



GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR

2002-03 Annual Report

**Department of
Labrador and Aboriginal Affairs**



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Ministers' Transmittal Letter

In accordance with government's commitment to accountability, we hereby submit the 2002-03 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, 2002 to March 31, 2003.



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



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

Departmental Overview

Vision:

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

Mission Statement:

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

Lines of Business:

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

Labrador Affairs: This portion of the Department's mandate focuses on economic and social development initiatives that impact the whole of Labrador. The principal tasks in the field of Labrador Affairs include the advancement of social and economic development in Labrador, managing federal-provincial agreements related to Labrador, and monitoring and evaluating government services and activities in Labrador.

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

Structure and Location:

The structure of DLAA for the period
April 1, 2002 to March 31, 2003
is as follows:

Labrador Office:

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

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

Newfoundland Office:

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

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

Shared Commitments

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

In particular, the Department collaborates with the Departments of Health and Community Services, Education, Human Resources 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 consults with the Department of Works, Services and Transportation on issues related to the Trans-Labrador Highway 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 Mines and Energy, Environment and others to reach and implement agreements with the Labrador Inuit Association (LIA) and Innu Nation to enable the project to proceed prior to the finalization of their respective land claims.

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

The Department reviews all development activities within Labrador through the Interdepartmental Land Use Committee (ILUC) and reviews all environmental registrations in Labrador to ensure that Aboriginal claimant groups are adequately consulted on projects that are within areas that have land claims accepted for negotiation.

The Department also plays an important role in all major issues in the Labrador region, including those that fall under the primary jurisdiction of other provincial departments.

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

Highlights and Accomplishments:*New Minister/Executive:*

Torngat Mountains MHA Wally Andersen was sworn-in as the new Minister of Labrador and Aboriginal Affairs on February 17, 2003, replacing Ernie McLean, who announced he would not seek re-election.

On February 21, 2003, Premier Roger Grimes announced the appointment of Sterling Peyton as Deputy Minister of the Department. Kevin Lane was appointed as Assistant Deputy Minister (Labrador Affairs) on March 12, 2003.

Labrador Inuit Land Claim:

During the 2002-03 year, the Department was involved with the Labrador Inuit Association (LIA) and Canada in negotiations toward a Final Land Claims Agreement. Also, the parties were involved in finalizing a number of associated agreements, including an Implementation Plan, a Fiscal Financing Agreement, a Tax Treatment Agreement and a Land Appendix. In July 2002, the Voisey's Bay Interim Measures Agreement was signed with the LIA and Canada. This Interim Measures Agreement will eventually be replaced by a Voisey's Bay Chapter in the Final Land Claims Agreement.

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, was originally signed in 1986, amended in 1999 and 2002, and covers the fiscal period up to March 31, 2004. The Province's contribution was based on the proportion of non-Aboriginal residents in the five communities.

The total budget for the 2002-03 fiscal year was \$18,177,295 with a provincial contribution of \$3,378,495 and a federal contribution of \$14,798,800. DLAA co-chairs the Agreement's Management Committee with the federal government (INAC). The Agreement provides funding for the administration and delivery of supplementary provincial programs and services to assist in the improvement of the standard of living and the socio-cultural development within the Inuit communities.

The 2002-04 Agreement identifies funding for a groomer for Makkovik (\$270,000); housing for education professionals (\$500,000); Labrador School Board culturally diverse programming (\$400,000); and recreational programming/sports and leadership development (\$120,000). Funds for community development and infrastructure are anticipated to flow through the Labrador Inuit Association upon the ratification of the final land claims agreement.

Northern Coastal Labrador Strategic Initiative:

In March 2002, the Province announced \$3 million for housing initiatives under the North Coast Strategic Initiative. The Department has played a

lead role in the three-year funding commitment of \$23 million for the Northern Coastal Labrador Strategic Initiative announced in March 2000. The Initiative comprised \$7.7M for housing, \$9M for water and sewer, \$6M for roads, and \$300,000 for wharves. It expired on March 31, 2003. The purpose of the Initiative was to improve housing conditions and water and sewer infrastructure, upgrade community roads, and reconstruct community wharves in an attempt to address the social and economic issues affecting Labrador's Inuit communities. The Department chaired an advisory committee that oversaw the administration of this initiative.

Labrador Innu Land Claim:

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

In July 2002, the Province signed a Memorandum of Agreement (MOA) with Innu Nation on the Voisey's Bay development. This Agreement will eventually be replaced by a Voisey's Bay Chapter of the Land Claims Treaty that is not yet completed.

Innu Healing Strategy:

The Province continued to work cooperatively with the federal government and the Innu Band Councils and Innu Nation to assist with the development of long-term healing strategies. The social issues in the Innu communities are complex and have developed

over a long time. Therefore, strategies should focus on long-term solutions to have any real impact.

The Province presented the final installment of a \$1 million contribution in 2002-03 to the Innu Healing Foundation to help build sportsplexes in Natuashish and Sheshatshiu with the remainder of the necessary funds being raised from federal and private sector donations.

Innu Registration and Reserve Creation:

The Department continued to work with the federal government and the Innu Band Councils and Innu Nation to fulfill the federal commitment to register the Innu under the *Indian Act* and to establish reserves at Sheshatshiu and Natuashish. On November 21, 2002 Canada established the Mushuau Innu First Nation and the Sheshatshiu Innu First Nation as bands under the *Indian Act*. The Department is facilitating the necessary land transfers and negotiating arrangements for the federal government to assume funding responsibility for programs and services. DLAA has reached agreements with the federal government for funding on Child, Youth and Family Services for Sheshatshiu and Natuashish. Agreements for funding in Natuashish on Education, Income Support and the Natuashish Airstrip were also reached. Discussions are ongoing about the eventual Innu administration of programs and services on the reserves. The registration process and reserve creation, with the relocation of Davis Inlet to Natuashish, will hopefully lead to improved social conditions in these communities.

Relocation of Davis Inlet:

The Department has been working with the federal government and the Mushuau Innu to facilitate the relocation from Davis Inlet to Natuashish (Sango Bay). The federal government has contributed \$153 million towards the relocation project. The Province participated in discussions to ensure a smooth transition in service delivery from one community to the other. The move to the new community took place from December 2002 to January 2003.

Labrador Métis Nation (LMN):

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

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

Federation of Newfoundland Indians (FNI):

On April 12, 2002, the Province, FNI and the Government of Canada announced exploratory discussions to determine if there is a basis for negotiating FNI access to certain federal Aboriginal programs and services. Discussions continued throughout the summer. The federal representative, former cabinet minister Marc Lalonde, submitted a report to the Minister of Indian and Northern Affairs Canada in September 2002. The Province and FNI are awaiting a federal decision as to how the process will proceed.

Miawpukek First Nation (MFN):

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

The Department has also held discussions with MFN regarding the potential expansion of the Conne River Reserve to meet the housing expansion and economic development needs of the Band.

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

Voisey's Bay Project:

The Department played an active role in concluding the necessary agreements to allow the Voisey's Bay Project to proceed. The Department participated in negotiations led by the Department of Mines and Energy toward the Statement of Principles between the Province and Inco/Voisey's Bay Nickel Company (VBNC), which was signed and ratified in June 2002. The Statement of Principles formed the basis for the subsequent Voisey's Bay Development Agreement, which was signed in October 2002.

The Department concluded a Voisey's Bay Memorandum of Agreement (MOA) with the Innu Nation and a Voisey's Bay Interim Measures Agreement with Canada and the Labrador Inuit

Association (LIA), which define rights of the Innu and Inuit in the project area during the life of the project. The Department also worked with the Department of Environment and the Department of Mines and Energy and LIA and Innu Nation in concluding the Voisey's Bay Environmental Management Agreement (EMA). The EMA, signed by the Province, Canada, LIA and Innu Nation, provides for the establishment of an Environmental Management Board to provide advice on permits, plans and other regulatory matters pertaining to the Mine and Mill.

The above agreements, along with the Impacts and Benefits Agreements (IBAs) Inco/VBNC entered into with the LIA and Innu Nation, enabled commencement of the \$2.9 billion capital project in the Summer of 2002.

The Department helped facilitate the establishment of the Environmental Management Board, which was initially chaired by Mr. Bill Flowers. In February 2003, Mr. Sean Dutton, Assistant Deputy Minister of DLAA, was appointed Interim Chair while the Parties conducted a search for a replacement. The Board established an office in Happy Valley-Goose Bay and provided advice to Ministers on numerous regulatory matters pertaining to the environment.

Inco/VBNC committed to spend \$55 million in the Province in the 2002-03 fiscal year, the majority of which was related to work at the Voisey's Bay site. Inco/VBNC has also implemented an adjacency policy, which provides that first preference for hiring at the Voisey's Bay site would be provided

to qualified Aboriginal people, second preference to qualified Labradorians, and third preference to qualified residents of the island portion of the province.

It is anticipated that the Mine and Mill at Voisey's Bay will be completed by 2006, and a hydrometallurgical nickel/copper/cobalt processing facility will be completed at Argentia by the end of 2011.

The Department continues to work with Mines and Energy to monitor the Mine and Mill project to ensure commitments made to the people of the province are kept, particularly with respect to the residents of Labrador.

Lower Churchill Hydro Development

On August 1, 2002, Premier Roger Grimes and the Honourable Bernard Landry, Premier of Québec, announced that they had reached consensus on the fundamentals of any agreement that may be reached between the two governments on development of the Gull Island hydro resource project in Labrador. Significant progress was made during the year on negotiations toward such an agreement with Québec and Hydro-Québec, as well as on a possible Impacts and Benefits Agreement (IBA) with the Innu Nation. The Department participated in IBA negotiations led by the Labrador Hydro Project team and other discussions with the Innu Nation regarding land claim implications for the project. The Department also provided advice to the provincial negotiating team concerning the development agreement, with

a view to maximizing benefits for residents of Labrador. The Department facilitated consultations with key stakeholders in Labrador, including a Premier's Roundtable discussion in Happy Valley-Goose Bay on November 27, 2002.

Negotiations between the Province and Québec, as well as IBA negotiations with the Innu Nation, were later put on hold while government explored the implications of federal climate change policies for development of the Gull Island project. In particular, the Province is interested in potential federal incentives for new hydro development and a possible role for the federal government in the project.

5 Wing Goose Bay:

DLAA, in cooperation with various departments, facilitated efforts to enhance training at 5 Wing Goose Bay, primarily through the expansion of the Practice Target Area.

On July 17, 2002, the Province indicated its support for the report on the management of marketing of 5 Wing Goose Bay, released July 9, 2002 by the Standing Senate Committee on National Defence. The maintenance and expansion of the NATO flight training program in Labrador is a priority for the Government of Newfoundland and Labrador which will continue to be vigorously pursued.

The current MOU governing the foreign military flight training program is scheduled to expire in 2006. The Province was successful in obtaining

agreement from the Minister of National Defence to establish a Federal - Provincial Goose Bay Marketing Committee with a view to developing initiatives geared toward enhancing 5 Wing and ensuring its future viability.

Iron Ore Mining:

Labrador West mining activity by the Iron Ore Company of Canada and Wabush Mines contributes greatly to the provincial economy. DLAA works with the Department of Mines and Energy to monitor this activity. Ensuring this industry is retained remains a priority of Government.

Forestry Agreement

The Province continued to work with Innu Nation under the Forestry Process Agreement signed in 2001, which provided funding to the Innu Nation to work with the Department of Forest Resources and Agrifoods (DFRA) and interested stakeholders to accomplish the Agreement's objectives. The purpose of the Forestry Process Agreement is to deliver a five year ecosystem based forest management plan for Forest Management District 19, to monitor interim plans and standards for current or proposed timber harvesting projects, and to begin negotiations on a long term co-management arrangement between the Innu Nation and the Government of Newfoundland and Labrador. The Agreement expires in April, 2003 .

On October 3, 2002, the Province, as represented by the Ministers for DFRA and DLAA, and the

LMN signed a Memorandum of Understanding (MOU) regarding forest development in Labrador.

Under this agreement, the Province provided funding to the LMN to hire a Forest Planner and Forest Technician to provide input into Labrador's forest ecosystem management, and help ensure continued sustainable and prudent development of the forest resource in the region.

Northern Agrifoods Development Strategy:

Upon extensive public consultations in the Fall of 2002, DFRA, in partnership with DLAA, proceeded to develop the Northern Agrifoods Development Strategy which identifies opportunities and initiatives to further enhance the agrifoods industry and its economic benefits throughout Labrador.

From this, the Agricultural Policy Framework Implementation Agreement, a new federal/provincial cost shared five year agreement will allocate \$1.5 million to a Northern Agrifoods Initiative. This initiative is to encourage the development, diversification and commercialization of a northern agriculture industry.

Trans-Labrador Highway (TLH):

In March 2002, the Province announced details of its commitment to build Phase III of the Trans-Labrador Highway between Happy-Valley-Goose Bay and Cartwright. The Province intends to invest about \$100 million, or \$17 million a year, to build Phase III over a six-year period. The Province has

made a commitment to consult with the Innu Nation before any planning or work is done on Phase III and will also seek input from other stakeholders, including the LMN. The project is subject to an environmental assessment, which began in 2002-03. The Department is a participant on the screening committee for this project.

A total of \$17 million was approved in March 2002, to continue construction of the TLH to complete Phase II from Red Bay to Cartwright.

Labrador Transportation Initiative Agreement:

In March 2002, the Province approved \$3 million from the Labrador Transportation Initiative Fund to build an access road from the TLH to Pinsent's Arm. A further \$1.8 million was announced to improve roads in the southern Labrador communities of Port Hope Simpson and Cartwright, and to finish upgrading roads in Charlottetown and Mary's Harbour. Another \$300,000 was approved to finish upgrading roads in Rigolet and \$500,000 for continued resurfacing of the North West River road.

Labrador Marine Transportation Services:

On March 22, 2002, the Province announced the reconfiguration of the Labrador coastal marine service. Under the reconfiguration, the southernmost marine terminal will move from Lewisporte to Cartwright.

The Province also announced that it will invest \$2.2 million in wharf and terminal upgrades to improve shore-based marine infrastructure at St. Barbe,

Norman Bay, Black Tickle, Postville and Cartwright.

Labrador Regional Council:

The Labrador Regional Council (LRC) is comprised of regional directors and managers who have agreed to meet and address issues of mutual concern in Labrador. The Labrador Regional Council was established in June, 1998. As a group of senior officials from provincial departments and agencies in Labrador, the regional council provides an opportunity to facilitate both information exchange and the coordination of activities in an effort to improve the efficiency and effectiveness of provincial services and programs offered in Labrador. This forum is modeled and consistent with principles of public service reform currently underway in the public service.

The Department chairs the LRC and serves as a point of contact, as well as holds the coordinating and facilitating roles for resolution of issues presented at the Labrador Regional Council.

Torngat Recreation Commission (TRC):

The TRC is an excellent example of partnership between government and the North Coast communities. The TRC was officially incorporated on January 14, 2003, and is comprised of a board of Recreation Directors representing the six North Coast communities. The mandate of the TRC is “to develop a delivery mechanism to build Leadership Capacity in the six North Coast communities, through Community Partnerships,

Training, Community Activities and Sport Programming”. The TRC has received funding from the following: DLAA, through the Inuit People’s Agreement; Department of Tourism, Culture and Recreation; Strategic Social Plan for Labrador; the Community Mobilization Program; and the Mushuau Innu Band Council. The two programs that are offered by the TRC are the Community Capacity Building/Leadership Development program and the Intra-Labrador Travel Subsidy program.

Tourism:

In April 2002, a Tourism Destination Development Plan for Labrador was released, with the concept of rejuvenating Destination Labrador as a mechanism for product development and marketing Labrador. With major investments in infrastructure, like construction of the Trans-Labrador Highway and development of a winter snowmobile trail system, Labrador's tourism industry is poised for significant growth. Destination Labrador is in the process of trying to secure funding to implement the development plan.

Gateway Labrador Complex:

In March 2002, the Province and the Atlantic Canada Opportunities Agency (ACOA) announced funding of \$710,826 to assist in the completion of a new interpretation centre. The new Gateway Complex will provide tourist information and house an interpretation centre which will introduce visitors to the rich cultural history of

Labrador. The centre will be located at the TLH entrance into Labrador, located in Labrador West.

Access North - Labrador 2002:

The Province contributed \$700,000 in funding for the *Access North-Labrador 2002* celebrations. Celebration activities were organized in communities across Labrador between June and November, 2002. The Department, along with the Department of Tourism, Culture and Recreation, was a major promoter of *Access North-Labrador 2002*, the fifth in a series of major celebrations held by the Province since 1997. This celebration highlighted Labrador's tourism product, by focusing on the region's culture, history and people. It also recognized the important contribution of the Moravian Church to the people of Labrador's North Coast over the past 250 years. Some of Access North's objectives were:

- to develop a program to enhance the economic development of Labrador through the tourism sector;
- to communicate to the province, the country, and the world the cultural legacy of the Labrador region; and
- to celebrate the achievements of the Labrador Winter Trails Inc. and position the entire Labrador region as a prime destination for snowmobile-based tourism.

The Department was instrumental in providing financial support and resources to ensure the successful post-launch of the program.

Provincial Court:

On March 21, 2002, funding was announced to renovate the Provincial Court in Happy Valley-Goose Bay to include a second courtroom and accommodations for Prosecutions, Victim Services and Probation Services. Proposals were called for a new building to house the Supreme Court in Happy Valley-Goose Bay.

Departmental Human Resource Plan and Training Initiatives:

In the Fall of 2002, through the direction of the Treasury Board Secretariat, all provincial government departments developed Departmental Strategic Human Resource Plans. The process was an excellent exercise for Labrador and Aboriginal Affairs, providing focus for future human resource planning. One of the significant results of DLAA's Plan, particularly for the Labrador Unit, was the training and development component. Through consultation with staff, training and development needs were identified and incorporated into the overall plan.

The demand for departmental training in Labrador was so great that further consultations were held with the Centre for Learning and Development. In the past, accessing training for Labrador public servants was costly due to the travel required. The Plan identified an opportunity for the Centre for Learning and Development to deliver training in Labrador. Since then, training has been coordinated by Labrador and Aboriginal Affairs in

conjunction with the Centre. Offerings have been made available to all departments in Labrador, which has resulted in very positive responses.

Strategic Social Plan:

DLAA works closely with the Strategic Social Plan Labrador Regional Steering Committee in Labrador. The Department provides administrative support and accommodations for the Regional Planner in Happy Valley - Goose Bay.

Health Labrador Corporation Operational Review:

On January 10, 2003, the Province announced an operational review of Health Labrador Corporation to be conducted by the consulting firm Deloitte and Touche. DLAA was represented on the Steering Committee for this review. The review was intended to identify efficiencies in the acute, transportation, and community sectors, develop a financial recovery plan, and make recommendations to facilitate a plan for the retirement of the corporation's debt.

Transition House Program:

In March 2002, the Province approved an additional \$250,000 for the Transition House Program, with a significant portion to enhance services in Labrador West and coastal Labrador. In addition to the enhancements, the funding will also support training and security at a number of transition houses in the Province, including Libra House in Happy Valley-Goose Bay, the Family

Crisis Shelter in Labrador City and the Nain Women's Shelter.

Moving Toward Safety: Responding to Family Violence in Aboriginal and Northern Communities of Labrador:

DLAA was consulted in the preparation of this report which was released in March 2003. The report was commissioned by Health and Community Services and the Women's Policy Office to identify alternatives to traditional shelter services for Aboriginal families and northern communities.

Addressing Recruitment Concerns:

In March 2002, the Province announced that it would maintain funding of \$800,000 to fund a recruitment and retention bonus to attract teachers to coastal Labrador communities.

Aboriginal Cadet Development Program:

In an effort to increase the number of Aboriginal people in the RCMP, the Government of Newfoundland and Labrador agreed to participate in the national Aboriginal Cadet Development Program (ACDP). Cost-shared by Human Resources Development Canada, the RCMP and the Province, the ACDP permits Aboriginal people who do not initially meet RCMP basic entrance requirements, but are otherwise suitable applicants, a maximum of two years to upgrade their skills. Twelve students in Labrador were able to participate. The Province provided 25 percent of

the total program costs over two years, to a maximum of \$150,000 a year.

Labrador Travel Subsidy:

The Labrador Travel Subsidy was increased by \$180,000 in the middle of the 2000-01 fiscal year. The Province has maintained the Subsidy at its new level of \$427,000 to permit students living in Labrador to increase their participation in athletic tournaments throughout the Province.

Northern Development Ministers' Forum:

Since its inception, Newfoundland and Labrador has participated in the Northern Development Ministers' Forum through DLAA. Other northern regions represented at this Forum include the Yukon, North West Territories, Nunavut, British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Quebec.

DLAA leads the Forum's priority project on Recruitment and Retention of Professionals in the North and presented a report entitled *Recruitment and Retention Best Practices Inventory* at the September 2002 Forum in Peace River, Alberta. A supplementary report and a comprehensive contact listing of human resource professionals will be presented at the July 2003 Northern Development Ministers' Forum in Iqaluit.

Key Achievements and Priorities

Strategic Issues:

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

Labrador Affairs:

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

Aboriginal Affairs:

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

- to ensure that provincial government policy is appropriate for and relevant to the needs of Aboriginal groups throughout the province.

Priorities and Strategies:

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

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

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

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

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

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

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

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

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

Progress and Accomplishments:

STRATEGIC ISSUE	PRIORITIES	PROGRESS/ACCOMPLISHMENTS
<p>1. To maximize the benefits from economic initiatives and resource developments in Labrador for the region.</p>	<p>To ensure that the people of Labrador share in the benefits from the development of resources of their region.</p>	<p><u>Voisey's Bay Project</u> In June 2002, the Province and Inco Ltd. signed a Statement of Principles to develop the Voisey's Bay mineral deposit in Northern Labrador and to establish a processing facility in Argentina.</p> <p>In July 2002, the Province signed the Voisey's Bay Interim Measures Agreement with the LIA and Canada.</p> <p>In July 2002, the Province signed the Memorandum of Agreement with Innu Nation on the Voisey's Bay development.</p> <p>In July 2002, the Province signed the Voisey's Bay Environmental Management Agreement with the LIA, Canada and the Innu Nation.</p> <p>In October 2002, the Province and Inco Ltd. signed the Voisey's Bay Development Agreement.</p> <p><u>Lower Churchill Hydro Development</u> The Department worked closely with provincial negotiators pursuing the potential Lower Churchill Hydro Development on issues related to Aboriginal groups and Labrador's interests in the project. The Department also facilitated consultations with key stakeholders in Labrador, including a Premier's Roundtable discussion in Happy Valley-Goose Bay on November 27, 2002.</p> <p><u>Trans-Labrador Highway</u> In March 2002, the Province announced details of its commitment to build Phase III of the Trans-Labrador Highway between Happy-Valley-Goose Bay and Cartwright. The Province intends to invest approximately \$100 million, or \$17 million a year, to build Phase III over a six year period. Work on Environmental Assessment began in 2002-03.</p>

STRATEGIC ISSUE	PRIORITIES	PROGRESS/ACCOMPLISHMENTS
<p>2. To ensure that Labrador communities receive programs and services on the same basis as other communities in the province that are similar in size and circumstance.</p>	<p>To work with all provincial government departments and the federal government to ensure policy, programs and decisions that are appropriate for Labrador and the Aboriginal people in the Province.</p>	<p><u>Health Labrador Corporation Operational Review</u> On January 10, 2003, the Province announced an operational review of Health Labrador Corporation to be conducted by the consulting firm Deloitte and Touche.</p> <p><u>Addressing Recruitment Concerns</u> In March 2002, the Province announced that it would maintain funding of \$800,000 to fund a recruitment and retention bonus to attract teachers to coastal Labrador communities.</p> <p><u>Labrador Travel Subsidy</u> The Province maintained the Labrador Travel Subsidy at its new level of \$427,000 to permit students living in Labrador to increase their participation in athletic tournaments throughout the province.</p>
<p>3. To ensure that appropriate amounts of federal funding allocated to the Province are utilized in Labrador.</p>	<p>To coordinate and negotiate various funding and programs and services agreements with the federal government and/or Aboriginal groups.</p>	<p><u>Inuit Communities Agreement</u> The <i>Contribution Agreement between the Government of Canada and the Government of Newfoundland and Labrador for the Benefit of the Inuit Communities of Labrador</i> has been amended to cover the 2002-03 and 2003-04 fiscal years, which includes an additional \$8.7 million in federal infrastructure funds.</p> <p><u>Labrador Transportation Initiative</u> The Province approved \$3 million from the Labrador Transportation Initiative Fund to build an access road from the TLH to Pinsent's Arm. A further \$1.8 million was announced to improve roads in the southern Labrador communities of Port Hope Simpson and Cartwright, and to finish upgrading roads in Charlottetown and Mary's Harbour. Another \$300,000 was approved to finish upgrading roads in Rigolet and \$500,000 for continued resurfacing of the North West River road.</p>

STRATEGIC ISSUE	PRIORITIES	PROGRESS/ACCOMPLISHMENTS
<p>4. To ensure that negotiated land claims and self-government agreements with the Labrador Innu and Inuit are beneficial and acceptable to all residents.</p>	<p>To negotiate land claims treaties and self-government agreements with the relevant parties.</p> <p>To remove the uncertainty surrounding lands and resources in Labrador through the settlement of land claims with the Innu and Inuit of Labrador.</p>	<p><u>Land Claims Negotiations</u></p> <p>The Department was involved with the LIA and Canada in negotiations toward a Final Land Claims Agreement. Also, the parties were involved in finalizing a number of associated agreements, including an Implementation Plan, a Fiscal Financing Agreement, a Tax Treatment Agreement and a Land Appendix.</p> <p>In July 2002, the Province signed the Voisey's Bay Interim Measures Agreement with the LIA and Canada.</p> <p>In July 2002, the Province signed the Memorandum of Agreement with Innu Nation on the Voisey's Bay development.</p> <p>Negotiations are ongoing with the Innu Nation and Canada the Department has worked with the Innu Nation and Canada on land claim negotiations focused on the Chapters of an Agreement in Principle.</p>
<p>5. To facilitate improved relationships between the provincial government and Aboriginal groups.</p>	<p>To work with all provincial government departments and the federal government to ensure policy, programs and decisions that are appropriate for Labrador and Aboriginal people in the Province.</p> <p>To give Labrador and Aboriginal people in the Province a stronger voice in government.</p>	<p><u>Forestry</u></p> <p>The Province continued to work with Innu Nation under the Forestry Process Agreement signed in 2001, which provided funding to the Innu Nation to work with the Department of Forest Resources and Agrifoods and interested stakeholders to accomplish the Agreement's objectives.</p> <p>On October 3, 2002, the Province, as represented by the Ministers for the Departments of Forest Resources and Agrifoods as well as Labrador and Aboriginal Affairs, and the LMN signed a Memorandum of Understanding (MOU) regarding forest development in Labrador. Under this agreement, the Province provided funding to the LMN to hire a Forest Planner and Forest Technician to provide input into Labrador's forest ecosystem management, and help ensure continued sustainable and prudent development of the forest resource in the region.</p>

STRATEGIC ISSUE	PRIORITIES	PROGRESS/ACCOMPLISHMENTS
<p>6. To ensure that the federal government is responsive to the needs of Aboriginal groups.</p>	<p>To work with the federal government to ensure that Canada meets its constitutional and fiduciary responsibility for the Aboriginal groups of Newfoundland and Labrador.</p>	<p><u>Innu Registration and Reserve Creation</u> The Department continued to work with the federal government and Innu Nation to fulfill the federal commitment to register the Innu under the <i>Indian Act</i> and to establish reserves at Sheshatshiu and Natuashish. On November 21, 2002, Canada established the Mushuau Innu First Nation and the Sheshatshiu Innu First Nation as bands under the <i>Indian Act</i>.</p> <p><u>Miawpukek First Nation</u> The Department has indicated it is prepared to participate in self-government discussions between MFN and the federal government in matters impacting on provincial jurisdiction.</p> <p>The Department has also held discussions with MFN regarding the potential expansion of the Conne River Reserve to meet the housing expansion and economic development needs of the Band.</p> <p>The Department began discussions with the Department of Justice and MFN toward an Aboriginal Justice Strategy Agreement to support Aboriginal justice programming at Conne River.</p> <p><u>Labrador Métis Nation (LMN)</u> The Province supports the LMN in its efforts to gain access to those federal programs and services for which they are eligible.</p> <p>The Province has also called on the federal government to make a decision on the LMN land claim.</p> <p><u>Federation of Newfoundland Indians (FNI)</u> On April 12, 2002, the Province, FNI and the Government of Canada announced</p>

STRATEGIC ISSUE	PRIORITIES	PROGRESS/ACCOMPLISHMENTS
7. To ensure that provincial government policy is appropriate for and relevant to the needs of Aboriginal groups 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.	<p><u>Aboriginal Cadet Development Program</u> The Province of Newfoundland and Labrador has funded up to \$150,000 per year for two years to enable 12 students to participate in the national Aboriginal Cadet Development Program (ACDP).</p> <p><u>Northern Coastal Labrador Strategic Initiative</u> The Department has played a lead role in the three year funding commitment of \$23 million for the Northern Coastal Labrador Strategic Initiative.</p>

Opportunities and Challenges Ahead:

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

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

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

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

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

Opportunities and challenges ahead include:

- co-ordinating and providing leadership for government programming in Labrador;
- assessing and advancing development opportunities, funding agreements and social issues;
- implementing land claims and self-government agreements;
- facilitating the creation of Reserves at Sheshatshiu and Natuashish;
- 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 once they have the capacity to do so;
- urging the federal government to make a decision on the outstanding land claim of the LMN;
- lobbying the federal government to support the LMN and the FNI in gaining access to federal programs and services for which they meet the eligibility requirements; and
- working with the Department of Works, Services and Transportation and stakeholders to reconfigure the Southeast Coastal ferry service to meet the transportation needs of the residents of Southern Labrador.

Much has been accomplished in Labrador in 2002-03, 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 in particular the Labrador region.

APPENDIX A - FINANCIAL STATEMENTS

DEPARTMENT OF LABRADOR AND ABORIGINAL AFFAIRS
Statement of Expenditure and Related Revenue
FOR THE YEAR ENDED 31 MARCH 2003

	<u>Actual</u>	<u>Estimates</u>	
		<u>Amended</u>	<u>Original</u>
	\$	\$	\$
1.1.01 Minister's Office	446,385	449,700	372,700
1.2.01 Executive Support	483,206	536,000	528,500
2.1.01 Aboriginal Affairs	1,136,351	1,445,100	1,549,100
2.1.02 Labrador Affairs	670,805	691,700	640,200
2.1.03 Inuit Agreement	4,445,577	4,548,800	4,580,600
Less Revenue - Federal	<u>(4,276,436)</u>	<u>(4,377,900)</u>	<u>(4,377,900)</u>
 Total Department	 <u>2,905,888</u>	 <u>3,293,200</u>	 <u>3,293,200</u>

Please refer to Volume III of the Public Accounts which were previously tabled in the House of Assembly, for detailed financial information.