



Department of Labrador and Aboriginal Affairs



Annual Report
2005 - 2006



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Ministers' Letter of Transmittal

In accordance with government's commitment to accountability, we hereby submit the 2005-06 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, 2005 to March 31, 2006.

We take this opportunity to acknowledge the contribution of the Honorable Paul Shelley, who served as Minister Responsible for Labrador Affairs throughout the year.



John Hickey, M.H.A.
Lake Melville District
Minister Responsible for Labrador Affairs



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



DEPARTMENTAL OVERVIEW

Vision

The vision of Labrador and Aboriginal Affairs is the resolution of questions surrounding Aboriginal rights and titles in the province, a cooperative and productive relationship with Labrador and Aboriginal communities, and the achievement of social and economic well-being for Labrador and for Aboriginal peoples.

Mission Statement

Labrador's future will be marked by significant change in its social landscape and strong opportunity for economic growth. Resolution of issues related to Aboriginal rights and title is central to the progressive development of Aboriginal groups and the province as a whole. With changes in governance in Labrador's Aboriginal communities, and the expansion of infrastructure and resource based developments throughout Labrador, attention needs to be focussed on social and economic development in Labrador to ensure advancement.

By 2011, the Department of Labrador and Aboriginal Affairs (DLAA) will have advocated for the progression of the social and economic development of Labrador. As well, with the continuing concurrence and participation of the federal government and/or relevant Aboriginal group(s), DLAA will have progressed in the negotiation of agreements on Aboriginal affairs.

Mandate

The mandate for the DLAA, building on that outlined in the Departmental Notice under the Executive Council Act, is to:

- negotiate and ensure the effective implementation of land claims, self-government and other Agreements related to the (i) development of Labrador, and (ii) Aboriginal groups/governments;
- co-ordinate and develop policies and programs relating to (i) Aboriginal issues in the province and (ii) significant issues of Government interest in Labrador;
- advance social and economic development in Labrador;
- manage intergovernmental relations respecting Labrador and Aboriginal issues;
- monitor and evaluate government programs and services in Labrador;
- provide public information and education in matters related to land claims; and
- administer Labrador specific programs as delegated by the Province.



Lines of Business

The lines of business for the 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, monitoring and evaluating government services and activities in Labrador, and program administration. The Department also liaises with other Northern Ministries and assists in the management of intergovernmental affairs on Labrador/Northern issues.

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 branch 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 (FNI) and the Labrador Metis Nation (LMN).



Structure and Location

The Department has two branches: Labrador Affairs and Aboriginal Affairs, with offices as follows:

Labrador Affairs Branch:

Office of the Minister(s)
Office of the Assistant Deputy Minister
(Labrador Affairs)

Labrador Affairs Division
21 Broomfield St.
P.O. Box 3014, Stn. B
Happy Valley-Goose Bay, NL
AOP 1E0

Telephone: (709) 896-1780
Facsimile: (709) 896-0045
E-mail: laa@gov.nl.ca

Aboriginal Affairs Branch:

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

5th Floor, West Block, Confederation
Building
P.O. Box 8700
St. John's, NL
A1B 4J6

Toll free: 1-877-788-8822
Facsimile: (709) 729-4900
Email: laa@gov.nl.ca

The Department has two Ministers, a Parliamentary Secretary and 27 staff (17 women, 10 men) with a gross annual expenditure for 2005-06 of \$6,861,327, with \$5,435,679 in revenues and \$1,428,648 in net expenditures. The Department leads Aboriginal land claims and self-government negotiations for the Province, and provides analysis and policy advice to other departments on Aboriginal issues and key issues impacting Labrador residents.

The federal government has a constitutional and fiduciary responsibility for Aboriginal people, and offers a variety of funding programs for people of Aboriginal descent. The provincial programs, services and jurisdictions in which Aboriginal people have an interest are typically delivered by other Departments or by agencies, boards or commissions. With the exception of the Air Foodlift Subsidy and snowmobile trail grooming subsidy, the same is true for provincial programs, services and jurisdictions in which Labradorians have an interest. Virtually all of the Department's activities, including those for which the Department is the designated lead such as land claims negotiations and implementation, and the Northern Strategic Plan, involve close collaboration with one or more other provincial public entities, and many also involve Aboriginal groups/governments and the federal government. In light of these realities, the Department plays a role more akin to a central agency, as a coordinating and advisory body rather than a delivery agent. These factors contributed to the classification of the Department as a Category 2 public entity (reporting on outputs).

Primary Clients and Expectations

The clients of DLAA:

- the people of the Province, whose interests the Department must represent in negotiating land claims and other agreements that are fair and balanced;
- Labrador residents, who expect leadership in facilitating economic and social development in Labrador;
- people of Aboriginal descent – Inuit, Innu, Mi'kmaq, and members of the LMN - who need support to advocate with the federal government, an avenue to have input into provincial policies, and co-operation to negotiate and implement Aboriginal land claims and other agreements;
- the provincial government and its departments/agencies/boards/commissions, which need policy advice on Aboriginal and Labrador issues; and
- the federal government (e.g. Indian and Northern Affairs Canada), which needs co-operation to negotiate and implement Aboriginal land claims and other agreements.

Values

The Department focuses on the following four core values in fulfilling its mandate:

Collaboration

Each person seeks the knowledge and opinions of others, including colleagues, experts, stakeholders, Aboriginal groups/governments and relevant sources, when developing advice, policy and positions

Commitment

Each person ensures the effective representation of Labrador and Aboriginal issues within government

Integrity

Each person represents the province's interests in a flexible, thorough, and open manner within his/her mandate

Respect

Each person acts based on the needs and culture of regional and Aboriginal groups/governments



SHARED COMMITMENTS

DLAA plays 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, Environment and Conservation and others to implement agreements with the Labrador Inuit and Innu and other initiatives related to the Project.

DLAA also provides ongoing advice and assistance to Newfoundland and Labrador Hydro on Labrador and Aboriginal issues associated with the proposed Lower Churchill Hydroelectric 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 groups are appropriately consulted on projects in Labrador.

The Department also plays a critical role in 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, particularly considering its geography and demographics.

The Department works with Intergovernmental Affairs on issues relevant to Labrador that have an interprovincial and federal perspective. This includes issues such as 5 Wing Goose Bay, the Northern Development Ministers Forum (NDMF) and matters related to interjurisdictional collaboration.

The Department participates in many cross-departmental initiatives with the objective of ensuring Labrador's demographic and geographic realities and/or the social and cultural priorities of Aboriginal communities, are taken into consideration. These include, but are not limited to, the Violence Prevention Initiative, the Early Childhood Learning Council, the Anti-Poverty Strategy, and others.

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

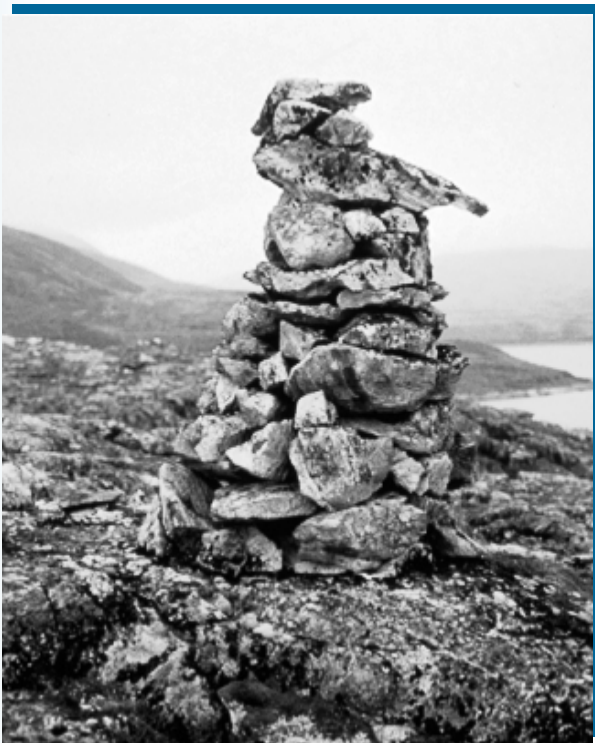
HIGHLIGHTS AND ACCOMPLISHMENTS

Aboriginal Focus

Labrador Inuit Land Claim:

In June 2005, Minister Rideout and department officials served as witnesses before the House of Commons and Senate Standing Committees, supporting the successful passage of federal legislation to ratify the Labrador Inuit Land Claims Agreement. (The Agreement between the Labrador Inuit Association, the Province and Canada had been signed on January 22, 2005.)

The Agreement came into effect on December 1, 2005, marked by a ceremony in Nain. At that time, an interim Nunatsiavut Government was established, with rights and responsibilities over lands, resources and Inuit self-government as specified in the Agreement. As provided for in the Agreement, the Torngat Mountains National Park Reserve was also established on this date.



In the fall of 2005, funding agreements between the Nunatsiavut Government, the Province and Canada were negotiated to support resource management boards and other entities required under the Agreement. The boards are expected to become fully operational in 2006, following all governments making the necessary appointments.

On November 22, 2005, the Province and the Labrador Inuit Association signed the Provincial Tax Revenue Sharing Agreement. This Agreement will provide the Nunatsiavut Government with a portion of provincial tax revenues from beneficiaries residing in the Inuit communities to contribute to the funding of provincial programs and services transferred to the Nunatsiavut Government.

On November 25, 2005, the Province, Canada and the Labrador Inuit Association signed the Nunatsiavut Government Fiscal Financing Agreement and the Nunatsiavut Government Own Source Revenue Capacity Agreement. Under the Fiscal Financing Agreement, the Province is committed to negotiating programs and services agreements with the Nunatsiavut Government when they are ready to assume responsibilities. The Own Source Revenue Capacity Agreement will determine the extent to which Nunatsiavut Government revenues will be used for programs and services. In the Budget 2006 the Government committed to \$1,324,600 to fulfill provincial obligations for the implementation of the Labrador Inuit Land Claims Agreement, such as land use planning, surveys, and co-management boards.

Inuit Communities Agreement:

The *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, expired on March 31, 2006. The total budget for the 2005/06 fiscal year was \$13,827,695 with a provincial contribution of \$3,378,495 and a federal contribution of \$10,449,200.

The agreement demonstrated the commitment of both governments to improving the quality of life for residents on the North Coast. It made significant advancements in municipal infrastructure and provided improvements to much-needed programs and services. The agreement funded municipal infrastructure, such as water and sewer and housing projects, as well as town administration/operational expenses, and educational programming.

The Management Committee for the Inuit Communities Agreement included INAC and DLAA as co-chairs. Representatives from each of the five Inuit communities, Torngat Regional Housing Association and the provincial Departments of Education and Municipal and Provincial Affairs made up the remainder of the Management Committee.

When the Labrador Inuit Land Claims Agreement came into effect on December 1, 2005, the Transitional Nunatsiavut Assembly was established under the Labrador Inuit Constitution. Funds for supplementary community services and programs and infrastructure began to flow from the federal government through the Nunatsiavut Government as of this date although the Agreement did not officially expire until March 31, 2006.

Labrador Innu Land Claim:

Ongoing land claim negotiations are focused on the chapters of an Agreement in Principle (AIP). Progress is being made with these chapters; however, some key federal and provincial issues are currently under negotiation. It is anticipated that, if current cooperative negotiations continue, an AIP could be concluded as early as the 2006-2007 fiscal year. Once an AIP is concluded, it will likely take several years more to reach, ratify and implement a Final Agreement.

Labrador Innu Comprehensive 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.

The Province is working with the Innu and federal government in a variety of processes to develop long term strategies to address the social problems in the Innu communities and to equip the Innu to take control over their affairs.



The Province has been participating in a federal/provincial/Innu educational steering committee that is reviewing and implementing, where appropriate, recommendations from reports by Dr. David Philpott of Memorial University on the education system in the Innu communities. The Department of Education and the Labrador School Board (LSB) developed plain language narratives for each student assessed by Dr. Philpott, for discussion with individual parents. Education and the LSB hired consultants for Aboriginal Education and Fetal Alcohol Spectrum Disorders. Representatives of both Innu Bands were involved in hiring new teachers and the Principal for Peenamim McKenzie School in Sheshatshiu. Job descriptions of Innu teaching assistants were revised, and training for the teaching assistants was developed and delivered. Two social workers were located in Peenamim McKenzie School. The federal government and the Province agreed to fund home/school liaison workers for both communities, as well as a breakfast/lunch program introduced in Peenamim McKenzie School.



Innu Reserve Creation:

The Department, with the assistance of the Department of Justice, worked towards finalizing documents to facilitate a Sheshatshiu Land Transfer Agreement with the Innu and Canada. The Province expects to complete the transfers of Crown Land and third party lands within the proposed reserve to the Government of Canada early in the next fiscal year. In advance of the January 23, 2006 federal election, the Premier secured a written commitment from then-Leader of the Opposition Stephen Harper that 'every effort would be made to proceed in a timely fashion' with reserve creation in Sheshatshiu.

DLAA is also continuing its discussions with 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. The Province continues to pursue funding from Health Canada for the Nursing Clinic in Natuashish.

Labrador Metis Nation (LMN):

The Province supports LMN members in gaining access to those federal programs and services for which they are eligible. The White Paper on Post-Secondary Education, released July 7, 2005, included a strategy to Persist securing access to Post-Secondary Student Support Program and other federal

Aboriginal programs for members of the FNI and the LMN.

The Province also continues to urge the federal government to make a decision on the LMN land claim application.

Federation of Newfoundland Indians (FNI):

The Government of Canada and the FNI are conducting negotiations towards the creation of a landless band for off-reserve Mi'kmaq in the province. The landless band process, once concluded, would facilitate access to federal programs and services for those registered Indians under this process.

The Province remains fully supportive of the FNI landless band process, and participated in initial exploratory discussions with the FNI and federal government on the landless band concept. Although not directly involved in the current negotiations, the Province has committed to work with the Parties, as required and requested, to determine how provincial responsibilities may be affected in any such arrangement.

The Province and the FNI also continue to discuss and work cooperatively on issues of mutual interest and importance.

Miawpukek First Nation (MFN):

On April 28, 2005, the Miawpukek First Nation (MFN), the Government of Canada and the Government of Newfoundland and Labrador signed a Framework Agreement for Self-Government. This Framework Agreement outlined the issues for negotiation and a timetable.

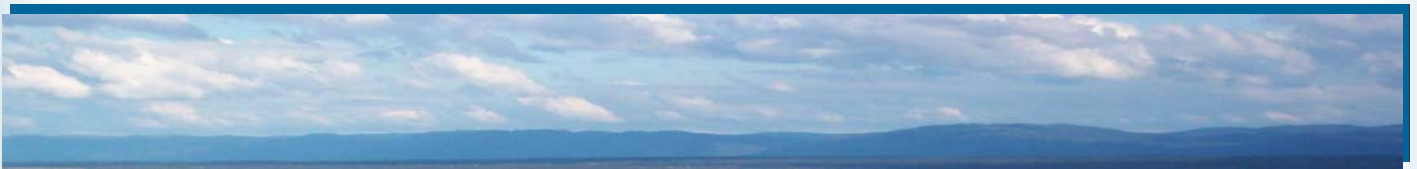
It marked the beginning of a process determining the MFN law-making powers along with more effective tools to manage their resources, preserve their culture, and gain access to drivers of economic development. The parties are currently negotiating a Self-Government Agreement-in-Principle that will contain all the major elements of a Final Self-Government Agreement. The Final Agreement, once completed, must be ratified and signed by all parties before being made effective through provincial and federal legislation.

Also on April 28, 2005, it was announced that the Province completed the transfer of 2331 hectares of land, including the community watershed, to Canada for approximately \$1 million for the purpose of expanding the Conne River Reserve, in order to meet the housing expansion and economic development needs of the Band.

First Ministers Meeting (FMM) on Aboriginal Issues:

On November 24-25, 2005, the Premier participated in the First Ministers Meeting (FMM) with National Aboriginal Leaders in Kelowna, BC. The primary thrust of the FMM was agreement on a federal/provincial/territorial/Aboriginal effort on Strengthening Relationships and Closing the Gap in the priority areas of Relationships, Health, Education, Housing and Economic Development.

DLAA participated on the Steering Committee of Deputy Ministers /Aboriginal Officials and the Aboriginal Health Blueprint Planning Committee in planning for the fall 2005 FMM on Aboriginal issues. DLAA also provided support to the Premier during consultations with Aboriginal leaders and Aboriginal women in Happy Valley-Goose Bay on November 14, 2005.



Early in its mandate, the new federal Conservative Government indicated it supports the targets to reduce Aboriginal poverty agreed to at the First Ministers' Meeting in Kelowna, November 2005, but that further discussion and refinements are required on the financial commitments.

The Province remains committed to working with the federal government and the Aboriginal people of Newfoundland and Labrador to close the gap in the quality of life of Aboriginal Canadians compared to that of other Canadians. The Province will work with Aboriginal groups to maximize the benefit to Newfoundland and Labrador from new federal spending programs.

Social and Economic Development Initiatives

Northern Strategic Plan (NSP):

In the March 15, 2005 Speech From The Throne, the Province commissioned the Department of Labrador and Aboriginal Affairs to develop a Northern Strategic Plan to address the needs for social and economic development in Labrador. The Department will work closely with the people of Labrador to ensure the NSP reflects the priorities and aspirations of Labradorians.

DLAA is currently drafting the Northern Strategic Plan discussion paper to be released in the 2006-2007 fiscal year. This document will be used to generate public thought into the development of the Northern Strategic Plan. It is anticipated that the final draft of the NSP will be completed in the 2006-07 fiscal year.

Voisey's Bay Project:

The Department has played a key role in concluding and implementing various agreements related to the Voisey's Bay Project, which began operations in 2005. Under the Voisey's Bay Environmental Management Agreement, which was signed by the provincial and federal governments and the Labrador Inuit and Innu in 2002, an Environmental Management Board comprised of representatives from each party provides advice to Ministers on regulatory and other environmental matters pertaining to the Mine/Mill. The Board is assisted by a Technical Environmental Review Committee (TERC), as well as a Secretariat based in Happy Valley - Goose Bay. A DLAA official serves as the Province's core representative on the TERC, coordinating provincial participation and input to this process.

Lower Churchill Hydro Development:

In January 2005, the Province and Newfoundland and Labrador Hydro (NLH) issued an international call for Expressions of Interest and Proposals (EOI) for participation in the Lower Churchill development. The public request marked the first of a multi-phased, competitive process designed to identify potential development options, then assess feasibility and negotiate terms for the best development option(s). This request closed on March 31, 2005, with 25 submissions received, ranging from full development concepts to a range of supplies and services.

On August 8, 2005, it was announced that, after careful assessment and evaluation, the Province and NLH had selected three full development proponents from the EOI process to move onto Phase 2, as well as an additional three proposals as potential financing options. At that time, it was also made clear that the option of a Newfoundland and Labrador led development would continue to be given primary consideration.

DLAA provided support to the Premier and NLH for consultations with Labradorians in Happy Valley-Goose Bay on November 14, 2005.

During the last federal election, the Premier secured a written commitment from then-Leader of the Opposition Stephen Harper that his party supports, in principle, the proposal to develop the Lower Churchill for the primary benefit of Newfoundland and Labrador, including the provision of a federal government loan guarantee to proceed.

On January 20, 2006 the Province also announced that it had directed NLH to submit an application to Hydro-Québec TransÉnergie for transmission service to transmit Lower Churchill power from the Labrador/Quebec border to markets in Quebec, Ontario, the Maritime Provinces and the northeast United States. This application process was initiated in order to obtain additional required information on transmission alternatives and electricity markets for the Project, as part of NLH's on-going analysis and evaluation of potential development approaches and options. A study by Hydro-Québec TransÉnergie of the impact of the transmission service request on the Quebec transmission system is underway.

In addition to assessing the development options, NLH continued work on the design and initiation of the 2006 environmental field program for the Project, as well as planning for its eventual environmental assessment.

In January 2006, NLH and Innu Nation signed a *Process Agreement* related to the proposed Lower Churchill development, which established processes and provided funding for ongoing negotiations and consultation. This included the re-commencement of negotiations towards an Impact and Benefits Agreement (IBA), which would define how the Labrador Innu might participate in the proposed development. The Process Agreement has also established mechanisms for Innu-led consultations on the proposed development in the communities of Sheshatshiu and Natuashish, as well as for the continued involvement of the Innu in planning, conducting and reviewing the on-going environmental and technical work for the Project. Two DLAA officials have been assigned to NLH to lead the IBA discussions, and the Department continues to provide overall advice and assistance on Labrador and Aboriginal issues associated with the proposed Lower Churchill development.



5 Wing Goose Bay:

In cooperation with other departments, DLAA supports efforts to maintain and grow military training activity, including foreign military training, at 5 Wing Goose Bay. In supporting the advancement of 5 Wing Goose Bay, the Premier has continued to make 5 Wing one of the top priorities for the province. During the last federal election, the Premier secured a written commitment from then-Leader of the Opposition Stephen Harper for the establishment of a 650 member Rapid Reaction Army Battalion and a new long-range Unstaffed Aerial Vehicle (UAV) Squadron at the base, as well as maintenance of the Foreign Military Training program.

DLAA also works with the Intergovernmental Affairs Secretariat and appropriate line departments to facilitate federal-provincial cooperation in advancing progress at 5 Wing Goose Bay.

DLAA is an ex-officio member of the board for the Institute for Environmental Monitoring and Research. The Institute conducts and provides incisive, comprehensive, scientific research in Labrador and northeastern Quebec ecosystems affected by the low-level flying program. The Institute offers scientifically supported recommendations to the Ministers of Environment and National Defense 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 developments at 5 Wing Goose Bay.

Fisheries:

During the 2005-06 fiscal year Provincial Government has been highly involved in many aspects of the fishery in this region. Project involvement includes:

- Labrador fisheries diversification projects;
- Crab Workers Support Program;
- Leasing various facilities on the North Coast to the Torngat Fish Producers Cooperative;
- Exploratory harvesting of Northern Crab in partnership with Torngat Fish Producers Cooperative, and
- Testing Cod Pots – a new harvesting technology in the Labrador Straits.

Additionally, Government has been involved in the Gilberts Bay area ensuring the transition from an Area of Interest to a Marine Protected Area (MPA) under the Oceans Act.

Forestry:

The Department of Natural Resources (DNR) and the Innu Nation continued to work cooperatively under the follow-up Forestry Process Agreement (FPA) signed in March 2004 to coordinate activities in implementing the Forest Management District (FMD) 19 Five Year Operating Plan.

Cooperative relations also continued between DNR and the Labrador Metis Nation (LMN) under the Forestry Process Agreement (FPA) signed in May 2004 which outlined the participation of the LMN in the forest ecosystem management planning in Labrador. The Province provided the LMN with \$200,000 in 2005-2006 under this agreement.

DNR worked with interested stakeholders from across Labrador to develop a terms of reference for a study which would provide recommendations on optimum sawmill and secondary processing configurations from several communities in Labrador. Government subsequently awarded a contract valued at \$155,000 to Halifax Global Inc. in June 2005 to complete the report.

One anticipated significant development in the forestry industry in the near future is an increase in the Annual Allowable Cut (AAC) in District 19 as a result of the completion of Phase III of the Trans-Labrador Highway. The primary concern for many stakeholders continues to be investment in local capacity to harvest and process the fiber and to maximize local benefits from it. DLAA continues to provide support to DNR on initiatives related to Labrador forestry.

Northern Agrifoods Development Strategy (NADS):

In 2005-06, the NADS Steering committee moved into the implementation phase of the strategy by creating the industry driven Labrador Agricultural Committee (LAC). The LAC consists of industry, zonal board and aboriginal group representation from all over Labrador and will help to provide input from industry into the ongoing implementation of NADS. Various federal and provincial government departments sit on this committee with ex-officio status. In partnership with Department of Natural Resources (DNR), Innovation, Trade and Rural Development (INTRD) and LAC stakeholders, NADS has awarded over \$406,384 to applicants that further the objectives of the strategy over the past three years. Successful projects over the past year include vegetable storage boxes, land clearing, carrot research trials, a Wildberry conference, and facilitation of LAC meetings. DLAA supports the LAC and has ex-officio status on the committee.

Minister's Advisory Committee on Labrador Transportation

On February 27, 2006, Government announced the formation of the Minister's Advisory Committee on Labrador Transportation. This committee will make recommendations on how best to address future Labrador transportation needs and will provide government with a thorough understanding of the unique issues relating to transportation in Labrador, from a resident's perspective. Government recognizes that the completion of the Trans Labrador Highway in 2009 will dramatically alter the region's transportation network. All elements of Labrador transportation infrastructure, including roads, air, and marine services will be assessed immediately. A Labrador Transportation Strategy will be developed to meet the transportation requirements of the people of Labrador. Government committed \$325,000 toward completing the strategy in the 2006 budget.



Trans Labrador Highway (TLH):

Government has an ongoing commitment to improved transportation links in Labrador. The completion of the Trans Labrador Highway (TLH) is one of the highest transportation priorities in the province.

Labrador has 1358 kilometers of highway with 280 kilometres of Phase III under construction connecting Cartwright Junction to Happy Valley-Goose Bay. The 2006 Budget committed \$25.5 million to further construct Phase III of the Trans-Labrador Highway, including 50 kilometers near Happy Valley-Goose Bay and Cartwright. It is expected that Phase III will be completed in 2009. In the Fall of 2005, the Trans Labrador Highway was designated as part of the National Highway System, creating a road link between this province and the rest of the country and making the Trans Labrador Highway road work eligible for federal funding.

On December 12, 2005, the provincial government pledged \$50 million over five years to surface the Trans-Labrador Highway from Labrador West to Happy Valley-Goose Bay. More specifically, \$15 million was announced in the 2006 Budget. The Province has asked the federal government to commit to a 50/50 cost-sharing agreement to have this work completed over five years. During the last federal election, the Premier secured a written commitment from then-Leader of the Opposition Stephen Harper to support a cost-shared agreement to complete the Trans-Labrador Highway.

Maintenance of the Phase II portion of the highway also remains a priority. A new transportation depot will be constructed at Chateau Pond between the communities of Red Bay and Lodge Bay at a cost of \$1.2 million as a result of funds allocated in the 2006 Budget. An additional \$700,000 was committed to increase snow clearing efforts in the Red Bay to Lodge Bay section of the Trans Labrador Highway.

DLAA led the negotiation of, and continues to implement, an Agreement with Innu Nation to facilitate the ongoing involvement of the Innu in environmental management and planning related to the highway. This includes consultation on environmental permitting, and the participation of the Innu Nation in environmental compliance monitoring during highway construction. Under that Agreement, an Environmental Management and Planning Consultative Committee (EMPC) has also been established to evaluate potential future projects and activities that may be induced by the highway (e.g. increased hunting and fishing), and to identify and recommend any additional resource management and planning measures that may be required to address these issues. This Committee is comprised of representatives of applicable provincial and federal government departments and Innu Nation, and is chaired by DLAA.

Marine Transportation:

Government views the Labrador Marine Service as a fundamental piece of marine infrastructure that is important to the people of the province, the businesses and the economy. Government is striving to provide an efficient and reliable service that meets the needs of its users.

Funds were committed in Budget 2006 for complete refits of the MV Sir Robert Bond and the MV Northern Ranger to ensure the safety of marine services for Labrador. The total amount to be invested is \$2.8 million. Other improvements to the Labrador Marine Service include enhancements to ferry passenger and freight (\$45,000), a refrigeration system for the Northern Ranger (\$17,000), and ferry dock upgrades for Postville and Cartwright (\$536,700). An additional \$759,000 was committed to extend the operating season of the Straits ferry service from Blanc Sablon to Red Bay.

The Labrador Marine Service is operating effectively. The Province will continue to provide quality service for the residents of Labrador. Government has reviewed and responded to the transportation needs of this region and this will continue as we move forward in our mandate.

Reports prepared by Memorial University on marine base freight rates and passenger fares and marine services were released to the public on March 17, 2006.

Tourism, Culture and Recreation:

This sector in Labrador is a developing industry that holds great potential. The Provincial Government is very supportive of various initiatives across Labrador. Project specific funding for the 2005-2006 fiscal year included funds for the Mina Hubbard Celebrations in North West River and further development of the Jersey Rooms area and the Visitor Center in L'Anse au Clair. Additionally, there are a number of initiatives that Government has undertaken to foster and promote growth and are as follows:

Destination Labrador:

In the 2005 Budget, Government provided \$100,000 for the second year of a three year commitment of \$300,000, to support the tourism sector through the Destination Labrador program. Destination Labrador is a non-profit organization comprising industry and federal and provincial representatives from all regions of Labrador, established in 2003 to promote Labrador as a tourism destination. During the past fiscal year the board has been selected, staff hired and an office set up in Happy Valley-Goose Bay. This provincial government investment is expected to leverage investment from federal and industry partners, for a total project commitment of \$1.38 million over three years in cost-shared funding.

Labrador Winter Games:

Government previously committed \$500,000 in the 2005 Budget to support the 2006 Labrador Winter Games. Normally held every three years, the Labrador Winter Games began in 1982 as a way to promote the development of sport and recreation programs throughout the communities of Labrador; encourage, promote and enhance cooperation and understanding among all peoples of the region; and revive and encourage the development of traditional sports and activities associated with the traditional lifestyles of the region. The Province has been a continuous supporter of the games through the Department of Tourism, Culture and Recreation. The ninth Labrador Winter Games were held in Happy Valley-Goose Bay from March 12-18, 2006. The games brought together over 400 athletes and 500 volunteers. DLAA was represented on the Board of Directors for the 2006 Labrador Winter Games.

Labrador Winter Trails:

Labrador's natural environment lends itself to winter tourism development opportunities such as snowmobiling. This industry promotes economic development without disturbing the environment and promotes a continued way of life for locals. Labrador Winter Trails Inc. (LWT) was formed in 1998 to oversee the development of a world class, quality winter trail system throughout Labrador. LWT has developed approximately 1500 kilometers of trail throughout Labrador communities and vast expanses of wilderness, with opportunities to see wildlife, northern lights and experience the down home hospitality of the peoples of Labrador. Labrador is becoming a destination of choice for snowmobilers. DLAA continues to support LWT by having departmental representation on the LWT Management Committee.

Post-Secondary Education:

Budget 2006 provided \$1 million to help address inadequate facility arrangements of the College of the North Atlantic in Labrador West. A further \$1 million was allocated for an extension on the College of the North Atlantic's campus in Happy Valley-Goose Bay. These initiatives were a result of the government's vision for post-secondary education in the White Paper on Public Post-Secondary Education.

Long Term Care Facility:

The existing Paddon Home in Happy Valley-Goose Bay is more than 30 years old and not designed for persons with high care needs. Persons with dementia often have to relocate to a protective care environment at nursing homes elsewhere in the province. DLAA was an active participant in community meetings that were held in an effort to advance this cause.

Government will proceed with the development of a new long-term care facility in Happy Valley-Goose Bay. Budget 2006 will allocate \$1.2 million for the next phase of planning and detailed design work for a new 50-bed long-term care home. Construction is planned for 2007-08, and occupancy in 2009-10.

Labrador West Health Centre

The Captain William Jackman Memorial Hospital (CWJMH) was constructed in the early 1960's. There are currently 20 beds to serve approximately 11,000 persons in Labrador West. In mid-2005, the Labrador Grenfell Health Board engaged a consultant to complete an assessment of health care needs in the region. Recommendations included a health centre providing primary acute care, limited surgical and obstetrical services, and incorporating long-term care beds as well.

Budget 2006 allocated \$1.5 million for the initial planning stages of a new Health Centre for Labrador City to replace the Captain William Jackman Hospital. This follows the recent recommendations of an assessment completed for the Labrador-Grenfell Regional Integrated Health Authority (RIHA) of health care needs in the region. Design work will be performed this year, with construction in the following three years.

Additional Health Care Initiatives:

In the March 2006 Budget, the Province announced a number of health care initiatives for Labrador totaling over an estimated \$43.4 million. This investment furthers government's Blueprint pledge to provide more equitable access to health services.

- Government will invest in a new satellite kidney dialysis unit in Happy Valley-Goose Bay;
- the Hopedale Women's Shelter will receive additional funding of \$130, 000;
- the Hope Haven Women's Shelter will receive funding in the \$100,000;
- \$60,000 per year allocated for a 2 year suicide prevention program and will involve research and training programs for Aboriginal communities experiencing a high level of suicide;
- \$143,000 will be allocated for the expansion of the cervical screening program for Labrador-Grenfell Health;
- assistance for Labradorians to overcome the barrier of affordability when accessing needed health services outside their communities and their region (\$567,000 annually, including a new \$167,000 program for Labrador West residents who have to travel to Goose Bay for medical care, instituted in 2005);
- \$102,000 will be allocated for health emergency management response for Labrador-Grenfell Health;
- Sex offender and family violence treatment programs will be made available at the Labrador Correctional Centre (LCC) at a cost of \$50,000;
- Fetal Alcohol Spectrum Disorder (FASD) assessments will be supported at the LCC at a cost of \$33,600;
- there will be 5 Public Health positions funded for Labrador-Grenfell Health; and
- there will be 5 new positions created under Child Youth and Family Services for the Labrador-Grenfell Health region.

Program Administration:

Tornngat Recreation Commission (TRC):

The TRC 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, to 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.

In 2005/06, the TRC approved 75 proposals in the amount of \$72,417.02. Some of the highlights from 2005/06 include:

- Coaching Clinic in Happy Valley-Goose Bay;
- Participation in meetings to form a Sportsplex Coalition for northern Labrador;
- Attendance at the annual Newfoundland and Labrador Parks and Recreation Association meeting;
- Zamboni Training in Nain;
- Various other sporting events including dog team races, badminton and volleyball tournaments and hockey clinics in the region.

Staff from DLAA provides an administrative support role to the TRC.

Labrador Grooming Subsidy:

The Government of Newfoundland and Labrador has provided a grooming subsidy to the coastal regions of Labrador for a number of years. For 2005/06, the Province allocated \$240,000 to the Labrador Grooming Subsidy which is administrated by the Department of Labrador and Aboriginal Affairs. Its purpose is to provide support to regions along the north and south coasts of Labrador for maintenance of winter trails systems. The funds allow continued access for communities that do not have year round road connections to other areas of Labrador.

Beginning in November 2005, the grooming subsidy is being provided to Labrador Winter Trails (LWT). The organization has extensive experience in trail grooming operations and will ensure that all trails throughout Labrador are at a consistently high standard. Grooming operations on the north and south coasts of Labrador are currently being overseen by LWT in collaboration with community councils and development associations, where relevant.

Air Foodlift Subsidy (AFS) Program:

The Air Foodlift Subsidy (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. This program is administered by DLAA. Funding for 2005-06 fiscal year was \$300,000.

In the March 2006 Budget, the AFS was increased by \$100,000 through funding identified under the Poverty Reduction Strategy to assist with the delivery of the program. This allowed for an increase in the return rate, which is passed on to the consumer by the retailer, as well as to expand the eligible goods list to include more healthy food choices.

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



Organizational Involvement

Combined Councils of Labrador (CCL):

The Combined Councils of Labrador (CCL) has grown in scope and capacity to acknowledge municipal governance as the vehicle of choice for economic development, community living, social challenges, and infrastructure and thrives for leadership in advocacy, policy development, research and municipal training. The membership of the CCL includes all communities in Labrador, except Natuashish and Sheshatshiu, which are members of the Innu Nation.

The 34th Annual Socio-Economic Conference "One Labrador" was held in the Labrador Straits in January 2006. The conference was hosted and organized by the Labrador Straits Development Corporation and provided a prime opportunity for municipal leaders from all regions of Labrador to gather together to discuss issues of mutual concern with each other and government representatives. The Province was represented at the conference by the Deputy Premier and Minister Responsible for Aboriginal Affairs, the Minister Responsible for Labrador Affairs the Ministers of Natural Resources and Municipal Affairs.

Assistance was provided by DLAA through representation on the logistics committee and ongoing communications with government departments. Funding of the CCL is provided by the Department of Municipal Affairs.

Labrador Regional Council (LRC):

The 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 regional council is not accountable to any specific authority other than the group it represents, the Department of Labrador and Aboriginal Affairs serves as a point of contact, as well as acts in a coordinating and facilitative role in helping to resolve issues as they relate to the region.

Labor Market Development Agreement (LMDA)

Under the 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 \$5,080,300 in 2005-06.

DLAA also participates in the Labrador Regional Assessment Committee for both of the Service Canada offices in Central Labrador and Labrador West. The purpose of the assessment committees is to assess program applications under LMDA for all of Labrador.

Performance Space for Eastern Labrador:

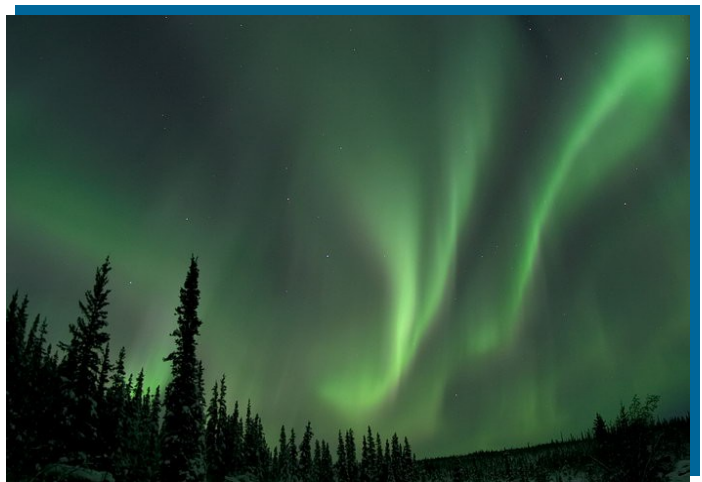
DLAA has continued to act as the coordinating body for Government for the Eastern Labrador performance space and has approached various federal Ministers requesting their assistance to secure federal funding for the auditorium.

On March 13, 2006 Premier Williams announced in Happy Valley – Goose Bay that the Province will fund \$1.9 million as the provincial contribution towards the construction of the facility which is to be located on the site of the Mealy Mountain Collegiate. On March 24, 2006 the Department of Canadian Heritage announced funding of \$750,000 for the construction of the performance facility. Application was made to the Municipal Rural Infrastructure Fund for \$1,000,000 on January 9, 2006 and is still in the processing stage.

DLAA continues to assist with the application process and preparatory work for construction which is anticipated for the spring of 2007. Total project costs have been projected to be just over \$4 million.

Broadband Initiative for Government (BIG):

DLAA sits on the provincial policy working group, BIG. The BIG project is tasked with increasing the amount of bandwidth throughout Newfoundland and Labrador to ensure that the Province remains a competitive location for investment, business, research, education and healthcare. Government will utilize its purchasing power in telecommunications to ensure that it receives the best value for its expenditures and uses that purchasing power to bring an advanced network throughout all regions of the province. If the government can utilize one advanced network for all of government and its agencies, then those savings can be re-directed into buying more bandwidth for those communities where government has a presence. Under the BIG initiative, Government has committed that the 11 communities in Labrador without high bandwidth will be connected to the high speed network.



Northern Development Ministers' Forum (NDMF):

The NDMF was established to raise the profile of Northern regions throughout Canada through annual Ministers' meetings. The Deputy Premier and Minister Responsible for Aboriginal Affairs and the MHA for Lake Melville represented the Province at the 2005 NDMF in The Pas, Manitoba.

At the 2005 Forum in Manitoba, the NDMF priority project listing included the following files:

- Education, Training and Employment
- Northern Awareness Enhancement Campaign
- Innovation and Science: Using the Innovation Agenda for Northern Development
- Northern Transportation Investment Strategy
- Maximizing Economic and Social Impacts from Major Projects in the North
- Website Development
- Recruitment and Retention of Professionals in the North

The Province, through Labrador and Aboriginal Affairs, currently sits on the following priority project working groups: Northern Awareness Enhancement Campaign, Education, Training and Employment and Northern Transportation Investment Strategy.

Freedom of Flight Aerospace Conference:

The Freedom of Flight Conference committee was established in the summer of 2004 with the objective of organizing an aerospace conference in Happy Valley - Goose Bay to be held in September 2006.

Freedom of Flight is a community driven initiative with one message to be delivered - Goose Bay is open for business! For years, Air Forces from around the world have known that Goose Bay offers premium airspace to challenge the best. Through its long history with Allied nations, this community has built a work force that is ready to rise to meet the aerospace industry's needs, has solidified partnerships from around the world, and challenged ourselves to be the best. Freedom of Flight will showcase Goose Bay's first-class facilities and support infrastructure available for military and commercial aviation and aerospace industries while inviting delegates to enjoy our northern hospitality.

DLAA is very supportive of this initiative and participates as a member of the organizing committee.

Proposed Mealy Mountain National Park:

Government is committed to a National Park in the Mealy Mountains that balances ecological integrity with interests of various stakeholders. A steering committee has been established to carry out a feasibility study to examine the potential impacts and benefits of establishing a National Park in this area of Labrador. The feasibility study is ongoing and expected to be completed by March 2007. The estimated cost is in the vicinity of \$600,000 borne entirely by the federal government. This study will be a public process, designed to solicit the views and concerns of all interested parties and groups.

DLAA has been active in supporting Provincial representation on the Steering Committee and various subcommittees. Over the past year, through a subcommittee of which DLAA participated, a traditional use framework has been successfully developed and presented to neighbouring communities and Parks Canada administration.

Aboriginal Women's Conference:

DLAA and the Women's Policy Office co-sponsored the first pan-provincial Aboriginal Women's Conference, *The Path to the Good Life*, held in Happy Valley-Goose Bay March 13-15, 2006. Besides providing funding, DLAA served on the planning committee and provided logistical support for the event, which focused on the social, cultural, economic and environmental needs and challenges of Aboriginal women and their communities. At the conclusion of the conference, the Ministers Responsible for the Status of Women and Aboriginal Affairs announced that Budget 2006 would allocate \$100,000 to continue a community-based grants program designed to address violence and other quality of life issues for Aboriginal women and children, and \$20,000 in continued funding for future meetings between Aboriginal women and the Government of Newfoundland and Labrador to continue collaborative work. Budget 2006 also made commitments that reflect many of the concerns Government heard from Aboriginal women in the province, including public safety, suicide, and the cost of living

Budget 2006:

Government renewed its commitment to encourage growth and prosperity in Labrador with \$60 million in strategic investments in 2006 Budget, as part of commitments totaling more than \$200 million over the next four years. Some of the highlights which have not been referenced elsewhere have been identified below:

- Funding was provided in 2006 Budget to hire legal aid staff in Happy Valley-Goose Bay to improve access to justice in Labrador, which is consistent with recommendations of the Aboriginal Law Project Report.

- One additional RCMP officer will be located in Nain and administrative positions in Forteau and Mary's Harbour, which will build upon previous funding for 11 new RCMP officer positions in Labrador.
- \$2.7 million was committed for provincial roads projects in Labrador, including rehabilitating bridges at Trout Brook, Pinware River, and Forteau Brook.
- Court security systems in Happy Valley-Goose Bay and Wabush will be expanded.
- In an effort to provide broader access to Labrador justice services, a translation interpretation strategy and a cultural training strategy will be developed.
- Supreme Court circuit courts will be established for coastal communities to improve access to justice services in remote areas.
- 2006 Budget included \$250,000 for geological studies that support mineral exploration. This includes \$200,000 to conduct a geochemical sampling and analysis program in prospective areas of Labrador and \$50,000 to continue the systematic bedrock mapping project in the Voisey's Bay area. An additional \$107,000 in funding will be provided to fund a drill core collection program in Labrador that will gather existing material left in the field and make it available to geologists.

- The Point Amour Lighthouse will receive \$40,000 over two years to update the interpretation centre and develop a trail system.
- The continued early release of the Labrador Marine Service shipping season schedule.
- Funding in the amount of \$516,800 was committed for the second year of a six year project to monitor the effects of the Trans-Labrador Highway on the threatened Mealy Mountains Woodland Caribou.
- An expanded fire suppression program will be funded in the amount of \$460,000 to protect Labrador's forests. This will include the costs for the use of contract aircraft fire suppression during the height of the fire season.
- Pinware River Provincial Park will see enhancements in infrastructures, including a comfort station and a dumping station at a total cost of \$230,000.
- To ensure that polar bears are not over harvested \$148,400 will be contributed towards the compilation of an updated estimate of the Davis Strait polar bear population.

KEY ACHIEVEMENTS AND PRIORITIES

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 provide input in policy recognizing regional benefits and secondary processing of Labrador natural resource developments;
- to provide input into the policy related to sustainability and diversification of 5 Wing Goose Bay;
- to provide input in social policy that considers the demographic and geographic realities in Labrador;
- to complete the Northern Strategic Plan;
- to provide input into a multi-modal Labrador Transportation Strategy;
- 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;
- to fund and administer programs and services which are Labrador specific and relevant to the needs of communities in Labrador; and
- to ensure that appropriate amounts of federal funding allocated to the Province are utilized in Labrador.

Aboriginal Affairs:

- to develop mechanisms to effectively implement the Labrador Inuit Land Claims Agreement, including commencement of preparations for devolution of programs and services to the Nunatsiavut Government;
- to achieve an Agreement-in-Principle on the Innu land claim that is fair and balanced, and initiate land selection negotiations and associated Interim Measures Agreements;
- to provide input in policy recognizing regional benefits and secondary processing of Labrador natural resource developments and ensure appropriate consultation mechanisms with Aboriginal groups/governments and stakeholders;
- to provide advice to government on options to address the concerns and aspirations of regional stakeholders and Aboriginal organizations respecting the Lower Churchill hydro development;
- to provide input in social policy that considers the needs and aspirations of the Aboriginal people of the province and assist Aboriginal peoples to access federal programs;
- to facilitate improved relationships between the provincial government and Aboriginal groups.

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.

- 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;
- coordinating and administering various programs with provincial government departments to regional stakeholders within Labrador;
- liaises with other Northern Ministries;
- assists in the management of intergovernmental relations on Northern/Labrador issues;
- coordinates interdepartmental and regional initiatives; and
- managing federal-provincial agreements.

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 of Labrador;
- to develop mechanisms to effectively implement the Labrador Inuit Land Claims Agreement; 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></p> <p>Under the Voisey's Bay Environmental Management Agreement an Environmental Management Board provides advice to Ministers on regulatory and other environmental matters pertaining to the Mine/Mill. The Board is assisted by a Technical Environmental Review Committee (TERC), as well as a Secretariat based in Happy Valley - Goose Bay. A DLAA official serves as the Province's core representative on the TERC.</p> <p><u>Trans Labrador Highway</u></p> <p>Construction of Phase III (Happy Valley - Goose Bay to Cartwright Junction) (TLH3) is continuing and on-schedule with a budget of \$25.5 million, and an anticipated completion date of 2009. In the Fall of 2005, the Trans Labrador Highway was designated as part of the National Highway System, creating a road link between this province and the rest of the country and making the Trans Labrador Highway road work eligible for federal funding. On December 12, 2005, the provincial government pledged \$50 million over five years to surface the Trans-Labrador Highway from Labrador West to Happy Valley-Goose Bay. The Province has asked the federal government to commit to a 50/50 cost-sharing agreement to have this work completed over five years.</p> <p><u>Value-Added Forestry Processing</u></p> <p>The Department of Natural Resources (DNR) continued to work cooperatively with the Innu Nation and with the Labrador Metis Nation (LMN) on separate forestry related agreements. DNR worked with interested stakeholders from across Labrador to develop a terms of reference for a study which would provide recommendations on optimum sawmill and secondary processing configurations from several communities in Labrador. Government awarded a contract to Halifax Global Inc. to complete the report.</p>

STRATEGIC ISSUE	PRIORITIES	PROGRESS/ACCOMPLISHMENTS
		<p><u>Lower Churchill Hydro Development</u></p> <p>On January 20, 2006 the Province announced that it had directed NLH to submit an application to Hydro-Québec TransÉnergie for transmission service to transmit Lower Churchill power from the Labrador/Quebec border to markets in Quebec, Ontario, the Maritime Provinces and the northeast United States. In addition to assessing the development options, NLH continued work on the design and initiation of the 2006 environmental field program for the Project, as well as planning for its eventual environmental assessment. In January 2006, NLH and Innu Nation signed a <i>Process Agreement</i> related to the proposed Lower Churchill development, which established processes and provided funding for on-going negotiations and consultation. Two DLAA officials have been assigned to NLH to lead the IBA discussions, and the Department continues to provide overall advice and assistance on aboriginal issues associated with the proposed Lower Churchill development.</p> <p><u>Northern Agrifoods Development Strategy (NADS):</u></p> <p>The NADS Steering committee moved into the implementation phase by creating the industry driven Labrador Agricultural Committee (LAC) during 2005-06. In partnership with Department of Natural Resources (DNR) Innovation, Trade and Rural Development (INTRD) and LAC stakeholders, NADS has awarded over \$406,384 to applicants that further the objectives of the strategy over the past three years. Successful projects over the past year include vegetable storage boxes, land clearing, carrot research trials, a Wildberry conference and facilitation of LAC meetings.</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>Long-Term Care Health Facility</u></p> <p>In the March 2006 Budget, the Province announced funding of \$1.2 million to begin the next phase of planning and detailed design work for a new 50-bed facility in Happy Valley-Goose Bay.</p> <p><u>Northern Strategic Plan</u></p> <p>In the March 15, 2005 Speech From The Throne, the Province commissioned the Department of Labrador and Aboriginal Affairs to develop a Northern Strategic Plan to address the needs for social and economic development in Labrador. DLAA is currently drafting the Northern Strategic Plan discussion paper to be released Spring 2006. This document will be used to generate public thought into the development of the Northern Strategic Plan.</p> <p><u>Dialysis Unit</u></p> <p>Government will invest \$917,300 to support a new satellite kidney dialysis unit in Happy Valley-Goose Bay.</p>
<p>3. To fund and administer programs and services which are Labrador specific and relevant to the needs of communities in Labrador.</p>	<p>To coordinate and administer various programs with provincial government departments to regional stakeholders within Labrador.</p>	<p><u>Air Foodlift Subsidy (AFS) Program</u></p> <p>In the 2006 Budget, the Province announced the continuation of the \$300,000 funding with the funding contribution and administration of the Program to be delivered solely through DLAA. In addition, the budget was increased by \$100,000 through funding identified under the Poverty Reduction Strategy to assist with the delivery of the program.</p>

STRATEGIC ISSUE	PRIORITIES	PROGRESS/ACCOMPLISHMENTS
		<p><u>Labrador Winter Trails Grooming Subsidy</u></p> <p>For 2005-06, the Province allocated \$240,000 to the Labrador Grooming Subsidy which is administrated by the Department of Labrador and Aboriginal Affairs. In November 2005, the grooming subsidy was funneled through LWT for the 2005/2006 season.</p>
<p>4. 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></p> <p>The total budget for the 2005/06 fiscal year was \$13,827,695 with a provincial contribution of \$3,378,495 and a federal contribution of \$10,449,200.</p> <p><u>5 Wing Goose Bay:</u></p> <p>DLAA supports efforts to maintain and grow military training activity, including foreign military training, at 5 Wing Goose Bay. In supporting the advancement of 5 Wing Goose Bay, the Premier has continued to make 5 Wing one of the top priorities for the province. On February 3, 2005 the Province and the Town of Happy Valley – Goose Bay presented to the Senate Standing Committee on National Security and recommended further use of 5 Wing Goose Bay to achieve objectives of Canadian Forces and NATO.</p> <p><u>Labour Market Development Agreement.</u></p> <p>DLAA participates in the Labrador LMDA Management Committee, which managed a budget of \$5,080,300 in 2005-06.</p>
<p>5. 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. 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 Inuit Land Claims</u></p> <p>In June 2005, Thomas Rideout, Minister Responsible for Aboriginal Affairs, and department officials served as witnesses before the House of Commons and Senate Standing Committees, supporting the successful passage of federal legislation to ratify the Labrador Inuit Land Claims Agreement. The Agreement came into effect on December 1, 2005. At that time, an interim Nunatsiavut Government was established. As provided for in the Agreement, the Torngat Mountains National Park Reserve was also established on this date.</p> <p><u>Labrador Innu Land Claim:</u></p> <p>Ongoing land claim negotiations are focused on the chapters of an Agreement in Principle (AIP). Progress is being made with these chapters; however, some key federal and provincial issues are currently under negotiation. It is anticipated that, if current cooperative negotiations continue, an AIP could be concluded as early as Winter 2007. Once an AIP is concluded, it will likely take several years more to reach, ratify and implement a Final Agreement.</p>

STRATEGIC ISSUE	PRIORITIES	PROGRESS/ACCOMPLISHMENTS
<p>6. 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>First Ministers Meeting (FMM) on Aboriginal Issues</u></p> <p>On November 24-25, 2005, the Premier participated in the First Ministers Meeting (FMM) with National Aboriginal Leaders in Kelowna, BC. The primary thrust of the FMM was agreement on a federal/provincial/territorial/Aboriginal effort on Strengthening Relationships and Closing the Gap in the priority areas of Relationships, Health, Education, Housing and Economic Development.</p>
<p>7. 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></p> <p>The Department, with the assistance of the Department of Justice, worked towards finalizing documents to facilitate a Sheshatshiu Land Transfer Agreement with the Innu and Canada. The Province expects to complete the transfers of Crown Land and third party lands within the proposed reserve to the Government of Canada early in the next fiscal year.</p> <p><u>Miawpukek First Nation</u></p> <p>On April 28, 2005, the Miawpukek First Nation, the Government of Canada and the Government of Newfoundland and Labrador signed a Framework Agreement for Self-Government. The parties are currently negotiating a Self-Government Agreement-in-Principle that will contain all the major elements of a Final Self-Government Agreement. The Province completed the transfer of 2331 hectares of land, including the community watershed, to Canada for approximately \$1 million for the purpose of expanding the Conne River Reserve, in order to meet the housing expansion and economic development needs of the Band. The Province signed two Land Transfer Agreements with Canada and the Miawpukek First Nation on March 30, 2005.</p> <p><u>Labrador Metis Nation (LMN)</u></p> <p>The Province supports LMN members in gaining access to those federal programs and services for which they are eligible. The Province also continues to urge the federal government to make a decision on the LMN land claim application.</p> <p><u>Federation of Newfoundland Indians (FNI):</u></p> <p>The Government of Canada and the FNI are conducting negotiations towards the creation of a landless band for off-reserve Mi'kmaq in the province. The landless band process, once concluded, would facilitate access to federal programs and services for those registered Indians under this process.</p>

STRATEGIC ISSUE	PRIORITIES	PROGRESS/ACCOMPLISHMENTS
<p>8. 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>Tornqat Recreation Commission (TRC)</u></p> <p>The TRC administers two programs: the Community Capacity Building/Leadership Program and the Intra-Labrador Travel Subsidy Program. In 2005/06, the TRC approved 75 proposals in the amount of \$72,417.02. Staff from DLAA continue to provide an administrative support role to the TRC.</p> <p><u>Innu Healing Strategy</u></p> <p>The Province has been participating in a federal/provincial/Innu educational steering committee that is reviewing and implementing, where appropriate, recommendations from reports by Dr. David Philpott of Memorial University on the education system in the Innu communities. Education and the LSB hired consultants for Aboriginal Education and Fetal Alcohol Spectrum Disorders. Representatives of both Innu Bands were involved in hiring new teachers and the Principal for Peenamini McKenzie School in Sheshatshiu. Job descriptions of Innu teaching assistants were revised, and training for the teaching assistants was developed and delivered.</p>

OPPORTUNITIES AND CHALLENGES AHEAD

DLAA 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 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, is helping to 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.

The March 8, 2005 Cabinet Retreat announcement included the establishment of a branch of the Premier's Office in Happy Valley-Goose Bay to ensure a direct conduit between Labrador and the Premier on the

priorities, views and concerns of Labradorians. Since that announcement Ms. Win Barnes has been hired as the Special Assistant to the Premier for the Labrador office.

Also announced was the creation of a new senior government position and supports in Labrador West, within the Department of Natural Resources, to serve Labrador's mining, agricultural and energy sectors with a total budget of \$250,000 annually. Since the announcement, Mr. Paul Carter has been hired as the Executive Director for the Labrador office.

The Premier announced the appointment of Mr. Ron Bowles as the Assistant Deputy Minister for Labrador Affairs in Happy Valley-Goose Bay on November 2, 2005. This position was reestablished on the request of Labradorians to ensure that issues important to Labrador would be brought forward to Government.

Opportunities and challenges ahead include:

- co-ordinating and providing leadership for government programming in Labrador;
- developing and implementing the Northern Strategic Plan;
- 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;
- 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; and
- 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.
- Much has been accomplished in Labrador in 2005-06, 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.
- Government is responding to the need for further economic and social development in Labrador with the creation of a Northern Strategic Plan.

DEPARTMENT OF LABRADOR AND ABORIGINAL AFFAIRS
Statement of Expenditure and Related Revenue
FOR THE YEAR ENDED 31 MARCH 2006

	Estimates		
	<u>Actual</u>	<u>Amended</u>	<u>Original</u>
	\$	\$	\$
1.1.01 Minister's Office	170,063	177,200	172,200
1.2.01 Executive Support	338,766	395,600	433,600
2.1.01 Aboriginal Affairs	959,857	1,667,300	1,636,300
Less Revenue – Federal	1,190,000		
2.1.02 Labrador Affairs	1,016,743	1,127,500	1,125,500
2.1.03 Inuit Agreement	4,376,641	4,943,400	4,943,400
Less Revenue – Federal	<u>4,245,679</u>	<u>4,683,400</u>	<u>4,683,400</u>
Total Department	<u>1,426,391</u>	<u>3,627,600</u>	<u>3,627,600</u>

Expenditure and revenue figures included in this document are based on public information provided in the Report on the Program Expenditures Revenues of the Consolidated Revenue Fund for Fiscal Year Ended 31 March 2006.