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• (1635)

[*English*]

The Chair (Terry Sheehan (Sault Ste. Marie—Algoma, Lib.)): I'm going to call this meeting to order.

Welcome to meeting number 16 of the House of Commons Standing Committee on Indigenous and Northern Affairs. We recognize that we meet on the unceded territory of the Algonquin Anishinabe people.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Monday, October 27, the committee is commencing its study of the 2025 reports of the Auditor General of Canada, "Follow-Up on Programs for First Nations".

We're going to have two panels: first the minister and then the Auditor General. I just need a little time at the end to provide some instructions from the committee to the analysts and the clerk on what we heard and what we want them to work on over the holidays. About 10 to 15 minutes before the end, I'm going to suspend, and then we will go into the drafting instructions.

Without further ado, appearing today from 4:30 p.m. to 5:30 p.m., we have the Honourable Mandy Gull-Masty, Minister of Indigenous Services. Welcome, Minister, we're glad to have you here. As well, from the Department of Indigenous Services, we have Gina Wilson, deputy minister; Candice St-Aubin, senior assistant deputy minister, health and social; Paula Hadden-Jokiel, assistant deputy minister, regional operations sector; and Jennifer Wheatley, assistant deputy minister, first nations and Inuit health branch.

We're all here, so that's great.

Minister, you're going to have five minutes, please.

Hon. Mandy Gull-Masty (Minister of Indigenous Services): Good afternoon, everyone. The day has been quite long.

[*Witness spoke in Cree and provided the following translation:*]

Hello, everyone. Thank you for inviting me.

[*English*]

Last time, I don't think translation was provided when I spoke in Cree.

Thank you, Mr. Chair, for inviting me. Thank you for giving me the opportunity to come back.

I welcome the Auditor General's follow-up report on programs for first nations and Inuit, and along with that the feedback directly

from the community that guides our ongoing effort and commitment to ensure we are continually striving to improve the delivery of services.

The Auditor General's message to us was direct—there is progress since the earlier audits, and there was an additional message that was very clear to us, but there are places where our progress must go faster, be clearer and be more accountable. That's what a follow-up is. It is a measure to ensure that you are seeking to follow the progress you're making. We also are looking to measure what has changed and to name what hasn't, to understand why, and also to focus on what our next steps are.

My department and I will soon present an action plan that will lay out the next steps we are going to undertake, shaped by what we've also heard from communities, which are a valuable part of this conversation. I carry this responsibility with care, and I'm looking forward to that work, which will be presented in spring 2026.

As a first nations woman, I can attest directly to the impact of services and the impact felt when proper services are not provided. I've also seen the difference when a community or service is well prepared. I know directly from personal history, living in a remote community, what it means when there is a nurse who delivers that service with care and compassion, and also what it means when that nurse is able to deliver it in your mother tongue. I know that listening to our leaders is a critical part of that, and being rooted in an approach that's based on culture is something that is very significant and necessary to ensure proper health care.

Let me share some of the work we've already done, beginning in health services.

Working with first nations partners, we've taken steps to bring care closer to home. I think this is absolutely imperative. This includes expanding eligible services to include paramedics, licensed practical nurses and nurse practitioners, and also improving the ways we hire and retain health workers in the communities that need them the most. We have also included the hiring of over 100 new frontline nurses, and those nurses are often working in remote and isolated communities. What does this mean? It means more consistent primary care, better after-hours support and, most importantly, fewer trips far away from family to receive that basic service.

We are improving dental care delivery, with 2.8 million dental claims provided for first nations and Inuit last year. That number represents real people who have accessed a broad range of dental services, from prevention to fillings, across Canada and across the span of their life.

[Translation]

We're also investing in first nations-led solutions. On September 12 of this year, at Whitecap Dakota nation, I had the opportunity to participate with the community and partners in turning the sod on the new construction of a virtual health centre, the first of its kind in Canada.

Supported by over \$28 million in federal funding, this project is innovative, and it will be indigenous-led. It will connect more than 90 remote communities in Saskatchewan to health services provided in the community.

• (1640)

[English]

During COVID-19, the OAG reported that Indigenous Services Canada adapted quickly to providing personal protective equipment to indigenous communities and organizations when other sources were not available.

At Indigenous Services Canada, we also streamlined ways to bring nurses and paramedics in, especially responding to communities when they were at their most vulnerable, as they often had members with very complex health needs. We were able to provide that support during a critical period of time.

[Translation]

Since this audit, we have also improved the way we send assistance where it's needed most. We can now quickly send staff and supplies when the communities need them. This is a critical approach.

Today, at Indigenous Services Canada, we respond to all requests for personal protective equipment for health services in the communities.

[English]

Regarding emergency management, I think everybody here knows this was one of the most devastating wildfire seasons in history. I want to thank community leaders, elders, firefighters and those who fought on the front line to keep communities safe.

In the audit on emergency management in first nations communities, they asked for clarity before fire and flood seasons: agreements, role logistics, funding and timely support during and after events, with investment in prevention and mitigation. Since the 2022 audit, we have seen that Indigenous Services Canada has developed a comprehensive action plan and implemented targeted measures across all recommendations to strengthen preparedness, coordination and accountability.

The department remains on track to meet all of the associated timelines, including the development of new multilateral agreements in collaboration with first nations and provinces.

There are currently eight bilateral emergency management agreements and seven wildfire agreements in place. We are supporting over 300 emergency management coordination positions across the country.

[Translation]

We will continue to work with the communities, building on indigenous knowledge so we can protect lives, build community resilience and reduce the impact of emergencies.

[English]

Ensuring clean, safe drinking water for first nations is a top priority for this government, and for me personally. We are funding operations and maintenance for existing systems and supporting first nations in new infrastructure builds.

Since 2015, we've seen sustained progress. We've committed over \$7 billion to support first nations for on-reserve water and waste-water infrastructure and operations and maintenance, including over \$5 billion to support 1,545 water and waste-water projects that will benefit 595 communities serving approximately 481,000 people; 725 of these projects have been completed to date.

The results have been clear. We were able to lift 149 long-term drinking water advisories, providing access to clean water to 9,289 homes and 655 buildings and further preventing 310 short-term water advisories from becoming long-term problems.

Based on 2023-24 performance inspections, 97.5% of public water systems on reserve produce treated water that meets the prescribed standards in the guidelines for Canadian drinking water quality.

However, as the Auditor General also pointed out, there's still work left to do. In every community with a long-term drinking water advisory, there is a plan in place and there is work under way with the community to work towards lifting it. I'm committed to advancing this work while making sure that we are not only accelerating this process but also demonstrating progress.

The Chair: Thank you.

If we can get you to wrap up, we'll get to questions, and you'll be able to get them out.

Hon. Mandy Gull-Masty: By spring, we intend to introduce legislation on clean drinking water. I'm very excited to see that come to the table.

We are also addressing that while there has been much work done—and a lot of information has been provided in these audits—there continues to be progress. Meeting communities in the places where they are is an important part of that progress. We are looking to press forward to work together. We understand that there is urgency, but we must also demonstrate respect and transparency for the families we serve.

Today, we do accept these findings. We know that they are a measure and a guideline. We recognize that there is work that remains, and we are committed to the path ahead. It's essential that our services are delivered in ways that honour culture, dignity, self-determination and progress for the community in the community.

Meegwetch.

● (1645)

The Chair: *Meegwetch.*

We're going to go to our first round of questions. For six minutes, we have MP Morin, please.

Billy Morin (Edmonton Northwest, CPC): Thank you, Minister, for sharing your time with us today.

I want to acknowledge you again as the first indigenous ISC minister. I can only try to understand the difficulties of being indigenous and trying to overcome the challenges of the ministry itself. That said, we still have a challenge before us, and we have much work to do.

Reflecting on these reports, Minister, you acknowledge some level of progress, but according to the reports, ISC budgets have increased 84%, yet over half of these recommendations still go unanswered.

You just mentioned water, which is one of the reports we're talking about today. You're introducing clean water legislation in the spring. You've made that commitment. The government has also made a commitment to the United Nations declaration and to free, prior and informed consent.

Can you answer this question? If one first nation doesn't agree to your water legislation, is that honouring free, prior and informed consent?

Hon. Mandy Gull-Masty: Thank you, MP Morin. It's a pleasure to work with you. It's a pleasure to spend this time with you, not only as elected officials in the House, but also as former grand chiefs of our nation. I think that this is progress for indigenous youth who are looking toward us.

The work that has been done with regard to water has been quite significant. I want to acknowledge that the groups I met with at the Assembly of First Nations last week were very clear. They wanted to see legislation on the table.

We know that there are over 640 different indigenous communities across the country—many nations, all with their own individual relationship with water. I think we also have to speak to the fact that there is a history of trauma associated with water. When you are not able to access clean drinking water, that really does have an impact on your relationship with that service when it comes into play in community.

In terms of UNDRIP, I'm very honoured to be part of the nation that helped draft the outline of UNDRIP and contributed to it. Many leaders in my nation contributed to that. When you're looking to speak to free, prior and informed consent and what UNDRIP is seeking to do, it's about ensuring that you are contributing to the process. I think the work, which has been immense, in drafting the water legislation is going to be great progress.

There's always room for improvement. I think that applies to legislation too. When we see space for something, or when we have not addressed a component or have overlooked a component, we as a government have to respond to that. I think that it is in these tables that we will hear testimony for what reshaping legislation could look like or what legislation speaks to today.

Billy Morin: I have only so much time, so I apologize. Thank you.

If one nation is against your legislation—because there were several in the previous iteration of this legislation—is that a violation of free, prior and informed consent?

Hon. Mandy Gull-Masty: That's a great question, MP Morin. I think that when one nation is expressing that they're not happy with something or they feel that something was missed for them, you have to do the work of really understanding what it is that concerns them and what they want to have addressed.

Billy Morin: Is it yes or no? Is it a violation of free, prior and informed consent if they disagree with the water legislation?

Hon. Mandy Gull-Masty: I can't speak for them. They would have to determine that.

Billy Morin: However, it's your legislation.

Hon. Mandy Gull-Masty: It's not the government's place to interpret whether I have violated their free, prior and informed consent. They should make the statement.

● (1650)

Billy Morin: If they say—

Hon. Mandy Gull-Masty: They should tell me as part of the government, and I'm always here, open and willing to work with them to meet what they do not deem satisfactory in that process.

Billy Morin: If the nation said that you violated their free, prior and informed consent with this legislation, would you agree with them?

Hon. Mandy Gull-Masty: I would agree to work with them, making sure that I am creating that space to adjust whatever they don't feel has been met or whatever is unsatisfactory. That's what I believe. I believe that if you're going to work with government, if you're going to come to the table and have an expectation of something and how you wish to be served, it should be individualized. It should respond right down to the nation level, or even the community level if necessary. This is because we have to offer a quality service. We have to offer programs that align with what communities are feeling. If there is a group that is coming forward and that wishes to express that this is their position, I'm there to respond to them and support them with what they need.

Billy Morin: Is your refusal to find free, prior and informed consent a way to avoid ever being held to it?

Hon. Mandy Gull-Masty: No, it is not.

Billy Morin: You will be held to free, prior and informed consent on more legislation.

Hon. Mandy Gull-Masty: What the government has put forward as legislation has been defined with the community, with a lot of contribution from the community. I want to acknowledge that work. I want to acknowledge everybody who came to the table. I want to acknowledge also that last week, during sessions at the assembly, I heard from many leaders across the country who were pleased with where things were at with the legislation. However, many also expressed to me that more needs to be done. It is not my position to determine whether government has violated somebody's position of free, prior and informed consent. I want to be respectful of that.

Billy Morin: I have one more question. I'll be quick.

The public safety minister refuses to enact essential policing legislation. These reports still show that communities are in crisis. There were 20 crises declared this summer; I can name them off. Are you in agreement with declaring first nations policing essential, and will you get that done as the indigenous services minister in cabinet, yes or no?

Hon. Mandy Gull-Masty: I've had a lot of really great conversations with Minister Anandasangaree. I think that we've heard a lot of things across the country. I myself have heard of many of the instances. There needs to be that support in community. What does that look like? They need to define it for themselves—

The Chair: Thank you very much.

We're going to have to move on to Parliamentary Secretary Lavack.

[*Translation*]

Ginette Lavack (St. Boniface—St. Vital, Lib.): Minister, thank you very much for being with us today.

The Auditor General identified four systemic barriers to progress. There's a lack of sustained management attention, a lack of clarity around service levels, capacity challenges and a siloed approach.

What steps is your department taking to address these barriers in a coordinated manner?

Hon. Mandy Gull-Masty: Thank you for the question.

When I was presented with the file, I saw that there was a significant demand from first nations for a one-stop service approach. That's one of the things I was proud to work on with my deputy minister. We determined what the process was for making changes internally at Indigenous Services Canada in order to adopt such an approach.

I'm also proud that our government has directed all cabinet ministers to take a whole-of-government approach to working on indigenous issues. My department mustn't be the only one addressing these issues. The Prime Minister has issued a directive to ensure that we all work together to provide this service.

Ms. Wilson, do you want to add anything?

[*English*]

Gina Wilson (Deputy Minister, Department of Indigenous Services): That was well covered. Thanks.

[*Translation*]

Ginette Lavack: Let's talk a bit about crisis management.

We know that Minister Olszewski's department is also responsible for these issues. As you already mentioned, the last wildfire season was very intense. In addition, the frequency of these disasters is increasing dramatically.

How is Indigenous Services Canada working with provinces as well as first nations leadership to strengthen preparedness for this?

What are you doing together with Minister Olszewski to ensure that the real challenges on the ground are being addressed?

Hon. Mandy Gull-Masty: Thank you for the question.

I worked a lot with my colleague Minister Olszewski, because the fire season was very intense. We did a number of things. This included working with over 300 community emergency coordinators. They were very supportive. We also worked with a number of nations in several provinces on various levels of emergency. We continue to make progress.

I had the opportunity to attend Minister Olszewski's meeting with federal, provincial and territorial ministers to see what the relationship was between the provincial governments, the federal government and the community. We were able to determine that there was a lot of work to be done in this area.

We managed to secure some agreements with the provinces, but we also have a bit of a way to go with some of them. Each province seems to have a different approach. We really want to make sure that the services and agreements are based not only on the reality of their community, but also on the relationship with their provincial government. We're trying to move forward on that, and we've been very successful so far.

We also want to make sure that not just those two groups play a role in the process. Public Safety Canada can also respond to emergencies through partnerships. If we have a clear agreement with a well-defined process and roles, along with well-defined follow-up after an emergency situation, we will be able to increase and adjust services to succeed in providing quality service. That service will always be based on what's happening in real time. It's really important. It's not enough to have a policy and work based on that. It's also about adapting to the reality of what's happening on the ground.

As we saw, there were a number of processes in place to fight wildfires. However, there were so many more wildfires this summer that we still experienced a lack of resources not only at Indigenous Services Canada, but also at the municipal and provincial government levels.

Despite these unfortunate and intense moments, and despite the climate of uncertainty, I think we've managed to establish a high level of co-operation. I was proud to know that, in a number of places and communities, residents were positioning themselves as leaders and they were on the front lines fighting the fires. This really showed that there was a great deal of strength within the community to ensure that their residents remained safe.

I'm also proud of the supports put in place while people were away from their communities and the vital supports they had when they needed to return to their community. Emergency situations are not limited to a single event. They involve a number of events.

At Indigenous Services Canada, we're there to work with them at all stages related to resolving emergency situations.

• (1655)

The Chair: Thank you.

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

Sébastien Lemire (Abitibi—Témiscamingue, BQ): Thank you, Mr. Chair.

Thank you, Minister, for being here.

You said you consider the Auditor General of Canada's audit a benchmark. You also said that your department will release an action plan in 2026 on the path forward to improve the programs identified in the Auditor General's report.

First, can you tell us—

Hon. Mandy Gull-Masty: Could you just speak a little more slowly?

Sébastien Lemire: Okay.

Minister, you said that the Auditor General's report was considered a benchmark and that your department will release an action plan in spring 2026 to set a path forward for improving the programs identified in the Auditor General's report.

First, do you agree with the Auditor General's recommendations?

Hon. Mandy Gull-Masty: When I receive a report with recommendations, I see it as a reflection of the Auditor General's work. When we prepared our action plan, we had the opportunity to work with the communities affected by the recommendations.

We know that a recommendation can be acted upon very differently from one part of the country to another. We also know that we really need to work on things that are not reflected in the recommendations, such as language and proximity barriers. Those barriers are not clearly identified. In our action plan, we're adding a response that will reflect that whole reality.

• (1700)

Sébastien Lemire: One finding in the Auditor General of Canada's report is that spending has increased by 84%. It went from \$13 billion to \$24 billion. However, communities continue to lack services like drinking water, electricity, housing and police services.

According to the report, every year, we see that part of your budget in the public accounts remains unspent. For example, last year, over \$1 billion was not spent. This doesn't apply to 2025. I remember one year it was almost \$5 billion.

Year after year, money is promised. Lofty promises are made to first nations, but your government isn't keeping its promises.

Why are you unable to spend the money that you've been granted?

Hon. Mandy Gull-Masty: Thank you for the question.

First of all, I'd like to talk about the 84% increase in spending. You have to look at the context.

These are nations, communities that have suffered from chronic underfunding that couldn't meet their needs. We've seen this in a number of areas, in specific spaces and territories. Those nations and communities all have different historical contexts compared to those of the provincial and federal governments. Their governance structures are also unique to their reality.

Indigenous Services Canada works with 640 communities on all sorts of things. If we close the gap by spending all the money, it will put more pressure on the communities.

That needs to be clear. In some cases, we provide funding to communities. We're not there to make sure they spend the money we give them, but to work with them.

When we work with them, it's not just to spend money; it's also to help them develop the capacity they need and ensure that the programs meet the specific needs of their nation. We also work with them to determine what their vision for the future might be. In this process, we're also more flexible.

Not everyone starts in the same place—

Sébastien Lemire: The reality is that—

Hon. Mandy Gull-Masty: —but everyone wants an outcome based on their nation's vision.

Sébastien Lemire: They're not all in the same place, but we often see that the poorest indigenous communities are in a downward spiral that keeps them in poverty. Unfortunately, the programs that should be lifting them out of these troubles don't make it to them, because they don't necessarily have the capacity to meet all the imposed standards.

Take housing, for example. The Yänonhchia' project by and for first nations is rooted in communities, but you didn't support it in the last budget.

Why is that?

Hon. Mandy Gull-Masty: Thank you for the question.

I had the opportunity to work with Chief Lance Haymond, and I was really impressed by his initiative.

I know that Chief Haymond is reviewing the process for the Yänonhchia' project so that it is offered not only in Quebec, but also across Canada. The Minister of Housing and Infrastructure is responsible for this file. His department supports the programs. I know he's in the process—

Sébastien Lemire: Will that include the Yänonhchia' project?

Hon. Mandy Gull-Masty: I know that meetings are being held to see what the potential of the Yänonhchia' project might be and to find out what other indigenous organizations we could work with. If communities want to establish a process to increase the number of housing units, we have to make sure that we work with them to meet their needs.

To be successful, communities and other like-minded organizations across the country must be invited to participate in projects. That's how we're going to be most successful as a government. If we take an approach where we impose things on communities and force them to adapt to our goals, it won't work. The results will not be based on their needs, which will create pressure. That's not my approach as minister.

I'm here to work with communities and to utilize various organizations that provide quality service. Personally, I believe in Yänonhchia'. I think that's a strength. I trust Chief Haymond. I know that he will be able to ensure that the government's urban, rural and northern indigenous housing strategy process includes consultation mechanisms with groups outside the government to determine what the needs are within the communities.

To really succeed, I think we need to work with groups that have relationships and work closely with other communities.

• (1705)

The Chair: Thank you very much.

[English]

Now we'll go to MP Schmale for five minutes.

Jamie Schmale (Haliburton—Kawartha Lakes, CPC): Thank you very much, Chair.

Thank you, Minister, for being here today.

Minister, when the department was created about six or so years ago, maybe seven, it had a mandate to put itself out of business one day. I think that's something we all support. As more and more nations take the path of self-determination, they'll go at the pace they feel the most comfortable with.

Having said that, the department itself, as the Auditor General pointed out, has grown in size from about 4,200 employees when it started to over 8,000 employees. In terms of outcomes, as the Auditor General pointed out, only 53% of the recommendations have been achieved, at this point.

Given the fact that you have more employees than ever—the funding is there, as the Auditor General pointed out—what are the barriers to achieving the outcomes?

Hon. Mandy Gull-Masty: Yes, I agree with that. When I came into this role as minister, I also supported the objective of indigenous-related files being ones that respond with the self-determination of communities taking on responsibility. I think this is a pathway for success. I support and honour the communities that are very close and continue to fill those spaces. I also acknowledge that there are some communities where capacity needs to be built. They need that support, because they are not in that space yet.

In terms of what we are seeing with increased funding and the increased size of the bureaucracy or public service within the department, I want to contextualize it. When the decision was made to split the department, it was immediately following one of the most challenging times for first nations people in this country. It was an era when there was a significant reduction of funding. There was a lack of support and a lack of real relationship with government. I'm really sorry. I don't want to be offensive, but the Conservative government, at that time—

Jamie Schmale: That's fine.

Let's take your—

Hon. Mandy Gull-Masty: I want to finish answering the question.

Jamie Schmale: I know, but I let you speak for a minute, and it's my time. Unfortunately, Minister, I have limited time.

Hon. Mandy Gull-Masty: I want to finish answering the question. You asked a question on bureaucracy. Well, I'm able to answer the question—

The Chair: We can't follow this right now, so let the minister finish. Then we'll go back to you and give you a couple more seconds.

Jamie Schmale: That was over a minute. I think I was more than fair, Chair.

The Chair: Yes, we'll give you a couple more seconds, but I'm going to let the minister finish.

Hon. Mandy Gull-Masty: I do want to answer the entirety of your question.

This department has grown in budget. This department has grown in terms of service. This department has grown because it has done a thorough analysis of the entirety of the needs of trying to bring community into a space. There are some communities that need additional support or extended support. There are some communities that have shifted and want to ensure that they're introducing new measures.

While you may not agree with the size or the growth of this department, or while you may not agree that it is...I don't want to say proper spending, because I don't think that kind of language is necessary in this discussion or reflective of what should be put on the table.... We are required and should morally want, as a government, to respond to the needs of first nations in this country, because they have been harmed historically, even before the Conservative government. They have responded to historical injustices. They have responded to instances. They still continue to suffer from the harm that was perpetuated towards them.

I do want to be fair, and I do want to be respectful, but I want to ensure that the entirety of the question is responded to in the greater context.

• (1710)

The Chair: Thank you.

Go ahead, MP Schmale.

Jamie Schmale: I will be reclaiming my time. Thank you, Chair.

Let's go back on that point where you talked about coming out of 2015. You can make that claim. That's fine, but no meaningful improvement has been made, according to the Auditor General.

In housing, it says right here in the paragraph that there was no meaningful improvement in housing conditions in first nations communities from 2015 to 2022. There was zero meaningful improvement, despite the fact that you're sitting here saying that it might have been a bad time there, but now it's much better. Well, no, it's not. The fact that you're saying that we're going to give quality services is fine, but most nations don't want more services.

You're a respected indigenous leader yourself. How many times were you talking about new services or new programs rather than direct funding to nations themselves to make their own self-determination?

Gina Wilson: The member is right that the number of employees at ISC as of March 31 was 8,619 FTEs. Also, now with the staffing cap and very prudent staffing decisions, the number has been reduced to 8,076 employees. In fact, the number is trending downward. I would just say that.

We also have significant results in many areas. In fact, we have a giant placemat here with all kinds of data, outcomes, indicators and exceptional results that may not have been well reflected in the OAG report but are outside and with everything else. We can go through all of those achievements if you'd like, but we probably wouldn't have the time.

Jamie Schmale: Thank you, Ms. Wilson. I appreciate that. Thank you for answering, but that wasn't my question.

Minister Gull-Masty, the question stands.

Hon. Mandy Gull-Masty: Thank you.

You might ask the question about there being zero progress, but I do not agree.

I reject the premise of the question, because there are many communities across the country that have benefited from the funding programs that existed, which are also reflected in this budget. They are undertaking and developing for themselves new home ownership, movements towards mortgage and movements towards building, ensuring that their community is able to implement and determine what its infrastructure looks like.

I've visited many of these communities. I am from a nation that is one of those communities.

Jamie Schmale: It says here in the Auditor General's report that—

Hon. Mandy Gull-Masty: I'm not able to understand where you say there is zero progress.

Jamie Schmale: —“the percentage of homes in need of major repairs”—

Hon. Mandy Gull-Masty: We are doing the work to ensure that we are able to meet the community in the space they're in.

Jamie Schmale: —“the percentage of homes in First Nations communities that needed to be replaced increased from 5.6% to 6.5%.”

The Chair: I've added about a minute and 50 seconds, so I'm going to move on. We'll have more opportunities to ask questions.

PS Jaime, you have five minutes.

Jaime Battiste (Cape Breton—Canso—Antigonish, Lib.): Thank you, Chair.

Jamie Schmale: I'm sorry, Chair. What was that?

The Chair: We added almost two minutes to that exchange there. The clerk was keeping time. It was a minute and 50-something seconds.

We're going to move on. There's another round of questions for the Conservatives. Thank you.

Jaime, go ahead, please. Thank you.

Jaime Battiste: Thank you for joining us here today, Minister.

I know you had a really busy week last week, with several first nations from all across Canada coming to Ottawa for the AFN annual general assembly. I'm sure it was something for them to see a minister of Indigenous Services Canada with lived experience of being first nations but also having been a leader herself at one point. I'm sure they talked to you a lot about the different priorities they had.

You mentioned in your opening statement that we're developing an action plan to better address some of the things moving forward. I'm wondering if you could share with us some of the concerns you heard and what our government is doing to move forward with the action plan in contemplation of what it has said.

• (1715)

Hon. Mandy Gull-Masty: Thank you, MP Battiste.

Last week was an exceptional week for me. I had the opportunity to meet with many of the people we are serving. In addition, I was able to also meet with some of the new young and emerging leaders, youth who are filling the space. I was really proud to see them participating at the AFN assembly, making statements and advocating for youth needs.

We heard three things. We really wanted to ensure that when we met with partners, we were able to identify with them what the budget was going to offer. We heard many concerns with what was going on with water legislation. We heard enormous feedback in terms of being really happy that the Prime Minister was there to speak to the tabling of that legislation in the spring. We heard a lot of discussion around housing. I'm sure I will be asked a question, so I'll save that portion of the response for your colleague who will continue with housing later.

I heard a lot of feedback in terms of the statements made by the Prime Minister with regard to what he wanted to do to protect first nations in this period of time in which we are under great pressure economically. We also heard that there was a lot of anticipation of what the transformation will look like at ISC. We have been working and actively engaging with partners to frame how we want to transition at ISC.

It's not only about trying to ensure we are offering a better quality service. It's also about transforming and modernizing within ISC. We underwent a comprehensive review process. We were able to identify areas where we could offer better services. We were able to identify areas where we could augment.

I'll ask my deputy to speak to some of the modernization and some of the action plans we're looking to present later on.

Gina Wilson: I'll be brief.

I'm very proud that ISC has recently reorganized many of its sectors, operations and programs. It's more focused and more streamlined, with clear accountabilities. The minister referred to a one-window service, so better services to individuals and first nations by mail, by person, in person, by phone, etc.

We're further reorganizing regional offices to provide better services, again, to first nations communities and individuals, but also to bring more innovations in technology and more automated services.

Thanks for the opportunity to comment.

Jaime Battiste: Last night, there was a National Association of Friendship Centres reception. I know that some of us in this room attended that.

I'm from a first nations reserve, but I understand the importance of urban locations like the friendship centres. There are some concerns from the friendship centres being discussed.

Could you speak to how are we prioritizing and recognizing urban supports for indigenous people in this country?

Hon. Mandy Gull-Masty: I was very pleased to meet the new leadership at the friendship centre. I was really happy to also speak with the executive director.

Clearly, it's looking for that continuity, that consistency and funding, so it can ensure that it's always reaching the objective of serving people who live off community.

That is a reality: There are some people who are leaving the community. There are some people who wish to be in city centres to go to school or work. There is a need for that space to come together as a community. These are critical spaces.

I'm looking to ensure that when we have the follow-up dialogue of what the outcomes are going to look like for that continued funding, it is framed by and coming from them.

We had the opportunity for an exchange. I'll ask for a technical follow-up in addition to what I've said, but I'm really encouraged with what I saw and the conversations we had.

The Chair: Thank you very much. If you could just follow up in writing, that would be great. We're at the end.

Candice St-Aubin (Senior Assistant Deputy Minister, Health and Social Sector, Department of Indigenous Services): That will not be a problem.

The Chair: Next, we have MP Lemire for two and a half minutes, please.

[*Translation*]

Sébastien Lemire: Thank you, Mr. Chair.

Thank you, Minister, for being here.

The Auditor General found that as of April 1, 2025, there were still 35 long-term boil water advisories in effect, a number that increased to 38 as of December 1, 2025. In addition, nine of those communities have been under advisories for more than 10 years, including the community of Kitchisakik, which is in your riding. In the case of this community, the solution came from Quebec City, which invested money in electrification.

Indigenous Services Canada has not been able to determine how much funding is actually needed for first nations to operate and maintain their drinking water systems.

How can your department claim to be making significant progress—this was your first response to the Auditor General's report—without establishing the core funding needs necessary for the safe and sustainable operation of these systems?

• (1720)

Hon. Mandy Gull-Masty: Thank you for the question. I was clarifying part of your question.

Yes, there are 35 boil water advisories left, nine of which are new and nine of which have been in place for over 10 years. These boil water advisories are in effect for a number of reasons. Sometimes it's a lack of resources to be able to work with the equipment—

Sébastien Lemire: The question was about how your department assesses the needs.

Why can't the department quantify the actual needs so that everyone has access to clean drinking water?

Hon. Mandy Gull-Masty: There are a number of reasons for boil water advisories. That's what makes it possible to determine needs. In some cases, there's a lack of human resources capable of working with the new equipment.

Sébastien Lemire: I'm going to interrupt you, because my speaking time is shorter than the others'.

Hon. Mandy Gull-Masty: That's how we'll determine where the provided amounts will go. To look at the picture of—

Sébastien Lemire: Minister, I'm sorry, but I don't have time.

The government is allocating zero dollars for 2025-26. It is allocating \$2.3 billion starting next year only. That means that the government's capacity to respond has been ignored.

My time is up.

The Chair: Thank you.

[English]

You will have to follow up in writing.

First off, for the Conservatives, we have MP Morin for five minutes. I believe you're sharing time.

Billy Morin: Yes, I'll share my time with MP Schmale.

Minister, you introduced Bill S-2 into the House today. You are doing some consultations on it, and you are doing an advisory process. Being from Alberta myself, I heard directly from the Alberta chiefs that they're feeling left out in multiple processes. Last week, the Prime Minister walked out on them when it came to answering questions directly on the assembly floor. Other first nations from Alberta said there was a private meeting with the Prime Minister, and many of them were left out.

On Bill S-2, you have an indigenous organizations table, the B.C. Assembly of First Nations, the Assembly of Manitoba Chiefs, and the Assembly of First Nations nationally. There are no Alberta first nations here, and they are feeling quite left out.

Why is the government leaving out Alberta Treaty 6, 7 and 8 first nations when it comes to consultation on major projects on the definition of what a first nations person is?

Hon. Mandy Gull-Masty: Yes, we did see Bill S-2 come to the House and be introduced today. The invite to the Prime Minister and the time allocated to him to speak are determined by the Assembly of First Nations. I won't comment on how that time was allocated or used.

What we did hear from the assembly were many things. There were some communities that really wanted to ensure that we were able to—

Billy Morin: What did you hear from the Alberta first nations? They're feeling left out.

Hon. Mandy Gull-Masty: I heard and received from the Alberta first nations specifically a letter saying that they wanted to participate—

Billy Morin: It was just a letter.

Hon. Mandy Gull-Masty: —in a consultation process that was identified and defined by them. I was able to have some good conversation with some of the leadership there during the treaty table that we have with Alberta first nations—

Billy Morin: Which leader was that?

Hon. Mandy Gull-Masty: —and they had clearly identified that while they were supportive of what a one-parent rule looked like, they also wanted to determine for themselves what membership and citizenship look like. My role, as a minister, is to try to find the space and how we can bridge those things.

I want to be sure it is well understood that I do want to address the second-generation cut-off. This was one of the very big concerns that I heard last week.

Billy Morin: All right.

Chair, I'm fine.

The Chair: Are you good?

We're going to move to—

Jamie Schmale: No, it's to me.

The Chair: —MP Schmale, yes, and you have two and a half minutes.

Jamie Schmale: You had to think about that, so I was a little concerned there. I thought we knew each other well enough, but that's okay.

The Chair: He split that perfectly at two and a half minutes.

Jamie Schmale: Okay. That's perfect.

Thank you, Minister.

Do you agree with the findings of the Auditor General?

Hon. Mandy Gull-Masty: As I have already stated earlier, I think I am receiving the Auditor General's recommendations. My response to those recommendations is to ensure I'm using them as a guide but also doing the additional work of working with the community to see what that recommendation looks like if it is applied in their community, and what the reality of that is. While I want to acknowledge that the Auditor General does immense work, and while I want to acknowledge that she gives recommendations that are based on an assessment point of view—

• (1725)

Jamie Schmale: Do you agree with those recommendations? Housing improvements have not gotten any better.

Hon. Mandy Gull-Masty: —it is my goal and objective, as minister, to—

Jamie Schmale: But do you agree?

Hon. Mandy Gull-Masty: —ensure that if those recommendations are implemented, they also align with what communities want to see in their community.

Jamie Schmale: I get all that. Absolutely. At the same time, yes or no, do you agree with the AG's recommendations?

Hon. Mandy Gull-Masty: Did you not understand my response?

Jamie Schmale: I did. I just would like a—

Hon. Mandy Gull-Masty: My response was that I have received—

Jamie Schmale: You said you accept them.

Hon. Mandy Gull-Masty: I have received the Auditor General's recommendations—

Jamie Schmale: You received them. That's not a yes or a no. Do you agree with them?

Hon. Mandy Gull-Masty: It's not a yes-or-no question.

Jamie Schmale: Yes, I'm pretty sure it is.

Hon. Mandy Gull-Masty: It is not.

The Chair: Let's not do the back-and-forth. Let's just let the minister answer and keep on with the questions.

Go ahead, Minister.

Hon. Mandy Gull-Masty: While I want to respect the work of the Auditor General, I also want to acknowledge that looking through a lens of compliance with outcomes is one aspect of the work we do at Indigenous Services Canada. While I think the recommendations she is putting forward are made with the best intent for a successful outcome, I also have to reflect that they are not recommendations that would align with the reality of all first nations communities in the same way.

Jamie Schmale: Okay. Let's go with that.

Hon. Mandy Gull-Masty: Additional work has to be undertaken and adjusted to reflect that reality.

Jamie Schmale: Are the majority of the first nations you're speaking with—

Hon. Mandy Gull-Masty: I want to clarify with you that it is important for us at Indigenous Services—

Jamie Schmale: Do they want more programs? Is that what they're asking for—more programs—or are they asking for direct funding?

Hon. Mandy Gull-Masty: It is important for us at Indigenous Services Canada to work with—

Jamie Schmale: In an agency whose mandate is to shut itself down—

Hon. Mandy Gull-Masty: There are some that also have direct funding—

The Chair: Hold on. Pause. This is really tough on the interpreters.

Thank you.

Please go ahead, Minister. I've added a couple more seconds.

Jamie Schmale: I know that the minister's job is to eat my time up. I totally understand that, but I'm not going to allow her to do that.

The Chair: Let's be respectful of the interpreters, though.

Jamie Schmale: I will give her as much time as I can, Chair—

Hon. Mandy Gull-Masty: I don't think that was really a respectful comment to make to me.

The Chair: We don't need a back-and-forth.

Hon. Mandy Gull-Masty: I would like it if you apologized, because I am trying to answer your question.

Jamie Schmale: I don't feel you are, Minister. I don't feel you are.

Hon. Mandy Gull-Masty: Your continued interruptions and your continued disrespect for my response are not making for a productive conversation.

The Chair: MP Schmale, let's just let the minister finish.

Jamie Schmale: I'm just asking questions. I get that you don't like the questions. I get that, but I'm asking the questions—

Hon. Mandy Gull-Masty: You might not like my response, but I still have to answer.

The Chair: We're going to let the minister answer the question. Then we're going to move on.

Please finish up. You have 30 seconds.

Hon. Mandy Gull-Masty: While there are some communities that are prepared to receive direct funding, we are able to work with them in that space. While there are some communities that need additional support and wish to build capacity and want to work with us, we are able to meet them in that space. When the Auditor General gives me one recommendation to apply, I have to make sure that, in application, I am meeting everybody's needs.

I want to be fair. I want to treat people well. I want to ensure that they are self-determining in the outcome, in addition. I am not here to force one recommendation on a community. I'm here to support them. I want to ensure that the Auditor General, while she sees I do my work, also understands that sometimes the reality from one community to another can be quite different. We as a government have to meet those communities in that place.

The Chair: Thank you very much, Minister.

Now we have Parliamentary Secretary Jaime, please.

Jaime Battiste: Thank you, Mr. Chair.

Minister, I know that you were kind of cut off during your time talking about Bill S-2, what you were hearing and what your position is on this. I know that we've had many good conversations about the need for the second-generation cut-off to be removed. Of course, there are difficult questions that we grapple with across this country: How do we remove it? What do we replace it with? How do we ensure that communities, whether they want it or not, have the ability to have a say in their own membership in terms of who decides who's a member of their communities and who decides who's a status Indian?

I wonder if you could just talk a little about your thought process on this and what our government's next steps are in looking at Bill S-2.

Hon. Mandy Gull-Masty: It's important that, when you're looking at the conversations that are happening at the assembly.... There are so many different perspectives. I had some caucuses who were very supportive of transitioning immediately to a one-parent solution for status; some expressed their concerns about cases in which it was not clear whether somebody who had married into status or had been adopted through status would have to, with immediacy, receive that solution.

For me, in all of my program and service delivery, I am always trying to be respectful of where community is: Where are they in terms of trying to define or determine what their membership code, protocol or citizenship code is? I believe that it is our work, in government, to move out of the space of determining somebody's first nation status and, really, work with community to define a pathway so that they can be self-determining in that space.

While it is very challenging to be the Minister of Indigenous Services Canada, it is extremely challenging to have to work with the Indian Act as a guide. I come from the lens and the belief that we should create space to move away from it, empower community to determine for themselves and work with them in a way that's respectful. I also think there is a lot of opportunity in this space for community to redefine what "solution" looks like. While there is an amendment in Bill S-2 that offers one-parent status as a solution, I do think we have to go beyond that scope to ensure that we're creating space for community to define for themselves.

The component of what the Indian Act identifies as status is one aspect of the discussion. The components of what membership means, how you bring new members into a community, how you identify those members who are part of a community but were denied service or programming in the space of living in a community.... These are all challenging things, really harsh realities that you have to speak to. That's why I think that creating that space and working with community in what they are looking to determine for themselves is the right path forward. First nations know what's best for them. We don't have to come from a place of telling them, especially when the lens that government has used, historically, is the Indian Act. I don't think that's of any benefit.

• (1730)

Jaime Battiste: Thank you, Minister.

I don't know how much time I have left, but I would like—

The Chair: You have a little.

Jaime Battiste: It's just a little. Okay.

Well, then, I will just end with this: I compliment you on the very beautiful earrings that you have, which have a lot of bling. I have talked to you and told you that my sister actually sells beads all across Canada—Sundaylace Creations. It's her birthday today, so I want to say, "Happy birthday, Mariah. Keep doing the good work."

The Chair: Thank you very much. *Chi meegwetch*, and happy birthday.

Minister, thank you so much for meeting the ask of the motion and appearing before Christmas, the holiday break. I wish you and your staff the best. *Chi meegwetch*.

I'm going to suspend for a bit while we change to the Auditor General.

• (1730)

(Pause)

• (1740)

The Chair: Welcome back.

Right now, we have Karen Hogan, Auditor General of Canada—welcome, Karen—and Glenn Wheeler, principal, Office of the Auditor General.

You have five minutes. Go ahead, please.

[*Translation*]

Karen Hogan (Auditor General of Canada, Office of the Auditor General): Mr. Chair, thank you for the opportunity to appear before the committee today to discuss our follow-up report on programs for first nations, which was tabled on October 31.

I would like to begin by acknowledging that we are on the traditional unceded territory of the Algonquin Anishinabe people. I am grateful for the contributions and stewardship of indigenous peoples across Canada, who have been caring for the lands they inhabit for generations.

With me today is Glenn Wheeler, the principal responsible for the audit.

Programs for first nations have been a long-standing concern for my office. In this follow-up audit, we examined Indigenous Services Canada's progress in implementing 34 recommendations from six audits that my office has conducted since 2015.

Those audits examined a variety of programs that are important to the health and well-being of first nations communities, including programs that provide access to primary health care, emergency management services and safe drinking water. Those audits cover things that most Canadians take for granted.

Even though program spending has nearly doubled over the past five years, we found that Indigenous Services Canada had made unsatisfactory progress on more than half of our recommendations.

[English]

For instance, as early as 2005, we identified concerns about drinking water quality in first nations communities. Although the number of long-term drinking water advisories has diminished since our 2021 audit of access to safe drinking water in first nations communities, we are greatly concerned that nine advisories have remained in effect for a decade or longer.

Similarly, we also recommended, in 2013 and again in 2022, that the department establish agreements to ensure that all first nations communities have access to emergency services. In this follow-up audit, we found that even fewer emergency service agreements were in place than in 2022. These agreements are essential for timely, coordinated responses to events such as wildfires and floods while mitigating disruption to people's lives and damage to critical infrastructure.

Reflecting on our audit findings, as well as on decades of audit reports on indigenous matters, we have identified four barriers that, in our opinion, hindered the implementation of our recommendations: lack of sustained management attention, lack of clarity around service levels, insufficient support to bolster first nations' capacity to deliver programs, and a passive and siloed approach to supporting first nations.

One thing is clear: The public service has to do a better job in working with first nations to make meaningful progress on these long-standing issues, which have spanned successive governments and impacted multiple generations. In my view, this will require a different approach and mindset.

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

Thank you.

The Chair: Thank you very much, AG Hogan.

First off, for six minutes, we have MP Eric Melillo for the Conservatives.

Eric Melillo (Kenora—Kiiwetinoong, CPC): Thank you, Mr. Chair. I appreciate the recognition.

Thank you to the Auditor General for being here.

You spoke about the department making unsatisfactory progress on these recommendations over half of the time. That is a question I put to the minister a couple of weeks ago, actually, when she was at committee. She straight-up disagreed with that assessment.

You confirmed this in your opening remarks. I'm wondering if you can expand more on what you found in your report, in order to make sure it's clear to everybody.

• (1745)

Karen Hogan: I want to be clear by starting off with the fact that we did choose a binary decision. It was either satisfactory or unsatisfactory, so that we could really draw a line in the sand and say

whether or not we felt meaningful progress had occurred to address our recommendations.

“Unsatisfactory” does not mean that nothing happened. There was progress in many areas, but what we felt was that the outcome had not been achieved. An example would be if we made a recommendation to consult with groups or communities and then implement something. While the consultation may have happened, the action of implementing something did not. We would have deemed that to be unsatisfactory, because, in the end, that was the outcome the recommendation was meant to achieve.

I acknowledge that there's been a lot of consultation and a lot of activity, especially around drinking water. There was a big reduction in long-term drinking water advisories, but in my opinion, one is too many, especially if it has been a community that has had it for multiple decades. Drinking water is a basic necessity, and I will always say that it has been unsatisfactory until all of those long-term drinking water advisories have been lifted. There were commitments made by the government to do so, and that deadline has come and gone.

Eric Melillo: I definitely agree with you on the drinking water. Northwestern Ontario, the region I'm from, is one of the regions where there are quite a few drinking water advisories that remain, a number of which are long-term ones. I do want to ask about that as well, because where I live in Kenora, in town we occasionally have a drinking water advisory that lasts maybe a day.

Things malfunction. It happens. I think that's expected across the country in all jurisdictions, but when you see a long-term advisory that goes on for decades, obviously there are greater structural challenges at play there. I'm wondering if you could speak to your findings over the years on what has led to those long-term advisories specifically remaining in place.

Karen Hogan: You're going to take me back to a report that we did a while ago. I will turn to Glenn, in case he wants to jump in on this.

I think there are many elements that contribute to a long-term drinking water advisory. What I also think is important to note is that while there was priority placed on lifting those, that meant an advisory that existed for 365 consecutive days or more. There are many that lasted just a little less, and then there were a few days, and then a new one came about, so it even underestimates some of the communities that have had a long-term impact, really, by having these drinking water advisories.

I would tell you that it's about a few things. It could be that the water treatment plant isn't operating properly. It could be that they don't have someone to actually operate it, that they don't have the skills or expertise in the area.

There is an assessment done, and when something is deemed to be of poor health—and that's done by the first nations community in conjunction with the department—that's when a drinking water advisory is put in place. Communities decide when it should be lifted or placed. There are many elements, unfortunately.

I don't know, Glenn, if you wanted to add anything to that.

Glenn Wheeler (Principal, Office of the Auditor General): Maybe I'll add one point, Auditor General: the whole issue of the funding formula not being amended to take into consideration the state of drinking water systems.

If you have an older system, it's obviously going to take more O and M money to keep it up and running. Although the department went from funding 80% of the cost of water treatment plants to 100%, which was a good thing, the funding formula was not updated to take into consideration the age of the treatment plants. That's another issue that is of some importance.

The Auditor General mentioned the issue, for example, of water treatment operators: You need a primary and a secondary. There is turnover, there are retirements and people leave the community, so you might have two water treatment operators at one point, but six months later you're down to one, and then you're going to have accompanying issues. There's a lot that goes into the issue.

Eric Melillo: Thank you for those responses.

I think there's about a minute left, Chair. I'm going to give that to Mr. Stevenson.

William Stevenson (Yellowhead, CPC): Thank you.

As a CPA, I usually like to look at the balance between what's overhead versus outcomes and what actually turns out to be your findings. Can you focus on the mechanisms that failed when you're looking at ensuring the process?

Is it the bureaucracy? Is it not getting programs up and running? Is it not getting money out to the first nations that need it in the specific areas, or is it being bogged down in process instead of actually getting money out there?

• (1750)

The Chair: You have 25 seconds.

Karen Hogan: Okay, I'm going to try to answer that really quickly. It's a tough one to answer, because it really will depend. At times, it's about negotiations with provinces or other levels of government, in addition to the first nations communities. At times, it's money. At times, it's capacity. There are so many factors that, with 25 seconds to answer, I think I would tell you that “it depends”.

Some hon. members: Oh, oh!

The Chair: Thank you.

Parliamentary Secretary Hanley.

Brendan Hanley (Yukon, Lib.): Thank you for being here, and thanks for the reports. Also, thank you for, I guess, the report on the reports. Tracking progress is so important.

I think you explained, somewhat, that it's like a binary report card. It's “unsatisfactory”, or it's “satisfactory”, yet you recognize that even within “unsatisfactory” there's progress.

One of the areas I'm interested in is.... When I look at emergency services or health services, I see that the context has changed, I would say, in both of those areas quite dramatically in the last few years. In emergency services, we know that wildfire risk has increased, for instance, dramatically. We know that in the provision of health services, we're in a national workforce crisis in terms of recruiting and retention. Even in my area, Yukon, where it used to be so attractive and easy to retain and recruit, it's equally challenging.

How do you apply the recommendations, recognizing the changing context, all while giving a binary report card, if you know what I mean?

Karen Hogan: I do, absolutely, and I will turn to Glenn, maybe, if you want some more details.

I think when it comes to.... Let's look at health services. We would have expected, after studies and assessments had been done, that a step would have been made to actually change and improve the health services. The studies and assessments did a good job of identifying what needed to change, and then that last step wasn't done. Even in a rapidly changing world, when you did that assessment and study, you heard from communities what they wanted and what should change, but then no change occurred. For us, that would be an unsatisfactory level of progress.

However, we did see some satisfactory progress when it came to the hiring of nurses or to finding more creative ways to get nurses into remote communities, so there were some that had very satisfactory progress. That wouldn't have been about just finding new ways. It would have been about actually having increased capacity and increased presence.

There were things that were done well, but at times.... If you just took that first step and didn't follow through, that is where we would have said “unsatisfactory”. This is one of our actual barriers—where we talked about a sustained focus from senior management.

There is a flurry of activity after our reports—a lot of commitments and action plans—and then we see it dissipate over time. However, we do see examples, such as in B.C.—and, in fact, I think there was even one in Yukon—where that sustained focus actually saw services transition to first nations communities. That would really be the definition of success in dealing with a recommendation.

Brendan Hanley: These four barriers in themselves, as you mentioned, particularly the lack of sustained management attention, but the others are equally intriguing.... However, I have to go to what you concluded with: a different approach and mindset. Maybe you can elaborate on what you see as a different approach and mindset.

Karen Hogan: You know, many auditors general before me have talked about this. The reason I decided to do a follow-up on some of our programs was to mark the middle of my mandate, so that it didn't wait until the end, with me saying what I heard my predecessors say. You know, Sheila Fraser would have said it was unacceptable, the lack of progress. Mike Ferguson, about halfway through his mandate, said that it was beyond unacceptable. I tried to think of a word, and I would tell you that big words aren't driving the change that's needed. I really think it needs to be something different, and I would point to one of our barriers, the siloed and passive approach, as being probably the biggest one that I think needs to change.

Currently, it is the requirement of all communities to know that a program exists and to have the capacity to apply for it or fill out the paperwork to get access to it, but then it's very granular. If it's drinking water, it's this program. With regard to drinking water, there are many programs that you might have to apply to individually. Then there's emergency management, etc. If it's about infrastructure, that's a different program from one about access to services.

That passive and siloed approach needs to change. Communities that need help need to be met where they are to help them change, and right now the department waits for them to come to the department.

• (1755)

Brendan Hanley: Just to dig into that, really what you're talking about to overcome that siloed approach is taking a more holistic intervention or audit. I recognize where the capacity of a community can be so stretched with trying to respond to a siloed approach, let alone maybe the consultation capacity as well when improvements are trying to be made.

Maybe you can highlight where you have seen a successful approach that has been more holistic and has overcome some of the siloed approach.

The Chair: You have 25 seconds again.

Karen Hogan: It's a very challenging committee with 25-second answers.

What I would point to here is that, if we look at our housing report—and it wasn't a success, but it'll highlight an example—smaller communities had more homes in need of repair or replacement, yet they received a fraction of the available funding, because they didn't have the capacity. It would put them closer to an equal footing if we went to them and asked, “Can we help you go through the heavy burden of all the paperwork and the funding?” Currently, it disproportionately disadvantages communities that just don't have that capacity.

The Chair: Thank you very much.

Our last question will be from MP Lemire.

[Translation]

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

Sébastien Lemire: Thank you, Mr. Chair.

Thank you, Ms. Hogan, for being here today.

Regarding Indigenous Services Canada's response to your report, the department stated that the audit doesn't fully reflect the significant progress that has been made, both in terms of lifting 147 long-term boil water advisories and 311 short-term ones, and in terms of substantial increases in funding for maintenance activities, operator salaries, training and infrastructure sustainability.

Your report also points out something quite disturbing, which is that Indigenous Services Canada has not determined the actual funding needed by first nations to operate and maintain drinking water systems. What we also saw in the last budget is that there will be \$0 this year and that the \$2.3 billion in funding is planned to start only next year.

In that context, can you explain how your office came to the conclusion that the department didn't properly determine the funding needed to operate and maintain the drinking water system?

Karen Hogan: Your question has a lot of elements.

I'm going to talk to you about the system, or the funding mechanism.

When we finished our audit on safe drinking water, I believe the funding system had not been updated in three decades. They updated it following our report, but for three decades, it didn't reflect the fact that it costs more to repair and maintain treatment systems and that the wages of operators assigned to treatment systems have gone up. The cost is just different in the north when it comes to communities that are much more remote than others.

The fact that the system hadn't really been adjusted was the basis for our conclusion. The funding mechanism has been adjusted since, but budgets still have to allocate money to support communities.

Sébastien Lemire: Since 2015, your reports have included multiple recommendations to Indigenous Services Canada regarding program delivery, as well as health services, education and drinking water.

What do you think have been the main challenges for Indigenous Services Canada in implementing those recommendations over time?

Do you see any trends or systemic barriers that have prevented your recommendations from being fully implemented over the years? Those could include the police, housing and obviously many other areas.

• (1800)

Karen Hogan: I'm going to answer you in terms of safe drinking water, but I think this can apply to other things.

The government had made a commitment to lift all boil water advisories by March 31, 2025. The deadline was missed. There were still many boil water advisories in effect. The government gave another deadline, but it missed that one too.

There has been a lot of progress. I acknowledge that. From about 60 boil water advisories, we're down to about 30, and that number continues to decrease.

However, there are still communities, nine in particular, that have been in this situation for over a decade. In one of the communities, it has been almost three decades. That's a long time to wait for safe drinking water.

It isn't just because of the money. It's also because of the approach, which is different. I would invite you to review our four barriers. You would see that each of the barriers has an element that factors in when it comes to understanding why the recommendations aren't being implemented in a timely manner.

Sébastien Lemire: One of the other things highlighted in your report is that many first nations communities continue to have to face challenges related to their capacity to effectively deliver service-related programs.

Based on your audits over the past six years, are there any recurring trends or patterns in the types of challenges faced by first nations, Métis or Inuit communities?

Could one of the problems be related to Indigenous Services Canada's capacity to support them in overcoming barriers?

Is it ultimately the fact that expertise is never developed within indigenous communities and that service delivery deadlines are too short to keep expertise active within the communities?

For example, if programs last one or two years, it's harder to maintain expertise than if those programs were offered over five or ten years.

Karen Hogan: It's obviously always a concern if the funding isn't long-term and is attached to a short-term program. However, the problem isn't always about money. I'll take you back to two of our barriers.

First, the required level of service has to be clearly defined. In this case, there's really a commitment to the communities to understand what they can expect to receive. Then, it's much clearer for the government when it comes time to establish the necessary level of funding. The lack of clear definitions in many areas is one of the elements. I see that as a major trend. We've been mentioning that for years, but it hasn't been resolved yet.

One of the issues is obviously the passive and siloed approach that we talked about, but there's also insufficient support to give communities the capacity to take action. It isn't just a matter of providing a service, but of truly making the community more autonomous by giving it the necessary support to have the capacity

and skills within the community. However, we often don't see that response or that approach.

Sébastien Lemire: Do you have the ability to assess whether an act would bring more rigour or improve the capacity to deliver services to first nations?

I'm thinking in particular of what the Prime Minister has committed to doing for next spring or Bill C-61, which we studied in this committee.

Do you think the money promised in the budget could have been used, but that there were ultimately shortcomings that the bill won't address anyway?

The Chair: You have 25 seconds left.

Karen Hogan: It's different when it comes to legislation that hasn't been approved yet. I don't know if that's going to change the approach that's used. It's even hard to say whether there will be an act. There have been changes over the years, and even decades, but there has been no change to the approach.

I think change is really needed. The government has to bring communities to the table and really change the way that it supports communities. We have to address not only the four barriers we mentioned, but also the barriers that they themselves raise. For example, they talked about the burden of filling out an application and applying to a funding pool.

It isn't just a question of money. We've seen the amounts of money increase. It isn't just a question of goodwill either. It's the approach that has to change.

The Chair: Thank you very much.

[*English*]

Thank you to AG Hogan and Principal Wheeler for your testimony today.

We are going to suspend, as we need to give drafting instructions to the analysts and the clerk for this study.

Again, thank you very much for taking time. I wish you the best of the season.

We'll suspend, and then we'll come back in committee to give some drafting instructions.

[*Proceedings continue in camera*]

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