



GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR

*Department of
Labrador and Aboriginal Affairs*



2003-04 Annual Report

TABLE OF CONTENTS

1.	Ministers' Letter of Transmittal	2
2.	Departmental Overview	3
	a. Vision	3
	b. Mission Statement	3
	c. Lines of Business	3
	d. Structure and Location	4
3.	Shared Commitments	5
4.	Highlights and Accomplishments	6
5.	Key Achievements and Priorities	17
	a. Strategic Issues	17
	b. Priorities and Strategies	17
	c. Progress and Accomplishments	19
6.	Opportunities and Challenges Ahead	24
7.	Financial Statements	25

Ministers' Letter of Transmittal

In accordance with government's commitment to accountability, we hereby submit the 2003-04 annual performance report for the Department of Labrador and Aboriginal Affairs (DLAA). This report was prepared under our direction, and addresses the Department's activities and outcomes from April 1, 2003 to March 31, 2004.



TREVOR TAYLOR, M.H.A.
The Straits and White Bay North
Minister Responsible for Labrador Affairs



THOMAS G. RIDEOUT, M.H.A.
Lewisporte District
Minister Responsible for Aboriginal Affairs



Departmental Overview

Vision

To increase the effectiveness of provincial government management and implementation in matters impacting on Labrador and to facilitate the relationship between the provincial government and Aboriginal groups in Newfoundland and Labrador.

Mission Statement

To promote and enhance the economic and social development of Labrador for the benefit of all residents, through the administration, coordination and provision of leadership for government programming, the advancement and assessment of development opportunities, funding sources and social issues, and the development of a good working relationship between the Aboriginal groups in Newfoundland and Labrador and the provincial government.

Lines of Business

The lines of business of the Department of Labrador and Aboriginal Affairs (DLAA) are best designated, as the name suggests, into areas relating to Labrador Affairs and to Aboriginal Affairs. DLAA brings a degree of regional representation to government that challenges departments to find new ways of working together to ensure policies and programs are appropriate for Labrador.

Labrador Affairs: This portion of the Department's mandate focuses on economic

and social development initiatives that impact the whole of Labrador. The principal tasks in the field of Labrador Affairs include the advancement of social and economic development in Labrador, managing federal-provincial agreements related to Labrador, and monitoring and evaluating government services and activities in Labrador.

Aboriginal Affairs: This portion of the Department's mandate focuses on policy and planning related to Aboriginal land claims and self-government policies and negotiations. The principal tasks in the field of Aboriginal Affairs include developing policy for Aboriginal issues, negotiating, implementing and managing land claims and self-government agreements, conducting consultations and providing public information and education in matters related to the land claims process. The Aboriginal Affairs unit is involved with matters related to the Miawpukek First Nation (Mi'kmaq of Conne River), the Innu and Inuit of Labrador, the Federation of Newfoundland Indians and the Labrador Métis Nation.

Structure and Location

The structure of DLAA for the period
April 1, 2003 to March 31, 2004
is as follows:

Labrador Office:

*Office of the Minister(s)
Office of the Deputy Minister
Resource Planning & Development Division
Program Coordination & Implementation
Division*

*21 Broomfield St.
P.O. Box 3014, Stn. B
Happy-Valley-Goose Bay, NL A0P 1E0
Telephone: (709) 896-1780
Facsimile: (709) 896-0045
E-mail: laa@gov.nl.ca*

Newfoundland Office:

*Office of the Minister(s)
Office of the Assistant Deputy Minister
(Aboriginal Affairs)
Policy and Planning Division
Land Claims Division*

*6th Floor, East Block
P.O. Box 8700
Confederation Building
St. John's, NL A1B 4J6
Telephone: (709) 729-4776
Toll Free: 1-877-788-8822
Facsimile: (709) 729-4900
E-mail: laa@gov.nl.ca*

Shared Commitments

DLAA is expected to play a lead role with other provincial government departments as it relates to major issues involving Labrador and matters involving Aboriginal peoples in the province.

In particular, the Department collaborates with the Departments of Health and Community Services, Education, Human Resources, Labour and Employment and Justice and the RCMP in matters relating to programs and services in Labrador.

DLAA works extensively with the Department of Justice in policy and planning, and developing agreements with the federal government and Aboriginal groups.

The Department maintains an important relationship with Indian and Northern Affairs Canada (INAC) and Health Canada to ensure that the needs of Aboriginal groups in the Province are addressed. While the Province provides programs and services of general application to all of its residents on the same basis, the Government of Canada has a fiduciary and constitutional responsibility for Aboriginal people under section 91(24) of the *Constitution Act, 1867*.

DLAA works with the Department of Transportation and Works on issues related to the Trans-Labrador Highway, Labrador Marine Services and other transportation services and infrastructure in the region.

The Department plays an important role in the Voisey's Bay Project, working with the

Departments of Natural Resources (DNR), Environment and Conservation and others to implement agreements with the Labrador Inuit Association (LIA) and Innu Nation to enable the project to proceed prior to the finalization of their respective land claims.

The Department assists negotiators on Labrador and Aboriginal issues related to a potential Lower Churchill Hydro development.

The Department reviews all development activities within Labrador through the Interdepartmental Land Use Committee (ILUC) and reviews all environmental registrations in Labrador to ensure that Aboriginal claimant groups are adequately consulted on projects that are within their respective claim areas.

The Department also plays a critical role on all major issues in the Labrador region, including those that fall under the primary jurisdiction of other provincial departments. DLAA provides policy advice and analysis to other provincial departments by extracting the issues that are unique to Labrador.

The Department chairs the Labrador Regional Council, a committee of provincial government departments and agencies, that coordinates provincial government activities in Labrador.

Highlights and Accomplishments

New Ministers:

Following the October 2003 election, the new Cabinet was sworn-in on November 6, 2004. The MHA for Lewisporte, the Honourable Tom Rideout was sworn-in as Minister Responsible for Aboriginal Affairs and the MHA for The Straits and White Bay North, the Honourable Trevor Taylor was sworn-in as Minister Responsible for Labrador Affairs.

The MHA for Lake Melville, John Hickey was appointed Parliamentary Secretary to the Minister Responsible for Labrador Affairs.

Labrador Inuit Land Claim:

On August 29, 2003 the Province, the Government of Canada and the Labrador Inuit Association (LIA) initialled the Labrador Inuit Land Claims Agreement. This land claims and self-government agreement represented the first of its kind in Atlantic Canada.

The Agreement sets out details of land ownership, resource sharing, and self-government. The Agreement provides for the establishment of the Labrador Inuit Settlement Area (LISA) totalling about 72,500 square kilometres (28,000 square miles) in northern Labrador, including 15,800 square kilometres (6,100 square miles) of Inuit-owned lands, known as Labrador Inuit Lands. The Agreement also provides for the establishment of the Torngat Mountains National Park Reserve, consisting of about 9,600 square

kilometres (3,700 square miles) of land within LISA.

Under the Agreement, the Government of Canada will transfer \$140 million to the Labrador Inuit, as well as \$156 million for implementation of the Agreement. These transfers are expressed in 1997 dollars and will be reduced by LIA's negotiating loans outstanding. Before coming into effect the Agreement must be ratified by Labrador Inuit, the Province of Newfoundland and Labrador, and Canada.

In September 2003 a Ratification Committee was established comprising representatives from the LIA, the Province and the Government of Canada. The Ratification Committee was mandated to prepare the Inuit voters list and to conduct the Inuit vote to ratify the Final Agreement. The Official Voters List was completed in March 2004, and the vote is anticipated in Spring 2004.

Inuit Communities Agreement:

The current *Contribution Agreement between the Government of Canada and the Government of Newfoundland and Labrador for the Benefit of the Inuit Communities of Labrador*, originally signed in 1986, has been amended to expire on March 31, 2005. The total budget for the 2003-04 fiscal year was \$15,900,495 with a provincial contribution of \$3,378,495 and a federal contribution of \$12,522,000.

The agreement demonstrates the commitment of both governments to improving the quality of life for residents on the North Coast. It has

enabled significant advancements in municipal infrastructure and has provided for improvements to much-needed programs and services. The agreement funds municipal infrastructure, water and sewer and housing projects, as well as town administrative/operational expenses, and educational programming.

The Management Committee for the Inuit Communities Agreement includes the federal Department of Indian and Northern Affairs Canada (INAC) and DLAA as co-chairs. The remaining committee members include representatives from each of the five Inuit communities, Torngat Regional Housing Association and the provincial Departments of Education and Municipal and Provincial Affairs. The LIA has observer status at committee meetings, which are held on a quarterly basis.

Funds for community development and infrastructure are anticipated to flow through the Labrador Inuit Association upon the ratification and implementation of the Labrador Inuit Land Claims Agreement.

Torngat Recreation Commission:

The Torngat Recreation Commission (TRC) was officially incorporated on January 14, 2003, and is comprised of a Board of Recreation Directors representing the six North Coast communities. The mandate of the TRC is “to develop a delivery mechanism to build leadership capacity in the six North Coast communities, through Community Partnerships,

Training, Community Activities and Sport Programming”.

The TRC administers two programs; the Community Capacity Building/Leadership Program and the Intra-Labrador Travel Subsidy Program. The emphasis of the Community Capacity Building/Leadership Program is on building capacity by offering various leadership programs. This leadership can be in the form of volunteer recruitment, cultural workshops, or coaching/referee clinics. The Intra-Labrador Travel Subsidy program is designed to allow sport and cultural organizations, as well as individuals from the North Coast, to access funds to travel to other towns within Labrador.

Since incorporation, the TRC has assisted over 350 people in a variety of activities and programs and have approved over 75 proposals totaling over \$69,000. The TRC has held a total of nine workshops and clinics, attended by over 80 participants. With the assistance of the TRC, North Coast representatives have the following certifications:

- 15 certified standard first aiders;
- Regional playground inspector;
- 9 provincially certified volleyball referees;
- 10 individuals with softball coaching certificates;
- A certified kayak instructor; and
- 15 individuals with soccer coaching certificates.

The TRC operates with funding received from DLAA, through the Inuit Communities Agreement and the Mushuau Innu Band

Council. Staff from DLAA provides a support role to the TRC.

Labrador Innu Land Claim:

During the year, the Department worked with the Innu Nation and the Government of Canada on land claim negotiations focused on the Chapters of an Agreement in Principle.

Innu Healing Strategy:

The Province continued to work cooperatively with the federal government, the Innu Band Councils and Innu Nation to assist with the development of long-term healing strategies. The social issues in the Innu communities are complex and have developed over a long time. Therefore, strategies should focus on long-term solutions to have any lasting impact.

Innu Reserve Creation:

The Department worked with the federal government and the Innu Band Councils and Innu Nation to fulfill the federal commitment to register the Innu under the *Indian Act* and to establish reserves at Natuashish and Sheshatshiu. On December 11, 2003 official Reserve status was established under the federal *Indian Act* for Natuashish. Discussions on the creation of a Reserve at Sheshatshiu are ongoing. Canada had registered the Mushuau Innu First Nation and the Sheshatshiu Innu First Nation as bands under the *Indian Act* in 2002. The Department is facilitating the necessary land transfers and negotiating arrangements for the federal government to assume funding

responsibility for programs and services. The federal government provides funding for some costs related to Child, Youth and Family Services for Sheshatshiu and Natuashish. The federal government also funds Education and Income Support in Natuashish and the operation of the Natuashish Airstrip. Discussions are ongoing about the eventual Innu administration of programs and services on the Reserves.

Labrador Métis Nation (LMN):

The Province has been supportive of the LMN's desire to access federal programs and services for which they are eligible.

The Province has also called on the federal government to make a decision on the LMN land claim.

Federation of Newfoundland Indians (FNI):

On November 21, 2003, Robert D. Nault, Minister of Indian Affairs and Northern Development, Brendan Sheppard, President of the Federation of Newfoundland Indians (FNI), and Minister Rideout announced plans to examine the possibility to create a landless band for Mi'kmaq outside Conne River. The concept of a landless band would facilitate access to federal programs and services for those registered Indians under this process.

Miawpukek First Nation (MFN):

The Department has indicated it is prepared to participate in self-government discussions between MFN and the federal government, in matters impacting provincial jurisdiction.

The Department has also held discussions with MFN regarding the potential expansion of the Conne River Reserve, to meet the housing expansion and economic development needs of the Band. The Province announced its intentions of further progressing on the Reserve expansion at Conne River in the March 18, 2004 Speech from the Throne.

The Department and the provincial Department of Justice began discussions with the MFN and Justice Canada toward an Aboriginal Justice Strategy Agreement to support Aboriginal justice programming at Conne River.

Voisey's Bay Project:

In April 2003 Government issued the Voisey's Bay Special Project Order (SPO), which validated the collective agreement signed by the Voisey's Bay Employers Association and the Resource Development Trades Council in late 2002 for Mine/Mill construction. The purpose of the SPO was to help provide long-term labour relations stability and certainty for the Project. It acknowledges the adjacency principle, and other employment commitments made by Inco/Voisey's Bay Nickel Company Limited (VBNC) in its Impact and Benefit Agreements (IBAs) with the LIA and Innu Nation.

The Department played a key role in concluding the necessary agreements to allow the Voisey's Bay Project to proceed. This included participating in negotiations toward the June 2002 Statement of Principles between the Province and VBNC, as well as concluding a Voisey's Bay Memorandum of Agreement

(MOA) with the Innu Nation, a Voisey's Bay Interim Measures Agreement with the LIA and Canada, and the Voisey's Bay Environmental Management Agreement (EMA) signed by the Province, Canada, LIA and Innu Nation in July 2002. These agreements, along with the IBAs VBNC entered into with the LIA and Innu Nation, enabled the project to proceed in the summer of 2002.

In 2003-04, the Department continued to play a key role in the implementation of the above noted agreements. Under the Voisey's Bay EMA, a nine-member Environmental Management Board, comprised of two representatives from each party and a chair, provided advice on environmental matters pertaining to the Mine/Mill Project. This included reviewing and providing input on all project permits, project-related reports and plans, and other environmental issues. The Board is assisted by a Technical Environmental Review Committee (TERC), as well as a Secretariat based in Happy Valley - Goose Bay. In 2003 the Board received and reviewed approximately 125 permit applications and reports, with well over 100 permits and plans expected in 2004.

In addition to helping facilitate the establishment of the Environmental Management Board, the Assistant Deputy Minister of DLAA served as its Interim Chair from February to October 2003. In addition, a DLAA official serves as the Province's core representative on the associated TERC, coordinating provincial participation and input to this process.

Construction of the Voisey's Bay Mine/Mill began in July 2002, with major construction programs expected to wrap up at the end of 2005 and operations scheduled to start in early 2006.

Maximizing local, regional and provincial economic benefits from the Voisey's Bay Project has been and remains a key priority. Inco/VBNC has implemented an adjacency policy for hiring and the purchase of goods and services. This provides that first preference for hiring at the Voisey's Bay site be provided to qualified Aboriginal people, second preference to qualified Labradorians and third preference to qualified residents of the island portion of the Province. Provisions and measures to ensure that local residents and companies benefit to the maximum extent possible are key aspects of the various agreements and approvals which have allowed the Project to proceed. VBNC reports regularly to the Province on project employment and on the purchase of goods and services.

DLAA provided office space to and worked collaboratively with the Voisey's Bay Monitor, who was appointed by Government in August 2003 to oversee hiring practices at the Voisey's Bay site in Labrador.

DLAA continues to work with the Department of Natural Resources and other agencies to ensure that commitments made to the people of the Province are kept, particularly with respect to the residents of Labrador.

Lower Churchill Hydro Development

The fiscal year 2003-04 was a period of low activity for the Lower Churchill Hydro

development. Commercial negotiations for development of the Lower Churchill and the associated IBA negotiations with Innu Nation were put on hold late in 2002, and remained on hold during 2003. During this time, DLAA and the Labrador Hydro Project team in Newfoundland and Labrador Hydro maintained communications, but were not involved in active discussions with Aboriginal or other Labrador stakeholders.

5 Wing Goose Bay:

In cooperation with other departments, DLAA has supported efforts to maintain and grow foreign military training activity at 5 Wing Goose Bay. In supporting the advancement of 5 Wing Goose Bay, the Premier has indicated that it is one of the top priorities for the Province. As a result, on March 6, 2004, the Department of National Defence announced that it would ensure the operation of 5 Wing through to the expiration of the current MOU in 2006.

On October 23, 2003 the Goose Bay Citizens Coalition (GBCC) was formed. The objective of the GBCC is to ensure the long-term viability of the military training program at 5 Wing Goose Bay. The GBCC represents residents, businesses and organizations in the vicinity of 5 Wing Goose Bay, including and supported by: the Town of Happy Valley-Goose Bay, the Labrador North Chamber of Commerce, the Union of National Defence Employees - National Office, the Central Labrador Economic Development Board, the Labrador Métis Nation, MHA John Hickey, MP Lawrence O'Brien, and Senator Bill Rompkey. DLAA

provides support to the Coalition as a means to move the 5 Wing Goose Bay agenda forward.

DLAA is an ex-officio member of the Institute for Environmental Monitoring and Research board. The Institute conducts and provides incisive, comprehensive, scientific research in Labrador and northeastern Québec ecosystems that are affected by the low-level flying program. The Institute offers scientifically supported recommendations to the Ministers of Environment and National Defence on the policy issues relating to the impacts of low-level flying.

The Department is also a member of the Goose Bay Airport Development Committee which is comprised of stakeholders interested in the longevity and future aerospace development at 5 Wing Goose Bay.

The maintenance and expansion of the NATO flight training program in Labrador is a priority for the Government of Newfoundland and Labrador which will continue to be vigorously pursued.

Iron Ore Mining:

Labrador West mining activity by the Iron Ore Company of Canada and Wabush Mines contributes greatly to the provincial economy. DLAA maintains regular contact with the Department of Natural Resources which monitors this activity.

Forestry:

In March 2004, the Province signed a new Forestry Process Agreement (FPA) with the

Innu Nation defining how the parties will cooperate and coordinate activities in implementing the five year ecosystem based forest management operating plan for Forest Management District 19. The plan was released from environmental assessment in May 2003.

In October 2002, the Province signed a Memorandum of Understanding (MOU) with the LMN to facilitate LMN's participation in Labrador's forest management process in Districts 19, 20 and 21. The MOU was extended to the end of March 2004. Government provided bridge funding to the LMN, which allowed their forest office staff to complete their work on the District 20 plan and to continue negotiations on a new MOU beyond March 31, 2004.

In early 2004, a Forestry Manufacturing Working Group was developed to advance forestry issues in Labrador; specifically value-added processing. On February 17-18, 2004, the Forestry Manufacturing Working Group delivered a Forestry Focus Group in Happy Valley-Goose Bay to look at opportunities for secondary processing of Labrador black spruce. Based on information from these sessions and consultation with other stakeholder groups, the Department of Natural Resources (DNR) finalized a terms of reference for a Study to Develop the Labrador Sawmill and Value-Added Industry in March 2004.

Northern Agrifoods Development Strategy:

The Government indicated its commitment to developing the agriculture industry in Labrador in its 2003 Blueprint policy. The Province is

working with the agriculture industry in Labrador to identify and pursue growth and development opportunities in Labrador.

DLAA and DNR, in conjunction with the Northern Agrifoods Steering Committee, developed a Northern Agrifoods Development Strategy. Implementation of the strategy is ongoing to facilitate the developing agricultural industry in Labrador and address both the high cost of importing food products to this area of the Province and the potential to create new jobs in Labrador.

Trans-Labrador Highway (TLH):

In March 2003, the Province announced \$17 million to start construction of Phase III of the TLH from Happy Valley-Goose Bay to Cartwright Junction, pending approval under the environmental assessment process. The Trans Labrador Highway continues to be government's number one transportation priority in Labrador.

The Project was subject to environmental assessment under both the provincial and federal processes. The highway's environmental assessment was on-going throughout 2003-04. In March 2004, the Province adopted a new, more southerly route for a key section of the highway. Although it would be approximately 30 km longer and cost \$7.5 million more to construct than that originally proposed, this new route was selected to help address important issues raised in the environmental assessment process.

An MOU between the Province and the Innu Nation outlined a process for Innu Nation's participation in the highway's environmental assessment. DLAA also participated on the Environmental Assessment Committee for this undertaking.

In March 2004, the Province (through DLAA) and the Innu Nation established a process for the on-going involvement of the Innu in environmental management and planning related to the TLH (Phase III). This included consultation on environmental permitting, and the participation of the Innu in environmental monitoring during highway construction.

In April 2003 the Province announced funding of \$4.7 million to conclude work on Phase II of the TLH, including \$1.5 million to construct a bridge at Gilbert River; \$1.2 million to construct a bridge at Southwest Feeder Brook; and \$1.95 million to complete grading between Cartwright and Charlottetown. The Province also announced \$4.5 million to complete the road to Pinsent's Arm, and \$500,000 was allocated to upgrade local roads in Cartwright.

Chip Seal Project:

In August 2003, the Province launched a chip seal experiment on the Trans Labrador Highway. Approximately seven kilometres of chip seal will be placed on the TLH just outside of Happy Valley-Goose Bay and approximately eight kilometres on the highway east of Wabush. This project is being tested on a trial basis in order to determine its suitability to the highway and performance in this climate.

Labrador Marine Transportation Services:

In November 2003 the Province announced that the Public Policy Research Centre at Memorial University would conduct an independent study to enable government to make a decision regarding the configuration of the Labrador Coastal Marine service for 2004.

DLAA participated in meetings between government and stakeholders in Lewisporte, Cartwright, Happy Valley-Goose Bay and Port Hope Simpson. Government's review of the study and a decision on the configuration of the Labrador Coastal Marine service is expected early in the next fiscal year.

Combined Councils of Labrador:

The membership of the Combined Councils of Northern Labrador (CCL) includes all communities in Labrador, except Natuashish, Sheshatshiu and Churchill Falls.

The CCL Annual General Meeting (AGM) provides a prime opportunity for municipal leaders from all regions of Labrador, to gather together and discuss issues of mutual concern with each other and government representatives.

The CCL AGM was held January 29- February 1, 2004 and was addressed by Honourable Ministers Trevor Taylor and Tom Rideout. Assistance was provided by DLAA through representation on the logistics committee, facilitation of conference sessions and ongoing communications with government departments. The Province provided \$100,000 in funding to CCL in 2003-04.

Labrador Regional Council:

The Labrador Regional Council (LRC) was established in June of 1998 as a means of facilitating more effective delivery of government services in Labrador. This forum is modeled on and consistent with the principles of public service reform underway in the public service. It provides a forum to explore ways to improve delivery of service and communicate an integrated and coordinated message respecting Labrador issues while being cognizant of regional sensitivities.

While the LRC is not accountable to any specific authority other than the group it represents, it is noted that DLAA has agreed to serve as Chair and a point of contact, as well as act in a coordinating and facilitative role in helping to resolve issues.

The LRC developed a newsletter that is distributed throughout Labrador to all public servants. All public service activities are promoted in this newsletter as well as activities and actions of LRC. The newsletter also highlights the hard work of the government departments within Labrador and focuses on the strengths of the public service in Labrador.

Tourism:

Tourism is a developing industry in Labrador that holds great potential. DLAA provides support to operators, upon request, and is also a member of the Labrador Winter Trails Management Committee that actively supports the development of the winter snowmobiling industry in Labrador. Assistance has also been

provided to such events as SnoBreak and other community icon attractions.

Labour Market Development Agreement:

Under the Labour Market Development Agreement (LMDA), the Government of Canada and the Government of Newfoundland and Labrador work together to design and tailor labour market employment programs to meet the specific needs of communities, employers and the unemployed in Newfoundland and Labrador to complement provincial programming in this domain.

Four regional LMDA committees have been established to manage regionally allocated budgets and to make decisions on all project applications. DLAA participates in the Labrador LMDA Management Committee, which managed a budget of \$5.7 million in 2003-04.

Annual business plans are prepared by the LMDA Management Committee to set strategic priorities and to allocate the budget among eight programs areas. Five "active" employment programs have been developed in the agreement: Targeted Wage Subsidies; Targeted Earnings Supplements; Self-Employment Assistance; Job Creation Partnerships; and Skills Development and Employment. In addition, three support measures have been created: Employment Assistance Services; Local Labour Market Partnerships; and Research and Innovation Support.

DLAA participates in the Labrador Regional Assessment Committee, whose role is to assess all project applications for Labrador. This program allows organizations, community groups and businesses to avail of funding to provide employment and deliver project specific programs.

Strategic Social Plan/Rural Secretariat:

DLAA works closely with the Strategic Social Plan Labrador Regional Steering Committee and also collaborates with the Strategic Social Plan/Rural Secretariat on specific initiatives such as the Human Resource Forum, the Torngat Recreation Commission and the Training, Recruitment and Retention Working Group. The Department provides administrative support and accommodations for the Regional Planner in Happy Valley - Goose Bay.

Health Labrador Corporation Operational Review:

On December 12, 2003, the Province released the results of the operational review of Health Labrador Corporation conducted by the consulting firm Deloitte and Touche.

The review found that Health Labrador Corporation operates reasonably efficiently relative to other organizations facing similar challenges and identifies areas where additional resources are needed. DLAA was represented on the Steering Committee for this review.

Social Workers in Labrador:

In the March 2004 Budget, the Province provided an additional \$500,000 to place additional social workers in Labrador.

Supreme Court in Happy Valley-Goose Bay:

In the March 2004 Budget, the Province announced funding of \$2 million for the construction of Supreme Court building in Happy Valley-Goose Bay.

RCMP Officers in Labrador:

In the March 2004 Budget, the Province announced funding for four additional RCMP officers in Labrador.

Labrador Caribou Hunting Order:

DLAA, in collaboration with the Departments of Tourism, Culture and Recreation and Transportation and Works, conducted a review of the disposal of caribou remains along the Trans Labrador Highway. Regulatory provisions have been made in the annual Labrador Caribou Hunting Order that addresses this issue. It is now illegal to dispose of caribou remains within 50 metres of the Trans Labrador Highway and all caribou remains must be disposed of in a manner so they are not visible to the motoring public.

Labrador Trapping Zones:

Through continued consultation with Labrador trappers, Tourism, Culture and Recreation and DLAA were able to re-establish trapping areas

based on the needs of local trappers. The new trapping zones were published in the annual Trappers Guide.

Labrador Benefits Agreement:

In April 2003 the Province announced the signing of a new Labrador Benefits Agreement, effective from April 2002 and expiring on March 31, 2005. The new agreement includes provisions for increased travel allowances and places a focus on enhancing benefits for employees who work in isolated communities to help address concerns surrounding recruitment and retention of professionals in Labrador.

Air Foodlift Subsidy (AFS) Program:

The AFS program was established by the Province in 1997 to ensure that nutritious, perishable items such as fruit, vegetables and dairy products are available to Labrador's coastal communities during the winter months. The Department of Transportation and Works contributes \$300,000 annually to the AFS program.

In December 2003 the AFS Program ran out of funding for that fiscal year and was in danger of ending. Government subsequently allocated additional funding as an interim measure to allow government to address the long-term future of the program.

Since December 2003 the AFS Program has been administered directly by DLAA in partnership with Transportation and Works. The funding for 2003-04 was allocated for the continuation of the program for the fiscal year.

All options for a long-term solution to the high cost of transporting fresh food for coastal Labradorians are being explored.

Labrador Travel Subsidy:

On March 27, 2003 the Province announced the continuation of funding for the Labrador Travel Subsidy for the 2003-04 fiscal year. The Subsidy permits students living in Labrador to increase their participation in athletic tournaments throughout the Province.

Northern Development Ministers' Forum (NDMF):

Since 2000, Ministers from Canada's northern areas have been meeting in hopes to raise the profile of Northern Regions throughout the nation. The Minister responsible for Labrador Affairs represents the Province on this Forum, with additional representation from the Yukon, North West Territories, Nunavut, British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec.

The NDMF has established the following priority projects: Northern Awareness Enhancement Campaign, Northern Transportation Investment Strategy, Recruitment and Retention of Professionals in the North, Northern Innovation, and Maximizing Economic and Social Impacts from Major Projects in the North. Our Province has led the Recruitment and Retention of Professionals priority project since 2001, along with representation from Manitoba and Indian and Northern Affairs Canada. Since then, the reports *Recruitment and Retention Best*

Practices Inventory, Recruitment and Retention in Northern Canada: Partnerships for Progress and the Northern Canada Recruitment and Retention Contact Listing have been presented to the Northern Development Ministers Forum. This national file continues to be led by Labrador Affairs.

Key Achievements and Priorities

Strategic Issues

The Department of Labrador and Aboriginal Affairs strives to enhance the effectiveness of programs and services for the Labrador region and to ensure that the needs of Aboriginal groups in the province are met as fully as possible. The strategic issues facing the Department are focused as follows:

Labrador Affairs:

- to maximize the benefits from economic initiatives and resource developments in Labrador for the region;
- to ensure that Labrador communities receive programs and services on the same basis as other communities in the province that are similar in size and circumstance; and,
- to ensure that appropriate amounts of federal funding allocated to the Province are utilized in Labrador.

Aboriginal Affairs:

- to ensure that negotiated land claims and self-government agreements with the Labrador Innu and Inuit are beneficial and acceptable to all residents;
- to facilitate improved relationships between the provincial government and Aboriginal groups;
- to ensure that the federal government is responsive to the needs of Aboriginal groups; and,
- to ensure that provincial government policy is appropriate for and relevant to the needs of Aboriginal groups throughout the province.

Priorities and Strategies

Like a central agency, the Department coordinates and facilitates all Government activities relating to Labrador Affairs and Aboriginal issues. The priorities for the Department are to enhance the effectiveness of programs and services within the Labrador region, to ensure that the Labrador region benefits from social and economic initiatives, to ensure that resource development occurs in a manner that maximizes benefits and is respectful of Aboriginal land claims and to ensure that the needs of Aboriginal groups in the province are met as fully as possible.

It is important to recognize that the Province does not offer Aboriginal specific programming.

The principal tasks of the Department in the field of Aboriginal Affairs are:

- developing policy for Aboriginal issues;
- negotiating land claims and self-government agreements;
- implementing and managing land claims agreements once achieved; and
- carrying out consultations and providing public information and education in matters related to land claims.

The principal tasks of the Department in the field of Labrador Affairs are:

- developing policies and programs related to significant issues of government interest in Labrador; managing federal-provincial agreements related to the development of Labrador; and

- managing federal-provincial agreements for the Inuit communities of Labrador.

As a result of these fundamental activities, the Department's objectives cannot always be measured in numbers, but rather involve the successful negotiation and implementation of agreements and settlements and trustworthy relationships with Aboriginal groups in the Province.

The Department's key priorities to achieve its goals are:

- to work with all provincial government departments and the federal government to ensure policy, programs and decisions are appropriate for Labrador and the Aboriginal groups in the Province;
- to ensure that the people of Labrador share in the benefits from the development of resources of their region;
- to remove the uncertainty surrounding lands and resources in Labrador through the settlement of land claims with the Innu and Inuit of Labrador; and,
- to work with the federal government to ensure that Canada meets its constitutional and fiduciary responsibility for Aboriginal peoples in Newfoundland and Labrador.

Progress and Accomplishments:

STRATEGIC ISSUE	PRIORITIES	PROGRESS/ACCOMPLISHMENTS
<p>1. To maximize the benefits from economic initiatives and resource developments in Labrador for the region.</p>	<p>To ensure that the people of Labrador share in the benefits from the development of resources of their region.</p>	<p><u>Voisey's Bay Project</u> In 2003-04 the Department continued to play a key role in the implementation of the Voisey's Bay Memorandum of Agreement (MOA) with the Innu Nation, a Voisey's Bay Interim Measures Agreement with the LIA and Canada, and the Voisey's Bay Environmental Management Agreement (EMA) signed by the Province, Canada, LIA and Innu Nation. The Assistant Deputy Minister of DLAA served as the Interim Chair of the Environmental Management Board from February to October 2003. Also, a DLAA official serves as the Province's core representative on the associated TERC, coordinating provincial participation and input to this process. In April 2003 Government issued the Voisey's Bay Special Project Order (SPO), which validated the collective agreement signed by the Voisey's Bay Employers Association and the Resource Development Trades Council in late 2002 for Mine/Mill construction. The SPO acknowledges the adjacency principle, and other employment commitments made by VBNC in its IBAs with the LIA and Innu Nation.</p> <p><u>Trans-Labrador Highway</u> In March 2003 the Province announced \$17 million to start construction of Phase III of the TLH from Happy Valley-Goose Bay to Cartwright Junction. In March 2004, the Province and the Innu Nation established a process for the on-going involvement of the Innu in environmental management and planning related to the TLH (Phase III). In March 2004 the Province adopted a new, more southerly route for a key section of the highway, which will be approximately 30 km longer and cost \$7.5 million, to address environmental concerns.</p> <p><u>Value-Added Forestry Processing</u> In early 2004 the Province established a Forestry Manufacturing Working Group to advance forestry issues in Labrador; specifically value-added processing.</p>

STRATEGIC ISSUE	PRIORITIES	PROGRESS/ACCOMPLISHMENTS
<p>2. To ensure that Labrador communities receive programs and services on the same basis as other communities in the Province that are similar in size and circumstance.</p>	<p>To work with all provincial government departments and the federal government to ensure policy, programs and decisions that are appropriate for Labrador and the Aboriginal people in the Province.</p>	<p><u>Health Labrador Corporation Operational Review</u> On December 12, 2003 the Province released the results of the operational review of HLC conducted by the consulting firm Deloitte and Touche.</p> <p><u>Additional RCMP Officers and Social Workers in Labrador</u> In the March 2004 Budget, the Province announced funding for four additional RCMP officers in Labrador and provided \$500,000 to place more social workers in Labrador.</p>
<p>3. To ensure that appropriate amounts of federal funding allocated to the Province are utilized in Labrador.</p>	<p>To coordinate and negotiate various funding and programs and services agreements with the federal government and/or Aboriginal groups.</p>	<p><u>Inuit Communities Agreement</u> The <i>Contribution Agreement between the Government of Canada and the Government of Newfoundland and Labrador for the Benefit of the Inuit Communities of Labrador</i> for the 2003-04 fiscal year includes a budget of \$15,900,495 with a provincial contribution of \$3,378,495 and a federal contribution of \$12,522,000.</p> <p><u>5 Wing Goose Bay:</u> On March 6, 2004 the Department of National Defence announced that it would ensure the operation of 5 Wing through to the expiration of the current MOU in 2006.</p> <p><u>Labour Market Development Agreement</u> The Labrador LMDA Management Committee managed a budget of \$5.7 million in 2003-04 for labour market programs in Labrador.</p> <p><u>Labrador Transportation Initiatives Fund</u> In April 2003 the Province announced \$4.7 million to conclude work on Phase II of the TLH, including \$1.5 million to construct a bridge at Gilbert River; \$1.2 million to construct a bridge at Southwest Feeder Brook; and \$1.95 million to complete grading between Cartwright and Charlottetown. The Province also announced \$4.5 million complete the road to Pinsent's Arm, and \$500,000 to upgrade local roads in Cartwright.</p>

STRATEGIC ISSUE	PRIORITIES	PROGRESS/ACCOMPLISHMENTS
<p>4. To ensure that negotiated land claims and self-government agreements with the Labrador Innu and Inuit are beneficial and acceptable to all residents.</p>	<p>To negotiate land claims treaties and self-government agreements with the relevant parties.</p> <p>To remove the uncertainty surrounding lands and resources in Labrador through the settlement of land claims with the Innu and Inuit of Labrador.</p>	<p><u>Land Claims Negotiations</u> On August 29, 2003 the Province, the Government of Canada and the Labrador Inuit Association initialled the Labrador Inuit Land Claims Agreement. This land claims and self-government agreement represented the first of its kind in Atlantic Canada.</p> <p>In September 2003 a Ratification Committee was established comprising representatives from the Labrador Inuit Association, the Province and the Government of Canada. The Ratification Committee was mandated to prepare the Inuit voters list and to conduct the Inuit vote to ratify the Final Agreement. The Official Voters List was completed in March 2004, and the vote is anticipated in Spring 2004.</p> <p>Negotiations are ongoing with the Innu Nation and Canada. The Department is working with the Innu Nation and Canada on land claim negotiations focused on the Chapters of an Agreement in Principle.</p>
<p>5. To facilitate improved relationships between the provincial government and Aboriginal groups.</p>	<p>To work with all provincial government departments and the federal government to ensure policy, programs and decisions that are appropriate for Labrador and Aboriginal people in the Province.</p> <p>To give Labrador and Aboriginal people in the Province a stronger voice in government.</p>	<p><u>Forestry</u> In March 2004, the Province signed a new Forestry Process Agreement (FPA) with the Innu Nation defining how the parties will cooperate and coordinate activities in implementing the five year ecosystem based forest management operating plan for Forest Management District 19. The plan was released from environmental assessment in May 2003.</p> <p>In October 2002, the Province signed a Memorandum of Understanding (MOU) with the LMN to facilitate LMN's participation in Labrador's forest management process in Districts 19, 20 and 21. The MOU was extended to the end of March 2004.</p>

STRATEGIC ISSUE	PRIORITIES	PROGRESS/ACCOMPLISHMENTS
<p>6. To ensure that the federal government is responsive to the needs of Aboriginal groups.</p>	<p>To work with the federal government to ensure that Canada meets its constitutional and fiduciary responsibility for the Aboriginal groups of Newfoundland and Labrador.</p>	<p><u>Innu Reserve Creation</u> On December 11, 2003 official Reserve status was established under the federal Indian Act for Natuashish. Discussions on the creation of a Reserve at Sheshatshiu are ongoing.</p> <p><u>Miawpukek First Nation</u> The Department has indicated it is prepared to participate in self-government discussions between MFN and the federal government in matters impacting provincial jurisdiction.</p> <p>The Department held discussions with MFN regarding the potential expansion of the Conne River Reserve to meet the housing expansion and economic development needs of the Band.</p> <p>The Department and the provincial Department of Justice began discussions with the MFN and the federal Department of Justice toward an Aboriginal Justice Strategy Agreement to support Aboriginal justice programming at Conne River.</p> <p><u>Labrador Métis Nation (LMN)</u> The Province has been supportive of the LMN's desire to access federal programs and services for which they are eligible.</p> <p>The Province has also called on the federal government to make a decision on the LMN land claim.</p> <p><u>Federation of Newfoundland Indians (FNI)</u> On November 21, 2003, Robert D. Nault, Minister of Indian Affairs and Northern Development, Brendan Sheppard, President of the Federation of Newfoundland Indians (FNI), and Minister Rideout announced plans to examine the possibility to create a landless band for Mi'kmaq outside Conne River.</p>

STRATEGIC ISSUE	PRIORITIES	PROGRESS/ACCOMPLISHMENTS
<p>7. To ensure that provincial government policy is appropriate for and relevant to the needs of Aboriginal groups throughout the Province.</p>	<p>To work with all provincial government departments and the federal government to ensure policy, programs and decisions that are appropriate for Labrador and Aboriginal people in the Province.</p>	<p><u>Air Foodlift Subsidy (AFS) Program</u> In December 2003 the AFS Program ran out of funding for that fiscal year and was in danger of ending. Government subsequently allocated additional funding as an interim measure to allow government to address the long-term future.</p> <p><u>Torngat Recreation Commission (TRC)</u> The Torngat Recreation Commission (TRC) was officially incorporated on January 14, 2003, and is comprised of a Board of Recreation Directors representing the six North Coast communities. The mandate of the TRC is “to develop a delivery mechanism to build leadership capacity in the six North Coast communities, through Community Partnerships, Training, Community Activities and Sport Programming” .</p>

Opportunities and Challenges Ahead:

The Department of Labrador and Aboriginal Affairs faces a number of opportunities and challenges, particularly when it comes to Aboriginal land claims and self-government, and its role in projects such as Voisey's Bay and the Lower Churchill.

Government is committed to ensuring that the people of Labrador share in the development of the region's resources.

The successful conclusion of land claims will contribute to the economic and social well-being of Aboriginal peoples, other Labradorians and Newfoundlanders. Beyond land claims, there will be a need to work cooperatively for the future of the Labrador region.

The development of Voisey's Bay, a rich resource in the midst of a region that has such high levels of unemployment and social challenges, can help provide the jobs, economic opportunities and resources to improve the standard of living for North Coast residents.

The potential development of the Lower Churchill power project represents a major untapped resource in Labrador, offering the opportunity to develop a significant block of competitive energy without causing major harm to Labrador's environment.

Opportunities and challenges ahead include:

- co-ordinating and providing leadership for government programming in Labrador;
- assessing and advancing development opportunities, funding agreements and social issues;
- implementing land claims and self-government agreements;
- better health and education outcomes for Aboriginal peoples;
- expansion of the Reserve at Conne River;
- facilitating the creation of a Reserve at Sheshatshiu;
- securing federal funding for education and income support in Sheshatshiu and operation of the Natuashish nursing station;
- negotiating agreements to enable Innu to manage programs on Reserve when they have developed the capacity to do so;
- urging the federal government to make a decision on the outstanding land claim of the LMN;
- lobbying the federal government to support the LMN and the FNI in gaining access to federal programs and services for which they meet the eligibility requirements; and
- working with the Department of Transportation and Works and stakeholders to reconfigure the Labrador Marine service to meet the transportation needs of the residents of Labrador.

Much has been accomplished in Labrador in 2003-04, but the Province recognizes that more work needs to be done. The Department is well positioned to deal with the many opportunities and challenges facing the Province in respect of Aboriginal people and the people of Labrador.

APPENDIX A - FINANCIAL STATEMENTS

DEPARTMENT OF LABRADOR AND ABORIGINAL AFFAIRS
Statement of Expenditure and Related Revenue
FOR THE YEAR ENDED 31 MARCH 2004
(Unaudited)

	<u>Actual</u>	<u>Estimates</u>	
		<u>Amended</u>	<u>Original</u>
	\$	\$	\$
1.1.01 Minister's Office	288,938	362,700	362,700
1.2.01 Executive Support	474,157	545,900	548,100
2.1.01 Aboriginal Affairs	1,169,783	1,379,300	1,432,100
2.1.02 Labrador Affairs	651,454	744,900	659,900
2.1.03 Inuit Agreement	4,666,624	4,698,900	4,728,900
Less Revenue - Federal	<u>(4,475,340)</u>	<u>(4,468,900)</u>	<u>(4,468,900)</u>
Total Department	<u>2,775,616</u>	<u>3,262,800</u>	<u>3,262,800</u>

Please refer to Volume III of the Public Accounts for detailed financial information.