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• (1105)

[*English*]

The Chair (John Williamson (Saint John—St. Croix, CPC)):
Good morning, everyone.

[*Translation*]

I call this meeting to order.

Welcome to meeting number 34 of the House of Commons Standing Committee on Public Accounts.

[*English*]

Today's meeting is taking place in a hybrid format, but I believe all of our members and witnesses are here in the room.

[*Translation*]

Pursuant to Standing Order 108(3)(g), the committee will begin consideration of the follow-up report on programs for first nations, taken from the fall 2025 reports of the Auditor General of Canada and referred to the committee on Tuesday, October 21, 2025.

[*English*]

I'd like to welcome all our witnesses. Thank you for coming in today.

From the Office of the Auditor General, we have Karen Hogan, Auditor General of Canada. It's nice to see you.

We also have Andrew Hayes, deputy auditor general, and Doreen Deveen, director. Thank you for joining us today and for correcting me.

From the Department of Indigenous Services, we have Michelle Kovacevic, deputy minister. It's nice to see you and your team: Richard Goodyear, senior assistant deputy minister and chief financial officer; Candice St-Aubin, senior assistant deputy minister, strategic policy and partnerships; Jennifer Wheatley, assistant deputy minister, regional delivery sector; and Curtis Bergeron, director, strategic water management directorate.

I believe there will be two opening statements.

As per our custom, Ms. Hogan, you'll kick us off. You have approximately five minutes.

[*Translation*]

Karen Hogan (Auditor General of Canada, Office of the Auditor General): Good morning, Mr. Chair.

Thank you for the opportunity to appear before the committee today on our follow-up report on programs for first nations, which was tabled on October 21, 2025.

I'd like to begin by recognizing that we are meeting on the traditional, unceded territory of the Algonquin Anishinabe people. I'm grateful for the contributions and stewardship of indigenous peoples across Canada, who for generations have cared for the lands they call home.

Programs for first nations have been a concern for my office for decades. In this follow-up audit, we examined Indigenous Services Canada's progress on 33 recommendations from six audits my office has conducted since 2015. These audits covered a range of programs important to the health and well-being of first nations communities, including programs providing access to primary health care, emergency management services and safe drinking water, things that many Canadians take for granted.

Despite almost doubling spending on programs over the last five years, we found that Indigenous Services Canada made unsatisfactory progress on more than half of our previous recommendations.

[*English*]

For instance, as early as 2005 we identified concerns with 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 services agreements were in place than in 2022. These agreements are essential for timely, coordinated response to such events as wildfires and floods while mitigating the disruptions to people's lives and damage to critical infrastructure.

Reflecting on our audit findings as well as decades of audit reports on indigenous matters, we identified four barriers that in our opinion hindered the implementation of our recommendations. These are a lack of sustained management attention, a 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 that have spanned successive governments and impact multiple generations. In my view, this will require a different approach and mindset.

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

Thank you.

The Chair: Thank you very much.

Ms. Kovacevic, you have the floor for approximately five minutes.

[*Translation*]

Michelle Kovacevic (Deputy Minister, Department of Indigenous Services): Thank you and good morning, Mr. Chair.

[*English*]

I am privileged to be here on the unceded Algonquin territory.

Good morning, everybody.

My name is Michelle Kovacevic, and I am the deputy minister of Indigenous Services Canada. This is my first time appearing before this committee in this new role. I'm quite grateful for the chance to be here so early in my mandate to talk about the path ahead and the important recommendations that the Auditor General and her team have identified. I will be super brief to allow maximum time for discussion.

The Auditor General's follow-up work offers important insight into where more attention is needed, clearly. The report highlights that, while progress has been made, gaps remain in how federal programs function for first nations.

[*Translation*]

We agree with the Auditor General's call for clearer service expectations, stronger coordination, better support for local capacity and sustained management attention. I acknowledge that these are long-standing issues and they require continued attention. I would like to emphasize the words "continued attention", because I believe that is indeed the key to truly improving services and benefits for indigenous peoples.

• (1110)

[*English*]

Key to our work is strengthening our partnership with first nations, responding to the realities communities face and improving how services are designed and delivered. That includes addressing systemic barriers, improving coordination across departments and supporting indigenous-led approaches grounded in community priorities. We do this by following the lead of first nations partners and moving at the pace they set, where appropriate.

[*Translation*]

I'd like to thank the committee for the opportunity to speak today, and for your ongoing attention to this work.

I look forward to hearing your perspectives.

[*English*]

I will be happy to take any questions.

Thank you.

The Chair: Thank you very much.

We're going to begin our first round. I understand that there could be bells in the last 30 minutes. We're going to try to get through as much as we possibly can. I'll make a quick call at the end about where we stand with the witnesses.

Kicking things off with our first round of three minutes and six minutes each is Ms. Kusie.

Stephanie Kusie (Calgary Midnapore, CPC): Thank you, Chair.

It's a pleasure to be back here at public accounts. I certainly missed this group over the last couple of weeks. It's fantastic to make the return.

Welcome to all of our witnesses. Thank you for being here today. It's always great to have the Auditor General with us, as well as our public service.

Ms. Hogan, your report states that you found the department made "unsatisfactory progress" in implementing the needed actions to address over 50% of the recommendations your office had made in six audits from 2015 to 2022. The report also shows that Indigenous Services Canada saw an 84% increase in funding from 2019 to 2020.

Why do you think your recommendations have not been implemented, despite the additional funding?

Karen Hogan: I believe this shows that it isn't only about funding. So many other elements are needed to make some meaningful progress and move along on the path of reconciliation.

In our report, we identified four barriers. I will quickly list them off.

The first is a "Lack of sustained management attention." I think there's a flurry of activity after we issue a report and there are action plans, but then that attention dissipates over time, and that lack of sustained attention, I believe, has contributed to that.

The second is a "Lack of clarity around service levels." That is a clear commitment by the government when you can define a service level.

The third is "Insufficient support to bolster First Nations capacity to deliver programs." Ultimately, Indigenous Services Canada should be transferring everything, but to do that, you need to make sure that there's capacity within all of the communities.

Finally, my last item for why I believe our recommendations haven't been implemented is the "Passive and siloed approach to supporting First Nations." I've talked about this many times. There are many programs and you have to apply many times to gain access to funding. That approach works just for communities that have capacity, rather than help those that are the furthest behind and moving them forward as well.

Stephanie Kusie: Thank you for that response. Having worked closely with you in four years, a theme I've seen repeatedly is the government not following through on what it intends to do and having difficulty applying the rules and measuring what it intends to achieve. Again, I'm seeing consistency in your responses and your findings across the government and across reports.

Madame Kovacevic, MPs had the chance to question Minister Gull-Masty about this report last winter, and she refused to provide a simple response as to whether she agreed with the findings of the Auditor General or not. I will ask you the same question. Does ISC agree with the findings in this follow-up report from the Auditor General?

Michelle Kovacevic: As I stated in my opening remarks, I agree with the observations, but I would qualify some of them as well. Did we meet the targets that were explicitly articulated? Clearly not, if you look at the percentages and whatnot, but has there been improvement relative to the baseline? Absolutely.

You know this, of course, but 157 long-term drinking water advisories have been lifted and 300 short-term advisories have been lifted. We are seeing massive improvements in our coordinated responses with first nations and provinces to emergencies. We are seeing high school graduation rates actually increase among first nations. There are definitely improvements, but we are falling short on the targets we had set out. It's not for lack of trying.

I also agree, as I said earlier, that sustained management attention is really important, and I take that very seriously as the deputy minister. My team and I need to be held to account—and that's for thorough, sustained attention and our performance agreements—but it's also about in situ, real-time reporting as you're working with nations. If there's a change—you can see there are exogenous factors and something's happening, and you already know the target is in jeopardy—it is our duty to say that so it doesn't come as a surprise two years down the line when the Auditor General reminds us that we've missed the target. That's the ongoing, sustained attention I think we need.

• (1115)

Stephanie Kusie: I appreciate your passion and your advocacy.

My observation would be that your department is not unique in not being given the direction to achieve these targets. We've seen this consistently across the government. Whether it is an attempt to reduce the deficit or obtain an agreement with the United States, I think there is always a lot of talk in terms of objectives, but it seems, repeatedly, that the government falls short.

I can certainly see that you feel confident about the improvements that have been made and the progress to date. Thank you very much for that.

The Chair: Thank you, Ms. Kusie. You were spot-on in your timing.

Up next is Mr. McKinnon for six minutes, please.

Ron McKinnon (Coquitlam—Port Coquitlam, Lib.): I want to talk about these four barriers that were identified. I'm wondering if something can be done to empower first nations groups to have more effect on whether these things are followed through on.

At this point, it looks like these are impediments on the government side at Indigenous Services and so forth. What about the other side of the equation? Can the groups themselves be empowered, and in what way could we do that?

Either one of you can go ahead. Whoever has the best answer can go first.

Michelle Kovacevic: We're fighting over who goes to the microphone. I win, Karen.

It's a great question because, at the end of the day, if the people who are impacted by these things are not involved from the outset, it's silly.

As I mentioned earlier, that capacity support is really important so that first nations and indigenous peoples can organize themselves and have the bandwidth, the human resources and the expertise to contribute. In fact, we've started that. It's not perfect, but if we talk about the emergency management audit, there were many recommendations. With the Assembly of First Nations, my department set up a steering committee, which was tasked with looking at those recommendations and coming together on what we could do to improve and meet those targets going forward.

Karen Hogan: What I would add to that answer is capacity building in first nations means that the Department of Indigenous Services Canada has to take a different approach. I talked earlier about the siloed application. What we often see in many of the audits that we followed up on is that they waited for a first nations community to come forward and put in an application, but you have to go and meet the community where they are in some instances, because there are some really small communities. If I look at housing, which wasn't even followed up on here, there are some small communities that really need access to housing infrastructure funding, but they don't have the capacity to apply, so they're not receiving it.

It's about not just sitting back and waiting for them to apply, but going to meet some of those smaller communities where they are to help them gain access to funding.

• (1120)

Ron McKinnon: Do we have to give them new tools to do this? If so, what kinds of tools would you suggest we bring to the table?

Karen Hogan: I can't audit the first nations communities, so it's not up to me to tell you what tools they need. I think it's about asking them what they want.

It's clear to me that Indigenous Services Canada, over many decades, has applied the exact same approach and hoped for a different outcome. That's why I fundamentally believe there needs to be a different approach. The current path isn't working.

Ron McKinnon: Indigenous Services would have a perspective on this as well.

Michelle Kovacevic: I'm always open to new and different approaches. We would welcome that conversation with first nations and with colleagues.

After the last round of audits and recommendations, we made a fundamental change to how we are delivering services at ISC. We started last year. On April 1 of this year, we implemented a new organizational structure. I know that sounds bureaucratic, but follow me.

Before, for example, health was a sector in headquarters called the first nations and Inuit health branch, which, to the Auditor General's earlier remarks, was siloed. Now we're saying health is something that is administered by all of the regions—I have a regional colleague here—and it isn't siloed in headquarters. There's one access point for all of the communities in the region for all of the services they deliver holistically, including health. That already starts to get at the siloed approach—perhaps not the passive approach—and how one dollar invested in health has to be coordinated, linked and correlated to the rest of the dollars invested in any one community.

We are starting, but we certainly welcome more intelligence on how we can improve going forward.

Ron McKinnon: Is there any area or region that is doing this significantly better than the rest? We'll start with that.

Michelle Kovacevic: I will ask my ADM regional colleague, who knows this better, to answer that one.

Jennifer Wheatley (Assistant Deputy Minister, Regional Delivery Sector, Department of Indigenous Services): As the deputy spoke about, reorganizing ourselves to create a single window for indigenous communities is positioning us to be able to be more proactive and engage and meet communities where they are, with particular attention—I take the point—on smaller communities with less capacity. I would say there's no region that's cracked this nut. We wouldn't have this audit report if we had cracked it already.

I think there are best practices. We are learning now with this new organizational structure to share those best practices more consistently and quickly across the country.

For example, with the most recent impending flood in Peguis First Nation, we actually deployed people—not for a tour of the community, but to stay in the community—so that we could facilitate, coordinate and be more proactive in our active offer of service at the leadership level and with our engineers and technical staff. I think that region is showing that leaning in more proactively, as the

Auditor General suggested, is helpful in meeting communities where they are and helping to fill the gaps.

Alberta is another region that is leaning in more proactively, as the Auditor General suggested we had to. The example there is funding emergency management coordinators. We have the best coverage for emergency management coordinators at the nation level to provide them with the capacity to do the planning we need for the responses they need to address increasing climate change-driven emergency disasters.

The Chair: Thank you.

That is your time, I'm afraid.

[*Translation*]

Mr. Lemire, you have six minutes.

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

Thank you, everyone, for being here.

Ms. Hogan, I particularly appreciated hearing you say in your opening remarks that issues affecting indigenous communities throughout Quebec and Canada are close to your heart. This is indeed evident in many of the reports, and I am sure that it helps advance the causes of indigenous communities on a human level. Speaking about this today seems essential. It is a matter of respect.

Ms. Kovacevic, I also want to thank you for being here.

I would like to come back to the committee hearing that the Minister of Indigenous Services, Ms. Gull-Masty, attended. She said that the report did not paint an accurate picture, particularly because the recommendations could not be applied everywhere. She mentioned that we needed to address other barriers, such as language and distance.

How are you currently addressing the barriers identified by the minister that are preventing her from working directly on the issues raised by the Auditor General?

• (1125)

Michelle Kovacevic: I cannot speak for the minister, of course, but I agree with what she said. There are certainly other barriers that need to be removed. We need to find solutions so that we can improve our services and, of course, our results.

For example, with regard to the education system, we changed the formula in 2019 to provide funding that would both enable children to attend school and also support language learning. This is what is called “comprehensive resources”. We provide some support to vulnerable people and children so that they can truly learn something at school.

Initiatives like these help us break down small barriers here and there.

[*English*]

That way, the overall results will improve.

[*Translation*]

Sébastien Lemire: I wonder what steps you plan to take to remove these barriers. If you have a plan, I think the committee would be very interested in hearing it, especially if it takes into account the specific circumstances of each community.

There has been a significant increase in funding for first nations. It has risen from \$13 billion to \$24 billion annually, representing an increase of approximately 84%, yet a substantial amount of money remains unspent in the coffers. According to the Public Accounts of Canada, some \$5 billion has not been spent.

It's all well and good to make grand announcements. In fact, I expect there will be some impressive ones tomorrow in the economic update. However, I would like to know, in concrete terms, what your plan is to support small communities so that they have the tools to grow and, of course, spend the funds allocated to them. Often, communities lack the resources to meet the standards required of them. Some communities are able to develop very quickly, while others are doomed to remain in poverty because we demand things they cannot accomplish due to a lack of resources.

Michelle Kovacevic: I suppose that question is directed at me, isn't it?

Sébastien Lemire: Yes, it is.

Michelle Kovacevic: Thank you for the question.

I would say two things.

First, we are transparent about all the funds we spend. Our audited financial statements are available on our website. You can clearly see the expenses and determine, for example, whether the funds were spent wisely or if there are any surpluses.

Furthermore, I completely agree with you, Mr. Lemire. We must focus on the most vulnerable, smallest and most isolated communities, because it is harder for them to access services. Moreover, the risks are enormous.

I believe we have already begun to gradually adjust our approach to spending. Instead of using a generic form—that is, a form that specifies exactly where various funds must be spent—we are focusing on isolated communities. We are allocating additional funds for factors such as the remote location of certain communities, because we recognize the importance of strengthening the capacity to provide the necessary services to these communities.

I don't have the answer, but I do believe we have to start somewhere. We have to acknowledge that there are risks, especially for small communities. We need to work with indigenous peoples, including first nations, to determine what communities need in order to meet expectations.

Sébastien Lemire: Despite two decades of audits, access to clean drinking water remains a problem. The government has invested \$6.3 billion so far, but let's look at what the 2025 budget

says. That's where the numbers speak loudest. We are in a situation where the urgency is recognized. We are in a situation where I myself collaborated with the current Minister of Employment and Families, when she was Minister of Indigenous Services, to draft a bill on access to clean drinking water. There was broad consensus on that bill. It would have been easy to reintroduce it in this Parliament. The Prime Minister promised that the government would introduce a bill on drinking water this spring. Obviously, nothing has been tabled yet. What we see is that there is zero funding for 2025–26. The \$2.3 billion in funding will not begin until next year.

Will the government finally take action to honour the Prime Minister's promise, or is a Liberal Prime Minister's word worth nothing?

• (1130)

Michelle Kovacevic: In budget 2025, as you said, we announced \$2.3 billion. I believe it starts next year because we already have enough money for this year. I think that's great because we can continue our efforts. We've already had some successes. We may not have targeted the funds perfectly, but still, there have been some successes.

As for the bill, I am not the government. I am the deputy minister. All I can say is that the Prime Minister has announced that the government intends to introduce a bill on drinking water this spring.

Sébastien Lemire: *Meegwetch.*

The Chair: Thank you very much.

[*English*]

We're beginning our second round, which will consist of five members with various times.

[*Translation*]

Mr. Deltell, the floor is yours.

Gérard Deltell (Louis-Saint-Laurent—Akiawenhrahk, CPC): Thank you very much, Mr. Chair.

Good morning, colleagues.

Ladies and gentlemen, welcome to your Canadian Parliament and to the Standing Committee on Public Accounts.

I cannot say enough how proud I am to have the Wendake indigenous community in my riding. I have had the good fortune and privilege to represent the Wendat for nearly 18 years. I first did so at the National Assembly and now I represent them here.

When people talk about the first nations, often it is with a very condescending tone. They are very sensitive to the concerns of the first nations. They are always full of good intentions, and they love to talk about lofty principles, but the results are not there. If we had to find a prime example of how, over the past 10 years, the Liberals have been all talk and no action, we could unfortunately point to the issue of the first nations. Let us recall what the government said 10 years ago. There is no relationship more important than the one with first nations. Here we are, 10 years later, in a situation where we have nearly doubled the budget without achieving meaningful results for first nations.

According to the Auditor General's report, Indigenous Services Canada's spending increased by 84%, rising from \$13 billion in 2019–20 to \$24 billion in 2023–24. Despite these funding increases, the Office of the Auditor General found that overall results still left much to be desired.

I just want to point out that we're talking about \$24 billion here. That's a lot of money. Sometimes it seems like they have lost their sense of scale. We all remember the famous \$16 glass of orange juice. Here, we're talking about \$24 billion, and the results aren't there.

Deputy Minister, how do you explain that?

Michelle Kovacevic: It's the same answer I gave earlier. There have been successes, but they may be coming about more slowly than we'd like.

I agree with the Auditor General's findings. We need to change our relationship with indigenous peoples so that we can find solutions together. Furthermore, we need to better organize our approach and better focus our efforts to achieve results more effectively and more quickly.

There are successes, though. It's just that it takes an effort to get there.

Gérard Deltell: Madam Deputy Minister, first of all, I would like to thank you very much for your excellent French.

However, my congratulations end there, because you are simply repeating the same refrain of the past 10 years, namely, that it is time to take action, that the situation needs to be improved, and that you are working hard. Less than two minutes ago, you said that you would soon have a bill on drinking water. It is 2026 and there are first nations that do not have safe drinking water.

Let's not forget that 10 years ago, the guy from Papineau who was Prime Minister kept lamenting the situation, stressing how important it was to him. He said it made no sense that a G7 country wasn't capable of providing water to the first nations. Now, 10 years later, you're saying the same things all over again.

Why isn't this working?

Michelle Kovacevic: Would you like an answer?

Gérard Deltell: I think so. In fact, it's not so much me who wants an answer as it is Canadian taxpayers, who have just contributed \$24 billion of their tax dollars to first nations. I don't know anyone in Canada who is against first nations. We all want to help them. We all want to be partners in prosperity. However, af-

ter \$24 billion and 10 years of talk and rhetoric, the tangible results aren't there. Why?

• (1135)

Michelle Kovacevic: I don't want to repeat what I've already said. I know it's frustrating. That said, we need to put plans in place that we will develop together with first nations. We need to look at what has proven effective and what works in remote communities. We need to change the way we approach issues like these.

When it comes to the \$24 billion in spending, we need to remain transparent so we can show the public how we allocated the funds and what we've accomplished. Even if the results aren't quite what we'd hoped for, there are still results. We will continue to try to improve things and remain transparent about what we are doing.

Gérard Deltell: I think I've said all I have to say about the rhetoric of the past 10 years, which you keep repeating. That's unfortunate, Ms. Kovacevic.

There's something else I'd like to mention. Earlier, you talked about the siloed approach, the fact that people don't talk to one another.

In fact, my question is more for Ms. Hogan.

How is it that, with spending to the tune of \$24 billion, people are unable to communicate with one another? How is it that we have such a siloed approach, where the right hand doesn't know what the left hand is doing, and the man on the right doesn't talk to the woman on the left, who is doing other things? How is it that people work in isolation when they're spending \$24 billion in tax dollars?

Karen Hogan: In my opinion, the problem isn't that people within the department don't communicate with one another or aren't aware of what the other side is doing. Rather, the problem is the siloed approach that's taken when it comes to providing first nations with access to funding or engaging in discussions.

For example, there is one group that handles one type of service and another group that handles a different type of service. If someone is seeking funding for drinking water infrastructure, they have to contact that team to submit an application. However, if it involves a school or a different type of infrastructure, they will most likely need to contact a different team, since it falls under a different program.

It is this siloed approach that makes things very difficult. We often hear this feedback from indigenous communities. The process is cumbersome and time-consuming for them. They need more support from the department to access funding.

The Chair: Thank you very much.

[English]

Up next is Ms. Tesser Derksen.

Go ahead, please, for five minutes.

Kristina Tesser Derksen (Milton East—Halton Hills South, Lib.): Thanks very much, Mr. Chair.

Thanks to our guests today.

I think you can sense some frustration, and I'm sure those working in the department are frustrated as well. I have no doubt that your jobs would be much easier if we could solve this problem, particularly with respect to what my colleague said about the drinking water advisories.

I was in Calgary in June 2024 for the Federation of Canadian Municipalities conference when I was a municipal councillor. We heard the previous prime minister speak, and he was asked questions from the floor about drinking water advisories, so it has been an ongoing conversation. Conversation is great, but we need results, of course.

I'd like to ask about how the advisories work, because I think there might be a perception that when there's an advisory, it gets solved, it gets taken off the list and we're one down, and then we keep chugging along until we're at zero. In fact, my understanding is that new advisories can pop up depending on what the situation might be in a particular community. It might be that you get a step ahead, but then you take a step or two backward in another first nations community.

Could I ask the department to comment on how that tends to play out?

Michelle Kovacevic: I will start and then flip it over to Mr. Bergeron, who knows that kind of detail better than I, for sure.

I would remind members that a long-term drinking water advisory is something that's been in place for a year, while a short-term one is less than that. You're quite right that it's dynamic. Things lift every single day. There's a sitrep; we'll lift one here and then we'll have a new one there.

Right now, on the long-term drinking water advisories, of which there are about 40, about half of those are related to infrastructure issues: There's a deficiency in the infrastructure in the water system capital itself that needs to be improved. The other half of the advisories are more related to operations. For example, the person monitoring the water has left the job, and there's a hole, so something goes wrong in testing.

They're very different in terms of why these reasons come up.

I'll pause there in the interest of time and ask Curtis to add some more.

• (1140)

Curtis Bergeron (Director, Strategic Water Management Directorate, Department of Indigenous Services): It's a continuous evolution of supports towards infrastructure and, as the deputy mentioned, operations and maintenance funding. We are seeing results: 97% of water systems are producing water that meets Health Canada guidelines, which is good.

As you mentioned, once an advisory is lifted, the support does not stop there. Our regional offices continue to provide supports both for infrastructure and for capacity, and they work with every

community to make sure that long-term, sustainable solutions are in place.

Sometimes there are interim solutions that get put in place so community members can have access to water quickly. At the same time, the plan, the funding and actions are in place for those long-term solutions.

Kristina Tesser Derksen: Okay.

Can we talk about the increase in funding that has not necessarily borne the positive results one would hope for that amount of money?

With respect to infrastructure in the drinking water advisories in particular, how important is funding versus, or together with, the dialogue we have with the first nations communities themselves about monitoring? I understand they are responsible for actually deciding whether or not the advisory should be lifted in conjunction with Health Canada standards.

We have the funding on one side, and we have the actual standards on the other.

Michelle Kovacevic: That's super important.

On the idea of standards, obviously you need something to compare to and something to strive for to hold people to account in the overall system. That's clear.

Funding is important. Who am I to say, "Oh no, we don't need funding"? Of course we need funding. For example, the \$2.3 billion that the government announced in budget 2025 will enable Indigenous Services Canada to continue with 800 projects to fix deficiencies in infrastructure or to build new and add about 250 more projects.

Funding is important when you clearly just need capital money. You need the system to be there, and you need that asset to be up to snuff, for sure.

You're quite right that it's not just funding. It is the education. It is understanding. It is the willingness. It is making sure that there are capacity supports in place, including when you have to recognize risk, to ensure there's succession planning behind you. If you know you're moving on as a worker, it's about wages. How much are nations paying folks to do these kinds of jobs? Is it a viable line of work?

There are all kinds of exogenous factors that are important. That's why, as you said, the dialogue is certainly clear with our partners to ensure the funding for any support we may give actually leads to solutions and outcomes, hopefully more so than what we're seeing today, although there have been some pretty significant examples of progress.

Kristina Tesser Derksen: I was talking about different first nations communities having different needs, and I want to talk about one of the barriers that the Auditor General mentioned in her report, particularly the passive and siloed approach to supporting first nations.

I understand the report found that the application-based support models tend to favour communities with greater administrative capacity—in fact, you mentioned this in your previous answer to my colleague—and this unintentionally reinforces existing disparities.

I think it's important that we ask you what steps you're taking at Indigenous Services Canada to level that playing field. Equity is very important between the different groups and communities that might be remote, might have more administrative challenges or might lack different resources in administration. In fact, Ms. Hogan said we have to meet them where they are and not presume that there is a standard level of administrative capacity or sophistication.

How do we tailor that approach given the different communities we might be encountering?

Michelle Kovacevic: There are probably a lot of answers to that, but maybe I will draw on our experience with child and family services for first nations. There are some pieces of work there that are very important.

If we talk about the increase in expenditures over the last decade at Indigenous Services Canada, one area that had tremendous growth was first nations child and family services. In 2015-16, our budget was not even \$700 million, although that's a lot too. This year, it will be around \$4 billion annually. Why is that? Mind you, we are under the jurisdiction of the Human Rights Tribunal. Nonetheless, the funding Canada is investing in first nations child and family services now has prevention at the forefront, and there's a per capita set amount for all kids, irrespective.... Right there, we know we have a protected amount of money per child for prevention.

Much of the programming going out to either first nations or FNCF child welfare agencies is actual-actual cost. Whether you're a small agency or a large agency—obviously, the small agencies have economies of scale issues and whatnot, so it costs more—we pay the rightful cost you need. It's not a formula-based approach, which would likely shortchange the small communities.

There are also services that have a remoteness quotient. If you're a smaller community or agency working in the north of a province or territory, for example, there's an additional sum of money plus additional supports so you can deliver those services for your children.

All of this is to say that it's changing the way we fund. It's changing the way we have that conversation about what folks are supposed to do with that money and what kinds of results we're going to see.

I'm not sure if that answers your question, but it shows that there are some best practices in place right now that we can look to as we try to change, going forward.

• (1145)

The Chair: Thank you very much.

[*Translation*]

Mr. Lemire, you have three minutes.

Sébastien Lemire: Thank you, Mr. Chair.

Ms. Kovacevic, you've heard me speak many times about the importance of having programs that are developed by and for first nations. The Yänonhchia' initiative is an excellent example of this.

However, even today, we are still discussing housing strategies for indigenous peoples in urban, rural and northern areas. In total, a combined \$8 billion was announced in budgets 2022 and 2023, but, in reality, the money often stays in the coffers.

These initiatives developed by first nations can also generate expertise and knowledge that can be transferred to other communities. This can lead to sustainable self-governance by first nations, enabling first nations members—despite the Indian Act—to feel a sense of ownership over their homes.

I see nothing but benefits in these initiatives compared to current strategies, which, as we can see, still place first nations under guardianship.

Will you provide Yänonhchia' with the requested funding? Could we get a commitment from you to that effect?

Michelle Kovacevic: No, we haven't offered any funding to Yänonhchia', but we still support this approach, which aims to enable first nations to operate within the market itself, rather than just on the reserve. My team and I, as deputy minister, remain open not just to reviewing these projects, but to supporting them in the future. We agree with you that we still need to try new approaches to truly achieve results.

Sébastien Lemire: With all due respect, I would remind you that we are in a situation where the Indian Act is still in force and where first nations are still required to live on reserves if they want to enjoy the minimum rights guaranteed by the Indian Act. That is the reality. You are telling us that Canada's strategy is now to ensure that first nations are stripped of their rights to live off-reserve and that local initiatives will not be supported.

Tomorrow, there will be an economic statement, which will include an update accompanied by a bill and the ability to provide additional funding to first nations. You are therefore confirming that Yänonhchia' will not be among the projects being funded by the government tomorrow.

Michelle Kovacevic: I can't speak for the government and tell you what its intentions are. I can only add that, at this point, I don't have any funding for this project. That's all I can say.

• (1150)

Sébastien Lemire: Thank you, Mr. Chair.

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

[English]

Up next is Mr. Kuruc.

You have the floor for five minutes, please.

Ned Kuruc (Hamilton East—Stoney Creek, CPC): I want to say thank you to all the witnesses for coming today.

My line of questioning will focus on the taxpayer dollar and the value for money, as I often tend to do.

Ms. Kovacevic, the Auditor General found that your department failed to implement over 50% of their recommendations. Her office gave recommendations, I believe between 2015 and 2022, to improve barriers in health; dental care; the big issue of safe drinking water, which has been in the news and headlines for the Canadian public for quite some time; and emergency services. All have not been successfully implemented, and yet, in that same period, your department increased its spending or budget by 84%.

On behalf of the taxpayer footing this bill, what was the money spent on, since it didn't provide the safe drinking water to communities that this Liberal government has made promises on for years?

Michelle Kovacevic: As I said earlier, I acknowledge that the targets in the reports were not fully met, but there has been improvement. The money that has been spent includes some significant increases in certain areas—infrastructure, child and family services, kindergarten to grade 12 education and non-insured health benefits. These programs have grown fairly impressively over the last 10 years, in large part because there's been huge demand. The non-insured health benefits program has grown over 10 years. I'm not sure what the baseline would have been, but today it's at over 983,000. There's a bigger draw on the program.

New programs have come into place. Jordan's principle, which is not a program but an initiative, has had enormous demands—over \$2 billion a year, historically—in addressing services for first nations children on and off reserve who are falling through the gaps for certain health and social services. I mentioned children's services earlier in terms of the child welfare bucket, an enormous amount today. We're spending four times the amount, basically. Are we seeing results? Perhaps not as quickly as we'd like, but we are. Although there's still a significant number of first nations children in care, we're seeing that when they are in care, they are far more in the care of kinship, with family, as opposed to other homes. We're starting to see things like that.

For education, we co-developed with first nations a new formula in 2019. It was significantly more rich than the previous formula, which I don't think had been touched for 20 years before that. Meanwhile, that cohort of children has grown and is growing the fastest in Canada, so it's a catch-up, if you will, to what is actually needed. As I said earlier, this education program now is not just about paying the fee for teaching and for teachers; it's also about wraparound supports, language, after-school care, and now, for the first time since 2019, full-day kindergarten.

We've talked a lot about water today. Even there, 10,000 more homes are now connected to water systems because of the investments that have been made, and 670 public buildings now have clean drinking water.

There are results. The money has been well spent. There are all kinds of measures for auditing. All contribution agreements to first nations recipients do need to have audited financial statements. Those are posted, transparently, on the Internet website to ensure that the money goes where it needs to go.

Of course, for everybody in Canada, there have been inflationary pressures since COVID and the pandemic. A lot of money went to indigenous people and first nations on reserve; \$600 billion went to all Canadians during the pandemic, similarly. Although inflation has come down today to normal levels, for many years it was at 5%, 4.9% or 7%. You will see that in the expenditures the department has posted.

So there are results, sir, and I would be happy to submit something to show that, but yes, we still need to go a fair way to demonstrate that the money will actually get to the targets put before us in the previous audits.

• (1155)

The Chair: Unless you have a quick one, that's your time, Mr. Kuruc. I will come back to you or one of your colleagues shortly.

Now we're going to Mr. Osborne.

You have the floor for five minutes, please.

Tom Osborne (Cape Spear, Lib.): Thank you, Mr. Chair.

I'd like to thank the AG. These reports are always valuable. They point to departments where improvements can happen. We can never underestimate the value of these reports.

I would like to thank the department as well. While these reports are not always easy on departments and staff, they don't always capture some of what's happening behind the scenes. They don't always highlight the work that's being done and the improvements that are about to happen. I'm going to give you an opportunity to speak to what's happening, which may not have been captured in the report, where improvements are under way. What can we expect?

Michelle Kovacevic: I won't repeat what I've said already for children's services and for education for first nations from kindergarten to grade 12, but perhaps there are some other things.

The Auditor General did note some deficiencies in our medical transportation reporting for non-insured health benefits. Since that time, we have in fact recognized that the data we were collecting wasn't enough, particularly in oral health and dental health stuff, but for medical transportation in general. We worked to correct that. Now, we have Treasury Board guidelines on how we're supposed to collect data and how we're supposed to report data so that the medical transportation policies are justified and validated by the data.

We also took that opportunity to look at the medical transportation data we were collecting. Realizing that it was largely manual, with all kinds of data input errors and clearly not fit for the time, and given that, out of the \$2.3 billion we spend annually in non-insured health benefits, medical transportation at \$800 million a year is a big one and is growing at 11%, we knew that “you know what, we need to make this automatic”. We put out an RFP, which we're currently in the process of doing, so that we can put in place a new medical transportation system that will be automatic. Folks will be able to see online in real time where their appointment and their medical transportation are, which obviously will lead to a more efficient spending of the taxpayer dollar, but much better care for the people using medical transportation to access needed health services.

We've made a lot of changes in health as well, particularly on nursing. Nursing is always under siege, especially in the 50 communities where the department delivers primary health care, nursing care. There's a nursing shortage in Canada. Almost half of those we hire are agency nurses.

That's just the stark reality, but subsequent to the Auditor General's recommendations, we have changed our workforce and who's working in these communities. It used to be registered nurses. Now, we have licensed practitioner nurses. We have nurse practitioners, and we have paramedics. Obviously, a multidisciplinary team approach makes hiring a little easier, in that there's more to choose from, but it also delivers better care. The last I checked, I think that of all our remote communities, around 76% of them, now have access to multidisciplinary care.

I could go on, but maybe I'll stop there.

Tom Osborne: The 84% increase in the budget has been talked about. You did identify some of the tangible improvements we're seeing in health care—emergency management infrastructure, for example—as a result of that.

What else needs to happen outside of the increase? We can't just keep throwing money at a problem. What else needs to happen within the department? Talk about some of the gaps that are there and the focus the department is having on addressing some of those gaps.

Michelle Kovacevic: I would say that the biggest gap is, again, we, too, fall victim, even in our accountability structure, field by field. Medical transportation is so much money. What's the outcome? Water is so much money. What's the outcome? What's the outcome for children's services?

At the end of the day, most chiefs or leaders will say they're responsible and interested in the overall health, well-being and suc-

cess of all the members of their community, and all these are but components. Let's have a social determinants' approach to health, if you will.

One of the things is how we measure—and I think we need to do more of it. We have lots of indicators. In fact, in some contribution agreements, there are as many as 4,000 data fields that potentially could be sought or required. One thing for sure is we have to look at what we're asking for via all our contribution agreements and reports, and whether it makes sense. It might be more useful to have fewer reports and 10 good indicators, so that we can validate what we're doing as opposed to this murky spot check that we're doing well on this tiny, isolated thing or so many indicators that we can't correlate to anything.

One of the things that the chief financial officer and I are implementing this next year is a process, and we're going to engage partners on how we can seriously look at streamlining the reporting that we're seeking from communities.

Then the other thing I would say is that where we have good examples, where we can compare what's happening and the public dollars that are going on reserve to other like communities, we should really look at continuing that data. We have something called the community well-being index that uses 2021 census data. It measures community well-being on four axes—education, income, labour activity and housing. They're pretty core—you would think that those are our four keys areas. It allows us to compare those measures on reserve to non-indigenous communities. The gap obviously between the two is large, but since 2021, we are already seeing that gap narrowing a little bit. We know something is working.

I also think that having the reporting at a level of, overall, “what this money is buying in this community” is pretty impressive. I hope in the next census that we continue so that we have a longitudinal pattern of the albeit step-wise successes, but the progress we are making on affecting outcomes for the people we serve.

• (1200)

The Chair: Thank you. That is your time.

We'll begin our third and final round, consisting of five members with various times.

Ms. Kusie, you'll begin for five minutes, please.

Stephanie Kusie: Thank you very much, Mr. Chair.

Madam Hogan, I'm wondering what prompted you to conduct a follow-up study on these audits.

Karen Hogan: This report was issued last year, which marked the middle of my mandate. I felt it was important to take a step back and see if any progress had been made on something that my predecessors had really spent a lot of time talking about.

Sheila Fraser had found, at the end of her 10-year mandate, that the progress made on indigenous matters was unacceptable. Then Mike Ferguson, partway through his mandate, said it was "beyond unacceptable".

I didn't want to get to the end of 10 years and find another word to add in front of "unacceptable". I felt it was important to change the dialogue and talk about really having a change and fundamentally taking a different approach, because strong words weren't driving that change.

One of the things I found throughout this follow-up was that there's been a lot of activity, and I know there have been many questions today about progress. There absolutely has been progress, and there's been a lot of activity, but it's about taking it all the way through. Designing policies around medical transportation, so you know how to store and collect data is great, but during our audit we found that the department couldn't show us that they were actually following their own policies.

There is a lot of activity around what dental services should be added to the dental care program, but there are no real changes to the services in the program. It's about taking it all the way to the end. I think that's linked to one of our barriers, which is about making sure you define what service levels are, and then following through on that commitment. We've only held the department to commitments it has made over the years, not to perfection.

Stephanie Kusie: This is what I find repeatedly astounding. In any corporate measure, someone is put against the expectations when it comes time for their evaluation. There are real, serious consequences, in other sectors, if they do not meet the objectives their entity set out for them. We see this continually as a theme of this government. As someone who has passionately studied your reports for four years now, there is a continued theme of your report recommendations not being followed, prompting another evaluation from you. I keep hearing the words in my mind from the most recent ArriveCAN report about how the government need only follow and apply the recommendations. However, here we are seeing another occurrence where this did not happen.

What advice would you give this government?

More specifically, I have always had such compassion for the bureaucrats—having spent 15 years at Global Affairs Canada—because it's their masters the ministers who are fundamentally responsible, yet these seem to be incapable of following through on a long-term mandate to successfully deliver services for Canadians, or to hear from our most valuable and most vulnerable.

What advice do you have for the ministers and the government on a global scale?

• (1205)

Karen Hogan: That's a very broad question. I will bring it back to what we're studying: programs for first nations.

One area we highlighted was sustained management attention. I would say that this needs both the political and the public service being sustained on this. It is about making sure there is funding long term and that everything is followed through to the end.

I want to acknowledge that the department has done lots of activities and made lots of progress in certain areas, but it's about taking it all the way through to improving outcomes. That is where we're always seeing things fall short. Many drinking water advisories were lifted, but, while they ebb and flow, there are at least nine communities that have had drinking water advisories for over a decade. Most communities would not stand for that. We see this in many urban centres when a water main breaks. There's a very quick fix to make sure a community or a large city centre gets access to safe drinking water quickly.

We should be seeing that same sustained focus and attention in first nations communities.

The Chair: Thank you very much.

Next, we have Ms. Yip.

Go ahead, please, for five minutes.

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

Thank you, Ms. Hogan, for this important follow-up report.

This is for Ms. Kovacevic.

Has the funding formula been updated for the maintenance of water infrastructure?

Michelle Kovacevic: I'm going to turn that directly over to Mr. Bergeron.

Curtis Bergeron: It was updated in 2022-23 based on successive budgets in 2019 and 2020. The formula now reflects 100% of costs for operating and maintaining water and waste-water facilities.

This formula also takes into consideration modernized indices, including city centre or remoteness. It takes into consideration all the needs of and requirements for operating a water treatment plant, including operator salary, electricity, parts, chemicals and everything required throughout the whole water treatment plant and distribution system.

Jean Yip: Does it also include future investments in water infrastructure?

Curtis Bergeron: This is specifically around operations and maintenance.

The upgrading of assets condition is done through successive targeted budgets, as the deputy mentioned regarding budget 2025. There is \$749 million this fiscal year to upgrade, expand and build new water treatment plants, extend distribution systems and ensure that they're meeting Health Canada guidelines for clean drinking water.

Jean Yip: Bill C-61, the first nations clean water act, was halted by prorogation. Does the department have a commitment to clean water legislation for this session?

● (1210)

Curtis Bergeron: The Prime Minister announced at the Assembly of First Nations general assembly back in December the intention of the government to introduce first nations clean water legislation this spring.

Jean Yip: My next question is in regard to the emergency management in first nations communities audit. The evacuation service standards are lacking in some of the jurisdictions. I'm concerned because there is a rise in the frequency and severity of wildfires and floods. What changes have been done since the 2022 audit?

Michelle Kovacevic: I'll let my colleagues speak to that in more detail, but there has been some change in recognition that there weren't adequate standards in place. We do have interim standards for culturally relative delivery of emergency management services to first nations on reserve. Basically, they take in the main areas of emergency management: prevention, preparedness, recovery and the aftermath.

With any organization with which Indigenous Services Canada does business regarding emergency management, there are specific things we expect to be in place. For example, when there's an emergency under way in a jurisdiction, the province usually has a coordinating table where the Ministry of Natural Resources, Health and others participate. Whoever we fund must be a participant.

Likewise, on recovery, there will be a standard to say that, if you've done business with us in emergency management, as a part of your obligation, you have to participate in the aftercare and the hot wash after emergency management to see what we could do better and what we could learn.

I'll pause there and turn it over to Jen, who can give you some more detail.

Jennifer Wheatley: Specifically to your questions around standards, one of the things we're doing with all first nations partners, provinces and large service providers like the Canadian Red Cross is building service standards into the multilateral agreements.

We have active multilateral agreement tables in all provinces with the goal of having these agreements done by the spring of 2027. In fact, we anticipate signing the first couple in the upcoming weeks. That will clarify service standards, recognizing, though, that 2027, if you're going to be the last jurisdiction to sign, is a long way away.

As the deputy mentioned, another related area is doing the hot washes and the lessons learned. For example, following the devastating fire season in Manitoba for first nations in 2025, we brought together all partners—first nations, the Canadian Red Cross, the province, ourselves and Public Safety—to do an in-depth review of what worked and what didn't work. That will inform standards in how we collaborate and coordinate going forward.

I think that's a good practice that the OAG flagged as needed, and that will inform service standards and ensure that we continue

to learn lessons in real time in order to effect greater change going forward.

The Chair: Thank you. That is the time, Ms. Yip.

[*Translation*]

Mr. Lemire, you have two and a half minutes.

Sébastien Lemire: Thank you, Mr. Chair.

Kitchi meegwetch.

Ms. Kovacevic, an APTN report noted that 60% of the value of IT service contracts awarded to indigenous businesses, which totalled \$1 billion, went to companies in the Ottawa-Gatineau region. However, the Ottawa-Gatineau region accounts for only 2.8% of Canada's indigenous population. This means that 60% of the contracts were awarded to 2.8% of the population.

There are many examples, including Adirondack, which claims that its management staff are members of the Native Alliance of Quebec, an organization that is not fully recognized by the Assembly of First Nations of Quebec and Labrador. Adirondack has received over \$400 million in contracts for IT services from Shared Services Canada. This company is listed in your registry of indigenous businesses. It has a total of four employees. However, Meredith Egan, the director of this firm, also owns the AIM Group, which is not an indigenous company, and these two companies are located at the same address and share the same facilities.

In short, my question is this. What concrete steps do you take to verify that indigenous businesses are actually indigenous businesses? How is it possible that this company, which is clearly set up solely to secure contracts reserved for indigenous businesses, has managed to secure \$400 million in contracts, subcontract them to non-indigenous businesses, and still pocket a significant portion of the profits?

This is a compelling example that illustrates why I believe an independent public inquiry into IT contracts, including those reserved for indigenous peoples, is necessary.

● (1215)

Michelle Kovacevic: I cannot comment on this specific contract right now, because I need to look into it first. I'll be able to comment on it after the meeting.

Regarding your question about whether we take steps to verify that contractors are legitimate businesses, the answer is yes, absolutely. That is our responsibility. The rules require that 51% of the control of an indigenous company be held by an indigenous person and that 33% of the work required for the contract be performed by indigenous employees. That is what we verify. We verify this at the start of the contract, during the contract, and after the contract is awarded.

I don't have the details for that particular contract, but I'd be happy to look into it after today's meeting.

Sébastien Lemire: We would also be happy if you did that.

Thank you.

The Chair: Thank you very much.

[English]

Up next, we have Mr. Morin.

It's nice to have you at the committee. You have the floor for five minutes, please.

Just so you know, if you finish in your five minutes, I do allow the witnesses to finish up their answers, so you can use your time completely, and then it goes to the witnesses, but you can't interrupt them when they're answering. Your time will end then.

I turn the floor over to you.

Billy Morin (Edmonton Northwest, CPC): Thank you, Mr. Chair.

My question is for our friends at Indigenous Services Canada. How much of this Auditor General's report goes into developing the departmental plan for the next year and three years?

Michelle Kovacevic: It's significant. Obviously, the gaps in the targets that the Auditor General has discovered weigh heavily on me as a deputy minister. I feel the same frustration that all of you are expressing today.

Obviously, we're stewards of public money. It is absolutely a part of what we're spending on and what results will we get. Let's be honest with the target that we think we can achieve in the year ahead. We'll be looking over that, and all of us will be held to account in our performance agreements on whatever it is that we decide is important. The Auditor General's report is very important.

Billy Morin: As a former chief, I know that these documents, like departmental plans, exist. Now that I'm a member of Parliament, I go through them in a lot more detail since I am responsible as the shadow minister for this area.

It struck me that—if I were looking at this through my “chief lens”—the KPIs seem very copied and pasted. If you go to “Table 2: Indigenous Peoples are mentally well” of the departmental plan, you see that the actual results are 50.5% for 2022-23, 50.5% for 2023-24, 50.5% for 2024-25 and that the next target is 55%. The new indicator for off reserve is 55% as well. Those are vastly different populations, but the numbers are the same.

To me, it speaks to almost neglect that these are copied and pasted numbers with no actual, real thought process behind them. When you go to the footnotes on these things, you see that the results are from the 2015 first nations regional health survey up until 2020. You're actually taking results and saying that they're from these last three fiscal years, but they are really from 10 years ago. How do you explain that to chiefs?

Michelle Kovacevic: I'm not sure about that actual KPI, but my friend here might be able to address it.

I think part of it is that mental wellness and mental health is an area in which the department spends probably over \$1 billion per year between our mental wellness programming and our non-insured health benefits. It's important that, even if we don't have a good indicator and good data, which is frequently the case.... You, having been a chief, know that a lot of this data is subject to OCAP: to who owns it, to whether we can access it and to whether it is disaggregated so that it actually has an indigenous component.

Sometimes I think—and I'm speaking of something I don't really know; I'm speculating here—for lack of a better indicator, we take the data that we have. It's definitely not an afterthought or a cut-and-paste. It's probably the best we have, but it is our duty to actually look at that, to say what we need and to work with partners to make sure we have a system of inputs that make sense going forward.

I'm not sure, Candice, if you want to speak to that at all.

• (1220)

Candice St-Aubin (Senior Assistant Deputy Minister, Strategic Policy and Partnerships, Department of Indigenous Services): I would say exactly what you were referencing. I think you mentioned this in your earlier interventions. We are actively looking at those indicators gathered across all our programming, that full suite of socio-economic determinants of health to reduce...because we're using generalized amounts, as you referenced—the 2015 to 2020 indicator—to fine-tune it. This is because it's very general in a space where there's a lack of data.

We continue to address it through governance spending. I think we spent approximately \$178 million over the past several years to increase data governance within communities, first nations, Inuit and Métis because it is so unique and distinct.

In the departmental plan—this is something for going forward—we're trying to find a way to reduce the number of KPIs and make them more real to the communities in which we serve.

Billy Morin: Another KPI that I wanted to ask about in conjunction with the one above it is this one: “Percentage of requests for overnight residence in Indigenous Services Canada funded shelters by women, children, and 2SLGBTQIA+ people that are met”. It goes from 62% of those requesting shelters to 100% for this year. That's great. Let's tackle 100% of all cases. That's our goal.

However, the one above it says, “Percentage of...women who report being a victim of intimate partner violence in the previous 12 months”. In the prior year it was 16.9%, and you want to take it down to 16%.

Why is that not zero when the other one is 100%? We're going to take it down to zero. Why is this one only 0.9% less?

How do you justify one with so much detail that you want it to be 100% perfect, but with the other one, when it comes to domestic violence, you're only going to take it down by 0.9%? How do you determine these KPIs?

Michelle Kovacevic: I'm not sure that I have a great response to that, although I would say that it's hard. You're looking at data that are self-declarations. It's somebody saying something. Even if you have a target, you know what the data sources are and what, realistically, you're going to be able to get.

For something as sensitive as women who report violence, you can imagine that it's probably not something that's easy or transparent.

Billy Morin: [*Inaudible—Editor*] the department perspective—you're going to take it down to zero and not down by 0.9%?

Michelle Kovacevic: I can't speak to that target. I'm absolutely happy to follow up, look at it in more detail and give you a more robust response. I'm caught a little flat-footed here.

The Chair: Thank you.

We're going now to Mr. McKinnon, please, for the last five minutes with these witnesses.

Ron McKinnon: Thank you, Mr. Chair.

I'm going to go back to empowerment.

In all of these programs, we have billions of dollars from this large, overall organization. We have to get them out to where they belong. The people involved on the ground don't necessarily have the feedback to say that they're not getting it.

I know that we who are not in indigenous communities count on our cities, towns and provincial and territorial governments to do this.

Is there any way that we can build in some mechanisms to give people on the ground more feedback and opportunity to say that this is not working or this needs to be working better?

Michelle Kovacevic: Yes, for sure. There's always room to grow and have that dialogue.

I would say that a lot of that is under way. When we develop programs, they're co-developed. You've heard the term, obviously. That includes co-developing what we're doing, the monitoring and whether it's actually working for the people we serve. We're involving the partners.

We are trying to set up systems here so they can ultimately be transferred, because the goal of many is for self-government and autonomy. People have a vested interest in telling Indigenous Services Canada how to do things differently and how to do things better.

There are all kinds of tables with national indigenous organizations. My regional colleague could tell you about the tables they sit at with leadership in the regions to go over the contribution agreements. When they sign a contribution agreement, it's for something.

There are reporting indicators. That's a two-way dialogue. There are reciprocal conversations.

There are all kinds of mechanisms where that's happening.

To your point, who actually looks at it at some point in time and aggregates it against the outcomes and targets that we've set? Is there a correlation? Do we need to adjust? I would say that's where the sustained attention maybe could be improved, so that we could be more deliberate about what we are doing and the conversations we're having, which happen from coast to coast and all over the place at the high level and low level. That can actually inform the targets we set and results we desire.

• (1225)

Ron McKinnon: I think these are very good points.

This is top-down stuff. I'm more interested at this point in hearing about bottom-up mechanisms. For example, if I have problems in my city—they're not clearing the roads—I phone my city councillor. I don't wait until some big organization comes back and says....

What I'm looking for is some opportunity to empower the people on the ground to feed back into the system where things are not working or where things could be working better.

Michelle Kovacevic: Yes, I think we should ask the recipients of these services how they want to be involved, and to whom they want to speak.

Maybe I'll turn to my colleagues, who work more closely with leadership.

Do you have any ideas for the member?

Jennifer Wheatley: One thing we've tried to do through reorganizing, as the deputy mentioned, is create a single window for service and transfer excellence in every region. Part of that excellence is making sure we're at tables with our partners. The tables vary by region, respecting how leadership wants to organize in each region. For example, in Alberta, we have a health co-management table. The region has leadership that represents Alberta at the table. This informs health priorities in that region—where the money is going—and, to your point, identifies where the system is not working for them and where we could do better. B.C. has similar tables when it comes to emergency management and other areas.

We need to be responsive to how first nations leadership wants to organize and be absolutely open to receiving their feedback on what isn't working, what their priorities are and how we need to do better. Our new organizational design, which makes sure there's one DG, senior executive or ADM for every region, will allow us to hear that message and take it back in a more organized fashion than before.

Candice St-Aubin: If I may add to that, we are also ensuring that we're talking to all distinctions. We follow the same process in the north, which, as you know, has a unique and different set of circumstances. There is an Inuit-specific set of tables in which we engage the leadership, certainly, and also the service providers and community members. That also includes youth and elders because, again, it's about a range of voices among those who are directly receiving or delivering the programs for their own citizens and community.

The Chair: That is the time, I'm afraid, Mr. McKinnon.

Thank you very much to all the witnesses for their testimony and participation in relation to the "Follow-up on Programs for First Nations" report from the 2025 fall reports of the Auditor General of Canada.

I'm going to excuse the witnesses now. I'm going to suspend this meeting for one minute.

• (1225) _____ (Pause) _____

• (1230)

The Chair: We are back now.

[*Translation*]

Mr. Deltell, the floor is yours.

Gérard Deltell: Mr. Chair, I would like to ask for clarification. Have you heard from the Minister of Finance and National Revenue regarding his participation, following our request?

The Chair: No, not yet, but we will ask him again.

[*English*]

I see that the bells are ringing. If everyone agrees, why don't we take five minutes for an update?

I need UC for this.

Mr. Osborne and Mr. McKinnon, is that okay?

Ron McKinnon: Is it just for five minutes?

The Chair: Yes. It's just for an update. We're not here to be-labour this.

I will set my timer for five minutes.

Monsieur Lemire, why don't you give us an update?

We do have five minutes, so if you do want to yield time, Mr. Osborne, you need to take that into account.

You have five minutes, please.

[*Translation*]

Sébastien Lemire: Thank you, Mr. Chair.

In all honesty, I must report that the negotiations have not been successful. Although progress was made at the last minute and during the committee meeting, there are still issues that need to be discussed. At this point, I will respect the ongoing process, as we will return to this matter later.

Certainly, given the current context, especially when we consider what is happening in the House regarding Government Business No. 9, this is a cause for concern for those who want the government to demonstrate transparency when it comes to these IT service contracts. However, for now, I intend to continue negotiating these matters in good faith.

What matters most to me is that we have the documents we need to understand what happened. I believe it is in the best interest of Quebeckers and Canadians for the committee to have access to these documents. After all, there were massive cost overruns compared to what had been announced, and services that were never delivered.

What I can say at this point, since time is limited, is that I will provide you with an update on this very soon, Mr. Chair.

• (1235)

The Chair: Thank you very much.

[*English*]

Do you have any comments, Mr. Osborne? It's not necessary, but if you do, we're happy to hear from you. We have the floor for about another four minutes.

Tom Osborne: I agree. We'll get to the vote.

However, as Mr. Lemire has said, we're trying to give this a last-ditch effort. We'll see what happens between now and when we come back.

The Chair: I'm sure you've all heard through your whips' offices that we do have the time at 3:30. I'm going to have the meeting notice for 3:30. We're back in this room after question period. This meeting is adjourned until then, and it will be to deal with the Bloc motion.

Thank you. We'll see you after QP. This meeting is adjourned.

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