# 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 .......................................................... 7

5. Key Achievements and Priorities .............................................................. 22
   a. Strategic Issues ................................................................................. 22
   b. Priorities and Strategies .................................................................. 22
   c. Progress and Accomplishments ....................................................... 24

6. Opportunities and Challenges Ahead ...................................................... 32

7. Financial Statements ............................................................................. 33
Ministers’ Letter of Transmittal

In accordance with government's commitment to accountability, we hereby submit the 2004-05 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, 2004 to March 31, 2005.

PAUL SHELLEY, M.H.A.
Baie Verte District
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’kmaw of Conne River), the Innu and Inuit of Labrador, the Federation of Newfoundland Indians and the Labrador Metis Nation.
Structure and Location

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

**Labrador Office:**
- Office of the Minister(s)
- Office of the Deputy Minister
- Labrador Affairs 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

5th Floor, West 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, Environment and Conservation, Natural Resources, Municipal and Provincial Affairs, Innovation, Trade and Rural Development (INTRD), Transportation and Works (DTW), 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 peoples 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, and in the monitoring of employment benefits for the Labrador residents consistent with Voisey’s Bay Nickle Co.’s adjacency policy.

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 groups are appropriately consulted on projects in Labrador.

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 on the issues that are unique to Labrador, particularly considering its geography and demographics.

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 Ministerial Council on Early Childhood Learning, the Poverty Reduction Strategy and so on.

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

The Department often collaborates with INTRD and the Intergovernmental Affairs Secretariat (IGAS) on 5 Wing issues.

The Department also collaborates with DTW, the Department of Tourism Culture and Recreation (TCR) and INTRD on tourism/transportation development initiatives like the Labrador Winter Trails Grooming Subsidy.
Highlights and Accomplishments

New Minister:

On March 11, 2005, the MHA for the District of Baie Verte, the Honourable Paul Shelley, was appointed as Minister Responsible for Labrador Affairs. The Department thanks the outgoing Minister, the Honourable Trevor Taylor, for his leadership and support during his time in the portfolio.

Labrador Inuit Land Claim:

On May 26, 2004, Labrador Inuit ratified the Labrador Inuit Land Claims Agreement (Agreement), with 76% support of eligible voters. The Agreement had been initialed by negotiators for the Labrador Inuit Association, the Province and Canada in August 2003.

On December 6, 2004 the Province ratified the Agreement by passing the Labrador Inuit Land Claims Agreement Act in the House of Assembly.

On January 22, 2005, the Province, Labrador Inuit Association and the federal government signed the Agreement and its implementation plan in Nain. At the same time, the Province and the federal government signed a Memorandum of Agreement for a National Park Reserve of Canada in the Torngat Mountains. The National Park Reserve will be created when the land claims agreement comes into effect.

A highlight of the signing ceremony for the Agreement was a formal apology offered by Premier Danny Williams, on behalf of the Government of Newfoundland and Labrador, to the former residents of Hebron and Nutak, who were relocated in the 1950s. The apology was graciously accepted.

The next step in bringing the Labrador Inuit Land Claims Agreement into effect is the introduction and passage of federal legislation, after which a date will be agreed upon by the three parties for the Agreement to come into effect.

When the Agreement comes into effect, it will be the first settled comprehensive land claim in the Province and Atlantic Canada. It will bring clarity to land and resource ownership in northern Labrador, as well as self-government for Labrador Inuit. Labrador Inuit will also receive from the federal government a $140 million (1997$) capital transfer payment, and $156 million (1997$) toward implementation of their obligations under the Agreement.

In September 2004, members of the Province’s Labrador Inuit land claims negotiating team (pictured below) received a Public Service Award of Excellence, recognizing two decades of work culminating in the momentous Agreement.
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, is being amended to expire on March 31, 2006, or whenever the Labrador Inuit Land Claims Agreement comes into effect. The total budget for the 2004/05 fiscal year was $13,382,461 with a provincial contribution of $3,378,495 and a federal contribution of $10,003,966.

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

The Management Committee for the Inuit Communities Agreement includes 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 Labrador Inuit Association has observer status at committee meetings, which are held on a quarterly basis.

Funds for supplementary community services, programs and infrastructure are anticipated to flow through the Nunatsiavut Government, upon the Effective date of the Labrador Inuit Land Claims Agreement.

Northern Strategic Plan:

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 plan reflects the priorities and aspirations of Labradorians.

Torngat Recreation Commission:

The Torngat Recreation Commission (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 through leadership programs, volunteer recruitment, cultural workshops and coaching/referee clinics. The Intra-Labrador Travel Subsidy program is designed to subsidize
travel within Labrador for sport and cultural organizations, and individuals from the North Coast.

In 2004/05, the TRC approved 106 proposals in the amount of $95,099.85. Some of the highlights from 2004/05 were:
- an Anti-Bullying Workshop in Nain;
- the Newfoundland and Labrador Parks and Recreation Association visited communities with the Summer Active Living Express;
- Aerobics Instructor Training in the Labrador Straits;
- a Table Tennis Clinic in Makkovik;
- a Level 1 Soccer Clinic in Happy Valley-Goose Bay; and
- Accounts Training in Happy Valley-Goose Bay.

The TRC continues to operate with funding received from DLAA, through the Inuit Communities Agreement and the Mushuau Innu First Nation. Staff from DLAA continue to provide an administrative support role to the TRC.

**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.

In the Fall, Dr. David Philpott, of Memorial University, released his initial report on the educational needs of Innu children. The Province committed $500,000 to begin addressing the issues identified by Dr. Philpott. Provincial officials are working with the Innu and the Government of Canada to develop a bi-cultural model of education that will meet the goals the Innu have set for an Innu education system that will encourage Innu children to achieve their potential while preserving and fostering their language and culture.

The Province and the Sheshatshiu Innu First Nation explored the possibility of devolving control of the Peenamin McKenzie School to the Band. The Band preferred, however, to leave the issue of control until a reserve is created in Sheshatshiu and the federal government establishes a Band School.
Innu Reserve Creation:
DLAA, with the assistance of the Department of Justice, continued the negotiation of a Sheshatshiu Land Transfer Agreement with the Innu and Canada, to facilitate the transfers of Crown Land and third party lands within the proposed reserve to the Government of Canada.

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

Federation of Newfoundland Indians (FNI):
The Province is awaiting a federal decision to move forward on the negotiations with FNI 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.

The Province remains fully supportive of the FNI landless band process, and looks forward to the opportunity to continue to work cooperatively with the FNI and Canada to determine how provincial responsibilities may be affected in any such arrangement.

Miawpukek First Nation (MFN):
On December 9, 2004, the Miawpukek First Nation, the Government of Canada and the Government of Newfoundland and Labrador announced the beginning of formal self-government negotiations. The Parties are negotiating the content and form of a Miawpukek Self-Government Framework Agreement. The framework agreement will set out the subject matters to be negotiated in an Agreement-in-Principle and eventual Final Agreement.

On March 30, 2005, the Province signed two Land Transfer Agreements with Canada and the Miawpukek First Nation. The Province is transferring 2331 hectares of land, including the community watershed, to Canada for the amount of $990,000 to expand the Conne River Reserve, in order to meet the housing expansion and economic development needs of the Band.
Voisey's Bay Project:

The Department has played a key role in concluding and implementing various agreements related to the Voisey's Bay Project.

Under the Voisey's Bay Environmental Management Agreement (EMA), which was signed by the provincial and federal governments, the LIA and the Innu Nation, 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. During 2004-05, the Board received and reviewed over 100 permit applications and project-related plans. 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.

The Voisey's Bay Mine/Mill operations are scheduled to commence in late 2005. Maximizing local, regional and provincial economic benefits from Voisey's Bay has been and remains a key priority. Inco/VBNC has implemented an adjacency policy for hiring and the purchase of goods and services, in which first priority for hiring at the Voisey's Bay site is given to qualified Innu Nation and LIA members, followed by other qualified Labrador residents, and then 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.

A DLAA official based in Labrador serves as an Employment Monitor for the Voisey's Bay Mine/Mill Project, monitoring hiring practices at Voisey's Bay to ensure compliance with the adjacency principle.

Lower Churchill Hydro Development:

In September 2004, Government received a paper from the Combined Councils of Labrador outlining some desired benefits from development of the Lower Churchill. This paper continues to be under active consideration by Government and Newfoundland and Labrador Hydro Corporation.

Activity on the Lower Churchill hydro development picked up in January 2005 with the launch of an international request for expressions of interest and proposals for participation in the 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). The request closed on March 31. Twenty-five submissions were received, ranging from full development concepts to a range of supplies and services. During this time, lines of communication remained open with aboriginal representatives, however there were no active discussions.
In the March 2005 Speech From the Throne, Government committed to an adjacency principle, that will ensure that Labradorians are given opportunities to find employment on major development projects in Labrador.

**5 Wing Goose Bay:**

In cooperation with other departments, DLAA supports 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 continued to make 5 Wing one of the top priorities for the province.

The Goose Bay Citizens Coalition (GBCC) was formed to ensure the long-term viability of the military training program at 5 Wing Goose Bay. The GBCC requested representation from Aboriginal residents, businesses and organizations in the vicinity of 5 Wing Goose Bay and throughout Newfoundland and Labrador. DLAA continues to provide support to the Coalition as a means to move the 5 Wing Goose Bay agenda forward.

In November 2004, the Province released the use of chaff and flares from further environmental assessment thereby permitting the use of these defense countermeasures at 5 Wing.

In the Fall of 2004, the Department of National Defense (DND) announced pricing on a hotel concept for foreign military training at 5 Wing. Training opportunities being examined to help meet evolving needs include: (i) supersonic flight training; (ii) high altitude (surface to 60,000') flight capability; and (iii) increased night operations. Other opportunities are also being pursued to expand the menu of options offered at 5 Wing.

In an effort to promote 5 Wing, Premier Williams and Lake Melville MHA and Parliamentary Secretary for Labrador Affairs, John Hickey participated in the Berlin International Aerospace and Defense Trade Show in May, 2004.

The government’s commitment to 5 Wing was further demonstrated in February 2005, when then Minister Responsible for Labrador Affairs, Trevor Taylor, MHA John Hickey and Happy Valley – Goose Bay Mayor Leo Abbass, made a presentation to the Senate Standing Committee on National Security and Defense in St. John’s, NL, recommending that 5 Wing Goose Bay be further used in achieving Canadian Forces and NATO objectives.

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 Québec ecosystems affected by the low-level flying program. The Institute offers scientifically supported recommendations to the Ministers of Environment and National Defence on 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.

Iron Ore Mining:

In July 2004, there were serious labour disputes for approximately ten weeks in Labrador West mining operations. The Labour Relations Agency offered its services to help resolve the disputes. The Province was pleased the parties were able to reach consensus on agreements that were satisfactory to all involved. 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 Department of Natural Resources (DNR) and the Innu Nation signed a follow-up Forestry Process Agreement (FPA) to define how the Province and the Innu Nation will continue to work cooperatively to coordinate activities in implementing the Forest Management District (FMD) 19 Five Year Operating Plan.

On May 31, 2004, Premier Williams announced that the Government and the Labrador Metis Nation (LMN) reached a two-year agreement outlining the participation of the LMN in the forest ecosystem management planning in Labrador. The agreement acknowledges the key role of the LMN in the management and future development of Labrador’s forest resources. The agreement is retroactive to April 1, 2004, and will continue to March 31, 2006. The Province will provide LMN $200,000 in each of the two years to achieve its forest management goals and objectives.

DNR developed a terms of reference for a Study to Develop the Labrador Sawmill and Value-Added Industry, based on information from the Forestry Focus Group sessions held in Happy Valley - Goose Bay and consultations with other stakeholder groups. Since then, a consulting team has been selected and it is anticipated that the study will be completed in December 2005. DLAA continues to provide support to DNR on initiatives related to Labrador forestry.

Northern Agrifoods Development Strategy:

As co-chair of the Northern Agri-foods Development Strategy (NADS) Steering committee, DLAA supports the committee’s move into the implementation phase. In partnership with DNR, INTRD and stakeholders, NADS has awarded over $200,000 to applicants that further the objectives of the strategy over the past fiscal year. Successful projects include potato trials, forage crop research, and an equipment purchase. In the near future the NADS committee will be assessing its role to become an industry driven committee and DLAA will assist in this process.

Trans-Labrador Highway (TLH):

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

The Trans Labrador Highway - Phase 3 (Happy Valley - Goose Bay to Cartwright Junction) (TLH3) was released from environmental assessment in July 2004. Construction commenced shortly thereafter and is expected to be completed in 2009.

DLAA participated in the Environmental Assessment Committee for this undertaking and lead the negotiation and implementation of an Agreement to facilitate the on-going involvement of the Innu Nation in environmental management and planning related to the highway. This includes consultation on environmental permitting for the TLH3, 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 TLH3 (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 the Innu Nation, and is chaired by DLAA.

In September 2004, the Province announced funding of over $35 million for TLH3, including $6.9 million to grade approximately 27 kilometers of Route 500 from Cartwright Junction toward Happy Valley-Goose Bay; $7.85 million to grade approximately 28 kilometers of Route 500 from Happy Valley-Goose Bay toward Cartwright Junction; and $20.9 million for the construction of the Churchill River Bridge.

The March 2005 Cabinet Retreat announcement included a further $40 million, which included $16.5 million in carry-over, from the Labrador Transportation Initiative Fund to continue work on TLH3. The Province also announced $750,000 for a new highway maintenance depot in the Red Bay-Lodge Bay area of the TLH to house specialized snow clearing equipment (a contract was subsequently awarded valued at $1,608,873 for its construction). Since the road between Red Bay and Lodge Bay opened in the fall of 2000 severe winter weather conditions have made it extremely difficult to keep this road open and safe. Government is also examining other solutions, including examining the rock cuts and raising road grades.

**Chip Seal Project:**

In 2004-05, the Province placed five kilometers of chip seal on the TLH just outside of Happy Valley-Goose Bay, five kilometers east of Labrador West and five kilometers in Churchill Falls. Throughout 2005/06, DTW will evaluate the performance of the 15 kilometer chip seal road surface to determine its suitability as an alternative to conventional asphalt in the Labrador environment.
**Labrador Marine Transportation Services:**

In April 2004, the Province released the report on the Labrador Marine Transportation prepared by Memorial University’s Public Policy Research Centre (PPRC). In preparing the report the PPRC conducted engineering and economic analysis, as well as extensive stakeholder consultation. The report concluded that the freight service from Lewisporte should continue and presented eight service configuration options. Government chose to adopt a modified version of Option 2 that meets government’s primary objective that transportation costs have a minimal impact on consumer prices on the North Coast of Labrador. Government’s long term vision for the Labrador marine service is to ensure convenient and cost-effective transportation for the North Coast.

**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 regional council is not accountable to any specific authority other than the group it represents, the DLAA serves as a point of contact, and acts in a coordinating and facilitative role in helping to resolve issues.

The LRC was primarily responsible for lobbying for the hiring of a Computer Support Specialist based out of Happy Valley-Goose Bay.

In September 2004, Howard Antle, Computer Support Specialist (photo above) received a Public Service Award of Excellence recognizing his significant contribution and dedication in providing information technology services to the Department as well as to various other provincial government departments in Labrador.

**Combined Councils of Labrador:**

The Combined Councils of Labrador (CCL) lobbies on behalf, or in support of all communities in Labrador. The membership of the CCL includes all communities in Labrador, except Natuashish and Sheshatshiu which are members of the Innu Nation and Churchill Falls.
The 33rd Annual Socio-Economic Conference of the CCL was held in Labrador West in conjunction with the Atlantic Provinces Transportation Forum. With over 150 delegates registered the conference, it was one of the biggest in the history of the CCL. The 4-day combined conference took place from January 27-30, 2005.

Assistance was provided by DLAA through representation on the logistics committee, facilitation of conference sessions and ongoing communications with government departments. Funding of CCL is provided by MAPA.

Tourism, Culture and Recreation:

The tourism industry in Labrador holds a lot of potential. There are a number of initiatives that Government has undertaken to foster and promote this potential.

- Labrador Winter Games
Government provided $500,000 in Budget 2005 to support the 2006 Labrador Winter Games. 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. DLAA is represented on the Board of Governors for the Labrador Winter Games.

- Destination Labrador
In the 2005-06 budget, Government announced that it will provide $300,000 over three years to support the tourism sector through the Destination Labrador program. Destination Labrador is a non-profit organization comprising industry, federal and provincial representatives from all regions of Labrador, established in 2003 to promote Labrador as a tourism destination. 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 Trails
The Labrador Winter Trails (LWT) System is comprised of over 1200 km of snowmobile trails throughout Labrador and represents a wonderful growth opportunity for tourism in Labrador. DLAA continues to support the LWT Initiative by having departmental representation on the management committee.

Labrador Winter Trails Grooming Subsidy:

Government allocated $240,000 to the 2004–2005 Labrador Grooming Subsidies. The subsidy was overseen by DTW with monitoring support from DLAA. The purpose of the subsidy is to provide support to regions along the north and south coasts of Labrador for maintenance of winter trail systems. The subsidy allows continued access to communities that do not have year round road connections to other areas of Labrador.
In the 2005–2006 budget, DLAA was identified as the sole administrator of the Labrador Grooming Subsidy, with a continued financial commitment of $240,000 for the coming year.

**SmartLabrador:**

SmartLabrador, which provides internet and video conferencing services to remote communities in Labrador, announced in June 2004, that a lack of funding would cause an imminent shutdown of its network and the termination of all of its electronic services.

Government recognized that services and citizens would be adversely affected if it did not provide some interim funding and in July 2004, provided bridge funding in the amount of $217,251. These funds allowed for the continuation of services to communities and will enable SmartLabrador to complete its broadband initiative.

**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.

The Agreement is co-managed to achieve effective integration between federal and provincial employment development programs and to ensure appropriate linkages are made to the Province's economic growth agenda (i.e., to ensure the particular programs are relevant to emerging opportunities in the economy). The LMDA partners strive to help clients meet measurable and achievable educational, employment and economic development goals.

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 2004-05.

DLAA also participates in the Labrador Regional Assessment Committee for both Human Resource Skills Development 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.

**Long-term Health 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 have to relocate to a protective care environment at nursing homes elsewhere in the province.

In 2003, both Memorial University of Newfoundland and the Deloitte & Touche operational review of Health Labrador Corporation identified that there is a need to construct a long term care facility in Happy Valley-Goose Bay.
Valley-Goose Bay to accommodate frail, elderly persons with high care needs and persons with dementia. Since September 2003, DLAA has assisted the local committee which is comprised of municipal agencies, community agencies and concerned citizens in their efforts to move the agenda forward.

In the March 2005 Budget, the Province announced funding of $200,000 to begin planning and development of the conceptual drawings for a new long-term care home in Happy Valley-Goose Bay.

Health Care Initiatives:

At the March 8, 2005 Cabinet Retreat in Happy Valley-Goose Bay, the Province announced a number of health care and community service initiatives for Labrador including:

- $167,000 for Labrador West residents who have to travel to Goose Bay for medical care;
- $200,000 for a needs assessment to address physical infrastructure issues at Captain William Jackman Hospital in Labrador City;
- $100,000 to support fetal alcohol syndrome prevention programs offered by the Labrador FASD Advisory Committee and Labrador-Grenfell Regional Integrated Health Authority;
- $70,000 to reopen the Shushepishpan Group Home; and
- $400,000 for family resource projects and other projects to help protect and empower aboriginal women and their families.

Performance Space Requirements/Auditorium:

The former Goose High School had an auditorium which was attached to the school. However, today’s school construction guidelines dictate that stages are built as part of gymnasiums - and this becomes the school’s performance space. Since the closure of Goose High School, performances have been hosted in local schools, hangars and public buildings but this has not adequately met the needs of the arts community for local and regional events.

DLAA acted as the coordinating body for Government and approached various federal Ministers, requesting their assistance to secure federal funding for the auditorium. DLAA, in cooperation with various provincial departments, continues to research options to determine the most viable location for an auditorium to ensure that public infrastructure needs are met in the most cost effective way for the provincial taxpayer. A number of potential sites are under consideration.

Rigolet Fuel:

The Town of Rigolet has not had a commercial fuel retailer for the last number of years. Subsequent to a fuel spill in the community in 2002, the previous operator withdrew from the community, leaving the town council to run the gas bar. While efforts have continued to identify a private sector operator, none has been found to date. The community has encountered a number of challenges, including fuel shortages, as it attempted to deal with the situation. In
2004, the Province provided some financial assistance to the Town to acquire additional tanks and a new pump, and also shipped fuel drums to the community free of charge via the Labrador Marine Service during times of shortage. In addition, MAPA continued to authorize the Town to borrow money to purchase fuel for retail.

The Province, through DLAA, remains committed to working with the Rigolet Town Council to achieve the goal of identifying a private sector operator to take over retail fuel sales in Rigolet.

*Cabinet Retreat in Labrador:*

Cabinet met in the communities of Labrador City and Happy Valley Goose Bay (pictured below) on March 7 and 8, 2005, respectively, to report on the progress made and to hear about Labrador issues and priorities directly from Labradorians. Invitations were sent out to over 30 community leaders to meet with Cabinet directly while in Labrador.

At the Cabinet Retreat, the Premier announced a 2005-06 investment of $56 million for Labrador initiatives to improve access to health services, strengthen aboriginal communities, build and repair infrastructure, and expand economic opportunities.

*Budget 2005:*

In addition to the March 2005 Cabinet Retreat announcements, the March 21, 2005 Budget Speech contained a further investment of $2 million in Labrador initiatives, bringing the Province’s 2005-06 investment to $58 million for Labrador.

*Municipal Capital Works and Infrastructure:*

At the March 8 Cabinet Retreat, the Province announced a $13.3 million investment in essential major infrastructure projects under the Municipal Capital Works Program, the Multi-Year Capital Works Program, the Canada-Newfoundland and Labrador Infrastructure Program and the Canada-Newfoundland and Labrador Inuit Communities Agreement.

*New Senior Government Position in Labrador West:*

The March 8 Cabinet Retreat announcement included the creation of a new senior government position and supports in Labrador West within the DNR to serve Labrador's mining, agricultural and energy sectors, for a total cost of $250,000.
Premier's Office in Happy Valley-Goose Bay:

The Cabinet Retreat announcement on March 8 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.

RCMP Officers in Labrador:

In November 2004 the Province announced funding for an additional seven RCMP positions in Labrador. This brings the total RCMP positions added this fiscal year to eleven at an annual cost of $1.2 million for coastal communities in Labrador.

Social Workers in Labrador:

The Cabinet Retreat announcement on March 8 included an additional $250,000 to permanently hire three new social workers in Natuashish and other aboriginal communities. This builds on the $500,000 commitment made in Budget 2004 for an additional five social work positions for Nain, Hopedale, Makkovik, Sheshatshiu and Happy Valley-Goose Bay.

Supreme Court in Happy Valley-Goose Bay:

In the March 2004 budget, the Province announced funding of $2.1 million for the construction of a Supreme Court building in Happy Valley Goose Bay. Construction is ongoing with an anticipated opening date of April 2005.

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.

In the past, DTW contributed $300,000 annually to the AFS Program. Since December 2003 the AFS Program has been administered directly by DLAA, in partnership with DTW. In the March 2005 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.

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

Mealy Mountain Caribou Monitoring:

In the March 2005 Budget, funding of approximately $367,800 was allocated for a Mealy Mountain caribou monitoring program in Labrador to ensure protection of the herd during the construction and operation of Phase III of the Trans Labrador Highway.

Northern Development Ministers’ Forum (NDMF):

Since 2000, Ministers from Canada’s northern areas have been meeting in hopes of raising 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 INAC. 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 NDMF. This national file continues to be led by Labrador Affairs.

The Minister Responsible for Labrador Affairs represented the Province at the 2004 NDMF in Chibougamau, Québec.

**First Ministers Meeting (FMM) on Aboriginal Health:**

On September 13, 2004, the Premier participated in the meeting between First Ministers and National Aboriginal Leaders in Ottawa. Federal funding of $700 million over five years was announced for health initiatives for Aboriginal people in Canada. The Province is seeking to maximize access to the new federal funding for Aboriginal health for Aboriginal people in the Province.

The Premier was particularly pleased to secure funding to enable enhancements to and expansion of the medical transportation subsidy.

It was also announced at the FMM that a Blueprint on Aboriginal Health would be developed within a year and that First Ministers would meet in a year to discuss the Blueprint and other Aboriginal issues related to the key determinants of health. DLAA is participating on the Steering Committee of Deputy Ministers/Aboriginal Officials and the Aboriginal Health Blueprint Planning Committee in planning for a fall 2005 FMM on Aboriginal issues. Priority issues identified for the FMM are Health, Housing, Education and Relationships.
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;
• 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 ensure that negotiated land claims and self-government agreements with the Labrador Innu and Inuit are beneficial and acceptable to all residents of the Province;
• to facilitate improved relationships between the provincial government and Aboriginal groups;
• to ensure the federal government is responsive to the needs of Aboriginal people; and,
• to ensure that provincial government policy is appropriate for and relevant to the needs of Aboriginal people 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 people in the Province are met as fully as possible.

It is important to recognize that the Province does not offer Aboriginal-specific programs and services.

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;
• coordinating and administering various programs with provincial government departments to regional stakeholders within Labrador; and
• managing federal-provincial agreements related to Labrador.

As a result of these fundamental activities, the Department’s objectives cannot always be measured in numbers. The Department’s successes can be measured through: the successful negotiation and implementation of agreements and settlements; trustworthy relationships with Aboriginal groups in the Province; the development of policies and programs that are appropriate for residents of Labrador and allow for access to programs and services; and the benefits of development opportunities within the region are shared by residents of the region.

The Department’s key priorities to achieve its goals are:
• 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:

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<tr>
<th>STRATEGIC ISSUE</th>
<th>PRIORITIES</th>
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</table>
| 1. To maximize the benefits from economic initiatives and resource developments in Labrador for the region. | To ensure that the people of Labrador share in the benefits from the development of resources of their region. | **Voisey’s Bay Project**  
In 2004-05, the Voisey's Bay Environmental Management Board received and reviewed over 100 permit applications and project-related plans. 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 in this process. The Voisey's Bay Mine/Mill operations are scheduled to commence in late 2005. Maximizing local, regional and provincial economic benefits from Voisey's Bay has been and remains a key priority. Inco/VBNC has implemented an adjacency policy for hiring and the purchase of goods and services, in which first priority for hiring at the Voisey's Bay site is given to qualified Innu Nation and LIA members, followed by other qualified Labrador residents, and then qualified residents of the island portion of the province. DLAA is monitoring compliance of the adjacency principle. |
| | | **Trans-Labrador Highway**  
The Trans Labrador Highway - Phase 3 (Happy Valley - Goose Bay to Cartwright Junction) (TLH3) was released from environmental assessment in July 2004. Construction commenced shortly thereafter, and is expected to be completed in 2009. In September 2004, the Province announced funding of over $35 million for TLH3, including $6.9 million to grade approximately 27 kilometers of Route 500 from Cartwright Junction toward Happy Valley-Goose Bay; $7.85 million to grade approximately 28 kilometers of Route 500 from Happy Valley-Goose Bay toward Cartwright Junction; and $20.9 million for the construction of the Churchill River Bridge. |
| | | **Value-Added Forestry Processing**  
The Department of Natural Resources developed a terms of reference for a Study to Develop the Labrador Sawmill and Value-Added Industry. Since then, a consulting team has been selected and it is anticipated that the study will be completed in December. |
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<th>STRATEGIC ISSUE</th>
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| 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. | 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. | **Long-term Health Care Facility**  
In the March 2005 Budget, the Province announced funding of $200,000 to begin planning and develop the conceptual drawings for a new long-term care home in Happy Valley – Goose Bay.  

**Additional RCMP Officers and Social Workers in Labrador**  
In the March 2005 Budget, the Province announced funding for eleven additional RCMP officers at an annual cost of $1.2 million for coastal communities in Labrador and provided an additional $250,000 to permanently hire three new social workers in Natuashish and other Aboriginal communities.  

**Cabinet Retreat in Happy Valley-Goose Bay**  
On March 8, 2005, the Premier and Cabinet announced a 2005-06 investment of $56 million for Labrador initiatives to improve access to health services, strengthen Aboriginal communities, build and repair infrastructure and expand economic opportunities.  

**Northern Strategic Plan**  
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. |
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| 3. To fund and administer programs and services which are Labrador specific and relevant to the needs of communities in Labrador. | To coordinate and administer various programs with provincial government departments to regional stakeholders within Labrador. | **Air Foodlift Subsidy (AFS) Program**  
In March 2005 DLAA assumed the budget of $300,000 for the administration of the AFS Program for coastal communities. All options for a long-term solution to the high cost of transporting fresh food for coastal Labradorians continue to be explored.  
**Labrador Winter Trails Grooming Subsidy**  
In the 2005 – 2006 budget, DLAA was identified as the sole administrator of the Labrador grooming subsidy, with a continued financial commitment of $240,000 for the coming year. |


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| 4. To ensure that appropriate amounts of federal funding allocated to the Province are utilized in Labrador. | To coordinate and negotiate various funding and programs and services agreements with the federal government and/or Aboriginal groups. | **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, 2006.  
The total budget for the 2004/05 fiscal year was $13,382,461 with a provincial contribution of $3,378,495 and a federal contribution of $10,003,966.  

**5 Wing Goose Bay:**  
In November, 2004, the Province released the use of chaff and flares from further environmental assessment thereby permitting the use of these defense countermeasures at 5 Wing. In the fall of 2004, DND announced pricing on a hotel concept for foreign military training at 5 Wing. Training opportunities being examined to help meet evolving needs include: (i) supersonic flight training; (ii) high altitude (surface to 60,000') flight capability; and (iii) increased night operations. Other opportunities are also being pursued to expand the menu of options offered at 5 Wing.

**Labour Market Development Agreement**  
The Labrador LMDA Management Committee managed a budget of $5.1 million in 2004-05 for labour market programs in Labrador.

**Labrador Transportation Initiative Fund**  
The March 2005 Cabinet Retreat announcement included a further $40 million, which includes $16.5 million in carry-over, from the Labrador Transportation Initiative Fund to continue work on Phase III of the TLH.

On March 8, 2005, the Province announced $750,000 for a new highway maintenance depot in the Red Bay-Lodge Bay area of the TLH to house specialized snow clearing equipment.
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| 5. To ensure that negotiated land claims and self-government agreements with the Labrador Innu and Inuit are beneficial and acceptable to all residents of the Province. | 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. | **Land Claims Negotiations**  
On May 26, 2004, the Labrador Inuit ratified the Labrador Inuit Land Claims Agreement (Agreement), with 76% support of eligible voters.  
On December 6, 2004 the Province ratified the Agreement by passing the Labrador Inuit Lands Claims Agreement Act in the House of Assembly.  
On January 22, 2005, the Province, Labrador Inuit Association and the federal government signed the Agreement and its implementation plan in Nain. At the same time, the Province and the federal government signed a Memorandum of Agreement for a National Park Reserve of Canada in the Torngat Mountains. The National Park Reserve will be created when the land claims agreement comes into effect.  
The Department is working with the Innu Nation and Canada on land claims negotiations focused on the chapters of an Agreement in Principle. It is anticipated that, if current cooperative negotiations continue, AIP could be concluded as early as Spring 2006. Once an AIP is concluded, it will likely take several years more to reach, ratify and implement a Final Agreement. |
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| 6. To facilitate improved relationships between the provincial government and Aboriginal groups. | 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. To give Labrador and Aboriginal people in the Province a stronger voice in government. | **Forestry**  
In March 2004, DNR and the Innu Nation signed a follow-up Forestry Process Agreement (FPA) to define how the Province and the Innu Nation will continue to work cooperatively to coordinate activities in implementing the Forest Management District (FMD) 19 Five Year Operating Plan.  
On May 31, 2004, Premier Williams announced that the Government and the Labrador Metis Nation (LMN) had reached a two-year agreement outlining the participation of the LMN in the forest ecosystem management planning in Labrador. The agreement acknowledges the key role of the LMN in the management and future development of Labrador’s forest resources. The agreement is retroactive to April 1, 2004 and will continue to March 31, 2006, whereby the Province will provide LMN $200,000 in each of the two years to achieve its forest management goals and objectives.  
**First Ministers Meeting (FMM) on Aboriginal Health**  
On September 13, 2004, the Premier participated in the meeting between First Ministers in Ottawa. Federal funding of $700 million over five years was announced for health initiatives for Canada’s Aboriginal people. The Province is seeking to maximize access to the new federal funding for Aboriginal health for Aboriginal groups in the Province.  
It was also announced that a Blueprint on Aboriginal Health would be developed within a year and that First Ministers would meet in a year to discuss the Blueprint and other Aboriginal issues related to the key determinants of health. DLAA is participating on the Steering Committee of Deputy Ministers /Aboriginal Officials and Aboriginal Health Blueprint Planning Committee in planning for a fall 2005 FMM on Aboriginal issues. Priority issues identified for the FMM are Health, Housing, Education and Relationships. |
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<td>7. To ensure that the federal government is responsive to the needs of Aboriginal people.</td>
<td>To work with the federal government to ensure that Canada meets its constitutional and fiduciary responsibility for the Aboriginal people of Newfoundland and Labrador.</td>
<td><strong>Innu Reserve Creation</strong>&lt;br&gt;The Department, with the assistance of the Department of Justice, continued the negotiation of a draft Sheshatshiu Land Transfer Agreement with the Innu and Canada, to facilitate the transfers of Crown Land and third party lands within the proposed reserve to the government of Canada.</td>
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<td><strong>Miawpukek First Nation</strong>&lt;br&gt;On December 9, 2004, the Miawpukek First Nation, the Government of Canada and the Government of Newfoundland and Labrador announced the beginning of formal self-government negotiations. &lt;br&gt;&lt;br&gt;On March 30, 2005, the Province signed two Land Transfer Agreements with Canada and the Miawpukek First Nation. The Province is transferring 2331 hectares of land including the community watershed to Canada for the amount of $990,000 for the purpose of expanding the Conne River Reserve, in order to meet the housing expansion and economic development needs of the Band.</td>
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<td><strong>Labrador Métis Nation (LMN)</strong>&lt;br&gt;The Province supports LMN members in gaining access to those federal programs and services for which they are eligible. &lt;br&gt;&lt;br&gt;The Province also continues to call on the federal government to make a decision on the LMN land claim application.</td>
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<td><strong>Federation of Newfoundland Indians (FNI)</strong>&lt;br&gt;The Province remains fully supportive of the FNI landless band process, and looks forward to the opportunity to continue to work cooperatively with the FNI and Canada to determine how provincial responsibilities may be affected in any such arrangement.</td>
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<tr>
<td>STRATEGIC ISSUE</td>
<td>PRIORITIES</td>
<td>PROGRESS/ACCOMPLISHMENTS</td>
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| 8. To ensure that provincial government policy is appropriate for and relevant to the needs of Aboriginal people throughout the Province. | 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. | **Torngat Recreation Commission (TRC)**  
The Torngat Recreation Commission (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”.  
In 2004/05, the TRC approved 106 proposals in the amount of $95,099.85.  

**Innu Healing Strategy**  
During the Fall Dr. David Philpott, Memorial University, released his initial report on the educational needs of Innu children. The Province committed $500,000 to begin addressing the issues identified by Dr. Philpott. Provincial officials are working with the Innu and the Government of Canada to develop a bi-cultural model of education that will meet the goals the Innu have set for an Innu education system that will encourage Innu children to achieve their potential while preserving and fostering their language and culture.  

The Province and the Sheshatshiu Innu First Nation explored the possibility of devolving control of the Peenamin McKenzie School to the Band. The Band preferred, however, to leave the issue of control until the reserve was created in Sheshatshiu and the federal government established a Band School. |
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 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.

Opportunities and challenges ahead include:

- co-ordinating and providing leadership for government programming in Labrador;
- developing a 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 2004-05, 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 2005
(Unaudited)

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<th></th>
<th>Actual</th>
<th>Amended</th>
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<td>178,400</td>
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<td>1.2.01 Executive Support</td>
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<td>2.1.02 Labrador Affairs</td>
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<td>2.1.03 Inuit Agreement</td>
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<td>Less Revenue - Federal</td>
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<td>Total Department</td>
<td>2,064,245</td>
<td>2,621,100</td>
<td>2,621,100</td>
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</table>

Expenditures and revenue figures (cash-based) included in this document are based on draft information as of March 31, 2005, as the Public Accounts had not been formally released. Readers are cautioned that these figures may be subject to adjustment. Please refer to Volume III of the Public Accounts for detailed financial information.