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GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR

Department of
Labrador and Aboriginal Affairs

February 13, 2002

Ms. Chantal Bernier
Assistant Deputy Minister
Socio-Economic Policy and Programs Sector
Indian and Northern Affairs Canada
10 Wellington Street
Hull, Québec
K1A 0H4

Dear Ms. Bernier:

This letter is further to our video-conference discussion on February 1, 2002, concerning the proposed Canada/Newfoundland and Labrador Agreement on Child and Family Services for the Labrador Innu. At that time, we discussed the fact that provincial officials have some concerns with the Agreement as it is currently drafted and I took from your response that federal officials are willing to entertain further discussion on these matters. Subsequently, I engaged in a further discussion on this agreement with representatives of the federal government and the Innu Nation at the February 5 meeting of the Main Table on Registration and Reserve Creation. It was suggested that it would be helpful if I arranged a teleconference with you to resolve the outstanding issues with a view to concluding an Agreement before the end of March, 2002.

To facilitate our discussion, I thought it would be useful to outline our concerns with the draft Agreement. They can be summarized as follows:

- 1) **The Parties:** This should be a bilateral contribution Agreement between the Government of Canada and the Province. The Health Labrador Corporation is an Agency of the Province. Its responsibilities are set out in legislation and are not subject to the terms of an intergovernmental agreement. Likewise, provincial funding for the services provided by Health Labrador is subject to appropriation by the House of Assembly and should not be the subject of commitments made in this type of Agreement.

P.O. Box 8700, St. John's, Newfoundland, Canada, A1B 4J8, Telephone (709) 729-8042, Facsimile (709) 729-4900

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- 2) **Funding:** The current draft indicates the federal government will only cover the cost for children in care (estimated to be \$1 million per year) and operational funds (\$900,000 per year). A high percentage of provincial costs are incurred for children who are not in care. Indeed, the philosophy of child and family services in this province, and as outlined in s.3 of the proposed Agreement, is to use protective care as a last resort. Federal officials have suggested that the operational funding be used to offset these costs. It is our position that the full cost of child and family services should be covered by the federal government and, as per s.4(a) of the draft Agreement, Canada should "appropriate sufficient funds" to enable the Province to deliver the federal government's programs to the Innu according to the Principles outlined in s.3.
- 3) **Level of Service:** This Agreement will not result in an enhancement of service to the Innu communities. While I stated this fact at the February 5 Main Table meeting, and I understand this point has been made to Innu representatives on other occasions, we remain concerned that there may be an expectation by some Innu people that this Agreement will result in enhanced services. We maintain that the Agreement should explicitly state that the federal government will provide funding for the provision of current Child, Youth and Family Services to members of the Mushuau and Sheshashju Innu communities.
- 4) **Duration:** The current draft Agreement is open-ended. Canada and the Province are discussing this arrangement because we both concluded the Innu communities do not have the capacity to assume responsibility for child and family services at this time and Indian and Northern Affairs Canada (INAC) does not have the resources to deliver these services in the communities. We proposed that the Agreement should expire on March 31, 2003, at which point it could be renewed. This would confirm the transitional nature of this arrangement and signal to the Innu our commitment to working with them to develop their own services.
- 5) **Accountability:** The current draft accountability framework contemplates Health Labrador Corporation potentially delegating authority and or funds for Child and Family Services to the Innu communities, at which time Health Labrador would be accountable to Canada for both the program and funding. This would place an unnecessary burden on Health Labrador, and an unacceptable level of financial risk. We maintain that the responsibility for devolving these services to the Innu rests with the Government of Canada. Rest assured, if it is determined that the Innu communities have the capacity to deliver these services at some point in the future, the Province and its agencies will assist in facilitating the transition.
- 6) **Transfer of Funds:** The current draft indicates INAC will transfer funds directly to Health Labrador for the provision of child and family services. However, Health Labrador is an agency of the Province, from which it receives its funding. As you are probably aware, the Honourable Ernest McLean, in a May 7, 2001 letter to the Honourable Robert Nault, indicated that the Province is prepared to enter into an agreement with the federal government to cost-share one-time basic infrastructure in the Innu communities. The Province's contribution would be for five years, for an amount equal to what the Province would save from the federal

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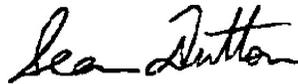
assumption of responsibility for programs and services currently provided by the Province for the Innu communities. This commitment is subject to appropriation by the House of Assembly. The result of this commitment is that the Province will not actually realize any direct savings from the Innu becoming Registered Indians. Given the Province will be obliged to reinvest the legitimate savings from federal funding of Child and Family Services and other programs and services, the federal funds should be transferred directly to the Province to make the process more transparent.

- 7) **Format:** We do not see the need for a Subsidiary Agreement with Health Labrador Corporation. In our view, it would be sufficient to have a short letter of understanding that indicates the Province or its agencies will provide child and family services to the Innu communities, the costs of which will be ~~reimbursed~~ *subsidized* by the Government of Canada.

I hope these comments will help you gain an appreciation for the Province's position on this proposed Agreement, and to prepare for a discussion with a view to resolving the outstanding issues. I wish to suggest a teleconference be arranged for Friday, February 15, or else the next earliest opportunity. As you will appreciate, we will need to act quickly to bring negotiations to a close if we are to secure Cabinet authority to enter into an Agreement before the end of March. I will contact your office shortly to make the necessary arrangements; alternatively, you can reach me at (709) 729-6062.

Thank you for your consideration.

Sincerely,



Sean Dutton
Assistant Deputy Minister

cc. Dr. Ron Sparkes
Ms. Beverley Clarke
Mr. Boyd Rowe
Mr. Eric Maldoff
Dr. James Wheelhouse