what will be future investments and what would be the cumulative effects of any given project, whether it's oil and gas or whether it's mining or any other development.

What we had presented to Parliament in November was a review of the Canadian Environmental Assessment Act and some key findings within how that is proceeding and some problems with it. We are also in the process of preparing for the fall a specific report on cumulative environmental assessment under the legal obligations of the act. Within that, we'll probably be looking at the oil and gas sector, including the oil sands.

Hon. Larry Bagnell: When you are looking at it in the north, some of it is going to be more complicated because some of the pollution will come from other countries. So you need to have interaction with... For instance, the oil drilling in Greenland will spill into our waters.

Ms. Sheila Fraser: If I could just add, Mr. Chair, I think the commissioner has a report coming on pollution at sea.

Mr. Scott Vaughan: Just on that, first, we noted in a chapter that one of the key challenges in the north in terms of environmental quality is long-range transport of pollutants. One example of that is mercury emissions. Most of Canada's mercury emissions, including those landing in the north, don't originate from Canadian sources; they are coming from other sources, such as China, Asia, and elsewhere. Canada has now entered into legal negotiations under the UN to control mercury emissions. That's one example. There are other examples, such as PCBs and others that are found in the north.

We are also preparing for the fall a report on pollution at sea and Canada's readiness: are they ready for major spills, particularly oil spills? One of the areas we will be looking at is Canada's readiness in the north.

•(1715)

The Chair: Thank you, Mr. Bagnell.

Mr. Dreeshen, if you want to go for the question after this you'll have some time. I'll give you three minutes to start, but you can do the next one if you wish, unless one of your colleagues wants to.

Please go ahead.

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

I am happy to see you folks here again.

I'm also on the Standing Committee on Public Accounts, and we've already gone through this particular chapter there, so I know a number of different aspects of this are important.

I'd like to talk about CanNor. A lot of different things that seem to be coming up are perhaps now going to be covered through this particular agency. I'm wondering if you would comment on how you feel this is going to be able to manage some of these points that we've presented.

Ms. Sheila Fraser: Thank you.

CanNor was created at the very end of our audit, so the programs we audited were actually programs of INAC, but now the responsibility to address the issues and to deal with the commitments that are made will be CanNor's responsibility.

This is more of a personal comment, because we haven't really looked at CanNor, but having an agency that's focused on this, rather than being part of a much broader department with many competing challenges, I would think would be a good thing. There have been discussions between the team and the head of CanNor to discuss the action plans. We will be following up, obviously, on what CanNor does, but there certainly is commitment to address the issues we have raised in the report.

Mr. Earl Dreeshen: In the report, 4.82, you spoke about INAC's economic development program in the Northwest Territories based on a strategy that was released in 1989. Basically, you didn't have an opportunity, or perhaps there hadn't been an opportunity, to assess how aboriginal communities were able to fit into this. I wonder if you could talk about what you found as you evaluated this, and if you saw any gaps in programming that we should be considering.

Ms. Sheila Fraser: I'll ask Mr. Barrett to respond.

Mr. Frank Barrett: Basically, in looking at the economic development programs, we saw that in fact they weren't set up such that they could be evaluated. When we tried to assess what progress had been done, there'd been some money spent, some activities have happened, but in terms of assessing progress and what's been achieved.... We have a couple of examples in 4.80 where one of the objectives is "more investment to communities", or "more larger and stronger community business". In essence, it doesn't lend itself to knowing if you really had a strong impact.

I think that was really our point here, that we weren't seeing these programs showing evidence, or it being obvious that they achieved significant impact.

The Chair: Okay. We can come back to you, Mr. Dreesen, if you want, after this next question.

Monsieur Lévesque.

[*Translation*]

Mr. Yvon Lévesque: Thank you, Mr. Chairman.

Indian and Northern Affairs Canada ratified contribution agreements within the context of the self-government negotiations. The idea was to allow these groups to obtain legal advice, to hire staff. In your report, you state that, in many cases, the funding arrived just before the negotiations' deadline. This resulted in legal fees for the various groups.

To what extent do the funding agreements fit in with the program objectives and the policy outcomes that are traditionally supported in the Northwest Territories? Do you have an approximate idea of the costs that these delays brought about for the various communities?

Ms. Sheila Fraser: Thank you, Mr. Chairman.

In fact, the agreements and the funding are on an annual basis. Obviously, before a request is made and all of the process launched..., the money arrives very late in the year, as late as the last months of the year. Obviously, the Aboriginal communities may have to finance this through loans or other instruments, and this involves costs as well as uncertainty. Indeed, as long as they do not have the money, they have no guarantees that they will receive it.

For us, the solution to all of this consists in multi-year agreements, because we know full well that the land claims negotiation process is not a matter of a few months, but of years. That is our recommendation 4.28.

The department said it was in agreement: it recognizes the need for such mechanisms; it is going to put in place a new transfer payment policy allowing for such mechanisms; and this should be in place within one year, approximately. Given that the department said it was in agreement, we have high hopes that this will resolve the problems, that a multi-year funding agreement will be negotiated, providing them with greater certainty throughout the negotiation process.

• (1720)

Mr. Yvon Lévesque: I have a question for you relating to CanNor, the Canadian Northern Economic Development Agency, but based on what I have heard, you have not looked at this. I thank you for your presence here.

The Chair: Thank you, Mr. Lévesque.

Since there are no questions from the conservatives, Mr. Bevington, you now have the floor.

[*English*]

Mr. Dennis Bevington: Thank you, Mr. Chair.

I'm going to page 28, which says, "Indian and Northern Affairs Canada does not track and monitor benefits plans".

You talk about the Canada Oil and Gas Operations Act. Quite clearly, in the Northwest Territories the major industry is mining. INAC is in charge of mineral development, and many of these plans and benefits agreements are tied to employment and business opportunities. Those are time-sensitive activities: if the mine lasts longer, the benefits continue.

The Diavik mine has mined its ore at double the tonnage rate that it agreed to in its development plan. Would you not say that's something that should be monitored by government, that if they're responsible for mineral development, they should actually look at the agreements that are struck by mining companies when they're engaged in activities there that are influenced by the development agreements? The benefits agreements are impacted by the rate of development, the rate of extraction.

Ms. Sheila Fraser: Absolutely, we would agree with the member. I think the only reason we made reference to this act is because there is a requirement under there to develop the plans, and we were specifically looking at programs to provide training and economic development. So that was our link to the legal obligation.

But certainly if there are conditions that are placed on companies doing any kind of development, you would expect that there would be monitoring to ensure that they are respecting those commitments and the legal obligations. I think this might go back, actually, to part of the commissioner's work in the environmental assessments where there wasn't that kind of rigorous follow-up, even on some of the requirements that were put in place of various companies more broadly, to see whether they were actually respecting the commitments that they had made.

We did not look at that specifically in here. This was much more narrow, looking at employment training programs of INAC and HRSDC.

Mr. Dennis Bevington: You mentioned that the department had not tracked whether industry carried out its plans. So I was wondering whether you got into the mineral development, because in the Northwest Territories—

Ms. Sheila Fraser: Maybe Mr. Barrett could explain.

Mr. Frank Barrett: Yes. Just to clarify a little bit, we observed that in fact there are these impact benefit agreements in the mining area as well, but as the Auditor General has mentioned, there aren't specific criteria as to what INAC is legally obligated to do with those. There's no program. There were no clear criteria that we were able to hang on to and ask whether INAC had done this or that, whereas under the oil and gas act, for those agreements, it was clearly laid out what INAC was obligated to do.

So from an audit perspective, it was a criteria question.

The Chair: Thank you, Mr. Bevington.

We'll have just one last short question from Mr. Bagnell. Don't go anywhere, though. We have one little motion that we have to deal with here as well.

Go ahead, Mr. Bagnell.

• (1725)

Hon. Larry Bagnell: Just on your future study on the oil spills, it's great that you're doing that. I've raised that at committee a couple of times. You might be interested in looking at the evidence from the Beaufort project, which was set up in the 1970s to study that.

My understanding is that in Bill C-9, the budget implementation bill, I was told that in part 20 they took the environmental assessment responsibilities from CEAA and put it in NEB, which is not an environmental assessment organization. So hopefully you'll be looking into that when you do that study.

Mr. Scott Vaughan: We're aware of the change that was made in the budget bill, and that is something we will set out, what those changes are from the pre-budget announcement.

NEB has been involved in project-related environmental assessments. They do this in consultation and coordination with the Canadian Environmental Assessment Agency.

But thank you for the reference on the Beaufort Sea, as well.

The Chair: Okay.

Mr. Duncan has one last item.

Mr. John Duncan: Just on the same subject, we did have the CEAA people here, and NEB, and there was common agreement, if you'll recall, Mr. Bagnell—

Hon. Larry Bagnell: I don't think I was here that day.

Mr. John Duncan: Maybe not.

There was common agreement that it was actually a productive change in terms of environmental assessment, because that's where the expertise lay. There was no hesitation on the part of CEAA to say that that was actually a positive move.

The Chair: If you get to looking at that, we had them here on the study at one of our meetings in March, so it might be worth taking a look at the debates.

Just before you go, we've circulated a budget item to be approved pertaining to our study on the Aboriginal Healing Foundation. I would entertain a motion to approve that budget.

An hon. member: So moved.

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

The Chair: Thank you very much for your work this afternoon and for helping inform this study. From this point forward we're going to move on and hopefully wrap up this study that we started last fall, as a matter of fact. We've had some interruptions, but we're moving this along. As you well know, it's a very important piece of work for the north.

Thank you very much. Keep up the good work. Have a good and safe trip home, everybody.

The meeting is adjourned.

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