



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

44th PARLIAMENT, 1st SESSION

Standing Committee on Public Accounts

EVIDENCE

NUMBER 128

Tuesday, June 4, 2024

Chair: Mr. John Williamson



Standing Committee on Public Accounts

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• (1540)

[*Translation*]

The Chair (Mr. John Williamson (New Brunswick South-west, CPC)): I call this meeting to order.

Welcome to meeting number 128 of the House of Commons Standing Committee on Public Accounts.

[*English*]

Today's meeting is taking place in a hybrid format, pursuant to the Standing Orders. Members are attending in person in the room and remotely using the Zoom application.

I'd like to ask all members and other in-person participants to consult the cards on the table for guidelines to prevent audio feedback incidents.

[*Translation*]

Please keep in mind the preventative measures in place to protect the health and safety of all participants, including the interpreters.

[*English*]

Again, as a reminder, only use the black, approved earpieces that you see connected, or that are in front of you. Remember that, at the start of these meetings, the earpieces are not plugged in. Of course, plug them in if you need them, and keep them away from all microphones at all times. If you're not using your earpiece but have it plugged in, place it face down on the sticker on the table to your right or possibly to your left.

We have some quick housekeeping before we begin.

Your subcommittee met on Monday, June 3, 2024 to consider the business of the committee and agreed to make the following recommendations. The subcommittee is also meeting again today at 6:30 in light of the audits that were tabled today. It decided, at this point, that, regarding the committee's study of "Report 1: ArriveCAN" among the 2024 reports of the Auditor General of Canada, the Conservative Party and the Liberal Party each prioritize one remaining witness and submit this information to the clerk. That email has been sent. The reason for this is that each of them had put forward a witness, and that witness either declined or was unavailable. It also decided that the Royal Canadian Mounted Police would be invited to appear on Thursday, June 13, 2024 from 3:30 p.m. to 5:30 p.m.

Does the committee wish to concur with the first report of the subcommittee in this Parliament? I'm looking for a yes, please.

Some hon. members: Agreed.

The Chair: Very good. That makes the clerk exceptionally happy.

As a reminder, going forward, all comments should be addressed through the chair.

[*Translation*]

Pursuant to Standing Order 108(3)(g), the committee is commencing consideration of the 2024 report 2 of the Auditor General of Canada. Selected from the 2024 reports 2 to 4, and entitled "Housing and First Nations Communities," this report was referred to the committee on Tuesday, March 19, 2024.

[*English*]

I'd now like to welcome our witnesses.

From the Assembly of First Nations, we have Chief Lance Haymond and Chief Brendan Mitchell. I have a note that he is the Assembly of First Nations regional chief for Newfoundland.

Thank you both for being here today.

From the Confederacy of Treaty Six First Nations, Grand Chief Cody Thomas is joining us by video conference.

Can you hear us okay, Chief Thomas?

Mr. Cody Thomas (Grand Chief, Confederacy of Treaty Six First Nations): Yes.

The Chair: Very good.

From the Glooscap First Nation, we have Chief Sidney Peters.

Chief, can you hear me okay so far?

Chief Sidney Peters (Glooscap First Nation): Yes, I can.

The Chair: Great. Thank you.

Before each group is given five minutes for remarks, I have a request from Chief Mitchell to open up this committee hearing with a prayer, and I'm inclined to grant that.

Mr. Mitchell, I'll turn things over to you. Then we'll get on with our opening statements.

Chief Brendan Mitchell (Co-Chair, National Chief Committee on Housing and Infrastructure, Assembly of First Nations): Thank you very much, Chair.

Please stand, everybody.

Creator, we give thanks for this beautiful day in Ottawa and this opportunity for us to come together in the spirit of friendship, kinship, community, collaboration and reconciliation.

Creator, we ask for your guidance as we make our deliberations today, say what we have to say and hear questions from our committee here.

Creator, this is an important conversation today, as many of our communities struggle with the basics of conditions that many people in Canada enjoy.

Creator, we ask that you help us with this cause, encourage everyone here to do what we can and endeavour to create a better tomorrow for indigenous people in our communities.

Creator, we ask, also, that you encourage us to become the embodiment of our seven sacred teachings and to always show humility, honesty, respect, truth, courage, wisdom and, most importantly, love for one another.

Msit no'kmaq.

Thank you.

The Chair: Thank you.

We will now begin with our opening remarks.

I'll go to the first one on the list and ask Chief Haymond from the Assembly of First Nations to begin.

You have five minutes, please.

Chief Lance Haymond (Co-chair, National Chief Committee on Housing and Infrastructure, Assembly of First Nations): Good afternoon. I am Chief Lance Haymond from Kebaowek First Nation. I have the housing and infrastructure portfolio for the Assembly of First Nations Quebec-Labrador. I also co-chair the chiefs committee on housing and infrastructure at AFN. I recently accepted the position of director general of Yänonhchia', an innovative housing finance initiative that provides mortgages on reserve without band or government guarantees.

I'd like to begin by acknowledging that we are on the traditional territory of my first nation—

• (1545)

[*Translation*]

Ms. Nathalie Sinclair-Desgagné (Terrebonne, BQ): I raise a point of order, Mr. Chair.

[*English*]

The Chair: Chief Haymond, we'll come right back to you. I apologize for this.

I assume we have an issue with interpretation. I will keep speaking until our Bloc colleague hears the words in French.

I'm sorry, Chief. We just want to make sure that this is coming through in the two official languages.

I see a thumbs-up.

Madame Sinclair-Desgagné, can you hear me in French? All right.

Please continue, Chief Haymond.

Chief Lance Haymond: I'd like to acknowledge that we are on the traditional territory of the Algonquin nation. We're always happy to welcome you on our territory to conduct our business.

Thank you for giving me the opportunity to share—

The Chair: Chief, excuse me for one second. Could I ask you to slow down just a touch, to help with the interpretation?

Chief Lance Haymond: No problem.

The Chair: Thank you very much.

Chief Lance Haymond: Thank you for giving me the opportunity to share our point of view on the Auditor General's report on housing in first nations communities.

It's no surprise that we read in the Auditor General's report that the housing problem in first nations communities persists, despite what has been raised in various reports for over 20 years and even though housing is a basic, fundamental human right. The first message at the very beginning of the report repeats exactly what we have been conveying for a long time: Improving housing for first nations is vital for their physical, mental and economic well-being. That's because housing plays a fundamental role in any society. I'm a firm believer that it's pretty hard for me, as a chief, to address the social ills of my community members when everybody's worried about having a roof over their head.

The housing crisis in first nations communities in Quebec and Labrador has been well documented for nearly 25 years. We have reliable data that indicates, among other things, that 10,000 housing units should be added to our housing stock of 15,000 over a five-year period to make up for the accumulated backlog, particularly due to overcrowding, population growth, migration of members who potentially want to live in their community, and the replacement of condemned units. Our figures also indicate that 8,000 housing units require renovation or repairs.

The analyses, carried out over a long period of time, indicate that when the federal government invests in first nations housing beyond its regular budgets, the effect is felt well in our communities. Of course, as needs continue to grow, the increase is growing at a slower pace. This leads me to link with recommendation 2.26 of the Auditor General's report, which reads as follows:

Indigenous Services Canada and the Canada Mortgage and Housing Corporation, in collaboration with First Nations, should develop and implement a strategy to close the housing gap by 2030 that outlines how they will coordinate their efforts, identifies needs and required funding, and establishes measurable targets for tracking progress.

We believe that first nations can play an important role in closing the housing gap, not only in the development of a strategy but also in the financial framework that results from it. For example, we know that there is a continuation of needs in the community that goes from shelters to social housing to private home ownership. Private housing is precisely a model that a larger proportion of our members could certainly opt for if the opportunities were present. There is a potential in this area that deserves to be further developed. First nations and their financial institutions could then play a significant role in eliminating the housing gap. Yānonhchia' Indigenous Housing Finance Network is one of those opportunities and is a part of the solution.

For this, we need the commitment of our partners to strengthen the capacities, to take direction and to help us secure capital. There are good practices in this area. We have piloted and have been delivering this initiative to Quebec first nations for years. We know that there is a need for this nationally. The NACCA network and the indigenous financial institutions are the right vehicles to help address this issue.

Precisely on the question of capacities, recommendation 2.46 of the Auditor General's report fits perfectly with our regional strategy. Strengthening skills and capacities is a crucial aspect of any action plan aimed at obtaining better housing results in our communities, because they often have to deal with complex situations of great need, which are increasing in the context of continued underfunding.

Recommendation 2.60 of the report refers to ISC's transfer initiative. You know the housing situation in first nations communities. The report is very revealing on this subject. Yes, we want more governance by first nations in housing, but not at any cost.

Current conditions—notably, the accumulated backlog and the programs as designed—are not favourable to a transfer of responsibilities. There are prerequisites that must be met for first nations to embrace and thrive under such a change. Any reform, modernization and transfer initiative must be accompanied by upstream funding that is sufficient, predictable and recurring, not based solely on current funding envelopes.

Thank you for the invitation and for listening to me. I'd be happy to answer any questions following the other presenters' presentations.

Meegwetch.

• (1550)

The Chair: Thank you, Chief Haymond.

I'll turn now to Chief Mitchell.

You have the floor for about five minutes.

Regional Chief Brendan Mitchell: Thank you very much.

I hope I can do it in five minutes. I'll do my best. I was actually coming here expecting to have half an hour, so I wasn't too well informed on how much time I had, but here it is.

The Chair: Chief Mitchell, I'll give you a little hint. Try to keep it to five minutes, and, believe me, there are all kinds of people in

this room who will be asking you questions to fill in some of those 30 minutes.

I'll pass the floor over to you.

Regional Chief Brendan Mitchell: That's great. Thank you, Chair.

My name is Brendan Mitchell. I am the Assembly of First Nations regional chief for Newfoundland.

In my role at the Assembly of First Nations, I chair the management committee, but I'm also a portfolio holder and chair of the chiefs' committee on housing and infrastructure. There, we also talk about water and homelessness.

I'm honoured to be here with you today, and I acknowledge that we are gathered on the unceded and unsundered territory of the Algonquin Anishinabe people.

I always enjoy coming to Ottawa. We're here today, Chief Lance and I and those online, with an opportunity to speak to those who I believe are some significant people in this country in terms of helping us, hopefully, with the conditions we have in our communities.

Having housing, water, highways, community buildings, utilities and reliable Internet are things that many Canadians take for granted. I was one of those Canadians, living in Corner Brook, Newfoundland, where we have an abundance of all these things. I can still go to a salmon river and fish and scoop up a cup of water out of a river and drink without fear of contamination or getting sick. We've been blessed in many ways to be in that part of the world, but for many people in our communities, these items are not readily available, and they lack those conditions enjoyed by most Canadians.

For first nations, chasing or closing the infrastructure gap is among the most ambitious, significant and overdue commitments that the Government of Canada has made.

It was disheartening that the Auditor General's report on housing in first nations communities highlighted a distressing and persistent pattern of failure on the part of the federal government to address first nations housing needs. I'm deeply troubled by the Auditor General's findings and the government's lack of progress and ability to effectively address the ongoing crisis of unsafe and inadequate housing in first nations in this country.

The Auditor General's report reaffirms what first nations have been saying about the housing crisis for decades. That is, the federal government is failing to meet its housing obligations to first nations. As the Auditor General points out, Indigenous Services Canada and the Canada Mortgage and Housing Corporation, the two government organizations responsible for first nations housing, have made no meaningful improvement in first nations housing conditions since 2015.

The Auditor General's report has made it clear that the Government of Canada is falling short on its own deadline to close the gap by 2030. First nations deserve more than failed promises. Just recently, I was interviewed by APTN, and they asked me about the federal budget and the Auditor General's report. They said, "Chief Mitchell, what's the likelihood of closing the gap by 2030?" I said, "It's not going to happen. It can't happen." In fact, what I said—and I'll share it with you—was that my view is that by 2030 the gap will widen.

We have a lot of work to do.

The Auditor General's report really claims that the solution begins with dedicated long-term funding investments for first nations housing, which budget 2024 has failed to provide. I restated my concerns and opinions again in a press conference held here on Parliament Hill, together with National Chief Cindy Woodhouse Nepinak and some other chiefs, right after the budget announcement, of course, and the commentary by the Auditor General.

This is a tough situation that we face.

The AFN collaborated with industry experts and over 400 first nations to co-develop a landmark report alongside Indigenous Services Canada that estimates the national capital and operational investments needed from the Government of Canada to fulfill its mandate to close the first nations infrastructure gap by 2030. There was a lot of work done in preparing the report on where we are.

How are we going to get there by 2030? Again, my view is that we're not going to get there. Specifically, in terms of housing in first nations communities, the report points to a gap of \$135 billion based on data in 2023. Again, the gap will only continue to grow until decisive investments are made.

Better housing enables access to employment, wealth and positive physical and mental health. I'm a big believer in the education of our young people in our communities, not only in Newfoundland and Labrador but across the country. Having better housing may result or could result in a better outcome. Young people have a better opportunity to become educated and to create opportunities for themselves and, eventually, their families.

The opposite of doing that, of course, is the situation we find today. Many young people are leaving their communities and their homes because they don't like the housing situation they face or they don't like the community situation they're involved in. Where do they end up? They end up in our larger urban centres, often on the street, homeless, in trouble and sometimes incarcerated, and yes, sometimes the ultimate situation they face is death.

• (1555)

Personally, I believe that having a solid home base with cultural, physical and financial supports is where we need to be in this country to change the situation that we have with young indigenous people today. We get some of this through better housing.

The Auditor General's report called for a fundamental shift in how federal programs and policies are developed. This shift is urgently needed to drive significant progress, meaning that federal housing policies must be fully co-developed with the AFN and first nations.

Federal budget 2024 fell short of addressing the urgent and long-term needs of first nations in Canada.

I recognize that investments have been made in the last few years toward closing the socio-economic gap between first nations and the rest of Canada. Gaps still persist and are widening in critical areas like housing and infrastructure.

The Chair: Chief Mitchell, I'm going to ask you to wind it down now, if you could, please.

Regional Chief Brendan Mitchell: Thank you very much.

These investments are not just financial commitments; they are critical steps toward fulfilling Canada's fiduciary obligations to first nations and addressing historical inequities to ensure the health, safety and prosperity of first nations people.

Yesterday I had an opportunity to make a presentation to five ministers and three parliamentary secretaries at the Shaw Centre here in Ottawa. I gave them an analogy. I said to consider an apple being eaten. We say that an apple is eaten one bite at a time. We have a large apple in front of us right now, an extremely large one, and we're not going to eat it with little bites. We need some big bites, and we need investment in big bites to try to improve the situation, especially if we're still going to talk about a target of 2030.

The Chair: Chief Mitchell, that is a perfect place for me to pause. I am sure that people are going to come back and ask you questions.

Regional Chief Brendan Mitchell: Thank you, everyone.

The Chair: Thank you. I appreciate your understanding.

Grand Chief Thomas, you have the floor for about five minutes, please.

Grand Chief Cody Thomas: [*Witness spoke in Cree*]

[*English*]

Good afternoon, esteemed members of the Standing Committee on Public Accounts. My name is Grand Chief Cody Thomas. I'm the Grand Chief of the Confederacy of Treaty Six First Nations and the Chief of Enoch Cree Nation.

I'm speaking to you today from my home in Enoch Cree Nation, located within Treaty 6 territory.

First off, I apologize, but I do need to acknowledge the opening prayer, and I do need to be thankful to the Creator for the opening day of our life, the life we're given today. I want to thank the Creator and acknowledge the opening prayer.

Thank you for the opportunity to speak with you today about a matter of critical importance to first nations communities: housing as a fundamental right.

I'm hoping to be blunt with my remarks today, starting with the fact that housing is a fundamental human and treaty right, yet for many first nations communities this is not a reality. Sixty per cent of unhoused people suffering on the streets of Edmonton are indigenous. There is a total lack of housing available to first nations people on and off reserve. We are in a crisis, and we need more support now.

The cycle of inadequate housing, inadequate funding, overcrowding and homelessness continues to plague our people, compounding issues related to health, education and overall well-being. It is critical to understand that housing is not just about having a roof over one's head. It is about creating a continuum of housing opportunities and building safe, stable environments in which individual families can thrive.

The housing crisis in first nations communities is rooted in several issues. Many homes are in despair and lack basic amenities such as clean water and proper sanitation. Overcrowding is rampant, leading to conditions that are harmful to physical and mental health. There is mould in our homes. Furthermore, the lack of adequate housing often forces our members into urban centres, where they face additional challenges related to discrimination, unemployment and access to services, not to mention the rising rental costs facing everyone in our cities today.

To say that our nations are funded inadequately to address these challenges is a massive understatement. Enoch Cree Nation, for example, receives \$184,000 in funding each year to build new housing for our members, yet we have 500 families on our waiting list. In discussing this with our Treaty 6 chiefs, I have heard about similar funding amounts for their nations, while thousands of additional families across Treaty 6, across the confederacy, are in need of housing. This is woefully inadequate to address the housing needs of our people. How are we expected to provide safety and security to our people with that level of funding?

The recent Auditor General report confirms our concerns as chiefs. The AG report stated that there has been "no meaningful improvement in housing" since this government took power in 2015. We have seen no meaningful progress to address the first nation housing gap. In 2021, the AFN estimated the gap to be at \$44 billion, and we know that in 2024 the number is much higher, perhaps as high as \$60 billion in reality. We know also that CMHC has been relying on 2001 census data, denying first nations in Alberta, Saskatchewan and Manitoba over \$250 million in funding that we are all entitled to.

We watch as organizations with national scope are presented as offering solutions to our people, yet we do not see any Albertan first nation representation on these bodies.

In terms of health and well-being, what does all of this mean for our people? There is a direct link between housing and health. Poor housing conditions contribute to the prevalence of respiratory illness, infectious diseases and mental health issues. The stress and instability associated with inadequate housing can also lead to higher rates of substance abuse and domestic violence. Addressing the housing crisis is not just a matter of infrastructure. It is also a critical step towards improving the overall health and well-being of our communities.

We have arrived at a critical juncture, where it will take a united commitment to address these challenges, a commitment from all orders of government to work together alongside first nations. Temporary solutions are no longer sufficient. We need more transformative, lasting approaches that address the root cause of housing instability. Achieving this will require collaboration between first nations and municipal, provincial and federal governments; and between private and non-private sectors.

What solutions do we propose?

- (1600)

We need to invest in sustainable housing projects. We need investments in building new energy-efficient homes that meet the cultural and environmental needs of our communities. These projects should prioritize local employment and training opportunities, empowering our people to be part of the solution. These projects should recognize our limited land bases and support both on- and off-reserve housing construction.

We need to renovate existing infrastructure. Many existing homes need urgent repairs and upgrades. Programs that provide funding and resources for renovations can help improve living conditions and extend the lifespan of current housing stock.

We need support for mental health and addictions services. Housing initiatives must be integrated in comprehensive support services, including mental health and addictions services. Providing these services within the community helps ensure that individuals have the stability they need to recover and thrive.

We need long-term funding and policy commitments. Addressing the housing crisis requires long-term, sustainable funding and policy commitments. This includes ensuring that funding mechanisms are flexible and responsive to the unique needs of first nations communities, and that the bodies in charge of this funding include representation from our people, not individuals who claim to speak for us.

In closing, I urge this committee and the broader government to engage in constructive dialogue with first nation leaders and our technicians. By working together, we can develop a comprehensive, collaborative action plan that ensures that every member of our community has access to safe, adequate and affordable housing. This is not just a housing issue. It is a step towards reconciliation and a more equal future for all.

Thank you for your time and attention. I'm happy to answer any questions that committee members might have about the reality of housing for Treaty Six First Nations.

Hay hay.

- (1605)

The Chair: Thank you very much.

Finally, we'll turn to Chief Peters.

You have the floor for five minutes, please.

Chief Sidney Peters: My name, of course, is Chief Sidney Peters. I'm from the Glooscap First Nation. I'm also the co-chair for the Assembly of Nova Scotia Mi'kmaw Chiefs. I also sit on the chiefs' committee on housing and infrastructure, representing the Atlantic through the Atlantic Policy Congress.

I just wanted to say it's nice to be here and to listen to my colleagues. Some of the stuff I have to say might be the same as what everybody else has said, but I think it's important that we understand this.

As we know, on March 19, 2024, the Auditor General of Canada released the second report of 2024 for the Parliament of Canada on housing in first nations communities. Many people living in our first nations communities do not have access to housing that is safe and in good condition, which is a fundamental right. Improving housing in first nations is vital for the physical, mental and economic well-being of all our first nations people in Canada.

This is the fourth time since 2003 that the Auditor General has raised concerns about the housing in first nations communities. However, despite the findings of each of these audits and the recommendations made, Indigenous Services Canada and the Canada Mortgage and Housing Corporation have failed to make significant progress in supporting first nations in improving housing conditions in their communities.

The Government of Canada has made extensive commitments to first nations communities to provide funding for critical infrastructure to improve living conditions. In the Prime Minister's mandate letter to the Minister of Indigenous Services, Patty Hajdu, the government committed to making "immediate and long-term investments to support ongoing work to close the infrastructure gap by 2030".

The Assembly of First Nations, in partnership with Indigenous Services Canada, has co-developed a comprehensive cost report quantifying the capital and operation costs required to close the infrastructure gap in first nations communities by 2030. The investment needed to close the infrastructure gap by 2030 is \$349.2 billion. As a result of the decades of underfunding, a failure of fiduciary duties and the unfair distribution of wealth in Canada, this includes \$135.1 billion for housing, \$59.5 billion for infrastructure and \$55.4 billion in direct asks from first nations.

Given the scale, geographic range, national construction constraints and lack of recent and meaningful government investments, the mandate to close the infrastructure gap by 2030 may not be achievable until the year 2040, which increases the estimated total investment required to \$527.9 billion.

The total capital investment required to close the gap in Atlantic Canada is \$12.4 billion, with a total operations and maintenance investment of \$2.6 billion, for a total investment of \$15 billion required to close the gap by 2030 for Atlantic first nations. If no action is taken, the total investment to close the infrastructure gap by 2040 in Atlantic Canada will increase to \$24.9 billion.

The housing needs survey was sent out to the housing staff in Atlantic Canada, and 16 of 34 first nations in Atlantic Canada responded to it. The total reported population of the 16 first nations that responded to the survey is 75% of the total registered population of our first nations members in Atlantic Canada. Therefore, this indicates that the data collected during the survey is reflective of what is happening in the entire region.

Atlantic first nations need an estimated 12,799 units to address the backlog in the immediate needs of community members. This number of units will require an investment of \$3.4 billion. An additional \$158 million is required to make the necessary repairs and renovations in our existing units.

Based on this information, the first nations in Atlantic Canada agree with the Auditor General's report. Without any meaningful investment in housing and infrastructure, particularly with respect to building the capacity of first nations at the grassroots level, the infrastructure gap will only continue to grow. The way the federal government currently does business only benefits those with own-source revenues or with the capacity to apply to programs.

- (1610)

The way government does business only perpetuates the cycle of inequity that continues to make the gap grow rather than shrink. The only way forward is to work together, holding each other accountable and coming up with innovative solutions. The status quo is no longer a viable policy option.

I want to say *wela'lin*.

The Chair: Thank you very much.

I'll now begin our first round of questions. The first four members will have six minutes each.

Mr. Melillo, you have the floor for six minutes.

Mr. Eric Melillo (Kenora, CPC): Thank you, Mr. Chair. I want to thank all the witnesses for being here on this important study.

Obviously, we're talking about the Auditor General report about housing on first nations. I think we all know it's quite a scathing report. It highlights a number of failures in the government. It was mentioned earlier that the Auditor General found there's no plan to close this housing gap by 2030. There's been no meaningful improvement in housing conditions since 2015, which is a concern for many Canadians, first nations and non-indigenous people across the country. In fact, the number of homes that needed to be replaced or were found to have deteriorating conditions has actually increased since 2015.

I'll start with the gentlemen in the room here. If anyone has comments, please try to get my attention. Raise your hand or do whatever you need to do.

I'll start with you, Chief Haymond.

I'm curious about whether you can elaborate a bit on what you mentioned in your opening comments. How is this playing out on the ground on first nations, and what does it mean? It's one thing to look at the report and see these numbers. They're staggering. Can you offer some more specific examples that you've heard about and how this is impacting lives on first nations?

Chief Lance Haymond: I can give you concrete examples.

We talk about the amount of funding available to build housing in our communities. I think I heard one of the chiefs mention that they're not getting very much funding. In this fiscal year, regarding CMHC funding, Quebec receives 7% of the national budget. Historically, we received 12%. However, in 2001-02, with the adoption of the interim allocation model, Quebec saw its proportional share of the national budget drop to 7%. This fiscal year, CMHC's section 95 program—one of their legacy programs—is going to build a total of 30 units for 43 communities in Quebec. Right off the top, 10 of those units go directly to the Crees, because the Crees have a treaty and get 38% of the regional budget. That leaves 20 units for the 33 communities I represent.

That is a concrete example of chronic underfunding and what it means for first nations in Quebec. Because of that reality, we've had to look at innovative ways to address our housing needs. A number of communities developed Yānonhchia', which is a financial model that allows us to provide mortgages on reserve without ministerial loan guarantees or the band having to guarantee. Currently, first nations are the only jurisdictions in this country that have to guarantee every single loan or mortgage our members make for housing, and we also have to guarantee those mortgages for social housing. Each of these mortgages we guarantee goes against our contingent liability. Many of our communities are in debt with mortgaging for housing, because social housing doesn't meet the needs. Yānonhchia' is, again, an opportunity for members of our community who are caught between a rock and a hard place. Most government funding is for social housing.

There are individuals in our community who have the capacity and desire to pay and the creditworthiness to do so. Unfortunately, there's no government assistance to help them, so they're caught and left in limbo.

● (1615)

Mr. Eric Melillo: I want to follow up quickly on the program.

Can you explain for the committee how common, or perhaps uncommon, it is for first nations to have that ability to have a mortgage and own property?

Chief Lance Haymond: It's very difficult, because section 89 of the Indian Act does not allow for the seizure of property on reserve. Through the innovative process of a tripartite agreement among indigenous financial institutions, the band council and individual homeowner, we have been able to put \$28 million in mortgages into the system, which has resulted in over 300 units being built or renovated in first nations communities in Canada.

Now we're seeking the capital to expand the program in Quebec and across the country. Home ownership is not for every first nation, but it absolutely has to be part of the equation going forward. We have creditworthy individuals who want to be able to pay for their housing, and it's unfair that dependency on social housing programs has left us in this particular situation.

Mr. Eric Melillo: I appreciate that, thank you.

I'm going to move on with my limited time to Chief Peters.

I believe, in your opening remarks, you mentioned the construction constraints. I'm interested in digging into that a little more. I know in my region we're rural, remote and northern, so a lot of construction costs are exacerbated. Transportation and things like that, whether it's the carbon tax or other taxes, make construction costs even higher. I'm wondering if you can elaborate on what you meant when you said that there are construction constraints.

Chief Sidney Peters: Of course, what's happening here in the Atlantic is that we're not a really big region, but ever since this whole thing came down in regard to how much money is coming down for even off-reserve housing and stuff, we're finding it more and more difficult to get suppliers to get material in, because everybody else is tapping into it; everybody else seems to be going for it. It's the same thing we're finding in regard to tradespeople, trying to get enough tradespeople to actually do the work.

Having said that, the cost over the past few years has substantially increased. As a result, of course, we're not getting as many houses built. Just as Chief Lance said, it's very difficult when you don't have enough dollars to build the units. It's just so expensive that the poor communities don't have that extra money. Some communities do okay—they have own-source revenues to do that—but a lot of them don't have that extra money, and just in terms of resources, getting the material and stuff has been quite difficult here.

Also, there's the timing involved in getting approvals. Again, we always seem to run into winter construction. If we could get the dollars earlier in the year, even committed a year before, to say, "Okay, come April 1, you guys are ready to go".... It seems like we're always behind the eight ball in getting construction started.

The Chair: Thank you, Chief.

We turn now to Ms. Khalid.

You have the floor for six minutes.

Ms. Iqra Khalid (Mississauga—Erin Mills, Lib.): Thank you very much, Chair, and thank you to all of our witnesses for being here today.

I was thinking a lot about this report and its impact and the concerns that the communities have raised, which are very legitimate. I wonder what the intersection is with climate change. I ask this because, over the last year, we had over 420 forest fires. How does that impact housing? How does that impact the living space of communities in areas where, you know...? Being from an urban area myself, I wouldn't even begin to imagine.

Perhaps, Mr. Mitchell, we can start with you, and I would love to hear from everyone on this.

• (1620)

Regional Chief Brendan Mitchell: Thank you.

We've had a lot of conversations about climate change in the last number of years, and we see so many conditions changing. The number of natural disasters, for instance, is increasing, but so is the severity of these incidents. If a forest fire, for example, impacts an indigenous community, it can be the case that communities are wiped out. If there's no housing, what do we do?

We've heard from other chiefs today about situations in their own provinces and generally about what's happening in the country. I think climate change will continue to have a big impact on indigenous communities, particularly northern communities or remote communities, where, once a forest fire gets going, what's the likelihood of losing the entire community? It's highly likely, so, yes, that would be an important consideration, for sure, as Chief Peters says, in the cost of housing.

The remoteness of communities makes building housing even more difficult than it would be where you live or where I live, for example. We're seeing housing costs alone and materials go up by 40% since COVID. These are the numbers that are being shared with me. Of course, Chief Peters also referred to the availability of adequate tradespeople or labour. In a smaller community, that situation becomes even worse.

Yes, we are facing a problem in this country with respect to climate change. Just for the record, my view is we're in for one hell of a summer in this country with forest fires. We're seeing it now in every province; we're going to see it in Newfoundland and Labrador, and, of course, British Columbia and some other places in the country are already at it.

When these communities are lost, it makes it very difficult to put back what was there or to put it back better in a reasonable timeline. Climate change will continue to be a contributing factor in the livelihoods and well-being of some of our communities.

Thank you.

Ms. Iqra Khalid: I appreciate that.

Mr. Haymond, did you want to add to that?

Chief Lance Haymond: I tend to agree with everything that Brendan has mentioned, because our communities are vulnerable. We are isolated away from main societies. Many of our communities don't have road access. Quite frankly, to be honest and to be fair, when the Government of Canada created reserves, they didn't give us the best pieces of land. Many of our communities are already experiencing the consequences of climate change.

I think of many communities who every spring have to worry about their community and their homes being flooded out on a regular basis. That means that these community members are removed from those houses and put in temporary housing, whether it's hotels or other solutions. Some of them wait many years to return, if they get to return at all. Again, there are no additional funds to address these needs, and insurance protection also becomes an issue for us as more and more incidents of climate change and direct impacts on our communities occur.

Ms. Iqra Khalid: Thank you for that.

Chief Peters, how do we ensure as a government that we are providing that support based on what is in front of us today?

Sydney Peters: I remember talking to developers and stuff in regard to how climate change is making a big difference. As I've often said, it's not very difficult to build a new house or to build subdivisions; it's a pretty easy process.

Having said that, taking into consideration the environment, climate change and what is happening, like here in Nova Scotia with these mass floods that have been happening—and of course we experienced forest fires as well—I think it's important to ensure that we understand and that we have the proper research. The majority of our communities here in the Atlantic are on waterways. As we all know, those were our highways way back when, and a lot of communities were located there. As Lance has mentioned, some of the lands that we have on reserve are not that great.

I think it's important that we do the proper research to understand how climate change truly works. We also have to realize that the building envelope of an actual house needs to change as well. It is changing, but I don't know whether it's changing fast enough. The whole research and education of operating a house needs to change too. I don't believe that we'd be able to provide enough capacity to our local people living in the units to understand how climate change is actually changing the structure of houses and how national building codes need to change to take that into consideration.

• (1625)

Ms. Iqra Khalid: I appreciate that.

Chief, if you can, perhaps help us understand how the Government of Canada or Indigenous Services Canada has communicated with you or worked with you to try to figure out what housing looks like, taking into account how climate change is impacting how people are living.

Chief Sidney Peters: To be honest with you, I've been working in housing for 38 years. Years ago, through Canada Mortgage and Housing Corporation, they used to have some training in building capacity within communities. I know Lance knows this as well. They used to have an inspection program whereby they would have native inspector services that Canada Mortgage and Housing Corporation would sponsor. That has actually been taken away from us, which is unfortunate, because we were building the capacity of inspections and services within all our communities to ensure that houses are built to the national building code and taking into consideration how things have changed with climate change.

If anything, what has happened, taking away that whole inspection service and building that capacity...and CMHC doesn't even have the capacity. To be honest with you, Canada Mortgage and Housing Corporation was supposed to be the housing expert in Canada. As Lance has mentioned, with the budget that's coming out, there's no way you're ever going to meet the need. As a result, you have serious issues happening within the communities.

Having said that, for some reason, the government's not listening to us. It's very frustrating. We're getting houses built in some areas—maybe not necessarily to the building code—but we've lost a lot of expertise in the field of first nations. That's only because of some issue in regard to the federal government or Canada Mortgage and Housing Corporation saying that it's a liability issue in regard to training the inspectors and having them do the inspections. Honestly, I just think we've gone backwards on that.

Right now, we're depending on municipal inspectors in a lot of our areas—

The Chair: Excuse me, Chief Peters. I'm going to pause you right there. I appreciate that thorough answer, and I'm sure members will come back to you.

For our witnesses, this is a good time to put in your earpiece for the translation. If you're online, there is a globe on the screen. I think you can hit “English”, and it will come through with the translation. If you're here in the room, please plug in your earpieces.

[Translation]

The floor now goes to Mr. Lemire for six minutes.

Mr. Sébastien Lemire (Abitibi—Témiscamingue, BQ): Thank you, Mr. Chair. Thank you for that special attention.

Kwe, Chief Haymond. *Meegwetch* for being here. I'm especially honoured to be able to have this discussion with you.

I will read the start of paragraph 2.18, located in the section of the report outlining findings and recommendations:

We found that Indigenous Services Canada and the Canada Mortgage and Housing Corporation accepted the Assembly of First Nations' 2021 estimate of the housing gap. However, the department and the corporation did not have a strategy to support First Nations in closing the housing gap by 2030.

Chief Haymond, don't you think that was an essential opportunity to seize for co-creating a strategy and leveraging indigenous expertise and knowledge that indigenous people have of their territory in order to close the current housing construction gap?

Mr. Chair, I'm told that the video broadcast isn't working, so it will be a little more difficult for people to follow our proceedings online. Can you make sure everything is working correctly on a technical level?

• (1630)

The Chair: Very well, I'll stop the clock while we look into it.

What exactly is the problem, Mr. Lemire?

Mr. Sébastien Lemire: It's as though the camera didn't record what I said, so the video of it won't be broadcast online.

The Chair: Even if what you said wasn't projected onto the screen here in the room, I don't think that means the video won't be broadcast online.

Mr. Sébastien Lemire: Very well. You're telling me, then, that the online broadcast is working correctly.

The Chair: I have no idea.

[English]

Grand Chief Cody Thomas: Yes, I can hear you.

Chief Sidney Peters: Yes, I can hear you.

[Translation]

The Chair: We can look into it later. For now, we will proceed.

You have about five minutes remaining, Mr. Lemire.

Mr. Sébastien Lemire: Thank you, Mr. Chair.

Chief Haymond, how do we make sure we get a co-created housing strategy that takes indigenous expertise into account?

[English]

Chief Lance Haymond: I think that the solution and the answer really rest with the fact that the Assembly of First Nations did a tremendous amount of work over the last number of years to identify what those needs are across this country. What we haven't had an opportunity to do yet is to sit down with government to discuss how we can go forward in addressing those needs, because surely there is a need for continued investment for social and affordable housing. However, as I mentioned earlier, we also need to take into consideration that there are other aspects of housing that we feel need the investment, and that, in terms of private home ownership, is absolutely an essential part of discussion.

It's fundamentally key that the Government of Canada sit down with first nations, whether it be through the Assembly of First Nations or inviting chiefs, like the chief from Treaty No. 6, to come, represent his constituents, sit down and work with us to find a solution. Clearly, government is not going to be able to pony up \$135 billion to meet our housing needs, so we need a combination of government investment and private financing, and we absolutely, at some point, need banks to stand up, take a chance, put their risk aversion aside and invest in our communities. Indigenous financial institutions are prepared to do that work if the banks won't do so, but we need to have that conversation so that we can find a solution to the overall housing needs that exist in our community, from shelters right through the whole continuum to home ownership and also the importance of renovation.

I also need to talk about the fact that, look, it's not simply housing. If you give us \$135 billion to build housing, we're not having the right conversation, because there's a significant amount of infrastructure that is required. Lot development, water treatment plants and sewer treatment plants are all part of the equation, so we need a fulsome approach, and we can only get that through direct dialogue and discussion with the rights and the stakeholders, like first nations.

[Translation]

Mr. Sébastien Lemire: I understand that the Yānonhchia' initiative allows for developing an approach by and for indigenous people that leverages their knowledge of housing construction, because that's often what is lacking when it's time to build new homes, especially in more remote communities.

You will therefore be able to offer this service. We can think of very concrete things, such as architectural services, drawing and specification services, as well as actual housing construction services. In a sense, you can offer a fulsome solution to support communities, help them achieve very real results and, in so doing, reduce the housing construction gap in communities.

• (1635)

[English]

Chief Lance Haymond: Yes.

[Translation]

Mr. Sébastien Lemire: Thank you for your answer. It has the virtue of being clear.

Since it is an investment fund, the Yānonhchia' initiative includes some risk taking. However, we know that our society is increasingly risk-averse. One of the problematic aspects in indigenous communities is that few insurance companies finance or support housing construction initiatives.

What solutions could be implemented so that we can not only invest in housing construction, but also offer insurance?

Furthermore, since our capitalist society currently operates on the basis of profits, could any generated profits be reinvested into indigenous projects? Is that part of the philosophy of financial services by and for indigenous peoples, like those offered by Yānonhchia'?

[English]

Chief Lance Haymond: Yānonhchia' offers an opportunity to diversify the housing offerings that first nations have. Currently, most first nations wait for our funding allocation from CMHC and ISC. We move forward and develop housing plans. Yānonhchia' takes the burden from the band council of having to be responsible for guaranteeing and managing every single loan.

You know, in the non-indigenous world, people are granted mortgages based on their credit strength. That doesn't exist in first nations communities. We have many members who have great credit and credit strength but struggle to secure a mortgage on reserve. It can be because the band does not have the financial capacities to guarantee the level of loans required. There are limited options, and we need a full spectrum of options.

Yānonhchia' allows for that individual to be recognized on his credit strength. That relationship is between the financial institution and the individual. The band council plays a minor role in terms of ensuring that in the event of default—in Quebec, we have had none in all the years of delivering the program—there is a remedy in place.

So yes, I agree that the world is risk-averse, but I think the biggest risk we face is that we continue to do the same thing over and over. In five, 10 or 15 years, the Auditor General comes back and reports that the same outcomes are occurring.

The biggest risk is the risk of not doing anything at all.

[Translation]

Mr. Sébastien Lemire: *Meegwetch.*

The Chair: Thank you very much.

The next one to take the floor is Mr. Desjarlais.

[English]

You have the floor for six minutes, please.

Mr. Blake Desjarlais (Edmonton Griesbach, NDP): Thank you very much, Mr. Chair.

Tansi to the grand chief of Treaty 6. It's good to see you, Cody. I hope you're doing well. I'm definitely jealous that you're in Oilers country right now. I'm here in Ottawa, and I'm cheering on the Oilers all the way over here.

However, I know that we have important business to get to, so I'll speak directly to you, Grand Chief, just to clarify some of the damning information that was presented by the Auditor General.

I'll quote from her speech, as a matter of fact:

This is the fourth time since 2003 that we have raised concerns about housing in First Nations communities, and—20 years later—many of these concerns persist. Despite these audits, we found that Indigenous Services Canada and the Canada Mortgage and Housing Corporation have made little progress in supporting First Nations to improve housing conditions in their communities.

We also hear very often in this place, Grand Chief, that there's a housing crisis, albeit this housing crisis in first nations communities has been a long-standing one. Do you want to comment on how long and generational this crisis has been?

Grand Chief Cody Thomas: *Hay hay* for that.

It's good to see you, Blake. From Oilers country, I hope all is well.

Yes, it's been going on for decades: I would honestly say since the inception—or deception—of our treaty. I think the data that's being collected within CMHC and ISC is outdated. I just think the whole system is broken when it comes to the fiduciary responsibility of the Crown.

I think the real solution is finding sustainable funding and increasing the standard of living when it comes to the homes that are being built—not just the cookie-cutter style of homes. I hear the other *ogemas*—the other chiefs—who have been on. There's the material aspect of the homes when it comes to climate change as well, and the energy efficiency. There's so much to go on about.

I know that we're not going to solve all of this today, but I want to stress that we're not looking for a handout. We're looking for a hand up and a way to collaborate and give advice from an indigenous lens on what we're facing and the reality of having a four-bedroom or maybe a three-bedroom house built. You have 14 people living in that home. You have a cistern, a septic tank that is over capacity, and the cheapest materials.

Even with the rapid housing initiative, I think a lot of nations are being denied that funding. I think us being at the table, finding solutions together and giving you a broader perspective when it comes to the shortage of infrastructure.... Even with the funding for mortgages on reserve, we're working on a rent-to-own model right now within our nation. Just to solve our housing crisis in my nation right now we're looking at approximately just under \$300 million. That includes \$56 million in infrastructure. That's only putting a dent into our housing crisis. We don't have enough land. We're short approximately 486 homes. That would put a dent in half that cost.

It's not only my nation as the grand chief of Treaty 6. Many nations are secluded and don't have the capacity and a proper standard for building homes. We want to contribute. Yes, there may be a lack of tradespeople, but how are we ever going to learn if we're not given the opportunity to invest in our people and to learn those skilled trades as well? We want to contribute.

It's also about some of the houses. I'll just speak to this, and I'll be frank. Some of the models that CMHC has rolled out—slab homes that are handicap accessible; we have homes that have wooden foundations—are just unacceptable. I really appreciate the conversation around introducing a different catalogue, but I'm not one who lives by the status quo. I really want to be a catalyst for creating change and increasing that standard of living for our people, because we deserve it. We shouldn't be living this way.

Time and time again, it's just spinning wheels that isn't going to get us anywhere. Initially, I think, if we were to come up with a better process or have our voices heard to that extent, I think contributing in that fashion where.... We have to step up too. We've got to

pay a portion to a certain extent, and there is a fiduciary responsibility of diversifying and not going based off data that is outdated.

The system is broken. If we want to fix it, we've got to put in the work.

● (1640)

Mr. Blake Desjarlais: I appreciate that.

Grand Chief Cody Thomas: We may have a model that's coming down the pipe for you guys over there as well in Ottawa.

Mr. Blake Desjarlais: I think you're right. We need a fundamental change in how this work is operating.

The treaty—a significant document—commits the Crown to working directly with Treaty 6. In many ways, we haven't seen evidence of that. The issues we're seeing and that are persisting in communities are evidence of that.

I just want to turn to another topic. We hauled CMHC in here, and I, as you might know, really criticized them in relation to the use of outdated census information. They promised me at that time. They said, “Don't worry, Mr. Desjarlais, we are going to meet with the partners in Alberta, Saskatchewan and Manitoba, and we're going to update the formula.”

I want to ask you directly. Did CMHC reach out to you to talk about the money that they short-changed you?

Grand Chief Cody Thomas: No.

Mr. Blake Desjarlais: On the evidence that CMHC hasn't done that, you've mentioned that you yourself.... Your community at Enoch is funded only \$184,000 a year?

Grand Chief Cody Thomas: Yes. That is correct.

Mr. Blake Desjarlais: That's not nearly the percentage required.

Grand Chief Cody Thomas: We have to take our own-source funding to create our housing model out here. It's not getting any better, and we mortgage just like every other Canadian, through CMHC. That's the funding we have to work through. It's very tough.

Mr. Blake Desjarlais: Is that in any way, shape or form, in your mind, the spirit and intent of the treaty?

Grand Chief Cody Thomas: The spirit and intent of our treaty was fifty-fifty. We were to share, in collaboration with the settlers, in the abundance of wealth that our Turtle Island carried in Mother Earth.

I don't see that happening. That's frustrating, guys. That's the biggest request I get from our members. We have the second-largest indigenous population in my backyard. I border the city of Edmonton, and it's not getting any easier.

● (1645)

Mr. Blake Desjarlais: I appreciate that.

Thank you.

The Chair: Thank you very much.

In the next two rounds, to keep us on time, I'm going to reduce the government and the official opposition to four minutes and the other two parties to two minutes. I've been allowing answers to go over. Everyone really had an extra minute in that last turn, but I do want to make sure we get a full two rounds in.

Mr. Stewart, you have the floor for four minutes, please.

Mr. Jake Stewart (Miramichi—Grand Lake, CPC): Thank you, Mr. Chair.

I'd like to thank all the witnesses for being here today.

Being from Miramichi—Grand Lake in New Brunswick, living within the Mi'kmaq ancestral region, I would prefer the questions be answered by Chief Mitchell or Chief Peters, but I'm also open to having anybody else answer the same point.

It's unfortunate the subject matter today is how Indigenous Services Canada and the CMHC have poorly managed housing conditions in first nations communities.

As a former minister of aboriginal affairs in New Brunswick, as you can imagine, I saw this up close and personal for about a two-year period when I was minister.

I'll repeat what I said to the Auditor General when she first presented her reports on "Housing in First Nations Communities", and I'll comment on the work of Canada's first female auditor general, Sheila Fraser.

In her farewell speech, Madam Fraser criticized as "truly shocking" the lack of improvements on first nations reserves. She also said, "I actually think it's quite tragic when you see that there is a population in this country that does not have the sort of basic services that Canadians take for granted."

The recent Office of the Auditor General report, "Housing in First Nations Communities", shows lots of similarities to former auditor Fraser's comments. It's very unfortunate to see a complete lack of progress over the past nine years.

According to the Office of the Auditor General, Indigenous Services Canada and CMHC do not have a strategy to support first nations in closing the housing gap by 2030. Even worse, according to the office, the housing gap will keep growing.

I'm thinking of something here today, and I'm going to mention it, because I think it's important. With everything that's just been said, we talk a lot about housing and home ownership and how in the future young people in Canada, in general, will have a very difficult time owning their first home. Although we're not here to debate the Indian Act, and there could be positives and negatives seen both ways on that act, I want to say this. Sometimes we forget that first nations and indigenous people are essentially robbed of a sense of pride and accomplishment that actually comes with home ownership, because of some of the sections of that act. Although it may not apply to every single indigenous person today, it's still a fair number of them, as I can understand from earlier deliberations.

I would like to ask your opinion here. I can imagine how we got here. We're always talking about building capacity. I remember a

situation in a Mi'kmaq community in New Brunswick where the chief asked me to visit, and I went down and visited the community. I found this house, and it was full of mould, and there were 16 or 17 people living there. There should never have been that many people living there, number one. The house had poor ventilation. It was black mould. I'm an asthmatic, so as soon as I walked in, I knew, because I could hardly breathe.

The chief of the community and the band at the time couldn't afford to fix that mould problem. As I understood it, there were far more problems than just the unit that I witnessed up close and personal, if you will. The family that was living in the unit also didn't have the ability or the resources to fix the problem. There was a wooden basement under this house, as someone said earlier. It was a house that was probably only 30 years old, but it was literally falling apart.

The Chair: Mr. Stewart, you have about 30 seconds left.

Mr. Jake Stewart: Okay.

I'm just wondering, with the mould problem, if you are seeing any improvement whatsoever. By the look of the report, it doesn't look like there has been any improvement.

Thank you.

Regional Chief Brendan Mitchell: Thank you.

If I may begin, the Auditor General's report did indicate mould as one of the key problems as she saw it, but we know that in our communities throughout this country, particularly in the north and particularly in remote communities, mould is still an ongoing problem that people are living with every day. It's impacting their lives and their breathing. As you mentioned, you're asthmatic and you felt it right away when you went into this house.

That's a basic that needs to be taken care of and addressed. I don't think it has been to the extent that we need it.

What will it take to fix this? Well, it will take community leadership speaking up, as number one. It will take a collaborative plan between the community and others—government, provincial, federal or whatever—to try to help get this situation rectified.

It is a problem, as you mentioned, and it's not going away. It hasn't improved. Maybe it has gotten worse. It has worsened over the last, say, decade, instead of improving overall.

Again, it's all part of the overall housing problem that we have in the indigenous communities in this country. There's a lot of work that needs to be done in this entire area.

• (1650)

The Chair: Thank you very much.

Up next is Mrs. Shanahan.

You have the floor for about four minutes, please.

Mrs. Brenda Shanahan (Châteauguay—Lacolle, Lib.): Thank you very much, Chair. I, too, want to thank the witnesses for being here today.

It's very sobering to hear. Really, it's sort of the state of the nation across the nation for first nations.

Being from Quebec, I would like to ask Chief Haymond for more information about the organization Yānonhchia'. I'm sorry to say that this is the first that I'm really hearing about it, so I would like to learn more about how that organization is basically changing the housing ecosystem for first nations clients.

Chief Lance Haymond: I can speak. I have a couple of key points.

Yānonhchia' is the brainchild of the community of Wendake, which many years ago saw that social housing funding was not meeting its needs. They started to look for and create a new solution. Because of the restrictions of the Indian Act, they had to use internal resources. They chose to use the indigenous financial institution, the NACCA network, as the mechanism to deliver housing in Quebec.

Yānonhchia' housing finance builds on a network of experienced IFIs. Housing outside of reserve presents one of Canada's most important economic drivers, and Yānonhchia' proposes to make this a reality on reserve as well. Increased construction and renovation activity for private home ownership will yield important economic benefits for first nations.

As I mentioned previously, because of the restrictions of the Indian Act, Yānonhchia' is different from other lending programs. It builds on individual financial and credit strength to provide housing finance without requesting that the first nation or the government, through ISC's ministerial loan guarantee program, guarantee these loans.

It's not a panacea. As I mentioned earlier, with the current level of funding, probably in the range of 60% of our housing needs are not currently being met by any government funding. We believe that through the work with Yānonhchia' and private home ownership, upwards of 20% of our housing needs can be addressed.

Simply, the success we have achieved in Quebec we have done with no government funding. We have raised it through the sale of bonds and people's individual savings, plus some assistance from private foundations like McConnell, which have invested money—\$28 million in total—with the first nations, so that we could have this program available on reserve for our members.

Mrs. Brenda Shanahan: Thank you very much for that.

Do you think that if first nations had access to other financing options, including the private sector...? Is Yānonhchia' the beginning of something really innovative that could grow?

Chief Lance Haymond: Absolutely. That's what we've been doing for the last years. We've been actively advocating and lobbying the federal government for the necessary capital to make this a national initiative. The interest is there, and the IFI network is ready, willing and able to do it. We simply need a capital investment to be able to launch this program nationally.

• (1655)

Mrs. Brenda Shanahan: Thank you. I think that's where the federal government needs to be there with you.

The Chair: Thank you, Ms. Shanahan.

[*Translation*]

Mr. Lemire, you have the floor for two minutes.

Mr. Sébastien Lemire: Thank you, Mr. Chair.

We often talk about truth and reconciliation.

When it comes to matters of truth, what I see when I read the Auditor General's report is that Indigenous Services Canada recognizes First Nations housing needs and, according to the Assembly of First Nations' numbers, there is a \$44 billion shortfall. That's the amount needed to build 55,320 new housing units to counter overpopulation, build 78,000 new housing units for people returning to communities, repair over 80,000 existing housing units and make 112,000 new plots viable. So, there's the truth.

Then, in order to have reconciliation, at the very least, there obviously has to be a dialogue.

Chief Haymond, currently, what is the state of the dialogue with the federal government on housing issues?

[*English*]

Chief Lance Haymond: Well, the present situation is not exactly working for first nations. CMHC and Indigenous Services Canada determine the level of funding and the distribution model that goes to regions and communities. Because they have the vast majority of control over housing programs, at the end of the day we are asked to do whatever we can with the funding we receive.

As every witness, including me, is telling you, the funding has been chronically low and underfunded for years, so it will take a massive investment. However, I think the days of ISC and CMHC telling first nations how, when and under what circumstances we can meet our needs are gone. I think what we're really and truly asking for, especially through the work that's been done by the Assembly of First Nations, is for the government to sit down with us so that we can find solutions. Definitely government funding is a part of it, but there also has to be some give-and-take from conventional financial institutions. I think the private sector has a role to play as well.

You can't find solutions unless you're sitting down and having the conversation. The days of folks at CMHC sitting in their offices at 700 Montreal Road and deciding what's in our best interests are gone. They need to sit down and have those conversations with us.

[Translation]

Mr. Sébastien Lemire: *Meegwetch*

[English]

The Chair: Thank you very much.

Next up is Mr. Desjarlais for two minutes, please.

Mr. Blake Desjarlais: Thank you very much, Mr. Chair.

I'll return to Grand Chief Cody Thomas.

In relation to your most recent discussion with the Minister of Indigenous Services Canada, Ms. Patty Hajdu, what have your discussions been, and what are your priorities?

Grand Chief Cody Thomas: The discussion has been around clean and safe drinking water, but I think even with that last question that was being discussed about CMHC, the points system they have in place is pretty unfair. When we asked if there was a mechanism to appeal that process, they said they didn't have anything in place.

I'm just speaking to the rapid housing initiative. I agree with the other chiefs that the system that's in place doesn't know us as indigenous people and how to meet our needs. We're not children. I think the approach that's been taken from decades of hardship needs to be revisited. I think there are some good things we can work off, but being at the table to find those solutions is definitely something that's on the right path.

With Patty, it's more around the drinking water aspect. Nothing's really been introduced. The chiefs are very hesitant on some of those dialogues. Unfortunately, we have to find a solution at the end of the day.

Mr. Blake Desjarlais: I appreciate that. I know that my team is working with your team on that. Tomorrow it will be tabled for second reading, I believe, so I'll be speaking to it. I know that your team has reached out. We'll follow up on that tomorrow.

To go back to some of the housing items, have you submitted an application for housing funding, not just for Enoch but for other Treaty 6 organizations? As well, what is a better relationship that we can advocate for here in Ottawa to make certain that the paternalistic relationship that exists between first nations and the government ends?

Grand Chief Cody Thomas: I think it's about coming up with a better formula, when it comes to building within the municipality, for all of us in Treaty No. 6. It's not just about apartment buildings. Our children don't want to grow up in apartment buildings.

There are some unique initiatives that we've been working on with our province and the City of Edmonton, but we're finding financial shortfalls to look at building a multi-purpose housing project for the indigenous peoples of our traditional territories here within Treaty No. 6.

• (1700)

The Chair: Thank you, Mr. Desjarlais. I'm going to try to give you another chance.

I'll turn it over to Mr. Nater.

You have the floor for four minutes.

Mr. John Nater (Perth—Wellington, CPC): Thank you, Chair.

Through you, Chair, thank you to the witnesses for joining us today for this conversation.

I want to turn to a part of the Auditor General's report that I found concerning. This has been touched on a few times.

It says:

Small communities with the poorest housing conditions were approved for less targeted funding from 2018-19 to 2022-23 than small communities with better housing conditions

This is obviously counter to what you would expect to see. You would expect to see communities with the highest need targeted for funding. Obviously, that's concerning, and I think most people would agree with that.

What I found equally concerning was the fact that the CMHC and Indigenous Services Canada only partially accepted that concern.

The Auditor General said, at the time:

We are concerned that Indigenous Services Canada and the Canada Mortgage and Housing Corporation only partially agreed with our recommendation that they work with communities with the poorest housing conditions to ensure that they receive the support they need to improve housing conditions.

The deputy minister at the time said they only partially accepted the AG's recommendation because they didn't agree with the methodology the AG used to come to the conclusion. We can quibble about methodology all we want, but the reality is that this is what's happening on the ground.

I want to put the question to, frankly, all of the witnesses, but I'll start with Chief Mitchell and Chief Haymond, who are in the room.

First, can you confirm that what you're seeing on the ground is, in fact, that the funding we're talking about for those indigenous communities most in need isn't getting there? What should we be doing? Should we not be insisting that the CMHC and Indigenous Services Canada remedy this, rather than quibbling about the methodology of the Auditor General?

I'll put that to all four of the witnesses.

Regional Chief Brendan Mitchell: First of all, thank you for your question and comment.

On the ground, I'm not sure I can confirm what the Auditor General is stating here. I really don't know if that's the case. In many situations, whether it's in communities or in a government relationship with somebody, politics comes into play. I can't confirm that what's being suggested by the Auditor General is in fact true.

What I'd like to do right now is turn to Chief Haymond, who may have some specific awareness or experience with this situation.

Chief Lance Haymond: I tend to agree. The bigger challenge, quite frankly, is that most of these initiatives are proposal-driven, except for regular, recurring funding through legacy programs, where it is not required. Rapid housing or any of these new initiatives are proposal-driven, so all first nations across the country are eligible.

You touched on one of the most important challenges: Those with the greatest need have the least capacity. Those who have less need have the greatest capacity and the ability to submit fulsome proposals within the time frames and meet all the conditions and criteria to be assessed. At the end of the day, it appears that lesser-capacity first nations are getting less of the national budget. That is part of the reality. If you're a small community, you don't have good capacity and good people, or the ability to retain, hire and keep these people. It's your more urban, sophisticated communities with access to consultants, lawyers and a host of other support services that are able to get proposals in.

That is part of the challenge for all first nations across the board.

The Chair: Thank you very much, Mr. Nater. I'm afraid that is the time.

Ms. Yip, you have the floor for four minutes.

Ms. Jean Yip (Scarborough—Agincourt, Lib.): Thank you, Chair.

This question is for Chief Haymond.

How does one approach risk mitigation differently when it comes to first nations housing projects?

• (1705)

Chief Lance Haymond: That's a very good question.

I think you do it in a way that recognizes that there is no perfect solution or situation. Currently, we don't have access to conventional financing through banks unless we are in a position to guarantee those loans. We need new opportunities and initiatives that take away some of the concerns and some of the risk.

Quite frankly, I struggle with this question, because I know many individuals who, all things being equal, would be approved for a mortgage if they applied for one off reserve, based on their credit strength, their credit history and their ability to repay. That same individual applying for a mortgage on reserve may not be eligible for that same mortgage because of risk, and the risk that the bank or financial institution can't come in and seize the property. Through initiatives like Yānonhchia', we're finding ways through tripartite arrangements whereby the land and the unit are still held as collateral but the relationship is between the financial institution and the individual who has the creditworthiness to be able to secure that mortgage in the first place.

It's a question of being open to taking on some risk that financial institutions won't take. That's why I'm saying the NACCA network and indigenous financial institutions play a pivotal role. They will go in and conduct business, and they will take the risk that conventional banks won't. At the end of the day, we believe in our people. Any profits that are generated through initiatives like Yānonhchia' are going to be reinvested right back into new loans and new mortgages so that more members of our community can benefit.

Yes, risk is a big issue. I'm hoping that through the work we're doing and the education of financial institutions and the government, the risk of lending for mortgages on reserve will be no greater than lending for mortgages to non-indigenous Canadians off reserve.

We deserve, and should have, the same tools and access that non-indigenous Canadians have off reserve for housing.

Ms. Jean Yip: Is it primarily first nations-led businesses that are willing to undertake the risk?

Chief Lance Haymond: It's not first nation-led businesses; it's first nations-led institutions. If you are not familiar, the IFIs under the NACCA network are better known for the delivery of financial assistance that supports economic development.

Ms. Jean Yip: Are you seeing any interest from non-indigenous institutions or organizations?

Chief Lance Haymond: We haven't really approached non-indigenous institutions and organizations. We stayed primarily focused on addressing our issues with the Government of Canada while utilizing and looking at the development of our own capacities and institutions nationally.

The Chair: Thank you very much.

I'm looking for direction here from the committee. The clock ticks on, regardless of how we proceed. I propose we do four slots of two and a half minutes each. I'm looking for consent from the government and the official opposition. This doesn't really impact the other two parties as much.

Would you be all right with that? We'll do four slots, take a recess and then go to the next witness.

Mr. Nater, is that okay with your side as well? Very good. Who will be your speaker?

Mr. Melillo, you have the floor for two and a half minutes.

Mr. Eric Melillo: Thank you very much, Mr. Chair.

As with my first questions, I'll start in the room, and if folks online have anything to say, please jump in.

The report mentioned that the government has not had assurances that all housing units built on first nations or repaired with federal funding actually met applicable building standards. That's something I think we can all agree would not be acceptable anywhere else in the country, and it shouldn't be acceptable on first nations, but that's what was found by the Auditor General.

Out of genuine curiosity, is that perhaps a function of the challenges in getting an inspector or somebody up to a first nation to be able to do that work, or is it simply neglect on the part of the government?

Chief Haymond, if I could start with you, do you have any comments on that?

• (1710)

Chief Lance Haymond: Inspection services and making sure that units are built to the national building code are key principles for us as first nations.

It depends on which region you come from and what capacities you have. I come from the Quebec region, where, fortunately, we have strong tribal councils. Communities like mine that are small communities and would not necessarily have the financial resources to hire all of the expertise that we need in housing are able to pool our resources and have them delivered under a tribal council. We have engineers, architects and building inspectors who work with and support our communities to ensure that our units are being built to the national building code.

It's key, because, at the end of the day, the housing needs are so great in our communities that we need to be building quality units that are going to last 25 years. If they don't, then that family, 10 to 15 years down the line when that house is condemned, is suddenly added back on the needs list, and the needs just continue to get larger.

I think it really depends on the province, region and jurisdiction. One of the key elements that we need to ensure, in being able to build to the national building code, is that we have the financial resources available so that we can build those units and, more importantly, have the technical support services available as well.

The Chair: Thank you very much. That is your time, I'm afraid.

Next up is Ms. Bradford for two and a half minutes, please.

Ms. Valerie Bradford (Kitchener South—Hespeler, Lib.): Thank you, Mr. Chair.

I'm going to direct my questions, please, to Chief Peters.

Last October, the Confederacy of Mainland Mi'kmaq signed an historic, co-developed framework agreement with the Government of Canada, with a goal to work together on the transfer, control, delivery and management of first nations housing and infrastructure services to participating Mi'kmaq first nations.

Can you explain what co-developed means and what the process was like working with the Government of Canada on this framework?

Chief Sidney Peters: I think one thing, when we talk about co-development, is everybody working together. I was part of that discussion right from the get-go.

One of the first things I talked about was whether there is a true commitment here from both parties—the tribal council as well as ISC. CMHC was also part of some of the discussions.

Things seem to be going well, but it seems to be taking longer, because we always seem to be changing parties on the other side of the table as things move forward. It's going, and it's moving forward, but it's slow. I'm always very concerned about timelines and not meeting schedules.

Basically, we are still behind it. I want to make sure there's still a commitment there and that things continue to move forward.

As you know, the Confederacy of Mainland Mi'kmaq represents eight communities here in Nova Scotia. You also have to ensure that leadership is well aware of how this all works and who is involved with it.

It is working, but it's very slow. Is the trust there? Well, when things go slow, leadership tries to figure out what is happening and how come things aren't moving faster.

There is a commitment. I'll always continue to try to push for a commitment as we move forward. It is moving, but not as fast as we'd like.

Ms. Valerie Bradford: Thank you.

How specific are the funding categories under this framework? How did you determine the categories?

Chief Sidney Peters: I ensured that the technical people really, truly understand how the system works. I wanted to ensure that we have a complete breakdown of how the existing system works now and how we want to change that system. Through that, we're talking to each of the communities to truly understand that.

What happens is that the federal government seems to say, "Here's an agreement, and this is what we want to do." Does it really tell you the details on how it all works and how it operates?

With that, there is a responsibility of the government to ensure that the dollars and cents are there. We're finding it difficult that communities aren't receiving enough to make it work. It's important for the risk level at the Confederacy of Mainland Mi'kmaq to ensure that we have enough funding to take it over and operate it. We already know what happened in the past, and I don't want to see CMM fall into that as the federal government has.

• (1715)

The Chair: Thank you very much.

[*Translation*]

I now give the floor to Ms. Sinclair-Desgagné for two and a half minutes.

Ms. Nathalie Sinclair-Desgagné: Thank you, Mr. Chair.

I want to take this opportunity to thank all the witnesses for coming to talk to us today about a very important situation. I remind everyone that housing is not a privilege, but is in fact a right. The duty incumbent on all of us, as parliamentarians, is to make sure that the indigenous housing issue is solved as quickly as possible.

We had the opportunity to hear a great deal about the Yānonhchia' program. It is a great example of a program that must be encouraged.

I also remind everyone of another very problematic aspect that we are talking about today. In spite of the investment of billions of dollars, no improvements have been noted in nine years. The situation is as dismal as ever.

Fundamentally, the question I want to ask you, Mr. Haymond, is on the approach.

One of the reasons that Yānonhchia' works and is a model, in my opinion, is because indigenous people are in fact granted a certain autonomy, self-determination, that enables them to build and fund their own homes without going through financial institutions that don't understand the reality on indigenous reserves. This type of example should be especially useful for the federal government. It continues to use a method I consider neocolonialist, which translates into housing units built by the federal government, as though indigenous people were incapable of doing it themselves.

Can you tell us how Yānonhchia' is part of the paradigm in which indigenous people are able to organize themselves, not only in terms of funding and capital, as you said, but also in terms of human resources, for instance?

[English]

Chief Lance Haymond: I think we would have the full capacity to manage all of our affairs from start to finish if we were given that opportunity. We have spent a lot of time over the past number of years building our capacities up at different levels. As I mentioned, we work outside of our communities to have our members understand the importance of a credit rating and to have access to credit as a viable option going forward.

We also teach them about what it is, and the responsibilities that come with being a homeowner. We work with institutions. We work with our tribal councils in different ways to build up the capacities we need within our communities. We can have the conversations around takeover, care and control. In Quebec we have been working on a strategy that really speaks to that. The first thing is to build capacity at all levels.

The second is to look at different funding options with innovation, which exactly fits in with Yānonhchia' and the work we're doing there.

Finally, we know the government wants to get out of the business of delivering programs and services to our communities. They call it devolution. It's a dirty word in our world. What we would like to really talk about is takeover, care and control, and not just a program dump.

The Chair: Thank you. I suspect—

Chief Lance Haymond: I think we have the capacities to do those things ourselves.

The Chair: Thank you. I apologize for that. I suspect the next member will follow up on that.

Mr. Desjarlais, you're going to close us out here. You have the floor for about two and a half minutes. Go ahead, please.

Mr. Blake Desjarlais: Thank you very much, Mr. Chair.

Again, thank you to all the witnesses. I do hope you can also supply written submissions related to our report in advance of our tabling that.

Grand Chief Cody Thomas, I want to give you an opportunity to speak directly to what you're hearing about from the chiefs you represent in Treaty 6 territory and what message you have for the government in terms of priorities related to housing, as well as any other priorities that are important for the government to hear.

● (1720)

The Chair: Grand Chief, you're on mute.

That's good. As I say, when you want something done, do it yourself.

It's over to you, Grand Chief.

Grand Chief Cody Thomas: Exactly. I don't pay these guys the big bucks for nothing. No, I'm just kidding.

I think I'd like to stress the fact that when it comes to the equity side of things on reserve, we have a lot of banks that aren't allowing us to be funded through the conventional mortgage aspect. We have created a section 10 home-building opportunity for our members, but at the end of the day, we can't get equity out of these homes as well. I think one thing that would really help is a reporting mechanism to the credit bureau for our members who live on nation, so that they can build that capacity to possibly be able to afford a home off nation.

I think this is where the onus falls on us too: the home building code. It is within Treaty No. 6. When a lot of these home builders come in, they don't even provide home warranties, and that's something we need to get better at. We need to have a better standard. That's one key item.

I think we need to be looking at a mechanism of some kind of funding stream to work with all banks within Canada, so that we can give our current generations and the generations to come an opportunity to have a home. It is a treaty right, and it's a human right. I really appreciate the minister's speaking from the heart, because that was the intent of our treaty. If we don't put a dent in this now, when is it ever going to happen?

We will write a submission. We are going to possibly set some kind of template for Treaty No. 6 and possibly for Turtle Island. I commend the chiefs for putting in the work as well. At the end of the day, that's what we're here to do: put in the work.

Mr. Blake Desjarlais: Thank you very much, Grand Chief.

The Chair: If you could keep it brief, I'll allow one more brief question, Mr. Desjarlais,

Mr. Blake Desjarlais: Oh, sure.

I have no further questions, but I do want to thank all the witnesses for this important work. It was a difficult process to get this meeting called, and I want to just thank all my colleagues, including our chair, for allowing me the opportunity to have this important study investigating this.

Special thanks go to the grand chief of the treaty territory I occupy in Alberta. It means a lot to me that you were available for this.

Thank you very much.

The Chair: You are very welcome.

I want to thank Grand Chief Thomas, Chief Haymond, Chief Mitchell and Chief Peters for their testimony and participation today in relation to the study of “Report 2: Housing in First Nations Communities”. If you have additional comments that you'd like to make to the committee, please do so through the clerk. We'll, of course, consider it, as we will your testimony today.

I'm going to now suspend this meeting for about five minutes to give everyone a chance to stretch their legs. Then, we'll come back with our next witness.

This meeting is suspended for five minutes.

• (1720) _____ (Pause) _____

• (1725)

The Chair: Welcome back.

[*Translation*]

Pursuant to Standing Order 108(3)(g), the committee is resuming consideration of report 2 of the 2024 reports of the Auditor General of Canada, entitled “Housing in First Nations Communities”, and referred to the committee on Tuesday, March 19, 2024.

[*English*]

I'd like to welcome our witness, who is joining us virtually. Mr. Michael Wernick is the Jarislowsky Chair in Public Sector Management at the University of Ottawa.

Mr. Wernick has indicated that he has no opening remarks, so we're going to proceed to questions here.

I will note that, of course, Mr. Wernick is a former deputy minister of Aboriginal Affairs and Northern Development and also served as Clerk of the Privy Council.

Mr. Wernick, we thought you would be an ideal witness to come in to talk about this issue. I'm sure you are well aware, from the Auditor General's reports, that this is an issue that has dogged several governments over many, many years. We're looking for your insight on why that might be and for suggestions or clues on reforms that might provide some solutions and insight.

• (1730)

Mr. Michael Wernick (Jarislowsky Chair in Public Sector Management, University of Ottawa, As an Individual): Thank you, Mr. Chair.

I'll just thank you for the invitation and say that the only reason I didn't prepare a statement was that I wanted to maximize the time

for dialogue with the committee. This is my sixth appearance at a House of Commons committee since I retired from the public service. I'm always happy to help a parliamentary committee with its important work.

The Chair: And we appreciate that. Thank you very much.

I'm going to now turn things over to Mr. Nater.

You'll have the floor for six minutes, please.

Mr. John Nater: Thank you, Mr. Chair.

Chair, through you, thank you to Mr. Wernick for joining us virtually here this afternoon on the Auditor General's report.

Obviously, from your experience, we're looking at about a decade and a half, give or take, between the Privy Council Office and as deputy minister at what was then Aboriginal and Northern Development Canada. I want to start to focus first around your time as Clerk of the Privy Council and a phrase that became popular in government, “deliverology”.

At the time, I think there were many of us who saw deliverology as a bit of a tagline that really didn't amount to much. With the benefit of hindsight always there, there was an article in *The Globe and Mail* from March 2020 that said, “To anyone who has worked in government, the whole concept of ‘deliverology’ smacked of warmed-over administration theory repackaged by former bureaucrats-turned-consultants seeking to monetize their insider knowledge of the public service.”

That, I suspect, may describe Mr. Matthew Mendelsohn, who took the lead on this within government.

Obviously, Mr. Mendelsohn was the guy who drafted the Liberal Party platform in 2015 and then was brought into the Privy Council Office. Personally, I think it is of concern from a partisanship perspective to bring in an individual with clear ties to the governing party, but I will leave that there and focus specifically on the concept of deliverology for this time period.

At one point, there was a mandate letter tracking of the commitment specifically to indigenous people related to that. When the tracker was abandoned, about half were incomplete, but you were a strong supporter of this idea of deliverology. One quotation I saw was in this article from the CBC, which quoted you as saying, “You should try to find ways to measure whether or not you're succeeding. It's a very good discipline, I think, and it will lead to better government.”

Also, in a speech you gave in October 2018, you said, “There is a lot at stake in getting this right. Trust is also going to be stress-tested in an election year where there is plenty of space for us to be communicating with Canadians about policy, legislation, and programs and services. The basic tenets of deliverology are at the core.”

I know this is a long preamble, but I'm getting to it.

I want to turn specifically to deliverology as it relates to Indigenous and Northern Affairs Canada. In a 2017 internal audit report from Indigenous and Northern Affairs Canada, they wrote, “Senior Management has taken steps to support a transition to the Policy on Results and 'Deliverology', recognizing the transition presents a unique opportunity for INAC to improve performance measurement effectiveness and to support a performance measurement culture in the Department.”

All of this lengthy preamble has been to say, would you agree that deliverology has failed in this case to actually see results, specifically on first nations housing? All this focus on deliverology, all this focus on finding results, seems to have all been lip service, seems to have all been talk, when in reality nothing was achieved. When we're focused on a comment like this from Indigenous and Northern Affairs Canada, making this transition, but then seeing results after results after results in 20 years—we're talking 20 years and no results on first nations housing—wouldn't you say this was, in a sense, a lost three or four years, in which we focused on deliverology but didn't actually achieve anything?

I'll turn to you for a comment after my lengthy preamble.

• (1735)

Mr. Michael Wernick: I think I would stand by my comments. Certainly in terms of accountability to Parliament, it's very important to define the objectives you're trying to achieve and then try to figure out how to measure them, and then organize your data collection and your reporting and accountability mechanisms around that. If that methodology wasn't the right one, then you should still be seeking that kind of learning software in the way the state operates.

I would say the lesson of the last 20 years is that pouring money into issues without structural reform will not really change fundamental trajectories. I joined Indian Affairs in 2006, and after nine years of the Harper government and nine years of the Trudeau government, my biggest disappointment is that the Indian Act is still there. I would hope you would all make a commitment that the next parliament, the 45th Parliament, is the parliament that repeals the Indian Act. That is one of the fundamental issues that's obstructing progress on first nations communities.

I'd be happy to go into the specifics of the obstacles to first nations housing on reserve, if you would prefer, but I think my message to you is that you cannot get the results you're looking for with the legislation and the structures of government we have in place now. Now is the time for deep, profound structural reform.

Mr. John Nater: I'll get back to the concept of structural reform in a future round.

In the 30 seconds I have left, I want to know if you have a recollection of the mould strategy that was originally brought forward in 2008. At some point after that, it stopped being used. When we questioned the department, they seemed to have no recollection of when, why or through what means that stopped.

Do you have a recollection of why the 2008 mould strategy came into disuse at some point post 2013?

Do you have any recollection on that?

Mr. Michael Wernick: No, I'm afraid I have no line of sight on why that would have happened. I think it leads to the issue of enforceable building codes, which perhaps we can come back to.

The Chair: Thank you.

That is your time, Mr. Nater.

Following Mr. Nater, we have Ms. Khalid for six minutes, please.

Ms. Iqra Khalid: Thank you very much, Chair.

Thank you, Mr. Wernick. We meet again after many years and in similarly hot circumstances, I would say.

I'm quite intrigued by your track record of working with different governments, etc. I really want to talk about housing and how climate change impacts indigenous communities, specifically with respect to housing.

Perhaps you can help guide us, given your vast experience on this.

What were the biggest challenges in addressing the first nations housing gap when you were the deputy minister responsible?

Do you think those issues are still alive and well today? What can we do to eradicate them?

Mr. Michael Wernick: I think the fundamentals underlying this issue are the same ones my predecessors had. They are the same ones that my successors have. The fundamentals are broken. Until Parliament gets around to changing legislation and structures, the department is pedalling into the wind, trying to get results with a very poor tool kit.

If you go through a few of them, I mean, for the on-reserve population, which is about half of Canadian indigenous people, the set-up is communal land tenure and social housing. It's what some people have called socialist economics and socialist outcomes, but I won't get political there.

Because of the Indian Act, everything is a workaround. It's a workaround land registry. It's a workaround for mortgages, which you heard about, because you can't put up the same kind of security for mortgages. It's a workaround for secure tenure, which is called certificates of possession. There's almost no private insurance market. There's almost no private sector that builds and manages properties. There's very little multiple-unit housing. It's almost all single-family dwellings. There's almost no tapping into the capital markets.

You know, my truth to power message to you and to the Auditor General is that there will never be enough taxpayer money to get where you want to go. You have to tap into capital markets, like the rest of Canadians.

Ms. Iqra Khalid: Mr. Wernick, do you think we have made progress over these past eight years on this file?

• (1740)

Mr. Michael Wernick: I read the Auditor General's report. I think she's kind of mixing up stock and flow a little bit. The graphs she chose to present are eye-catching, but they're percentages.

My understanding, and you can certainly correct me, is that they're percentages of a growing stock. This is what I mean by pedalling into the wind. You are chasing a rising population and you are chasing rising costs.

The unit cost of each dwelling is going up. It's a market that faces exactly the same issues that you do in your constituency. There's a shortage of skilled trade workers. The cost of input is going up. You get fewer units of housing for the dollars that are allocated by the finance minister, which is why you're going to have to lever taxpayers' money to get access to capital markets.

Ms. Iqra Khalid: Thank you for saying that.

Do you think that climate change has impacted the cost of housing? If so, how so?

Mr. Michael Wernick: It's affected everybody's cost of housing, certainly in terms of energy inputs, the cost of building materials and that sort of thing. I think it would be just as it is with other Canadians.

It'll depend a bit where you live. There's kind of an assumption that all first nations communities are remote and in the north, but the largest communities are places like Six Nations, Akwesasne and Kahnawake near Montreal, and so on. There are issues around floods and fires facing first nations communities, just as there are in other communities.

One of the big legislative gaps that you could do something about is that there are no enforceable fire codes on reserve. That could be fixed.

Ms. Iqra Khalid: That's a really good point.

I would ask you, then, are there any innovative first nations-led projects that you think the government should be looking at to make sure we are addressing all these challenges?

Mr. Michael Wernick: I think that's more for the policy committees, the aboriginal affairs committees of the House and the Senate. I left 10 years ago, so I'm not completely up to speed, but I know that many communities have very entrepreneurial chiefs and councils. I think you heard from some of them earlier today, as I understand it. They are doing their best with workarounds. They are trying to find ways to have proxies for mortgages and proxies for rental schemes and proxies for user charges and so on. They're all workarounds, because the fundamentals are unsound.

The three biggest workarounds that Parliament gave first nations are the First Nations Market Housing Fund, which I think you should take a look at; the First Nations Finance Authority, which is a small outfit that does start getting into bond and debenture issues; and the First Nations Land Management Act, which is a way to get out of the Indian Act and take control over zoning and local land use.

None of those are used by a majority of first nations. They're "opt in", not mandatory. They're a path out of the Indian Act, but almost 30 years later the take-up is disappointing.

Ms. Iqra Khalid: Thank you so very much, Mr. Wernick, for all your service over the majority of your life and also for being here today. I really appreciate what you've had to contribute.

Thank you.

The Chair: Thank you, Ms. Khalid.

[*Translation*]

Ms. Sinclair-Desgagnés, you have the floor for six minutes.

Ms. Nathalie Sinclair-Desgagné: Thank you, Mr. Chair.

Mr. Wernick, you were Deputy Minister of Aboriginal and Northern Affairs Canada from May 2006 to July 2014. This Auditor General's report, as well as previous reports, demonstrated that there had been very little, if any, improvement in housing in indigenous communities during your time as deputy minister.

You then served as Clerk of the Privy Council from 2016 to 2019. The Auditor General's report that has just been published and is being studied today indicates that there has been very little improvement, if not a deterioration, in the housing situation. Let's think in particular of those that were in need of major repairs.

Yet billions of dollars have been invested.

You were Clerk of the Privy Council. Don't you think there are some important lessons to be learned, by this committee and others, about what needs to be done today to solve this problem? This one probably stems, once again, from an error in the federal government's approach or vision of indigenous people.

Mr. Michael Wernick: Back when I was the deputy minister of this department, it was organized differently. Now it's two separate departments. Jim Flaherty was Minister of Finance then, and the budgets I had were about a third of what they are now.

I think one of the lessons of the last decade is that this government has almost tripled spending on services for indigenous communities. Yet improvements are very slow in coming. This suggests that something is missing, and that far-reaching structural reform is needed.

• (1745)

Ms. Nathalie Sinclair-Desgagné: Yet you were one of the people who didn't believe that the Indian Act—just using that name horrifies me—needed to be changed.

Don't you think we should simply get rid of this law and that it should no longer exist?

What do you recommend so that we see change?

Mr. Michael Wernick: At the time, the conditions weren't in place. They still weren't when the important Crown-First Nations meeting was held in January 2012. Indigenous politicians were not in favour of taking this step.

We're now in 2024, and I'm absolutely in favour of such a move. The time is right. I believe that after the next election, the elected government will be able to pass a bill simply stipulating that over the next 10 years, the Indian Act will be withdrawn.

[*English*]

I want to be very clear on that. There's no reason the next Parliament, after the next election, could not pass a bill—you're the only people who get to legislate—that says 10 years from coming into force, the Indian Act is repealed. That would force everybody into a decade of hard work on the exit strategy.

[*Translation*]

Ms. Nathalie Sinclair-Desgagné: That's interesting.

In fact, earlier, we heard an interesting comment, particularly from Chief Lance Haymond, that truly bears repeating: Indigenous people have the ability, especially if given the opportunity, to build and finance their own housing, through programs and projects like Yänonhchia'. It works very well. It's one of the reasons why Quebec stands out from the rest of Canada. In Quebec, it was also difficult to access capital. That's why we created funds like the Desjardins ones, with money from ordinary citizens, such as small farmers. In the same way, projects like Yänonhchia' are seeing the light of day.

Don't you think that the federal government should simply take inspiration from this kind of project and stop investing a lot of money in projects where it takes on housing construction itself without producing any results at the end of the day? Wouldn't a total paradigm shift be in order?

Mr. Michael Wernick: Where will the capital come from, if not from the Parliament of Canada?

Ms. Nathalie Sinclair-Desgagné: It will come from the indigenous people themselves. Take the example of Desjardins in Quebec, which collects money from individuals to fund projects. The same goes for Yänonhchia'. This initiative gives indigenous people the opportunity to fund their own projects.

There are also partnerships. It's worth noting that entities such as the Fonds de solidarité FTQ and Desjardins could contribute to these types of projects and programs. Their vision is different from the vision of the traditional big banks, which doesn't apply.

Mr. Michael Wernick: I couldn't agree more. Removing or reducing the barriers that prevent communities and their governments from accessing private capital and financial markets can yield excellent results.

However, there are barriers. For example, the Indian Act is one barrier to obtaining guarantees, mortgages and insurance in particular.

Everything being done in Quebec amounts to a type of workaround.

The Chair: Thank you.

[*English*]

Up next, we have Mr. Desjardins for six minutes, please.

Mr. Blake Desjarlais: Thank you very much, Mr. Chair.

Thank you very much, Mr. Wernick, for being present with us today.

You have had a long career. I'm sure it's been subject to polarization from all parties, especially as a former member of the Privy Council.

You have a reputation in indigenous country of being someone who has largely sustained the persistent issues that plague indigenous communities today. We heard from the Auditor General in her opening remarks on this report that this is the fourth time since 2003 that we have raised concerns about housing in first nations communities, and 20 years later, many of these concerns persist. Despite these audits, we find that Indigenous Services Canada and the Canada Mortgage and Housing Corporation have made “little progress” to support first nations in improving housing conditions in their communities.

What responsibility do you bear for any of that?

• (1750)

Mr. Michael Wernick: Sheila Fraser wrote a wonderful piece on indigenous policy and services to first nations in the six-page preface to her spring 2011 report. I commend that to the committee and to anybody who is watching. She identified four structural barriers to making any progress on services to first nations.

The first is a lack of a legislative base. The second is a lack of clarity about service levels. The third is a lack of an appropriate funding mechanism. The fourth is a lack of organizations to support local service delivery.

That's as true now as it was in 2011.

I also commend to you the report of this committee from February 2012 in response to that report. It called for structural reform—

Mr. Blake Desjarlais: How did you respond to that first part? In the huge amount of time you've been responsible for this work, how did you respond to those claims?

Mr. Michael Wernick: I think people who are in those positions will work with their ministers to do the best they can with the tools Parliament has given them.

If you want to go through all the things that my four ministers and I were able to accomplish between 2006 and 2014, I'd be happy to. That is, if the chair will give me the time.

Mr. Blake Desjarlais: You obviously claim victory for some of those things. You're talking about a great list. I'm talking about the other list, the list that first nations communities submitted in relation to the immense failures, so I don't think we're going to get a response from you today that will address the dissatisfaction indigenous people experience with INAC and its former entities—including the entities today. Nonetheless, it's important for me to highlight this paternalistic attitude that continuously placates indigenous communities today. One of the gentlemen who was just present here today said he's been involved in this work for 36 years and hasn't seen any substantial movement or direction in the attitude of civil servants, in particular the deputy ministers—and you occupied...over one-third of that time—toward any substantial change to your own perspective.

To be very frank, Mr. Wernick, you're not an expert in the lived experiences of indigenous people. You're an expert in advising the government on the legislative frameworks that are asked of deputy ministers, and the Indian Act is an example of that. You know, we see, many times, instances when—on termination policy, for example—you would have been subject to these ideas. Harold Cardinal, a famous philosopher and indigenous person in my community... The last time a Trudeau tried to tell first nations in Alberta, "We're going to do away with the Indian Act," he responded with the "red paper". Have you ever read the red paper?

Mr. Michael Wernick: I assume that's a rhetorical question.

Mr. Blake Desjarlais: Well at this point, given your record, I don't know if you've actually read it. It's a real question: Have you read the red paper—

Mr. Michael Wernick: Of course I have.

Mr. Blake Desjarlais: —and have you listened to the concerns of indigenous people? When you say things so flippantly, like, "Let's just do away with the Indian Act, and let's give 10 years, as a blunt instrument of force, to set a timeline on the future of indigenous people," why would you respond that way if you've read the red paper?

Mr. Michael Wernick: You are the Parliament of Canada. There are 41 million Canadians, but only 338—soon to be 343—of you, to change the legislation.

Mr. Blake Desjarlais: I'm not the one recommending we abolish the Indian Act in 10 years and set a clock on it.

Mr. Michael Wernick: You don't have to take my advice. This is truth to power: If you want the results, you have to get rid of—

Mr. Blake Desjarlais: I want to know why you're advising something so ludicrous as to set a time frame like that.

Mr. Michael Wernick: Is that your party's position?

Mr. Blake Desjarlais: What if I set a time frame on you and say, "Your rights will be exterminated in 10 years, and you deal with it, Mr. Wernick"?

Mr. Michael Wernick: There would be an exit strategy, self-government agreements and other kinds of legislation. We've been trying exit strategies for the last 30 years, and you are the one pointing out the lack of—

• (1755)

Mr. Blake Desjarlais: Where does the perspective of an exit strategy...? Why does that perspective exist?

Mr. Michael Wernick: With negotiating agreements with specific self-governments. You know that there are over 630 distinct first nations, over 70 tribal councils, about 50 regional and provincial organizations and three national organizations.

Mr. Blake Desjarlais: It's clear to me why this is failing. Your attitude today, even.... You haven't learned anything in your time at Privy Council and as a deputy minister, and the results are clear. Over 20 years, Mr. Wernick, and you claim no responsibility...and today you have the audacity to come to this committee and set a time frame for the abolition of indigenous rights, claiming there's an exit strategy in the future, even though you read the red paper.

I don't have any questions, other than to say—

Mr. Michael Wernick: I didn't say there was an exit—

Mr. Blake Desjarlais: —Mr. Wernick, this is my time—you are likely the greatest Indian agent we've seen in 100 years.

The Chair: Thank you.

Mr. Michael Wernick: I did not say that that there is an exit strategy. I said that there would be 10 years for dialogue between governments and first nations to build better exit ramps from the Indian Act structures.

The Chair: Thank you very much.

To begin our next round I turn to Mr. Melillo. You have the floor for five minutes, please.

Mr. Eric Melillo: Thank you, Mr. Chair.

Mr. Wernick, in response to previous questions, you mentioned something that I think is interesting. You said that there would never be enough taxpayer dollars to address the needs that exist.

I'm wondering if you can speak more to that and to how, in your view, the private sector can be better leveraged and utilized to address the housing gaps specifically.

Mr. Michael Wernick: Well, I think housing and infrastructure go together. You need land. You need to have serviced land in terms of lots, so you're going to need water, waste water, electricity, Internet and the kinds of things that make land into serviceable lots. Then you have to put housing units on top of it, whether they're single-family or multiple home. It's land, infrastructure and housing.

If you're going to do this on an all-cash, upfront basis—which is what the Indigenous Services department has to do with whatever it gets from the Minister of Finance—you can do only so much. You need an algorithm or funding formula for spreading limited resources across a lot of demands. Housing infrastructure is only one.

When I was there, there was a cap—the famous 2% cap price and volume escalator that covered everything. Child and family services, income assistance, education, post-secondary education, housing and infrastructure were all capped by a 2% program escalator brought in by Paul Martin and kept for 15 years by finance ministers. It was lifted by the current government, and spending has nearly tripled on these services.

However, if the results are not getting better fast enough, you have to think that something else is missing. I would say—and you're not going to like this any better—that you're not going to get where you want to be with the department model, because a department pushing contribution agreements out to first nations is not the tool kit that is going to generate housing and infrastructure.

Mr. Eric Melillo: Thank you.

I'm going to jump in there. You mentioned spending, which has, I believe you said, tripled. I want to touch on that, because the Parliamentary Budget Officer a couple of years ago released a report entitled “Research and Comparative Analysis of CIRNAC and ISC”, which mentions that we've seen this dramatic increase in funding under the current government but notes that it hasn't led to an equal level in the ability of the department to achieve its desired goals. There's a lot of spending, but not necessarily the equivalent outcomes you would expect from that.

From your experience, can you speak to why that would be? Why is spending going into the bureaucracy and not coming out the other end to support the first nations and indigenous communities that rely on it?

Mr. Michael Wernick: Very little of it is actually staying in the department. The overwhelming amount of money that you allocate and appropriate to the departments goes out as transfer payments to first nations communities, tribal councils and other entities and service agencies. You will find this in GC InfoBase, under grants and contributions.

A contribution agreement says, “Here is some money—report what you did with it.” The overreliance on contribution agreements is something that previous auditors general and public accounts committees have commented on and criticized. The only real way to get data and change outcomes is to put a lot of conditions into contribution agreements. That's one of the things Sheila Fraser means by not having a legislative base.

You'll be familiar with other programs, such as old age pension, unemployment insurance, student loans and so on, where eligibility and formula are defined in statute and legislative language. There's almost none of that in the first nations world. I spent a lot of time working on first nations education legislation. Sadly, we still don't have any. We now have first nations child and family services legislation, but it's needed in other areas.

As I said, I think you're pedalling into the wind of a rising population and rising costs. The cost of salaries for teachers and what you have to pay local school boards as tuition for first nations kids who go to school off reserve.... All of the costs are rising, and the population is rising, so the money is always going to be chasing outcomes.

• (1800)

Mr. Eric Melillo: I'll leave it there, Mr. Chair.

The Chair: Thank you very much.

Up next, we have Mr. Weiler.

You have the floor for five minutes.

Mr. Patrick Weiler (West Vancouver—Sunshine Coast—Sea to Sky Country, Lib.): Thank you, Chair.

I also want to thank Mr. Wernick for being here today to help provide some input for the study we're doing on the housing report from the AG.

I want to bring it back to the topic you first brought up in your opening and that a couple of my colleagues brought up: the Indian Act and the need to move away from it.

I fully agree this would deliver great benefits for indigenous communities, were we able to do this. I would also say I was a little alarmed when my colleague Mr. Stewart talked about the positives of this act, when we know this is an act that is, by its very nature, racist, and that treats indigenous people as wards of the state. It has many impediments to dealing not only with issues like getting housing built but also with economic development and many others.

Putting a 10-year timeline on this is a huge challenge. As you mentioned, there are 630 indigenous communities across the country. While there has been some progress through modern treaties, self-government agreements and otherwise, it's a huge challenge to move ahead, because each indigenous community is distinct.

How would you recommend the government or future governments move ahead with this in order to accelerate more self-determination and self-governance for nations?

Mr. Michael Wernick: Obviously, it has to be done in partnership, walking the path together. I don't want to be misrepresented as saying that this should be done unilaterally by any Parliament of Canada, but I think it's 2026 when the next Parliament starts, and after all of this time, we can't keep blaming the Indian Act, working around the Indian Act and not face up to the fact that it is software whose time has come and that we need to move on.

Apparently the next government is going to abolish the Canada Infrastructure Bank and strand its loan portfolio, so I think there's an opportunity there to bring housing and infrastructure together. My advice to any of your election platform committees is a complete reworking of the machinery of the federal government in this area. Take all of the housing and infrastructure programs and put them together. Take housing out of Indigenous Services. Take housing out of CMHC. Add it to the indigenous portfolio of the Canada Infrastructure Bank and create a Crown corporation that will do first nations housing and infrastructure in a very professional, 2026 kind of way.

You could give it all the tools that a private sector firm like Brookfield has. You could put a board of management on it, a real board of directors to hold the staff and the executives to account. You could ensure that the majority of that board was named by first nations. You could give that corporation an inspection function.

One of the problems is that there just aren't enough people out there, and if you bring in enforceable building and fire codes, you need an inspection service. If you brought all of this together and they could partner with capital markets and private sector firms, I think you would be able to do something. If we just keep putting money into the same tools, don't expect the results to fundamentally change.

Mr. Patrick Weiler: Thank you.

I would agree with that. It's truly alarming when you visit indigenous communities and see the state of some of that housing. While we are seeing the effects of some of the additional funding, the tripling of funding, there is a community in my riding that hadn't seen a single dollar in housing investment in 30 years until a year ago.

These are the types of things that absolutely need to change, but maybe you could just provide some testimony to this committee about what you see as the biggest challenge in addressing that housing gap and if it's the same today as when you first became the assistant deputy minister in 2006.

• (1805)

Mr. Michael Wernick: Well, housing has been built. I think the Auditor General has presented data in percentages that makes it look like there was no progress. Of course there were housing units built.

To go to an earlier question, there are lots of communities that are innovative and have built high-quality housing and are doing all kinds of interesting things. Community leadership is a huge part of that.

I think that raises the issue of what the funding algorithm should be. It's one of these programs, like many others, where there will always be more demand and possible uses than funds that are available. Even if you continue to increase the funding, it'll be finite and you'll need an algorithm for allocating it.

When I was there, there were basically regional pots of money, so British Columbia had a pot, Alberta had a pot, Ontario had a pot and so on, and then there were a lot of negotiations with chiefs in that region on allocation formulas for very finite resources where the department had to say no a lot.

Now, the Auditor General has a very specific view of what equitable means, but it's basically a policy judgment, even a political judgment, of what is the fairest way to allocate finite resources. She puts a lot of emphasis on torquing the money to where the most need is.

I could also argue that maybe you want to seize opportunities where they come up. For example, build an entire subdivision because land becomes available or an opportunity to lever a claim settlement or a litigation settlement comes into a community's hands, and they suddenly have the opportunity to build an entire subdivi-

sion of new housing. Maybe there's a community that has tapped into capital markets and can put up 50% of the money—

The Chair: Mr. Wernick, I have to move on. The time has elapsed, but I'm sure members will come back to this.

[*Translation*]

Ms. Sinclair-Desgagné, you have the floor for two and a half minutes.

Ms. Nathalie Sinclair-Desgagné: Thank you, Mr. Chair.

Mr. Wernick, in response to my colleague Mr. Weiler's question, you said that a potential solution would be the creation of a Crown corporation. In your view, this would help build new housing in a productive and efficient manner. However, this is exactly the opposite of what we just heard from the grand chiefs, including Chief Lance Haymond. I urge you to take a look at what he describes as a solution that works. That solution is the Yänonhchia' program.

Indigenous resources, indigenous capital and self-determination are the ingredients needed to build housing. The federal government must stop thinking that it needs to get involved in indigenous affairs and manage everything, as if indigenous people weren't capable of managing their own affairs. This is crucial.

Having a Crown corporation build the housing is the worst possible approach. First, at the Standing Committee on Public Accounts, we keep hearing that Crown corporations are inefficient and unable to get the job done. The performance audits show this time and time again. Giving more responsibility to the federal government is exactly the opposite of what we want, in any area. Moreover, in this specific and highly sensitive situation, it's wrong to think that giving power to a Crown corporation will miraculously solve the housing shortage on reserves.

Again, I strongly urge you to listen to what Mr. Haymond told us earlier and to look into the model proposed by Yänonhchia'. It's a pity that you and Mr. Haymond didn't appear at the same time. I think that the discussions would have been insightful.

The Indian Act does indeed contain significant barriers. You said so, and everyone here agrees. However, there are solutions. I'm talking about solutions proposed by indigenous people to resolve indigenous issues. That's what needs to be done.

As a Bloc Québécois member, I must say that self-determination is a principle that I greatly value for Quebec society. Self-determination is also a good idea for indigenous people.

On that note, my time is up. I strongly urge you to look at programs such as Yänonhchia'.

• (1810)

[English]

The Chair: Thank you very much. That leaves no time for a response, not that there was a question there.

[Translation]

I'll now give the floor to Mr. Desjarlais.

[English]

You have the floor for two and a half minutes.

Mr. Blake Desjarlais: Thank you very much, Mr. Chair.

I want to just return to the perspectives you hold, Mr. Wernick, which I find problematic and outdated in relation to the efforts of indigenous people to return our country to a position of understanding its deep relationship as a colonial state with that of its assumed title over land and jurisdiction manifested in treaties.

What is your perspective of the treaties, particularly the historical treaties?

Mr. Michael Wernick: I'm sorry. What is your question?

Mr. Blake Desjarlais: What is your perspective of the historical treaties in relation to the fact that Canada has largely assumed title via these historical treaties?

Mr. Michael Wernick: I think what you have to look for is ways to get out of the Indian Act, which sits on top of the numbered treaties—one through 11—across most of central and western Canada. Other parts of Canada, as you know, have modern treaties. In all of the north, there are almost 24 modern self-government land claims agreements, and in most of those you have much clearer aboriginal title and ownership of the land base.

Mr. Blake Desjarlais: You know, we have an agreement, maybe not necessarily a trust, about the need to actually reduce barriers between the treaty and.... You're suggesting that Parliament has assumed sovereignty. It's not just the entirety of its responsibility in the treaty, but it's now the only vehicle, you're suggesting, out of this paternalistic relationship. Is that correct?

Mr. Michael Wernick: No, that's a misrepresentation. It is a nation-to-nation relationship. It is a Crown-indigenous relationship.

Mr. Blake Desjarlais: Mr. Wernick, you said that. You said the Indian Act, which is an act of Parliament.... Other than Parliament, I'm saying, what if we just assume the opposite, Mr. Wernick? What if we assume that an indigenous government, like that of Treaty No. 8, were to legislate its own laws and bylaws and just ignore the operative power of Parliament. Would that be okay?

Mr. Michael Wernick: No. Every self-government agreement is the subject of an act of Parliament. There is a treaty implementation act that goes with every modern self-government agreement.

Mr. Blake Desjarlais: That's where we fundamentally disagree. That's an assumption, Mr. Wernick. That's an assumption by Sir John A. Macdonald and the great minds with whom you seem to share your perspective that Parliament is supreme in these decisions, when, as a matter of fact, if it's a partnership that's nation-to-nation, why would Parliament have these kinds of ludicrous powers?

Mr. Michael Wernick: Are you suggesting that Parliament would cede all of its law-making powers and its power of the purse to approve the allocation—

Mr. Blake Desjarlais: I'm saying that it never had those powers.

The Chair: I'm afraid that is the time.

Turning now to Mr. Stewart, you have the floor for five minutes, please.

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

Mr. Wernick, I heard you talking about an idea that would place most of the housing programs under one roof. I believe you stated that you believed it would be possible that if you built one Crown corporation, it would in fact solve many of the problems that are faced by indigenous people today.

Obviously, you were deputy minister for a long time, and that didn't get done, so I'd like you to explain why that didn't get done when you were deputy minister and why, if it got done today, it would make a difference?

Thank you.

Mr. Michael Wernick: Deputy ministers don't get to change the structures of government; only Parliament does, so it would take a piece of legislation to create that Crown corporation. It is not about government control. As I said, it could be with substantial first nations governance. You could have a board of directors named by first nations people.

I just think it's a better model than the department pushing contribution agreements, which is what we've done for the last 50 years, with limited results.

Mr. Jake Stewart: Is it fair to say that you've shared that idea in your role as deputy minister with the current government, which has been in place for the past nine years?

Mr. Michael Wernick: I've had no contact with this government since I left five years ago.

Mr. Jake Stewart: Five years ago, but that's not my question. With all due respect, you were a deputy minister, and as a former minister in New Brunswick, I can tell you that deputy ministers have a wish list, sometimes 20 or 30 years long. They march them into your office as soon as you get there, knowing that you might be just a little bit green and naive and that you might bite the bullet on something they've been trying to get done for decades.

In the first four years of your being a deputy minister while this administration was in power, how did they sit with your Crown corporation idea? Who did you take it to? Who turned it down? Who was against it? Why?

• (1815)

Mr. Michael Wernick: I'm sorry. I was a deputy minister under the Harper government. All of my years were with Stephen Harper's government. My ministers were Jim Prentice, Chuck Strahl, John Duncan and Bernard Valcourt. We were busy with other things.

Mr. Jake Stewart: Okay, I'm going to stop you there. The reason I asked if it was Trudeau's government is because you said you hadn't spoken to this government in five years, so you're telling me you never once brought this Crown corporation idea to the current administration? That was actually my question.

Mr. Michael Wernick: No. In 2017, the government had already reached a political agreement with the Assembly of First Nations that led to the split of the department. The creation of a split department, with Indigenous Services on one side and Crown-Indigenous Relations and Northern Affairs Canada on the other, was something that the Assembly of First Nations had been promoting for quite a while. There had already been a political decision to make that change in 2017.

Mr. Jake Stewart: I appreciate that, so do you believe that the Assembly of First Nations' idea was a poor idea?

Mr. Michael Wernick: I think that it's 2024 now, and it's worth taking a look, six or seven years later, after the split in the organization. I'm sure that it's accomplished some positive things. I think bringing health into Indigenous Services was a good idea, but it has its limitations, because it's still a department pushing the contribution-agreements model, and—

Mr. Jake Stewart: All right, thank you for that. It's my floor.

Mr. Michael Wernick: —the steps that Sheila Fraser put forward have not been met.

Mr. Jake Stewart: Thank you for that once again.

I left the room for a moment, and as I came back in, I heard one of the MPs criticizing me for saying that the Indian Act brought both positives and negatives. If that Liberal MP represented first nations at the length I have, he would know something. Despite the imperfections of the Indian Act—and it was done in 1876 by Alexander MacKenzie, a Liberal prime minister—he would know damn well that first nations are scared to have that opened up, because they're scared of government always taking something from them.

It's not perfect, and don't criticize me if you don't know the file. You're better off shutting your mouth if you don't know anything about it.

Here's what I would say to you, Mr. Weiler—and listen closely. You're the government. If you want to get rid of the Indian Act, you open up and get rid of it. Let's see you do that. You have the power. You're the governing party. Let's see you finally change the name.

Look at the name of it even: “Indian Act”. It's 2024, and we still have that name, and you're over there criticizing? Talk to some first nations people and you'll realize there's a great fear in terms of what actually happens when that gets opened up in this country.

How much time do I have, Chair?

The Chair: Fifteen seconds.

Mr. Jake Stewart: That's all for me. I hope he will educate himself accordingly. Thank you.

The Chair: Thank you very much.

Turning now to Mrs. Shanahan, you have the floor for five minutes.

Mrs. Brenda Shanahan: Thank you, Chair.

It's interesting where we're going in this meeting, but it's a good exercise to look back at, I guess, the near past of the last 20 years and what could have been done and what should have been done but was ultimately not done.

Mr. Wernick, given your experience with both governments during that time, can you point to any particular time or decision that would have changed the trajectory of the outcomes for housing for first nations vis-à-vis how the federal government approached resolving this problem?

Mr. Michael Wernick: Casting my mind back, the one significant thing in the housing area was the First Nations Market Housing Fund, which was created by former minister Flaherty in the budget of, I believe, 2008. It might have been 2009—you could check on that. It was designed with first nations advice and input specifically to try to access capital markets and create something closer to market housing conditions as an experiment.

It's still there. You can google and look up the First Nations Market Housing Fund. They have made progress in some communities.

As I said, the First Nations Land Management Act is really important, because it gives communities complete control over land use, zoning and how the land in their communities is going to be used. Take-up of that has been really important. We tried to remove barriers to make that more accessible.

There was specific legislation passed by Parliament back then to allow the property development at Squamish Nation in British Columbia, using something called FNCIDA, which is an acronym for the First Nations Commercial and Industrial Development Act. That made the housing development in Squamish—which is still a work in progress—at least possible.

Workarounds and attempts to create paths out of the Indian Act and create better models have been introduced by every government over the last 40 years.

• (1820)

Mrs. Brenda Shanahan: Thank you for that.

I think that's what a number of members here found very interesting about the testimony that we heard from Chief Haymond in the last panel.

Chief Haymond testified that they were able to get a good portion of their capital to finance the institution through bond markets. I think there's something there. I think that's worthwhile exploring, because, as we all know, housing and land are assets, and assets have value that can be financed.

Indeed, looking at this from a social finance point of view and reinvesting in the communities, are these models that you're familiar with?

Are these things that came across the table when you were in office?

Mr. Michael Wernick: Absolutely.

Again, these are workarounds. There have been attempts in some communities to access this. The First Nations Finance Authority is an attempt to do that. There are attempts to use ministerial guarantees. You use the Crown as the backstop for the loan by a first nation.

It is the first nation that's doing the building, doing the contracting, hiring the architects and hiring the contractors and the firms. This is a real struggle—truth to power—because these are often small communities, small governments and small staff. These are hard things for the City of Montreal or the City of Lethbridge; it's very tough on a first nations community to deliver this.

Most communities will always need some kind of partner to work with, and, unless there's going to be a turning off of the tap of taxpayers' dollars, somebody has to manage the flow of taxpayers' dollars from Parliament to these communities, which is why I think we should try. If you just keep trying the same model and you're not getting better results, you should at least try a different approach.

The difference is that you're having a lively political debate about the cost of mortgages for young families in Canada. Underneath that is the assumption that almost everywhere in the world and everywhere else in Canada, housing and infrastructure is largely debt-financed. It's not cash up front. The only people who pay cash up front are Aboriginal Affairs, Indigenous Services and maybe the Saudi Arabians. Everybody else uses some form of debt financing to build assets with a long life. Infrastructure and housing would fit in that, including power grids, water, waste water, Internet connections and so on.

We did a lot that we could on a cash basis. We did a very innovative market finance deal in northern Ontario that you're probably familiar with, the Watay Power thing, which brought electricity to about 20 communities in northwestern Ontario. It will come online this fall, which I'm very pleased to see.

That's the direction to push in. It's not just pouring more money into the broken social housing model; it's trying to find ways to access private capital markets and get two to one, three to one or four to one leverage—whatever Parliament is able to provide.

The Chair: Thank you, Mr. Wernick.

I'm going to now begin our third round. I think I'm going to have truncated rounds of four minutes and two minutes.

Mr. Melillo, you have the floor for four minutes, please.

Mr. Eric Melillo: Thank you, Mr. Chair.

Mr. Wernick, I'd like to ask you about the census data the government is using for this.

The Auditor General's report noted that the data being used is from the census of 2001. It certainly doesn't make a lot of sense to most parliamentarians and Canadians across the country to use such outdated data for making decisions like this.

Can you explain why that could be the case? Is there any reasonable explanation as to why they could not use more recent data?

Mr. Michael Wernick: I have no line of sight to that. I'd just be speculating.

I would note for the committee that the 2021 census data will be released in July under the rubric of the indigenous peoples survey, and there will be a rich array of census data available to all Canadians and parliamentarians this summer.

• (1825)

Mr. Eric Melillo: Thank you very much.

You've mentioned some specifics here, but you spoke right off the hop in response to Mr. Nater's original questions about deep structural reforms that are needed.

I know that you touched on it throughout the entirety of your comments. I'm wondering if there's anything that has been left out from that that you can speak to specifically.

Mr. Michael Wernick: I'm challenging you to think about how to get out of the Indian Act, for sure. I do think that, instead of flogging the model of a department pushing contribution agreements, it's worth considering in all of the elections.

You have an election next year. Any one of the five or six parties could put in their platform a commitment to redo the structures of government and create a first nations housing corporation working closely with communities and with an enormous amount of first nations leadership.

It would be a step towards the full devolution that the other member was talking about.

I would definitely recommend passing enforceable building codes and enforceable fire codes. That's really important.

There's legal ambiguity in the law right now about who owns the physical assets on reserves, which makes it very hard to get insurance. It would be possible to put some lawyers on this and amend the legislation to clarify that the first nations are the owners of the assets in their communities.

Mr. Eric Melillo: Thank you very much.

I think I have about a minute and a half left. I'm going to offer that to my colleague from the NDP.

Mr. Blake Desjarlais: Mr. Chair, as point of order, can I allow this minute and a half to be in addition to my regular time, with the consent of the Bloc?

The Chair: Do you mean to run your time together?

Mr. Blake Desjarlais: Exactly.

The Chair: Do you want to go now, or do you want to go on your turn?

I'm fine with it either way.

Mr. Blake Desjarlais: What do you prefer, Nathalie?

Ms. Nathalie Sinclair-Desgagné: You can go.

Mr. Blake Desjarlais: I'll go now, then.

The Chair: You have just over three minutes.

Mr. Blake Desjarlais: Mr. Wernick, at least we agree on some things. We agree that there's a fundamental need to change the relationship between Canada and indigenous peoples—first nations, Métis and Inuit. I think we agree there.

I hope to have your indulgence in listening to what I'm saying. We've heard a lot from you in regard to your ideas about this utopian society that can exist by Canada's own parliamentary processes and law-making authorities that have been assumed in this place.

We agree that this fundamental difference must exist. This change is required. The issue you just pointed out a second ago is this need for... Even the courts, for example, don't know whose land...or who owns what.

This has been a question of jurisdiction more recently. For example, the Daniels v. Canada case in 2016 finally answered the question as to who has the jurisdiction to legislate on behalf of Métis persons. This is a live conversation we're having on who has the assumptive title or supreme law-making authority in a colonial country like Canada. That question is still being debated, but you've largely assumed that it's been operational.

Wouldn't you agree that this question, in your mind, is answered? It's that Canada has the supreme law-making authorities. You mentioned that the abolition of the Indian Act should take place by Parliament and that it should be replaced by Parliament. There's a Crown corporation created by Parliament. Parliament, a place of non-indigenous people, should largely be responsible for the continued paternalism that has largely plagued first nations.

I want to give you an opportunity to speak about the question of who has assumed sovereignty in Canada.

Mr. Michael Wernick: I think one of the reasons we've had over 25 Supreme Court rulings since the creation of sections 25 and 35 is that Parliament has not been able to fill a lot of the issues with legislative solutions, so people have gone to the courts and the courts have filled the space.

There's ample opportunity for the Parliament of Canada to clarify all kinds of issues within the framework that's set by the Constitution.

My view, and it's just an opinion, is that the charter applies to all Canadians. The Constitution applies to all Canadians, and Parliament cannot abdicate its sovereignty over law-making on behalf of 41 million Canadians. All Canadians are—

Mr. Blake Desjarlais: Just stop there. That's enough.

That point right there is the point that we dispute, I believe, Mr. Wernick.

I do not believe that Canada, as you mentioned, has supreme law-making authority over all Canadians. You're going to assume that all indigenous people are Canadians. Sure, some will submit that they are, but not all will submit that's the truth, particularly in unceded territory.

Wouldn't you agree?

• (1830)

Mr. Michael Wernick: The law-making by first nations communities affects their neighbours and other Canadians. It has to be a nation-to-nation relationship, which is reciprocal.

[*Translation*]

This is the principle of non-interference and non-indifference.

[*English*]

Mr. Blake Desjarlais: They have an assumed title.

I think you've answered my question in your deflection and being unable to answer directly to the fact that it's your position that all indigenous people have been enfranchised.

That's your position, isn't it?

Mr. Michael Wernick: My view is that Parliament is the law-making authority for all Canadians.

Mr. Blake Desjarlais: That truth exists because you believe all indigenous people are enfranchised. Is that correct?

Mr. Michael Wernick: I don't know what you mean by enfranchised.

Mr. Blake Desjarlais: My God. You know, it's not even worth talking about this any longer, Mr. Wernick.

The Chair: Why don't you just leave it there, Mr. Desjarlais?

Mr. Blake Desjarlais: It's been the perspective of the Indian agents for the last 150-odd years that indigenous people should be assimilated, enfranchised or conquered.

You've confirmed in many ways in this discussion today that it's your perspective as well. It's clear to me why the issues that placate indigenous society today are with us.

Mr. Michael Wernick: No. That is a gross misrepresentation. That is libellous. That is a misrepresentation of my views—

Mr. Blake Desjarlais: No, that's the truth, Mr. Wernick.

The Chair: Gentlemen.

Mr. Wernick, just stop for a second.

Mr. Wernick, I'm going to give you a moment to respond. We have issues with interpretation and the interpreters.

Mr. Desjarlais, you had a final word there. I'm going to allow Mr. Wernick to respond briefly, and then we're going to move to the next person.

I gave you more than your time.

Mr. Blake Desjarlais: Will he answer the question?

Does he assume that all indigenous people are Canadians for the purposes of sovereignty and jurisdiction of Canada?

That's the question.

The Chair: I believe he did answer.

Mr. Wernick, I will give you not a lot of time, but I will allow you to respond for the record, please.

Mr. Michael Wernick: The constitutional framework, including sections 25 and 35, includes the inherent right to self-government by indigenous peoples, which has been interpreted in various ways by the courts. It is given expression by specific agreements, treaties and legislation.

The Chair: Thank you.

[Translation]

Ms. Sinclair-Desgagné, you have the floor for two minutes.

I'll then ask the analysts a question or two, before wrapping up the meeting.

Ms. Nathalie Sinclair-Desgagné: Thank you, Mr. Chair.

Mr. Wernick, I was pleased to hear you quote France's position of non-interference and non-indifference with regard to Quebec sovereignty. I understand that you support Quebec sovereignty. I'm delighted to hear that.

Mr. Michael Wernick: Not at all.

Ms. Nathalie Sinclair-Desgagné: You just need some convincing.

Mr. Michael Wernick: If Canada is divisible, so is Quebec.

Ms. Nathalie Sinclair-Desgagné: Okay, so you're a proponent of partition. I can't believe it. However, this does speak to the nature of Canada. Partitionism has sparked civil wars all over the world. I'm taking note of what you just said. It's an extremely dangerous statement. I'm taking note of it in front of everyone. I hope that the record will show that this is how the former clerks of the Privy Council for the federal government think and feel. It's disgraceful.

I have one final question.

In Quebec, the Aboriginal Savings Corporation of Canada invested \$28 million in loans from capital collected through first nations' savings bonds. You asked earlier where this money comes from. It comes from savings collected by first nations in first nations communities, in their private markets and in specific markets. These initiatives have helped build hundreds of homes, and further investment is required. This type of information comes from the Yänonhchia' program.

Of course, Quebec has the full capacity for self-determination. In her report, the Auditor General notes that Quebec is doing much better in terms of indigenous housing, for example. That's a fact.

To that end, don't you think that Canada should be inspired by the Quebec model and how we treat indigenous people, meaning by mutual agreement and as kindred nations?

Mr. Michael Wernick: It's a possible solution. Will it work in every other province or part of Canada? The first nations will have to decide.

The Chair: Thank you.

[English]

I have a question from the chair.

Mr. Wernick, I think you've given us a lot to consider here today. This is not testimony that certainly I as chair had expected. In fact,

your comments reminded of when I went to study 15 years ago at the London School of Economics, which was well regarded as a bastion of left-wing thinking, supposedly, or so I was warned. When I arrived on campus, I discovered that the school was rooted in the belief that private property was fundamental to building. I think you've touched on that today.

Here's a question I have for you that I'd like a response to. During your time as Deputy Minister of Aboriginal Affairs and Northern Development, the government was focused on creating economic opportunities in the resource sector and first nations self-government accountability. It has been argued that those priorities led to systemic underfunding of basic public services, such as housing and health and education, especially in remote communities where the cost of providing these services can be significantly higher and where there may not be significant administrative capacity or economic activity.

How do you respond to this criticism? Please provide any thoughts you have on it.

• (1835)

Mr. Michael Wernick: Well, I think there are many things in there. The fundamentals about communal land tenure and social housing I've commented on before. You're always going to be working around, in that sense. There are initiatives out there, like Manny Jules' property ownership initiative. I know that the Nisga'a people have decided to create a form of private tenure within Nisga'a lands. There is all kinds of experimentation.

I think a lot of these have to be community-led, to be very clear, not government-imposed, but government can remove the obstacles. I think you should be looking at all the obstacles to community empowerment and economic development. There has to be income and economic life in communities for them to be healthy and have good social and health outcomes. That's true for all Canadians.

You're not going to like this, but in my view, looking back on it, the Harper government was fairly ambitious on structural reform but very stingy on funding, and the Trudeau government was very generous on funding but has very little to show for it in terms of structural reform. One of these days we'll get a government that wants to do deep structural reform and fund it properly.

The Chair: Thank you very much. We all appreciate your time here today.

I will now adjourn this meeting. The subcommittee will reconstitute itself in just a few minutes.

Thank you again, everyone. We do have votes at 7:30, for those who might not be looking at the emails.

This meeting is adjourned.

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