



Indian and Northern
Affairs Canada

Affaires indiennes
et du Nord Canada

Long- Term Capital Plan

2002-03 to 2006-07

Canada



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Mandate

The mandate of Indian and Northern Affairs Canada (INAC), articulated in the September 2002 Speech from the Throne, is to create a better quality of life for First Nations, Inuit and Northerners through increased economic participation based on strong foundations of governance and community infrastructure. The *Department of Indian Affairs and Northern Development Act*, annual appropriation acts and various Cabinet decisions provide both policy direction and operational funds to support INAC's mandate.

Investments in custodial assets and in assets of First Nations are central to fulfilling INAC's mandate. INAC spends approximately \$1 billion on both capital and operation and maintenance (O&M) for the three components of the department's capital program: Custodial Assets; Capital and Facilities Maintenance (CFM) — First Nations Assets (including the remediation of on-reserve contaminated sites); and Northern Contaminated Sites. Appendix A provides an overview of key pressures that have a significant impact on capital program management.

The department also maintains management systems to track the quantity, replacement value and current condition of physical assets. Part 2 provides a summary of the replacement value (about \$18.2 billion) and condition of both custodial and First Nations assets, while Appendix B gives a brief description of these data management systems.

Pressures/Challenges

INAC is facing significant pressures across all investment categories over the next five years, including premature rust-out of existing assets; higher drinking water standards; regulatory changes; population and economic growth; claims settlements, self-government and devolution; improved information technology (IT) systems; contaminated sites; and supporting the Sustainable Development and Environmental Stewardship Strategies.

Resources

Requirements for INAC's capital program over the next five years are estimated to be in the range of \$15–20 billion, while planned spending for CFM and Custodial Assets is estimated at about \$4.8 billion, comprising both capital and O&M spending, as set out in Table 1 below. (This amount does not include any funds for Northern Contaminated Sites after 2002–03, since no funding sources have been identified.)

Table 1: Planned Spending — Capital and Operation and Maintenance (O&M) by Capital Program Component, 2002–03 to 2006–07

Component/Program	Planned Spending (\$ Millions)				
	2002–03	2003–04	2004–05	2005–06	2006–07
Capital and Facilities Maintenance (CFM)					
Infrastructure	569.1	533.1	509.6	492.4	501.2
Education	240.3	245.2	250.1	255.1	260.2
Housing	155.8	158.6	161.3	164.2	167.0
Sub-Total (CFM)	965.3	936.8	921.0	911.6	928.4
Custodial Assets					
Real Property					
(Buildings, Land, Infrastructure)	11.1	8.4	2.1	2.6	0.9
Informatics	29.2	22.8	16.1	13.5	10.8
Fleet	1.5	0.9	2.7	1.7	1.6
Machinery and Equipment	0.2	0.1	0.1	0.1	0.1
Sub-Total (Custodial)	41.9	32.2	21.0	17.9	13.5
Northern Contaminated Sites	33.0	—	—	—	—
GRAND TOTAL (approx. \$4.8 billion)	1,040.2	969.1	942.0	929.6	941.9

Figures may not add due to rounding.

Notes:

1. Reference levels constitute all funding sources, including **Program Integrity, Canada Infrastructure Program and Capital Rust-Out** funds, earmarked but not yet formally transferred to the department. **They do not include any funds for Northern Contaminated Sites after 2002–03 since no funding sources have been identified.**
2. Annual reference levels are subject to internal adjustments and reallocation, based on ministerial and departmental management decisions.
3. Planned spending for CFM and Custodial Assets includes both major and minor capital expenditures.

Approach

The department's main strategy to address key pressures over the next five years is to strengthen its Capital Management Regime (see Appendix C). The key components of this Long-term Capital Plan include establishing:

- national priorities;
- priority-ranking criteria;
- National, Regional and Sectoral Investment Management Boards; and
- results and performance measures.

Considering the collaborative or partnership role between INAC, First Nations, Inuit and Northerners, changes will be introduced in two phases.

Phase I

In Phase I (2002–04), the department will build on existing policies, processes and systems; strengthen its Capital Management Regime; continue modernizing and integrating data systems; fortify consistency of national programs and priorities; and allocate resources to areas of highest priority.

The proposed Long-term Capital Plan and Capital Management Regime will be department-wide, encompassing all classes of assets. The planning process builds on existing policies, guidelines and directives, with national priorities and criteria established by a new National Investment Management Board (NIMB). The planning process begins with information based on First Nations plans plus sectoral/custodial requirements (e.g., IT, fleet, etc.). These plans and requirements will be consolidated at the sectoral/regional level by the introduction of Sectoral and Regional Investment Management Boards (RIMBs), and at the national level by development of a National Investment Strategy, which the NIMB will recommend for ministerial consideration/approval. Performance measures will be established and monitored. In addition, a comprehensive program review will be undertaken during fiscal year 2003–04 to assess the effectiveness of capital programming for First Nations assets. Furthermore, the department will develop a specific audit/evaluation plan to ensure that the programs are assessed on a regular basis, complemented by ongoing monitoring and compliance activities at both regional and headquarters levels.

Phase II

In Phase II (2004–07), INAC will be looking at the results of the comprehensive program review to make further improvements and to place the various programs on a sustainable basis.

This strategy also recognizes that, overall, as observed in the department's 2002–03 *Report on Plans and Priorities*, capital management and investment planning over the next five years requires "better targeting and leveraging [of] our resources to provide our partners with the tools they need to make more effective use of the resources available to them," and that "strategies to improve the quality of life and sustainable development cannot be developed in isolation, but should be mutually reinforcing."

Structure

The Long-term Capital Plan comprises three parts as follows:

- Part 1 — Priorities and Strategies
- Part 2 — Funding Profiles and Major Projects
- Part 3 — Appendices



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Priorities and Strategies

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Introduction

As the principal department responsible for meeting the federal government's constitutional, political and legal responsibilities on reserves and in the North, INAC has 56 offices spread across the country. INAC's physical presence, along with its investments in the assets of First Nations, increases awareness of the federal presence throughout Canada, especially in First Nations, Inuit and Northern communities.

The department recognizes the need for a balanced, integrated approach, in which economic and social development go hand in hand, in accordance with the four elements of *Gathering Strength — Canada's Aboriginal Action Plan* (http://www.ainc-inac.gc.ca/gs/index_e.html):

- strong communities, people and economies;
- strengthened Aboriginal governance;
- a new fiscal relationship; and
- renewed partnerships.

Efforts are focused on achieving a better quality of life for First Nations, Inuit and Northerners, through increased economic participation based on strong foundations of governance, human resources development and community infrastructure.

Similarly, INAC's capital program management strategy is focused on achieving an integrated, cohesive direction through effective and rigorous management, concentrating on areas that will yield positive results in the short, medium and long term. Investments in community infrastructure and ongoing operation and maintenance (O&M) directly contribute to healthy and safe First Nations, Inuit and Northern communities, provide social and economic benefits to local people and economies, help build a foundation for governance and economic development, and strengthen fiscal relationships and partnerships through a range of funding instruments.

Capital Program Delivery

There are three main components of INAC's capital program: Custodial Assets; Capital and Facilities Maintenance (CFM) — First Nations Assets (including the remediation of on-reserve contaminated sites); and Northern Contaminated Sites. Planned spending for 2002–03 for the three components is estimated at about \$1,040.2 million, comprising both capital and O&M, as set out in Table 2 below.

Table 2: Planned Spending — Capital and Operation and Maintenance (O&M) by Capital Program Component, 2002–03

Capital Program Component (\$000s)	Indian and Inuit Affairs Program	Northern Affairs Program	Administration Program	Total
Custodial Assets	14,489	2,160	25,287	41,936
Capital and Facilities Maintenance (CFM)	965,286	—	—	965,286
Northern Contaminated Sites	—	33,000	—	33,000
GRAND TOTAL	979,775	35,160	25,287	1,040,222

Custodial Assets (\$41.9 million)

Custodial assets provide direct support to INAC's business lines and are distributed across the department at its headquarters and in 11 regions. The core objective for custodial assets south of 60° latitude is to support effective, efficient management and delivery of programs and services to First Nations communities, while the core objective north of 60° is to support the effective, efficient management and regulation of Northern resource development.

Custodial assets range from real property (such as offices, garages and warehouses) to machinery and equipment (such as computers, vehicles and heavy equipment), which are used in delivering services and programs under INAC's Indian and Inuit Affairs Program (IIAP) and its Administration Program, as well as in fulfilling INAC's responsibilities for management of the North's resources. Custodial assets have a net book value of \$50.9 million (2002) and a replacement cost of \$121.8 million (2002).

Multi-year custodial asset plans are developed by sectors and regions using information from various data management systems. See Appendix B for further details on data management systems, including the Automated Real Property Management System (ARMS), OASIS Fixed Assets Module and Access 2000. Necessary expenditures are funded from operating budgets, while unfunded requirements are addressed by reallocating funds internally.

Capital and Facilities Maintenance (CFM) — First Nations Assets (\$965.3 million)

The core objective of Capital and Facilities Maintenance (CFM) — First Nations Assets is to contribute to healthy, safe and sustainable First Nations communities. CFM operational objectives are to make investments that: maximize the life cycle of physical assets; mitigate health and safety risks; ensure assets meet applicable codes and standards; and ensure assets are managed in a cost-effective and

efficient manner. To meet these objectives, INAC assists First Nations to acquire, construct, operate and maintain basic community facilities, such as fire protection and electrification systems, water and sewage systems, roads, and schools and other community buildings. INAC also provides loan guarantees and subsidies to help communities and individuals meet on-reserve housing needs.

The current estimated replacement value of First Nations assets funded under CFM is \$18.1 billion. CFM planned spending for 2002–03 is about \$965.3 million, including \$70.0 million from Gathering Strength funding, \$43.4 million from the federal Rust-out Initiative (subject to Treasury Board approval) and some \$11.3 million from the Canada Infrastructure Program. Of the total, approximately \$509.1 million is allocated to assist First Nations in planning, design and construction/acquisition of community infrastructure, \$300.4 million to O&M and \$155.8 million to investments in housing.

Furthermore, the planned spending for CFM includes \$10 million per annum to continue work on contaminated sites on reserve. INAC has identified and documented 2,495 potential contaminated sites on First Nations reserves. Approximately 60 percent of these sites are related to hydrocarbon contamination of soil caused by leakage of hydrocarbons from storage facilities (i.e., underground/above-ground fuel storage tanks, fuel barrels and drums); approximately 25 percent are related to contamination caused by waste, including active and inactive waste disposal sites and disposal of solid, liquid and industrial waste. Almost half of the sites (1,244) are considered closed (either remediated or requiring no further assessment), leaving 1,251 sites still to be managed. Currently, under the National Classification System for Contaminated Sites (NCSCS) ranking system, there are 445 Class 1 sites, where action is required, and 348 Class 2 sites, where action is likely required (see Appendix D for further details).

CFM Roles and Responsibilities

Program implementation involves headquarters, regions and First Nations support and monitoring.

Headquarters maintains responsibility for policy development, acquisition and allocation of resources to regions through block funding. Headquarters, in consultation with regions and First Nations, also develops and updates the department's Long-term Capital Plan, as well as a wide range of policies and directives for program delivery.

Headquarters also coordinates and seeks capital approvals from Treasury Board when specific projects exceed delegated departmental authority levels. As part of its ongoing management role, headquarters develops and updates program

standards and national criteria, and participates in program evaluations and compliance audits.

Headquarters staff also develop reporting requirements and manage program data and performance measurement through INAC's Capital Asset Management System (CAMS) and Environmental Stewardship Strategy Information Management System (ESSIMS), which tracks environmental issues.

Regions are responsible for developing regional long-term capital plans, including contaminated sites management plans. They provide advice to First Nations regarding development and implementation of their capital plans, set priorities consistent with national criteria and methodology, and develop regional submissions to Treasury Board for major capital projects (over \$15 million). Regions negotiate and approve capital funding arrangements with First Nations within allocated funding levels through Contribution Arrangements, Flexible Transfer Payments, and Alternative Funding Arrangements. Regions manage these capital funding arrangements in compliance with departmental policies and directives.

Regions also allocate O&M funding to First Nations, calculate annual O&M budget requirements and assess First Nations capital plans and O&M activities, using current inventories and departmental data management systems such as CAMS (see Appendix B). In addition to measuring O&M performance, assessment includes identifying recapitalization needs, health and safety concerns, and corrective actions required by inspections. Results of assessments are conveyed to First Nations to ensure that recommended improvements are addressed in their capital and maintenance plans.

First Nations develop and implement the majority of capital projects. They are responsible for developing and implementing capital plans under three main categories — infrastructure, education and housing — and for negotiating service agreements such as joint school capital agreements. First Nations are also responsible for operating and maintaining community assets, for developing and maintaining a community Maintenance Management System, and for collecting data for the CAMS database. The budget is administered by First Nations or Indian organizations under Vote 15 (Transfer Payments) through Comprehensive Funding Arrangements (CFA) and Canada/First Nations Funding Agreements (CFNFA).

Northern Contaminated Sites (\$33.0 million)

In the North, the core objective is to reduce and eliminate where possible risks to health and the environment from contaminated sites. The operational objective is

to manage contaminated sites in a cost-effective and consistent manner so as to contain and mitigate health and environmental liabilities.

The department is managing and monitoring 394 contaminated sites in the North, including old military sites, as well as abandoned or insolvent mine sites. The estimated liability associated with these sites is \$723.2 million (see Appendix D for further details). The department currently re-allocates resources from the Indian and Inuit Affairs Program (IIAP) to deal with contaminated sites, which means that only essential risk management is undertaken at the worst sites. Given the expansion of INAC's responsibilities for Northern contaminated sites, it is becoming difficult to continue to effectively manage the risks through re-allocation. To achieve its objectives, the department's Northern Affairs Program (NAP) requires from \$55–80 million annually, funds that are currently not available.

Capital Program Objectives

Table 3 below provides a summary of the objectives and areas of investment for the three components of the department's capital program.

Table 3: Summary of Objectives and Areas of Investment by Capital Program Component

Program Component	Objectives	Investment Areas/Asset Classes
Custodial Assets	South of 60, support effective, efficient management and delivery of programs and services to First Nations communities.	Real property (offices, warehouses, garages). Moveable assets (fleet, heavy machinery).
	North of 60, support effective, efficient management and regulation of Northern resource development.	Information technology.

Capital and Facilities Maintenance (CFM)	Invest in healthy and safe First Nations communities.	Water and sewage systems, contaminated sites, fire protection.
	Invest in sustainable First Nations communities.	Housing, electrification, roads, educational facilities, community buildings.

Northern Contaminated Sites	Reduce and eliminate risks to health and the environment from contaminated sites.	Contaminated sites are designated as priorities based on the National Contaminated Sites Classification System (NCSCS).

Key Factors Affecting INAC Capital Program

Table 4 summarizes key factors affecting the achievement of INAC's strategic objectives and the management of INAC's capital program. These factors explain INAC's need to establish a new Capital Management Regime that focuses on national priorities and results. Impacts of these factors are outlined in more detail in Appendix A — Key Pressures.

Table 4: Key Factors Affecting INAC Capital Program

Factor	Key Considerations	Implications
Fiscal Capacity	Limited growth of Indian and Inuit Program.	2% budget growth is insufficient to ensure program sustainability.
	INAC has no re-spendable revenues.	Limited ability to meet growing pressures.
	Many First Nations have minimal revenue-generating capacity.	Minimal ability to invest in management of assets.
Rust-out	Premature deterioration of First Nations and custodial assets. Key considerations are: remote locations, harsh climate, rapid population growth, and lack of technical and financial resources.	Added pressures on capital and operating budgets due to the premature recapitalization of assets.
Regulatory Changes	Changes to federal, provincial and territorial regulations and standards.	New investments that are required to meet regulatory requirements and standards will complete with existing priorities.
First Nations Population Growth and Backlog	On-reserve population is young and rapidly growing.	Increasing demand for programs and services.
	Significant backlog regarding First Nations community infrastructure on reserve.	Ongoing health, safety and environmental risks (e.g., drinking water quality, overcrowding, contaminated sites); standards in First Nations communities that are not comparable to standards in communities of similar size and location.
Claims, Self-government and Devolution	Agreements may oblige INAC to provide new or upgraded assets.	Investments required may compete with existing plans and priorities.

Factor	Key Considerations	Implications
Contaminated Sites	INAC has inherited a large number of costly contaminated sites in the North.	Estimated liability is \$723.2M — currently relying on Indian and Inuit Affairs Program re-allocations to address the most urgent health and safety risks.
	Large number of contaminated sites on reserve, some of which were abandoned and inherited by INAC.	Risks to human and environmental health and safety. Added pressures on existing capital budget.
Other Factors	Climate change.	Added pressures related to winter roads, erosion, building construction techniques/repairs, fires and floods, and other environmental risks (e.g., contaminated sites).
	Economic development.	Limited access to private capital adds pressure to support infrastructure for meeting business requirements. Unplanned business development places new demands on existing infrastructure (e.g., need for upgrades).
	Sustainable development.	Long-term sustainable development may require higher initial costs.
	Information technology (IT).	Added pressures to keep up with technological advances required by the work force for operations (e-government).
	Unforeseen contingencies.	Community relocation and emergencies.
	Connectivity infrastructure.	Increasing demands by First Nations communities for improved infrastructure for better online access to government services and economic development.
	New reserve expansion.	Additional pressure to keep up with reserve expansions.

National Priorities

Given limited financial resources and the extent of demand for investments (in 2002–03 alone, the demand is estimated in the range of \$3–5 billion), INAC needs to review and revise its capital management framework to ensure that the department's capital program is sustainable. One of the first steps in enhancing the capital management framework is to identify national priorities. In practical

terms, this means that investment decisions must first address national priorities prior to considering other needs.

The department is committed to the following priorities, listed in order of importance, over the next five years:

1. protecting and maintaining the life cycle of existing assets, with an emphasis on health and safety;
2. mitigating health and safety risks through existing and new assets;
3. addressing the backlog regarding water and sewage systems under Capital and Facilities Maintenance (CFM) activities; and
4. investing in other priorities, including investments in sustainable communities (e.g., housing, electrification, roads, educational facilities and community buildings) and investments in community assets to resolve claims or self-government agreements.

Priority Action Areas and Expected Results

Table 5 summarizes priority action areas and expected results over the five-year planning period.

Table 5: Priority Action Areas and Expected Results by Capital Program Component, 2002–03 to 2006–07

Objectives	Priorities	Priority Actions	Expected Results
Custodial Assets			
Support effective, efficient management and delivery of programs and services to First Nations communities, and management and regulation of Northern resource development.	Protect and maintain existing assets through life-cycle management. Mitigation of health and safety risks.	Strengthen asset management practices within the department.	National consistency in program delivery. Well-maintained and long-lasting assets that meet operational requirements.

Objectives	Priorities	Priority Actions	Expected Results
Capital and Facilities Maintenance (CFM)			
Invest in healthy and safe First Nations communities.	Address backlog regarding water and sewage systems.	Maintain, replace and upgrade existing substandard water and sewage facilities that pose immediate health and safety risks.	Safe, potable water for First Nations communities.
		New systems in communities without existing water and sewage systems.	Reduced health and safety risks.
	Adopt federal/provincial water and sewage standards.	Implement regulatory regime to ensure compliance with standards.	Protection of water sources.
		Manage or remediate contaminated sites that pose immediate health and safety risks.	Standards in First Nations communities that are comparable to standards in communities of similar size and location.
	Remediate educational facilities that pose immediate health and safety risks.	Remediate housing stock that poses immediate health and safety risks.	Water quality/sewage effluent consistent with federal/provincial standards.
			Reduced environmental risks.
			Reduced health and safety risks.
Invest in sustainable First Nations communities.	Protect and maintain life cycle of existing assets in First Nations communities.	Increased training for First Nations operators/maintenance personnel.	Improved First Nations management and technical capacity.
		Increased emphasis on monitoring of O&M of existing community infrastructure (e.g., schools, housing, roads, water and sewage systems, electrification).	Improved facility and maintenance practices.
	Protect assets and prevent premature recapitalization.	Assets live up to expected life cycle (industry standards).	
		Reduced health and safety risks.	
	Ensure community infrastructure projects meet federal and provincial building codes and standards.	Standards in First Nations communities that are comparable to those in communities of similar size and location.	
		Ensure effective implementation of community housing management regime.	Increased availability of adequate housing on reserve.

Objectives	Priorities	Priority Actions	Expected Results
Northern Contaminated Sites			
Reduce and eliminate risks to health and the environment from Northern contaminated sites.	Mitigate health and safety risks.	Manage sites posing most urgent risks in the North, focusing on NCSCS Class 1 sites.	Limit, where possible and within resource limitations, the risk of financial, legal, human health and environmental liabilities.
All Components of Departmental Capital Program			
Effective management of INAC capital program.	Enhance Capital Management Regime.	Streamline internal operations.	Strengthened internal operations and financial management to ensure better value for existing resources.
		Strengthen asset management practices within the department.	
		Implement a national priority-ranking system.	Well-maintained and long-lasting assets that meet operational requirements.
		Develop and implement a communications and consultation strategy.	Investments aligned with the national priority of asset protection.
		Renew authority and mandate for capital program.	Effective consultations and communications with stakeholders in planning, priority setting and management of assets and investments.
		Review and rationalize custodial real property holdings and dispose of assets no longer required.	National consistency in program delivery.

Guiding Principles for Implementing Priority Actions

Management of INAC's capital program will be guided by the following principles.

- Capital strategies are based on responsible asset management practices, including effective life-cycle planning, monitoring and accountability mechanisms.
- Capital resources are aligned with capital program objectives and national priorities.
- The analytical framework for selection and assessment of capital projects recognizes the national priorities.
- Investment criteria are applied consistently in an equitable and transparent fashion and in accordance with established lines of clear accountability for investment decisions.
- Capital assets are managed in full partnership with First Nations, Inuit and Northerners in a manner that builds capacity and respects their social, economic, environmental and cultural aspirations.

Strategies for Implementing Priority Actions

Over the next five years, INAC will implement the following initiatives.

Strengthening INAC's Capital Management Regime

In conformity with the principles of modern comptrollership, the capital management framework provides for strategic alignment of expenditures with national priorities through: priority-ranking criteria; an O&M funding formula; reporting guidelines; terms and conditions of funding arrangements; updates of regional strategies; and integrated decision making with respect to investments in both Crown assets and the assets of others over their entire life cycle. The department is strengthening its capital management framework for both custodial assets and department-funded First Nations assets to ensure that:

- O&M and capital investments (both major and minor) are used to accomplish the priorities set out above; and
- adequate project management controls are in place for all capital projects (both major and minor), including projects under CFM and Custodial Assets components of the capital program.

This Long-term Capital Plan represents the department's commitment to strengthening its capital management framework by making the changes required to establish and maintain an improved Capital Management Regime (see Appendix C). Improvements include: establishing a National Investment Management Board (NIMB) (see Appendix E for Terms of Reference); developing national priority-ranking criteria; and adopting measures to enhance compliance and monitoring. INAC is committed to having a majority of these measures in place and being operationally phased in by March 31, 2004, taking into account commitments in existing funding arrangements and in association with related authority renewals.

Enhancing First Nations governance capacity and access to financing

The department is introducing legislation on a range of areas related to First Nations governance. Legislation involves elections, by-laws and improved fiscal administration, including a *First Nations Fiscal and Statistical Management Act* and expanded application of the *First Nations Land Management Act*. Governance instruments could include Aboriginal-run agencies such as a First Nations tax commission and financial management board. These instruments will provide the cornerstones to enable a number of First Nations to manage their community services and housing assets, for example, by obtaining private loans for community infrastructure such as roads and sewage treatment.

Building on the on-site assessment of water and wastewater sites on reserve and conducting a comprehensive program review

INAC will undertake a comprehensive review of CFM — First Nations Assets to identify options for addressing challenges. The review will build on work in progress to improve on-reserve water quality management and other initiatives related to First Nations housing and community facilities. The objectives of the review are to enhance the sustainability of CFM, strengthen accountability and align investments with national priorities. The outcomes of the review will feed into program authority renewal in 2003.

Managing risks related to Northern contaminated sites on an annual basis until permanent multi-year funding is approved

For Northern contaminated sites, the department's focus is on sites that represent the greatest legal, financial, health and environmental risks. The Northern Contaminated Sites management framework, a comprehensive management framework that clearly lays out overall departmental policy for these contaminated sites, was approved in the fall of 2002. It includes key principles and strategic objectives of the Northern Contaminated Sites program; roles and responsibilities

of staff and committees involved in overseeing management of the program; risk management options; and a results-based management and accountability framework.

In the absence of permanent (A-base) funding to deal with the growing costs associated with Northern contaminated sites, INAC will review funding requirements annually through the new Capital Management Regime (see below), based on recommendations of the Northern Contaminated Sites program. However, it is anticipated that INAC will not be able to adequately manage these sites without new resources being made available.

Managing risks related to contaminated sites on reserve

For contaminated sites on reserve, the department's approach is to assess and remediate sites designated the highest priorities to the extent available funds will allow, while managing risks at other sites. Contaminated sites on reserve require a comprehensive management plan that clearly sets out departmental policy for managing these sites, including direct remedial actions; environmental site assessments; and clearly defined roles and responsibilities related to funding, management and reporting.

An important strategy related to managing contaminated sites has recently been approved. The IIAP Environmental Stewardship Strategy ensures that sound environmental management practices will be integrated into departmental operations in support of sustainable First Nations economies and communities, thereby reducing the potential for future contamination.

Capital Management Regime

The proposed Capital Management Regime is an integrated process involving the Minister, senior management and officials, Public Works and Government Services Canada, First Nations and other stakeholders as appropriate. It seeks to ensure that: effective planning processes are in place; risks are effectively identified and managed; the use of assets is maximized and managed on a life-cycle basis; appropriate processes and controls to measure and report on results are in place; sustainable development principles and practices are applied; and investment decisions support priorities, principles and objectives at the national and program levels. Figure 1 below identifies the key components of the regime.

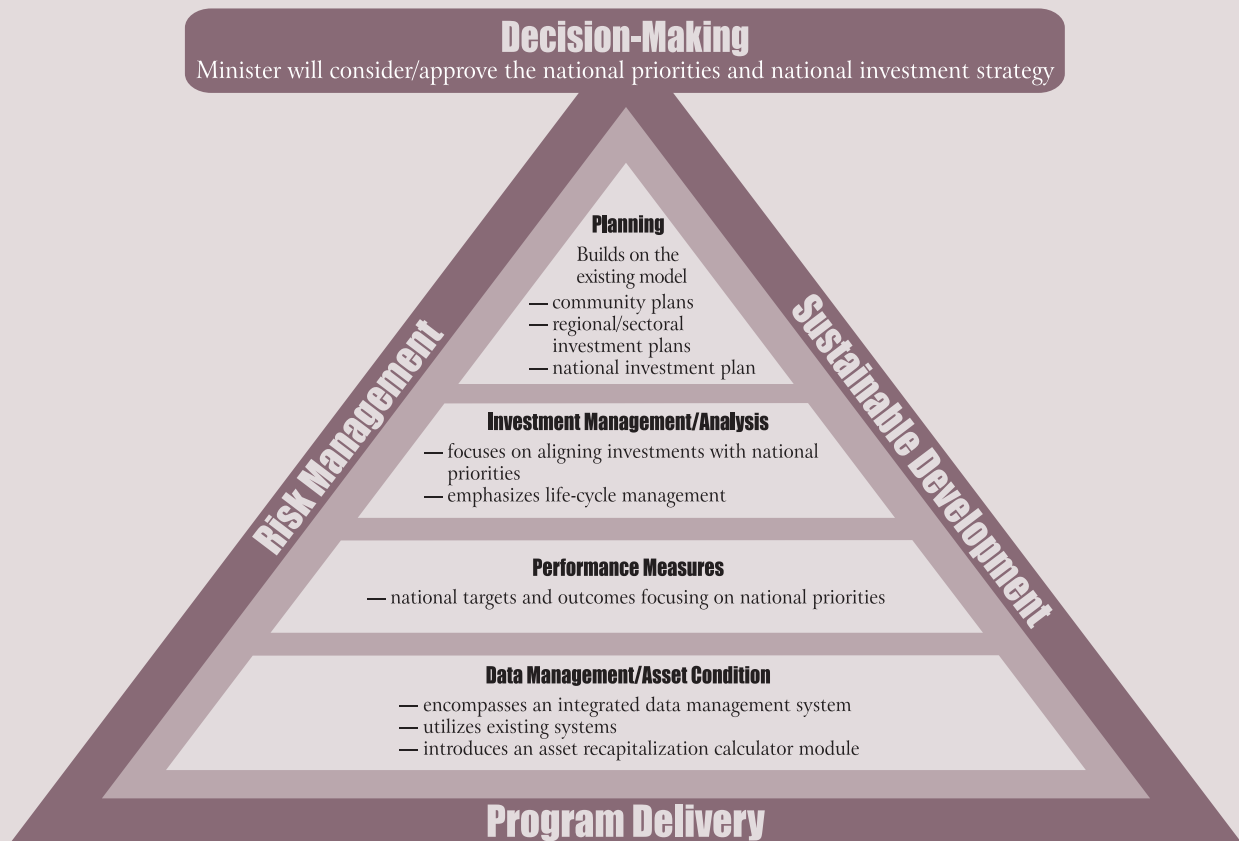


Figure 1: Capital Management Regime, Key Components

Actions and specific time frames are set out in Table 6. An important aspect of implementing the Capital Management Regime is to clarify roles and responsibilities of senior management, officials and partners. Table 7 clarifies roles and responsibilities of key players, along with any actions required. In addition, Table 8 provides an overview of the capital program management process, including key elements — planning, decision making, resourcing, and performance measurement and reporting — and how First Nations, sectors and regions contribute to the national framework.

Table 6: Capital Management Regime — Actions and Time Frames

Component	Description	Actions and Time Frames
Data Management/ Asset Condition	An integrated data management system is crucial for providing information on the condition and status of assets.	Continue modernization and integration of systems beginning with data rationalization (March 2005).
	Land, buildings, infrastructure and housing must be inspected regularly to update database.	Introduce Asset Recapitalization Calculator module (see Appendix B) (March 2005).
		Strengthen existing national inspection regime (March 2003).
Performance Measures	Performance must be assessed against established targets and outcomes in line with national priorities and approved resources.	Investment management boards will meet at least twice a year to review performance reports and make necessary adjustments to the investment plans (ongoing) (starting March 2003).
	Investment management boards will regularly review performance reports to ensure effective monitoring and alignment with national priorities/objectives and will recommend adjustments to resource allocations to the Minister when necessary.	Key sectors and regions will develop performance indicators, targets and evaluation frameworks in the context of the authority renewal exercise, ensuring national consistency. The National Investment Management Board (NIMB) will recommend national targets and outcomes to the Minister (September 2003).
Investment Management/ Analysis	Investment management and analysis will focus on aligning investments with national priorities, based on priority-ranking criteria, and will emphasize life-cycle management to optimize recapitalization.	Establish a regional priority-ranking system based on national priorities (March 2004).
	The objective is to ensure resources are adequately aligned with national priorities: it may be necessary to adjust allocation methodologies and funding agreements.	Review existing allocation methodologies to ensure consistency with national priorities (March 2004).

Component	Description	Actions and Time Frames
Planning	The proposed planning process builds on the existing model, in which community capital plans are developed (within national priorities/guidance) for consideration by Regional Investment Management Boards (RIMBs).	Develop communications strategies to introduce the improved Capital Management Regime, to clarify roles and responsibilities, and to assess First Nations capital planning capacity (March 2003).
	Sectoral/regional investment plans are developed based on First Nations capital plans plus sectoral/custodial requirements (e.g., informatics, fleet, etc.).	Establish/confirm the NIMB and RIMBs (March 2003).
	The NIMB provides strategic guidance, sets national priorities and develops a National Investment Strategy based on regional/sectoral investment plans.	Submit initial investment plans/strategies under the new Capital Management Regime to the NIMB, with annual updating through the Annual Reference Level Update (ARLU) (May 2003).
		Enhance the existing internal Indian and Inuit Affairs Program (IIAP) capital planning process to support implementation of the Long-term Capital Plan (March 2004).
		Conduct a comprehensive IIAP review to assess such issues as First Nations capacity, sustainability and accountability (May 2004).
Decision-Making	In the decision-making process, the Minister will consider/approve the national priorities and National Investment Strategy recommended by the NIMB, including the Long-term Capital Plan and allocation methodologies.	The NIMB will reconfirm national priorities and recommend annual funding levels for all categories of assets, for ministerial approval, starting December 2003 and annually thereafter.
	This process will include balancing competing priorities among programs and asset categories.	The NIMB will recommend, for ministerial approval, a department-wide National Investment Strategy for all categories of assets (September 2003).
		The NIMB will review Long-term Capital Plan annually and recommend any resource-related adjustments through the ARLU (October 2003).

Component	Description	Actions and Time Frames
Risk Management and Sustainable Development	Risk management, environmental management and sustainable development are common and integral components of the management process, including decision making, planning, investment management, performance measurement and reporting, and data management.	<p>At the corporate level, establish a risk management framework that identifies and assesses the extent of the department's exposure for each of the national priorities. The results of the risk assessment will be used to assist in managing resources for each of the national priorities (March 2003).</p> <p>Continue to integrate sustainable development and environmental management approaches into the management of departmental assets and liabilities (ongoing).</p>

Table 7: Capital Management Regime — Roles and Responsibilities

Key Players	Roles and Responsibilities	Action Required
Minister	Approvals.	In place.
Deputy Minister	Approvals.	In place.
Associate Deputy Minister	Chair of the Operations Committee (National Investment Management Board).	To be established by March 2003.
Senior Management Committee	Ensure that all strategic decisions, including those for custodial and First Nations capital and investments, are mutually supportive.	Strengthen (ongoing).
	Members of the National Investment Management Board.	To be established by March 2003.
	Members of the Financial Management Committee.	In place.
	Chairs/members of Sectoral/Regional Investment Management Boards.	To be established/confirmed by March 2003.

Key Players	Roles and Responsibilities	Action Required
Regions	Implement the Capital Management Regime.	Strengthen (ongoing).
	Support First Nations in their roles and responsibilities within the Capital Management Regime.	Strengthen (ongoing).
Sectors	Provide policy, advisory and operational support to regions in implementing the Capital Management Regime — key players include Socio-Economic Policy and Programs (SEPP), Corporate Services, Audit and Evaluation, Lands and Trust Services and Northern Affairs Program.	Strengthen (ongoing).
	Secretariat support to the National Investment Management Board (SEPP lead).	To be established by December 2002.
PWGSC	Provide technical advisory support to regions and sectors.	In place.
	Members of the National and Sectoral/Regional Investment Management Boards.	In place.
First Nations	Develop community capital plans reflecting national priorities.	In place/strengthen (ongoing).
	Provide reports as required under funding agreements.	In place/strengthen (ongoing).
	Asset/project management and administration.	In place/strengthen (ongoing).
	Members of Regional Investment Management Boards.	In place/to be established by March 2003.
Other Key Partners (e.g., Health Canada, Environment Canada, Infrastructure Canada, Treasury Board Secretariat, Canada Mortgage and Housing Corporation.)	Interdepartmental cooperation and program support.	In place/strengthen (ongoing).

Table 8: Capital Program Management Process — Overview

Key Elements	First Nations (FN)	Regions/Sectors	National
Planning	<p>Community capital and operation and maintenance (O&M) plans.</p> <p>Physical development plans.</p> <p>Asset condition inventory/data.</p>	<p>Regions review First Nations (FN) data/plans and develop:</p> <ul style="list-style-type: none"> capital/O&M plans, including plans for contaminated sites and custodial assets; and capital plans (five-year plans and plans for projects over \$1.5 million). <p>Sectors:</p> <ul style="list-style-type: none"> develop capital plans for custodial assets (i.e., IT plans), and policies, directives and standards. <p>Northern Affairs Program (NAP) develops Northern Contaminated Sites annual plan.</p>	<p>National Investment Management Board (NIMB):</p> <ul style="list-style-type: none"> reviews sectoral/regional plans; develops National Investment Strategy; oversees risk management framework; and implements Capital Management Regime.
Decision-Making	<p>Chief and Council approve community plans/projects.</p> <p>Local decision making consistent with national priorities, to meet community needs.</p> <p>Flexibility/incentives as prescribed in FN funding agreements.</p>	<p>Review/approve FN and custodial capital/O&M plans prior to resource allocation.</p> <p>Approve projects below \$15 million.</p> <p>Ensure investment strategies are linked to national priorities and policies.</p>	<p>Minister provides overall oversight and approval.</p> <p>TBS approves Long-term Capital Plan and capital projects over \$15 million on reserve and \$7 million off reserve.</p> <p>NIMB sets national priorities, priority-ranking criteria, and allocations and recommends National Investment Strategy for consideration/approval.</p>
Resourcing	<p>Negotiate funding agreements.</p> <p>Program management resource allocation and implement capital and O&M plans.</p> <p>Own-source revenues.</p>	<p>Regional/sectoral allocation methodologies.</p> <p>Negotiate/monitor funding agreements.</p>	<p>National allocation methodologies linked to priorities.</p> <p>Funding agreements (national models).</p>

Key Elements	First Nations (FN)	Regions/Sectors	National
Performance Measurement/Reporting	Regular project status reports.	Monitoring/compliance (i.e., inspections, data collection and reviews).	Monitoring, program audits and evaluations.
	Annual O&M self-evaluation reports.	Project audits and evaluations.	<i>Departmental Performance Report, Report on Plans and Priorities, Annual Reference Level Update, Long-term Capital Plan.</i>
	Terms and conditions as per funding agreements.	Project files. Project management.	Remedial action.
	Reports to Chief and Council and community.	Remedial action.	Maintain national databases.
	Audited financial reports.	Maintain databases.	National targets/outcomes.
	Community targets and outcomes.	Regional targets/outcomes. Investment analysis.	Investment analysis.

Key Planning, Decision-Making and Accountability Activities

The key planning, decision-making and accountability activities in INAC's capital program management process are described below, according to the annual cycle. Figure 2 illustrates the annual cycle for these activities.

Planning Cycle (May–November):

- First Nations develop/update five-year capital and O&M plans (May–August).
- Sectors develop/update sectoral five-year capital and O&M plans for Custodial Assets and Northern Contaminated Sites (May–August).
- Regions/sectors develop regional investment plans (August–September) based on First Nations/sectoral plans, national priorities, priority-ranking criteria, databases (i.e., CAMS/ARMS/OASIS/Access 2000), within benchmark funding levels.
- Regional/sectoral investment plans, outlining details of planned regional/sectoral capital and O&M programming, will be submitted to the NIMB for review/consolidation (October). These documents should be no more than two to three pages in length. They must be ratified and/or approved by the NIMB prior to full resource allocation. Furthermore, adjustments will be made if required.

- The NIMB prepares a National Investment Strategy based on regional/sectoral plans for consideration/approval by the Minister (November).

Decision-Making/Accountability Cycle (November–February):

- The **Minister** will consider/approve (January–February):
 - National Investment Strategy;
 - national priorities and priority-ranking criteria; and,
 - allocation methodologies.
- The **National Investment Management Board (NIMB)** will:
 - recommend, for ministerial approval, a National Investment Strategy, national priorities, priority-ranking criteria and allocation methodologies (December);
 - set benchmark spending levels or targets for capital and O&M, to be vetted by Financial Management Committee (FMC) and approved by the Minister (January–February); and
 - strike proposed initial budget allocations for Sectoral/Regional Investment Management Boards (January–February).

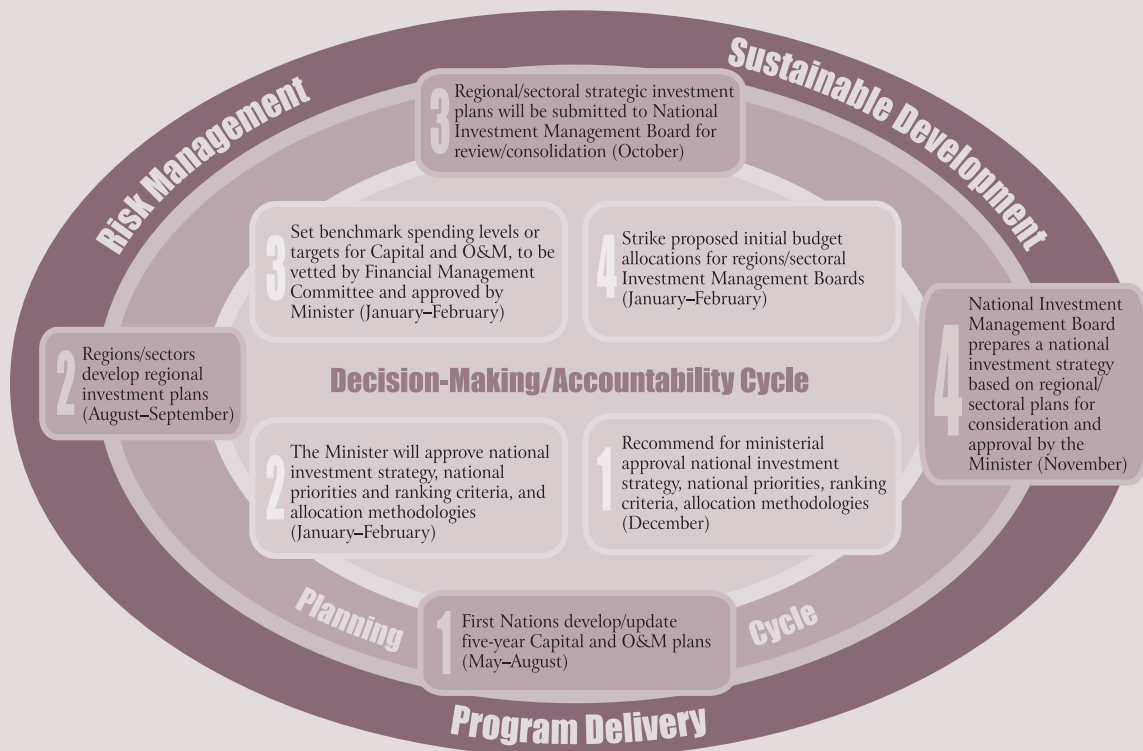


Figure 2: Capital Program Management Process — Planning and Decision-Making/Accountability Cycle

Implementation and performance measurement and reporting activities are ongoing throughout the year, as follows:

Implementation (Ongoing)

Sectors and regions can only fully implement their plans after the NIMB reviews and the Minister approves plans and funding for the coming year. Then regions/sectors may finalize negotiations to sign funding arrangements (December–February).

- First Nations, sectors and regions will work together to ensure that:
 - regular project status reports are completed and reviewed;
 - terms and conditions are met as per funding agreements;
 - regional and community targets/outcomes (based on national priorities) are achieved;
 - project audits/evaluations are carried out;
 - ongoing investment analysis and monitoring/compliance are performed (i.e., inspections, data collection and reviews);
 - project files are updated and remedial action is taken as required;
 - databases are maintained; and
 - adjustments to approved plans use national priority-ranking criteria.

Performance Measurement and Reporting (Ongoing)

- Performance targets and measurement (plans vs. progress) are to be reported in *Report on Plans and Priorities* (March), *Departmental Performance Report* (November), ARLU (September).
- Audit and evaluation pursuant to departmental audit plan.
- Audited financial statements (July–August).



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Funding Profiles and Major Projects

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Section

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Indian and Northern Affairs Canada

- Asset Value and Condition
- Reference Levels by Component and Program
- Reference Levels by Component and Expenditure Category
- INAC Investment Costs by Component and Expenditure Category

Figures reflect current forecast of planned project spending. It should be recognized that there is a degree of uncertainty with respect to longer-term projections, and forecasts will be revised accordingly.

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Asset Value and Condition

INAC maintains asset management systems to track the quantity, replacement value and current physical condition of assets. The data in Tables 9 to 11 below is presented on a national basis by categories or classifications of assets.

The Asset Condition Reporting System (ACRS) contains information on the current physical condition of assets funded for Operation and Maintenance (O&M) of the Capital and Facilities Maintenance (CFM) — First Nations Assets component of INAC's capital program. Information is updated every year based on results of on-site inspections by consultants and Tribal Council Technical Unit staff. The Automated Real Property Management System (ARMS), OASIS Fixed Assets Module and Access 2000 are used to record and monitor custodial assets. The data in these systems is used in planning and budgeting activities.

The department is investigating a more formalized life-cycle approach for funding major assets; data on condition and replacement value will be applied to yield a long-term investment analysis/plan for providing funding for community infrastructure (see Asset Recapitalization Calculator, outlined in Appendix B — Data Management Systems). It is envisioned that the data will be reviewed periodically by the National and Regional Investment Management Boards, and will influence priority setting and provide information for performance measurement.

Capital and Facilities Maintenance — First Nations Assets

Assets are inspected and rated based on the General Condition Rating (GCR) which ranges from:

0 = Closed, 1–3 = Poor, 4–6 = Fair, 7–9 = Good, and 10 = New

**Table 9: First Nations Assets — Condition and Replacement Value
(Based on 2001–02 ACRS)**

Asset Class	Replacement Value (\$M)	Quantity/ Units	Inspected (%)	Closed (%)	Poor (%)	Fair (%)	Good (%)	New (%)
Water Supply (Mains)	\$832.8	3,798,796 metres	79	1	1	9	53	14
Water Supply (Equipment)	\$394.2	3,314 units	80	2	3	14	48	12
Waste Water (Mains)	\$343.0	1,661,678 metres	76	0	1	11	49	15
Waste Water (Equipment)	\$315.0	2,906 units	77	1	4	17	45	11
Solid Waste Incinerator	\$23.4	287 sites	83	6	19	30	23	5
Incinerator	\$0.1	2 units	50	0	0	0	0	50
Roads	\$2,828.3	12,288 kms	81	1	8	41	28	3
Bridges	\$131.4	50,295 sq. m.	87	1	5	16	59	7
Fire Fighting Vehicles	\$57.4	405 trucks	79	1	6	17	45	10
Electrical (Transmission and Distribution)	\$42.6	616 trucks	70	3	8	19	30	10
Electrical (Street Lights)	\$58.5	191 kms	50	0	3	3	31	14
Buildings (Educational)	\$30.2	10,323 units	73	0	0	2	55	17
Buildings (Operative)	\$3,095.5	1,123,649 sq. m.	80	1	1	15	48	15
Buildings (Administrative)	\$502.6	317,122 sq. m.	80	2	10	29	32	7
Buildings (Institutional)	\$710.1	400,235 sq. m.	80	0	5	17	47	10
Buildings (Utility)	\$235.0	129,429 sq. m.	76	1	3	16	47	10
Buildings (Recreational)	\$106.9	87,793 sq. m.	77	1	4	13	46	14
Buildings (Recreational)	\$1,217.9	717,122 sq. m.	81	1	8	24	39	8

Table 10: Housing Condition and Replacement Value (Based on 2001–02 Housing and Infrastructure Database)

Total Houses (#)	Approximated Replacement Value (\$M)	Number of Housing Units			
		Requiring Major Repair	Requiring Minor Repair	Requiring Replacement	Adequate
91,282	\$7,200	14,497	21,041	4,720	51,024

Custodial Assets

Both First Nations and the department have a stake in measuring the effectiveness of the capital program, and in many cases the measure of success can be judged only by observing results over time. The condition ratings contained in Table 11 below serve as a benchmark to evaluate the protection of assets.

Table 11: Custodial Assets — Condition and Replacement Value (Based on 2001–02 Databases)

Asset Class	Replacement Value (\$M)	Quantity (Units)	Condition (Units)			
			Poor	Fair	Good	New
Real Property (Lands, Buildings, Infrastructure)	88.1	264	32	61	153	18

Asset Class	Replacement Value (\$M)	Quantity (Units)	Life-cycle Stage (Units)			
			New	Middle	End	Past
Informatics (Hardware and Software)	28.7	648	75	164	263	146
Fleet (Light and Heavy)	4.3	119	36	8	19	56
Machinery and Equipment	0.7	112	11	23	33	45

Reference Levels by Component and Program (\$000s)

Actual Expenditures

Component/Program	2001-2002		
	Capital	O & M	Total
Capital and Facilities Maintenance (CFM)			
Indian and Inuit Affairs Program	620,473	292,415	912,888
Custodial Assets			
Indian and Inuit Affairs Program	7,019	821	7,840
Northern Affairs Program	1,757	469	2,226
Administration Program	12,577	9,456	22,033
Sub-total (Custodial Assets)	21,353	10,746	32,099
Northern - Contaminated Sites			
Northern Affairs Program	33,000	0	33,000
Grand Total	674,826	303,161	977,987

Planned Spending

Component/Program	2002-2003			2003-2004			2004-2005			2005-2006			2006-2007		
	Capital	O & M	Total	Capital	O & M	Total	Capital	O & M	Total	Capital	O & M	Total	Capital	O & M	Total
Capital and Facilities Maintenance (CFM)															
Indian and Inuit Affairs Program	661,276	304,010	965,286	630,201	306,628	936,829	611,708	309,304	921,012	596,141	315,491	911,632	606,624	321,800	928,424
Custodial Assets															
Indian and Inuit Affairs Program	12,750	1,739	14,489	13,021	871	13,892	6,510	807	7,317	4,675	777	5,452	2,415	777	3,192
Northern Affairs Program	1,743	417	2,160	722	406	1,128	438	407	845	285	407	692	182	408	590
Administration Program	19,735	5,552	25,287	10,379	6,828	17,207	5,164	7,665	12,829	3,855	7,924	11,779	1,050	8,627	9,677
Sub-total (Custodial Assets)	34,228	7,708	41,936	24,122	8,105	32,227	12,112	8,879	20,991	8,815	9,108	17,923	3,647	9,812	13,459
Northern - Contaminated Sites															
Northern Affairs Program	33,000	0	33,000	0	0	0	0	0	0	0	0	0	0	0	0
Grand Total	728,504	311,718	1,040,222	654,323	314,733	969,056	623,820	318,183	942,003	604,956	324,599	929,555	610,271	331,612	941,883

Reference Levels by Component and Expenditure Category (\$000s)

Actual Expenditures

Component/Category	2001-2002		
	Capital	O & M	Total
Capital and Facilities Maintenance (CFM)			
Infrastructure	316,530	207,546	524,076
Education	154,320	81,312	235,632
Housing	149,623	3,557	153,180
Sub-total (CFM)	620,473	292,415	912,888
Custodial Assets			
Real Property (Lands, Buildings, Infrastructure)	6,343	290	6,633
Informatics (Hardware and Software)	14,257	9,646	23,903
Fleet (Light and Heavy)	307	254	561
Machinery and Equipment	446	556	1,002
Sub-total (Custodial Assets)	21,353	10,746	32,099
Northern - Contaminated Sites			
Northern - Contaminated Sites	33,000	0	33,000
Grand Total	674,826	303,161	977,987

Planned Spending

Component/Category	2002-2003			2003-2004			2004-2005			2005-2006			2006-2007		
	Capital	O & M	Total	Capital	O & M	Total	Capital	O & M	Total	Capital	O & M	Total	Capital	O & M	Total
Capital and Facilities Maintenance (CFM)															
Infrastructure	351,655	217,444	569,099	314,551	218,567	533,118	290,145	219,482	509,627	268,547	223,872	492,419	272,878	228,349	501,227
Education	157,406	82,938	240,344	160,791	84,360	245,151	164,007	86,047	250,054	167,287	87,768	255,055	170,633	89,523	260,156
Housing	152,215	3,628	155,843	154,859	3,701	158,560	157,556	3,775	161,331	160,307	3,851	164,158	163,113	3,928	167,041
Sub-total (CFM)	661,276	304,010	965,286	630,201	306,628	936,829	611,708	309,304	921,012	596,141	315,491	911,632	606,624	321,800	928,424
Custodial Assets															
Real Property (Lands, Buildings, Infrastructure)	10,379	678	11,057	7,515	880	8,395	1,276	777	2,053	1,820	777	2,597	120	777	897
Informatics (Hardware and Software)	22,486	6,755	29,241	15,822	6,967	22,789	8,215	7,846	16,061	5,425	8,065	13,490	2,050	8,768	10,818
Fleet (Light and Heavy)	1,260	216	1,476	700	199	899	2,538	197	2,735	1,490	207	1,697	1,397	208	1,605
Machinery and Equipment	103	59	162	85	59	144	83	59	142	80	59	139	80	59	139
Sub-total (Custodial Assets)	34,228	7,708	41,936	24,122	8,105	32,227	12,112	8,879	20,991	8,815	9,108	17,923	3,647	9,812	13,459
Northern - Contaminated Sites															
Northern - Contaminated Sites	33,000	0	33,000	0	0	0	0	0	0	0	0	0	0	0	0
Grand Total	728,504	311,718	1,040,222	654,323	314,733	969,056	623,820	318,183	942,003	604,956	324,599	929,555	610,271	331,612	941,883

INAC Investment Costs by Component and Expenditure Category

Capital and Facilities Maintenance	
Expenditure Category	Replacement Cost (\$ Billions)
Infrastructure	7.8
Education	3.1
Housing	<u>7.2</u>
Grand Total	18.1

Custodial Assets			
Expenditure Category (\$ Millions)	Historic Cost	Net Book Value	Replacement Cost
Real Property (Lands, Buildings, and Infrastructure)	52.6	41.6	88.1
Informatics (Hardware and Software)	28.0	7.7	28.7
Fleet (Light and Heavy)	3.9	1.3	4.3
Machinery and Equipment	0.6	0.3	0.7
Grand Total	85.1	50.9	121.8

Section

II

Capital and Facilities Maintenance Program

- Capital and Facilities Maintenance Reference Levels by Program and Expenditure Category
- Capital and Facilities Maintenance Funding Details by Major Capital Project

Figures reflect current forecast of planned project spending. It should be recognized that there is a degree of uncertainty with respect to longer-term projections, and forecasts will be revised accordingly.

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Capital and Facilities Maintenance Reference Levels by Program and Expenditure Category (\$000s)

Program: Indian and Inuit Affairs

Expenditure Category	Actual Expenditures			Planned Spending														
	2001–2002			2002–2003			2003–2004			2004–2005			2005–2006			2006–2007		
	Capital	O & M	Total	Capital	O & M	Total	Capital	O & M	Total	Capital	O & M	Total	Capital	O & M	Total	Capital	O & M	Total
Infrastructure																		
Base/Reference Levels																		
First Nation Infrastructure	199,456	194,823	394,279	189,456	194,823	384,279	193,445	198,971	392,416	198,138	202,578	400,716	202,301	206,882	409,183	206,547	211,272	417,819
Contaminated Sites – On Reserve	0	0	0	10,000	0	10,000	10,000	0	10,000	10,000	0	10,000	10,000	0	10,000	10,000	0	10,000
Real Property Services	0	12,600	12,600	0	12,600	12,600	0	12,600	12,600	0	12,600	12,600	0	12,600	12,600	0	12,600	12,600
Sub-total (Base)	199,456	207,423	406,879	199,456	207,423	406,879	203,445	211,571	415,016	208,138	215,178	423,316	212,301	219,482	431,783	216,547	223,872	440,419
Approved Adjustments																		
Rust-Out	26,735	0	26,735	43,405	0	43,405	25,790	0	25,790	25,844	0	25,844	0	0	0	0	0	0
Gathering Strength (GS)	50,000	0	50,000	50,000	0	50,000	50,000	0	50,000	50,000	0	50,000	50,000	0	50,000	50,000	0	50,000
Canada Infrastructure Program	1,371	123	1,494	11,137	122	11,259	18,617	72	18,689	0	0	0	0	0	0	0	0	0
Davis Inlet Relocation (TB approved)	14,786	0	14,786	9,884	0	9,884	0	0	0	0	0	0	0	0	0	0	0	0
Davis Inlet Relocation (A-base)	22,182	0	22,182	28,824	0	28,824	0	0	0	0	0	0	0	0	0	0	0	0
Innu Healing	0	0	0	2,960	5,751	8,711	10,006	3,317	13,323	0	0	0	0	0	0	0	0	0
Nunavik Marine Infrastructure	2,000	0	2,000	2,000	0	2,000	2,000	0	2,000	2,000	0	2,000	2,000	0	2,000	2,000	0	2,000
Other Adjustments																		
2% Growth on 2001-02 base of \$406,879	0	0	0	3,989	4,148	8,137	4,069	4,231	8,300	4,163	4,304	8,467	4,246	4,390	8,636	4,331	4,477	8,808
O&M Formula Adjustment	0	0	0	0	0	0	624	(624)	0	0	0	0	0	0	0	0	0	0
Sub-total (Revised Reference Levels)	316,530	207,546	524,076	351,655	217,444	569,099	314,551	218,567	533,118	290,145	219,482	509,627	268,547	223,872	492,419	272,878	228,349	501,227
Education																		
Base/Reference Levels																		
	154,320	81,312	235,632	154,320	81,312	235,632	157,406	82,938	240,344	160,791	84,360	245,151	164,007	86,047	250,054	167,287	87,768	255,055
Other Adjustments																		
2% Growth on 2001-02 base of \$235,632	0	0	0	3,086	1,626	4,712	3,148	1,659	4,807	3,216	1,687	4,903	3,280	1,721	5,001	3,346	1,755	5,101
O&M Formula Adjustment	0	0	0	0	0	0	237	(237)	0	0	0	0	0	0	0	0	0	0
Sub-total (Revised Reference Levels)	154,320	81,312	235,632	157,406	82,938	240,344	160,791	84,360	245,151	164,007	86,047	250,054	167,287	87,768	255,055	170,633	89,523	260,156
Housing																		
Base/Reference Levels																		
	129,623	3,557	133,180	129,623	3,557	133,180	132,215	3,628	135,843	134,859	3,701	138,560	137,556	3,775	141,331	140,307	3,851	144,158
Approved Adjustments																		
Gathering Strength (GS)	20,000	0	20,000	20,000	0	20,000	20,000	0	20,000	20,000	0	20,000	20,000	0	20,000	20,000	0	20,000
Other Adjustments																		
2% Growth on 2001-02 base of \$133,180	0	0	0	2,592	71	2,663	2,644	73	2,717	2,697	74	2,771	2,751	76	2,827	2,806	77	2,883
Sub-total (Revised Reference Levels)	149,623	3,557	153,180	152,215	3,628	155,843	154,859	3,701	158,560	157,556	3,775	161,331	160,307	3,851	164,158	163,113	3,928	167,041
Grand Total	620,473	292,415	912,888	661,276	304,010	965,286	630,201	306,628	936,829	611,708	309,304	921,012	596,141	315,491	911,632	606,624	321,800	928,424

Notes:

Incremental resources of \$5 million per annum (\$2M in personnel/operating costs for 20 FTEs, \$2M for inspections, and \$1M in systems costs) are recommended to strengthen regional and headquarters capacity to implement the Long Term Capital Plan and Management Regime.

The above planned spending is based on 2001–02 actual expenditures adjusted by a 2 percent per annum growth factor. These figures also include adjustments for Treasury Board approved initiatives, and reflect internal capital transfers for both on reserve and northern contaminated sites.

Capital and Facilities Maintenance Funding Details by Major Project (\$000s)

	2002–2003	2003–2004	2004–2005	2005–2006	2006–2007
Capital and Facilities Maintenance					
Capital Major Projects <i>(Major capital projects are captured if they are \$1.5 million and above. See attached detailed listing by region by major capital project).</i>	237,770	208,384	191,929	157,449	130,120
Capital Minor Projects	423,506	421,817	419,779	438,692	476,504
Total Capital	661,276	630,201	611,708	596,141	606,624

Acquisition and Construction of Facilities
(Major Capital Projects of \$1.5 million and above)
(\$000s)

Region: Summary

Major Project Description	Current Estimated Total Cost	Total Expenditures (end March 31, 2002)	Planned Spending					Total 2007-08 Beyond
			2002-03	2003-04	2004-05	2005-06	2006-07	
Capital and Facilities Maintenance								
<u>Atlantic</u>								
Infrastructure	150,352.0	107,180.0	40,922.0	1,500.0	750.0	0.0	0.0	0.0
Education	7,300.0	150.0	0.0	1,500.0	1,500.0	1,150.0	1,500.0	1,500.0
Sub-total	157,652.0	107,330.0	40,922.0	3,000.0	2,250.0	1,150.0	1,500.0	1,500.0
<u>Quebec</u>								
Infrastructure	75,643.0	22,573.0	13,870.0	15,000.0	4,900.0	9,800.0	9,500.0	0.0
Education	12,000.0	500.0	5,000.0	6,500.0	0.0	0.0	0.0	0.0
Sub-total	87,643.0	23,073.0	18,870.0	21,500.0	4,900.0	9,800.0	9,500.0	0.0
<u>Ontario</u>								
Infrastructure	539,116.8	233,346.4	42,865.6	40,500.5	43,433.0	28,556.6	22,393.6	128,021.1
Education	109,591.1	48,589.4	9,425.2	10,166.3	12,832.9	12,057.3	16,520.0	0.0
Sub-total	648,707.9	281,935.8	52,290.8	50,666.8	56,265.9	40,613.9	38,913.6	128,021.1
<u>Manitoba</u>								
Infrastructure	269,867.9	80,602.4	24,479.9	28,398.8	31,183.3	27,264.2	28,600.0	49,339.3
Education	206,388.8	75,561.3	36,367.0	29,389.1	24,326.2	19,382.8	11,158.1	10,204.3
Sub-total	476,256.7	156,163.7	60,846.9	57,787.9	55,509.5	46,647.0	39,758.1	59,543.6
<u>Saskatchewan</u>								
Infrastructure	50,226.2	11,584.6	9,475.0	8,496.6	7,120.0	5,290.0	2,700.0	5,560.0
Education	155,032.6	35,960.3	14,786.9	18,779.0	11,782.4	11,100.0	12,040.0	50,584.0
Sub-total	205,258.8	47,544.9	24,261.9	27,275.6	18,902.4	16,390.0	14,740.0	56,144.0
<u>Alberta</u>								
Infrastructure	17,917.6	50.0	5,921.6	3,608.0	4,338.0	4,000.0	0.0	0.0
Education	29,085.4	9,365.6	358.8	4,961.0	8,700.0	5,700.0	0.0	0.0
Sub-total	47,003.0	9,415.6	6,280.4	8,569.0	13,038.0	9,700.0	0.0	0.0

Acquisition and Construction of Facilities
(Major Capital Projects of \$1.5 million and above)
(\$000s)

Region: Summary

Major Project Description	Current Estimated Total Cost	Total Expenditures (end March 31, 2002)	Planned Spending					Total 2007-08 Beyond
			2002-03	2003-04	2004-05	2005-06	2006-07	
Capital and Facilities Maintenance								
<u>British Columbia</u>								
Infrastructure	148,257.0	17,699.6	22,562.6	27,159.8	26,363.1	17,175.4	14,216.8	23,079.7
Education	85,642.5	14,407.5	11,735.0	12,425.1	14,699.9	15,973.1	11,491.5	4,910.4
Sub-total	233,899.5	32,107.1	34,297.6	39,584.9	41,063.0	33,148.5	25,708.3	27,990.1
<u>Yukon</u>								
Infrastructure	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Education	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sub-total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<u>Headquarters</u>								
Infrastructure	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Education	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sub-total	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<u>Total</u>								
Infrastructure	1,251,380.5	473,036.0	160,096.7	124,663.7	118,087.4	92,086.2	77,410.4	206,000.1
Education	605,040.4	184,534.1	77,672.9	83,720.5	73,841.4	65,363.2	52,709.6	67,198.7
Grand Total	1,856,420.9	657,570.1	237,769.6	208,384.2	191,928.8	157,449.4	130,120.0	273,198.8

Acquisition and Construction of Facilities
(Major Capital Projects of \$1.5 million and above)
(\$000s)

Region: Atlantic

Major Project Description	Current Estimated Total Cost	Total Expenditures (end March 31, 2002)	Planned Spending					Total 2007-08 Beyond
			2002-03	2003-04	2004-05	2005-06	2006-07	
Capital and Facilities Maintenance								
Infrastructure								
Conne River Water Treatment	1,500.0	424.0	1,076.0	0.0	0.0	0.0	0.0	0.0
Glooscap Water System	1,808.0	1,000.0	808.0	0.0	0.0	0.0	0.0	0.0
Eskasoni Water Reservoir/Beach Rd	1,700.0	1,370.0	330.0	0.0	0.0	0.0	0.0	0.0
Davis Inlet Relocation	143,094.0	104,386.0	38,708.0	0.0	0.0	0.0	0.0	0.0
Lennox Island Central Water & Sewer	2,250.0	0.0	0.0	1,500.0	750.0	0.0	0.0	0.0
Sub-total (Infrastructure)	150,352.0	107,180.0	40,922.0	1,500.0	750.0	0.0	0.0	0.0
Education								
Burnt Church New School	4,150.0	150.0	0.0	1,500.0	1,500.0	1,000.0	0.0	0.0
Big Cove School Expansion	3,150.0	0.0	0.0	0.0	0.0	150.0	1,500.0	1,500.0
Sub-total (Education)	7,300.0	150.0	0.0	1,500.0	1,500.0	1,150.0	1,500.0	1,500.0
REGIONAL TOTAL	157,652.0	107,330.0	40,922.0	3,000.0	2,250.0	1,150.0	1,500.0	1,500.0

Acquisition and Construction of Facilities
(Major Capital Projects of \$1.5 million and above)
(\$000s)

Region: Québec

Major Project Description	Current Estimated Total Cost	Total Expenditures (end March 31, 2002)	Planned Spending					Total 2007-08 Beyond
			2002-03	2003-04	2004-05	2005-06	2006-07	
Capital and Facilities Maintenance								
Infrastructure								
Wendake — Rehabilitation	4,000.0	200.0	1,900.0	1,900.0	0.0	0.0	0.0	0.0
Kitcisakik — New Community	5,900.0	0.0	0.0	0.0	1,900.0	2,000.0	2,000.0	0.0
Kanesatake — Community Infrastructure	1,500.0	0.0	0.0	0.0	0.0	1,500.0	0.0	0.0
Kanawake — Sewer Rehabilitation	5,300.0	1,300.0	2,700.0	1,300.0	0.0	0.0	0.0	0.0
Kitigan Zibi — Water Sewer Extension	3,600.0	0.0	1,800.0	1,800.0	0.0	0.0	0.0	0.0
Mashteuiatsh — Water Treatment	1,800.0	100.0	0.0	1,700.0	0.0	0.0	0.0	0.0
Weymontachie — Water Treatment	1,800.0	0.0	0.0	0.0	0.0	1,800.0	0.0	0.0
Obedjiwan — Decontamination	3,000.0	0.0	1,500.0	1,500.0	0.0	0.0	0.0	0.0
La Romaine — Band Office	1,500.0	0.0	0.0	1,500.0	0.0	0.0	0.0	0.0
Pakua Shipi — Water Treatment	4,000.0	200.0	1,500.0	2,300.0	0.0	0.0	0.0	0.0
Pakua Shipi — Eaux Usées	1,500.0	0.0	0.0	0.0	0.0	0.0	1,500.0	0.0
Decontamination Waskaganish	3,000.0	0.0	0.0	0.0	0.0	0.0	3,000.0	0.0
Decontamination Lac Rapide	1,500.0	0.0	0.0	0.0	0.0	1,500.0	0.0	0.0
Lake Simon — Sewer	2,143.0	73.0	2,070.0	0.0	0.0	0.0	0.0	0.0
Northern Quebec Marine Transportation	35,100.0	20,700.0	2,400.0	3,000.0	3,000.0	3,000.0	3,000.0	0.0
Sub-total (Infrastructure)	75,643.0	22,573.0	13,870.0	15,000.0	4,900.0	9,800.0	9,500.0	0.0
Education								
Matimekosh — School Rehabilitation	1,500.0	0.0	0.0	1,500.0	0.0	0.0	0.0	0.0
Kahnawake — New School	10,500.0	500.0	5,000.0	5,000.0	0.0	0.0	0.0	0.0
Sub-total (Education)	12,000.0	500.0	5,000.0	6,500.0	0.0	0.0	0.0	0.0
REGIONAL TOTAL	87,643.0	23,073.0	18,870.0	21,500.0	4,900.0	9,800.0	9,500.0	0.0

Acquisition and Construction of Facilities
(Major Capital Projects of \$1.5 million and above)
(\$000s)

Region: Ontario

Major Project Description	Current Estimated Total Cost	Total Expenditures (end March 31, 2002)	Planned Spending					Total 2007-08 Beyond
			2002-03	2003-04	2004-05	2005-06	2006-07	
Capital and Facilities Maintenance								
Infrastructure								
M'Chigeeng (West Bay) — Water Treatment Plant	7,300.0	0.0	4,392.7	2,907.3	0.0	0.0	0.0	0.0
Mohawks of Akwesasne — St. Regis Village STP Upgrade	5,855.4	5,855.4	0.0	0.0	0.0	0.0	0.0	0.0
Mohawks of Akwesasne — St. Regis/Western Chenail Interconnection	3,773.9	360.4	0.0	3,413.5	0.0	0.0	0.0	0.0
Mohawks of Akwesasne — Water Servicing — Cornwall Island	9,000.0	0.0	0.0	0.0	9,000.0	0.0	0.0	0.0
Mohawks of the Bay of Quinte (Tyendinaga) — Core Servicing	10,730.0	0.0	0.0	0.0	0.0	0.0	0.0	10,730.0
Moose Deer Point — Water Treatment Plant	3,500.0	0.0	170.0	0.0	0.0	0.0	3,330.0	0.0
Nipissing — Water Treatment Plant (Garden Village)	6,200.0	0.0	0.0	0.0	0.0	0.0	0.0	6,200.0
Nipissing — Water Treatment Plant Upgrade (Duchesnay)	3,500.0	0.0	150.0	0.0	0.0	3,350.0	0.0	0.0
Ojibways of Sucker Creek — Water Treatment	3,500.0	0.0	234.4	0.0	0.0	0.0	3,265.6	0.0
Oneida of the Thames (Onyota'a:ka) — Sewage Servicing	2,717.3	2,717.3	0.0	0.0	0.0	0.0	0.0	0.0
Oneida of the Thames (Onyota'a:ka) — Water Upgrade	4,501.7	4,290.7	211.0	0.0	0.0	0.0	0.0	0.0
Pikwakanagan (Golden Lake) — Water System	5,200.0	123.8	0.0	0.0	0.0	0.0	0.0	5,076.2
Saugeen — Servicing	10,075.0	0.0	250.0	4,625.0	5,200.0	0.0	0.0	0.0
Sheguindah — Water Treatment Plant	2,500.0	0.0	160.0	0.0	0.0	0.0	2,340.0	0.0
Six Nations of the Grand River — Water Treatment Plant	8,650.0	0.0	250.0	3,400.0	5,000.0	0.0	0.0	0.0
Wahta Mohawks (Gibson) — Water System	3,500.0	0.0	0.0	0.0	0.0	0.0	0.0	3,500.0
Walpole Island — Sewage Treatment Plant	4,700.0	0.0	0.0	0.0	0.0	0.0	0.0	4,700.0
Wasauksing — Water Treatment Plant	3,125.0	0.0	200.0	0.0	0.0	0.0	0.0	2,925.0
Wikwemikong — Servicing Phase 2	8,712.3	7,187.7	1,524.6	0.0	0.0	0.0	0.0	0.0
Zhiibaahaasing (Cockburn Island) — Water Treatment Plant	1,875.0	0.0	140.0	0.0	0.0	1,735.0	0.0	0.0
Akwesasne — Growth Component on 5 Year Arrangement	3,031.5	1,212.6	606.3	606.3	606.3	0.0	0.0	0.0

Acquisition and Construction of Facilities
(Major Capital Projects of \$1.5 million and above)
(\$000s)

Region: Ontario

Major Project Description	Current Estimated Total Cost	Total Expenditures (end March 31, 2002)	Planned Spending					Total 2007-08 Beyond
			2002-03	2003-04	2004-05	2005-06	2006-07	
Capital and Facilities Maintenance								
Mohawks of the Bay of Quinte (Tyendinaga) — Subdivision Servicing Phase I (205 lots)	3,895.0	0.0	0.0	0.0	0.0	0.0	0.0	3,895.0
Walpole Island — Subdivision Wastewater Servicing Phase I (205 lots)	1,938.0	0.0	0.0	0.0	0.0	0.0	0.0	1,938.0
Wikwemikong — Servicing Phase 2	2,581.6	2,581.6	0.0	0.0	0.0	0.0	0.0	0.0
Attawapiskat — Raw Water Intake	3,000.0	0.0	0.0	0.0	0.0	0.0	300.0	2,700.0
Attawapiskat — Water & Sewer Phase 2	11,496.4	11,446.4	50.0	0.0	0.0	0.0	0.0	0.0
Brunswick House — Water Treatment Plant	3,983.1	3,983.1	0.0	0.0	0.0	0.0	0.0	0.0
Deer Lake — Core Servicing	9,464.3	9,464.3	0.0	0.0	0.0	0.0	0.0	0.0
Eabametoong (Fort Hope) — Infrastructure Servicing (50-50 cost-sharing)	1,786.5	893.2	893.3	0.0	0.0	0.0	0.0	0.0
Eagle Lake — Servicing	4,440.0	4,190.0	250.0	0.0	0.0	0.0	0.0	0.0
Fort Albany — Water & Sewer Phase 2	8,675.0	8,621.7	53.3	0.0	0.0	0.0	0.0	0.0
Fort Severn — Water Treatment Plant Upgrade	5,958.0	2,701.4	1,893.7	0.0	0.0	0.0	0.0	1,362.9
Gull Bay — Water Treatment Plant	4,375.0	0.0	3,250.4	1,124.6	0.0	0.0	0.0	0.0
Iskutewisakaygun No. 39 — Sewage Treatment Plant	3,893.8	3,550.7	343.1	0.0	0.0	0.0	0.0	0.0
Kitchenubmaykoosib Inninuwoog (BTL) — Servicing Phase 4b	9,777.3	9,098.1	679.2	0.0	0.0	0.0	0.0	0.0
Lac Seul — Frenchman's Head Water	5,151.1	4,785.0	366.1	0.0	0.0	0.0	0.0	0.0
Matachewan — Water Treatment Plant	2,701.8	219.3	0.0	1,200.0	1,282.5	0.0	0.0	0.0
Mishkeegogamang (Osnaburgh) — Servicing	8,191.4	8,191.4	0.0	0.0	0.0	0.0	0.0	0.0
Moose Cree First Nation — Servicing Phase 2, Part 1	2,134.5	2,134.5	0.0	0.0	0.0	0.0	0.0	0.0
Moose Cree First Nation — Servicing Phase 2, Part 2	4,515.5	2,957.0	0.0	0.0	1,558.5	0.0	0.0	0.0
Naotkamegwanning (Whitefish Bay) — Servicing	4,149.8	3,999.8	150.0	0.0	0.0	0.0	0.0	0.0
Neskantaga (Lansdowne House) — Sewage Collection & Treatment	6,163.2	313.2	2,050.0	1,699.9	2,100.1	0.0	0.0	0.0
Nicickousemenecaning — Water Treatment Plant	2,739.0	0.0	203.6	2,046.8	488.6	0.0	0.0	0.0
North Caribou — Servicing	8,789.5	8,789.5	0.0	0.0	0.0	0.0	0.0	0.0
North Caribou — Servicing Phase 2	4,161.0	3,900.1	260.9	0.0	0.0	0.0	0.0	0.0

Acquisition and Construction of Facilities
(Major Capital Projects of \$1.5 million and above)
(\$000s)

Region: Ontario

Major Project Description	Current Estimated Total Cost	Total Expenditures (end March 31, 2002)	Planned Spending					Total 2007-08 Beyond
			2002-03	2003-04	2004-05	2005-06	2006-07	
Capital and Facilities Maintenance								
North Caribou — Water Treatment Plant Upgrade	2,691.2	2,548.1	143.1	0.0	0.0	0.0	0.0	0.0
North Spirit Lake — Servicing	8,127.1	8,060.1	67.0	0.0	0.0	0.0	0.0	0.0
Northwest Angle #33 & #37 — Servicing	4,400.0	0.0	400.0	4,000.0	0.0	0.0	0.0	0.0
Ochichagwe'babigo'ining (Dalles) — Water Treatment Plant	3,715.0	0.0	140.0	0.0	0.0	3,575.0	0.0	0.0
Ojibways of Onegaming — Water Treatment Plant	3,750.0	0.0	150.0	0.0	0.0	0.0	0.0	3,600.0
Pikangikum — Servicing Phase 2	3,500.0	0.0	3,500.0	0.0	0.0	0.0	0.0	0.0
Pikangikum — Servicing Phase 3	5,740.0	0.0	0.0	1,000.0	4,740.0	0.0	0.0	0.0
Poplar Hill — Servicing	8,666.4	8,536.4	130.0	0.0	0.0	0.0	0.0	0.0
Red Rock — Water Treatment Plant	3,750.0	0.0	150.0	0.0	0.0	0.0	3,600.0	0.0
Rocky Bay — Water Treatment Plant	3,750.0	0.0	150.0	0.0	0.0	0.0	3,600.0	0.0
Sandy Lake — Servicing Phase 3	6,874.0	6,874.0	0.0	0.0	0.0	0.0	0.0	0.0
Shoal Lake #40 — Water Servicing Upgrade	5,125.0	0.0	250.0	1,750.0	3,125.0	0.0	0.0	0.0
Stanjikoming — Servicing	3,562.6	3,533.4	29.2	0.0	0.0	0.0	0.0	0.0
Wabaseemoong — Servicing	11,736.8	6,006.8	5,530.0	200.0	0.0	0.0	0.0	0.0
Wabauskang — Water Treatment Plant	3,100.0	2,208.0	892.0	0.0	0.0	0.0	0.0	0.0
Wahgoshig — Water Treatment Plant	2,089.9	135.0	1,000.0	954.9	0.0	0.0	0.0	0.0
Wapekeka Lake — Servicing Phase 1	10,677.5	10,435.0	242.5	0.0	0.0	0.0	0.0	0.0
Wauzhushk Onigum (Rat Portage) — Sewage Lagoon Upgrade	1,852.5	1,778.2	74.3	0.0	0.0	0.0	0.0	0.0
Wauzhushk Onigum (Rat Portage) — Water Treatment Plant	2,000.0	0.0	140.0	0.0	0.0	1,860.0	0.0	0.0
Webequie — Sewage Treatment Plant	2,000.0	0.0	300.0	0.0	0.0	0.0	0.0	1,700.0
Webequie — Water Treatment Plant	1,500.0	0.0	200.0	0.0	0.0	0.0	0.0	1,300.0
Wunnumin Lake — Water Treatment Plant	3,082.5	0.0	200.0	0.0	0.0	2,882.5	0.0	0.0
Fort William — Servicing	2,550.2	1,575.1	337.5	637.6	0.0	0.0	0.0	0.0
Kashechewan — Subdivision Servicing	2,269.0	1,380.0	460.0	429.0	0.0	0.0	0.0	0.0
Georgina Island — Ferry Boat/Dock	5,212.3	5,212.3	0.0	0.0	0.0	0.0	0.0	0.0
Attawapiskat — Flood Control Reconstruction	25,000.0	0.0	0.0	0.0	0.0	0.0	0.0	25,000.0
Bearskin Lake — Electrical Upgrade #4	4,310.2	4,310.2	0.0	0.0	0.0	0.0	0.0	0.0
Cat Lake — Grid Survey/Extension	6,033.1	2,274.0	0.0	0.0	0.0	3,759.1	0.0	0.0
Deer Lake — Electrical Upgrade #4	3,300.0	0.0	150.0	2,850.0	300.0	0.0	0.0	0.0

Acquisition and Construction of Facilities
(Major Capital Projects of \$1.5 million and above)
(\$000s)

Region: Ontario

Major Project Description	Current Estimated Total Cost	Total Expenditures (end March 31, 2002)	Planned Spending					Total 2007-08 Beyond
			2002-03	2003-04	2004-05	2005-06	2006-07	
Capital and Facilities Maintenance								
Eabrinetoong — Electrical Upgrade	2,737.0	0.0	100.0	0.0	2,637.0	0.0	0.0	0.0
Fort Albany — Flood Control Reconstruction	8,911.7	8,871.7	40.0	0.0	0.0	0.0	0.0	0.0
Fort Albany — Flood Control Reconstruction	25,000.0	0.0	0.0	0.0	0.0	0.0	0.0	25,000.0
Fort Severn — Electrical Upgrade #4	3,294.0	0.0	0.0	0.0	0.0	0.0	3,294.0	0.0
James Bay — Grid (Regional Share)	14,000.0	9,800.4	1,499.6	0.0	0.0	0.0	0.0	2,700.0
Kashechewan — Flood Control Reconstruction	10,000.0	0.0	0.0	0.0	0.0	0.0	0.0	10,000.0
Kashechewan — Flood Protection	6,949.6	6,949.6	0.0	0.0	0.0	0.0	0.0	0.0
Keewaywin — Electrical Upgrade	1,895.0	0.0	200.0	1,000.0	695.0	0.0	0.0	0.0
Kingfisher Lake — Electrification Upgrade #3	3,294.0	0.0	0.0	0.0	0.0	0.0	0.0	3,294.0
Kitchenubmaykoosib Inninuwoog (BTL) — Electrical Upgrade #4	3,564.0	0.0	0.0	0.0	0.0	900.0	2,664.0	0.0
Lac La Croix — Bridge	2,787.5	2,787.5	0.0	0.0	0.0	0.0	0.0	0.0
Marten Falls — Electrical Upgrade #4	2,182.0	0.0	0.0	0.0	0.0	0.0	0.0	2,182.0
Neskantaga (Lansdowne House) — Electrical Upgrade #3	3,159.0	0.0	0.0	0.0	0.0	0.0	0.0	3,159.0
North Caribou — Grid Extension	6,595.0	595.0	0.0	1,200.0	2,000.0	2,800.0	0.0	0.0
North Caribou — Interim Electrification Upgrade	2,085.9	1,949.3	136.6	0.0	0.0	0.0	0.0	0.0
North Spirit Lake — Electrification Upgrade #2	1,895.0	0.0	0.0	200.0	1,000.0	695.0	0.0	0.0
Pikangikum — Grid	8,381.8	7,381.8	0.0	0.0	0.0	1,000.0	0.0	0.0
Poplar Hill — Grid Extension	3,650.0	0.0	450.0	0.0	1,800.0	1,400.0	0.0	0.0
Sachigo Lake — Electrical Upgrade #2 & #3	1,922.1	1,922.1	0.0	0.0	0.0	0.0	0.0	0.0
Sachigo Lake — Electrical Upgrade #4	3,840.6	1,024.1	2,392.9	423.6	0.0	0.0	0.0	0.0
Sandy Lake — Electrification Upgrade #3	7,225.0	3,191.7	3,808.3	225.0	0.0	0.0	0.0	0.0
Wapekeka Lake — Electrification Upgrade #1	2,913.2	2,913.2	0.0	0.0	0.0	0.0	0.0	0.0
Wapekeka Lake — Electrification Upgrade #2	2,300.0	0.0	0.0	0.0	0.0	0.0	0.0	2,300.0
Wapekeka Lake — Road	1,900.0	0.0	300.0	0.0	0.0	0.0	0.0	1,600.0
Webequie — Electrical Upgrade #3	2,500.0	0.0	0.0	0.0	800.0	1,700.0	0.0	0.0
Weenusk — Electrification Upgrade #4	3,159.0	0.0	0.0	0.0	0.0	0.0	0.0	3,159.0
Wunnumin Lake — Electrical Upgrade/Grid Extension	4,000.0	0.0	0.0	0.0	1,100.0	2,900.0	0.0	0.0
Serpent River — Cutler Acid Plant Remediation Phase 2	2,547.0	0.0	140.0	2,407.0	0.0	0.0	0.0	0.0
Attawapiskat — School Site Remediation	2,300.0	0.0	100.0	2,200.0	0.0	0.0	0.0	0.0

Acquisition and Construction of Facilities
(Major Capital Projects of \$1.5 million and above)
(\$000s)

Region: Ontario

Major Project Description	Current Estimated Total Cost	Total Expenditures (end March 31, 2002)	Planned Spending					Total 2007-08 Beyond
			2002-03	2003-04	2004-05	2005-06	2006-07	
Capital and Facilities Maintenance								
Deer Lake — Remediation (3654, 3794)	2,461.5	2,388.2	73.3	0.0	0.0	0.0	0.0	0.0
Fort Severn — Remediation Phase 1 (2794, 14875)	1,899.6	1,781.5	118.1	0.0	0.0	0.0	0.0	0.0
North Caribou — Remediation (5594, 5694, 5894, 5994)	1,843.5	1,704.9	138.6	0.0	0.0	0.0	0.0	0.0
Pikangikum — School Remedial Work	1,650.6	1,650.6	0.0	0.0	0.0	0.0	0.0	0.0
Sub-total (Infrastructure)	539,116.8	233,346.4	42,865.6	40,500.5	43,433.0	28,556.6	22,393.6	128,021.1
Education								
Nawash — School	2,000.0	0.0	0.0	0.0	0.0	160.0	1,840.0	0.0
Wikwemikong — School	2,000.0	0.0	0.0	0.0	0.0	160.0	1,840.0	0.0
Attawapiskat — School Temporary Facilities	3,288.9	3,268.9	20.0	0.0	0.0	0.0	0.0	0.0
Cat Lake — School	3,260.0	0.0	0.0	260.0	3,000.0	0.0	0.0	0.0
Constance Lake — School	11,170.0	697.0	1,300.0	4,173.0	0.0	0.0	5,000.0	0.0
Deer Lake — School	13,788.0	804.5	0.0	5,573.3	6,552.9	857.3	0.0	0.0
Eagle Lake — School	5,600.0	4,163.5	1,436.5	0.0	0.0	0.0	0.0	0.0
Fort Albany — School Replacement	12,342.0	12,098.5	243.5	0.0	0.0	0.0	0.0	0.0
Lac La Croix — School	5,810.0	0.0	310.0	0.0	590.0	4,910.0	0.0	0.0
Lac Seul — Kejick Bay School	3,159.5	3,159.5	0.0	0.0	0.0	0.0	0.0	0.0
Mishkeegogamang (Osnaburgh) — School	7,654.5	7,505.2	149.3	0.0	0.0	0.0	0.0	0.0
North Spirit Lake — School	2,000.0	0.0	0.0	160.0	1,840.0	0.0	0.0	0.0
Pikangikum — School	4,500.0	0.0	0.0	0.0	450.0	4,050.0	0.0	0.0
Sachigo Lake — School	9,445.9	8,830.0	615.9	0.0	0.0	0.0	0.0	0.0
Sandy Lake — School	13,412.3	8,062.3	5,350.0	0.0	0.0	0.0	0.0	0.0
Shoal Lake #40 — School	2,000.0	0.0	0.0	0.0	0.0	160.0	1,840.0	0.0
Wabaseemoong — School	8,160.0	0.0	0.0	0.0	400.0	1,760.0	6,000.0	0.0
Sub-total (Education)	109,591.1	48,589.4	9,425.2	10,166.3	12,832.9	12,057.3	16,520.0	0.0
REGIONAL TOTAL	648,707.9	281,935.8	52,290.8	50,666.8	56,265.9	40,613.9	38,913.6	128,021.1

Acquisition and Construction of Facilities
(Major Capital Projects of \$1.5 million and above)
(\$000s)

Region: Manitoba

Major Project Description	Current Estimated Total Cost	Total Expenditures (end March 31, 2002)	Planned Spending					Total 2007-08 Beyond
			2002-03	2003-04	2004-05	2005-06	2006-07	
Capital and Facilities Maintenance								
Infrastructure								
Barren Lands — Water/Sewer System	10,700.0	0.0	409.4	2,177.4	2,532.6	1,200.0	2,300.0	2,080.6
Bunibonibee — Water/Sewer Upgrade	16,795.3	0.0	2,850.0	2,491.7	0.0	2,353.6	2,100.0	7,000.0
Chemawawin — Lagoon	3,000.0	250.0	2,750.0	0.0	0.0	0.0	0.0	0.0
Garden Hill — Sewage Treatment Plant	6,006.5	5,976.5	30.0	0.0	0.0	0.0	0.0	0.0
Garden Hill — Water/Sewer Upgrade	31,967.8	0.0	0.0	405.0	1,807.7	6,755.1	5,200.0	17,800.0
God's Lake — Water/Sewer System	16,715.8	0.0	500.0	1,848.9	2,706.4	2,121.6	3,800.0	5,738.9
Keeseekoowenin — Wastewater Treatment Phase I	2,900.0	0.0	0.0	200.0	2,700.0	0.0	0.0	0.0
Mathias Colomb — Water/Sewer Upgrade	20,928.3	20,573.3	355.0	0.0	0.0	0.0	0.0	0.0
Northlands — Water/Sewer	11,875.5	11,850.5	25.0	0.0	0.0	0.0	0.0	0.0
Red Sucker Lake — Sewage Treatment	3,494.1	3,466.3	27.8	0.0	0.0	0.0	0.0	0.0
Red Sucker Lake — Water/Sewer Upgrade	20,142.5	0.0	300.0	3,059.3	3,909.0	4,874.2	4,000.0	4,000.0
Sandy Bay — Water/Sewer Phase II	10,000.0	0.0	0.0	0.0	0.0	0.0	0.0	10,000.0
Sapotaweyak Cree — Water/Sewer System	7,374.9	7,042.4	332.5	0.0	0.0	0.0	0.0	0.0
Sayisi Dene — Water/Sewer Phase II	4,800.0	0.0	300.0	2,200.0	2,300.0	0.0	0.0	0.0
Shamattawa — Water/Sewer Phase II	5,277.6	0.0	0.0	1,000.0	277.6	1,500.0	2,500.0	0.0
Sioux Valley — Lagoon/Sewer Main	2,928.1	25.0	1,500.0	903.1	500.0	0.0	0.0	0.0
St. Theresa — W/S Treatment Plant Phase I	10,900.2	10,900.2	0.0	0.0	0.0	0.0	0.0	0.0
St. Theresa — Water/Sewer Phase II	11,240.3	350.2	4,412.5	4,477.6	2,000.0	0.0	0.0	0.0
Wasagamack — Water/Sewer Phase II	15,182.2	0.0	0.0	341.5	5,000.0	4,340.7	5,500.0	0.0
York Factory — Water/Sewer Upgrade	6,596.8	4,793.5	0.0	0.0	0.0	0.0	0.0	1,803.3
Tataskweyak — Water Treatment Plant	2,081.2	0.0	2,081.2	0.0	0.0	0.0	0.0	0.0
Mathias Colomb — Soil Remediation	3,115.0	1,837.9	1,277.1	0.0	0.0	0.0	0.0	0.0
Wasagamack — Soil Remediation	5,053.2	4,958.8	94.4	0.0	0.0	0.0	0.0	0.0
Marcel Colomb — Community Development	18,281.0	2,051.1	4,566.6	6,494.3	4,250.0	919.0	0.0	0.0
Minister of Finance — Was/St. T. Airport Road	14,757.1	1,022.6	418.0	2,800.0	3,200.0	3,200.0	3,200.0	916.5
Birdtail Sioux — Roads	2,359.5	1,041.5	1,318.0	0.0	0.0	0.0	0.0	0.0
Roseau River — Dyke Upgrade	5,395.0	4,462.6	932.4	0.0	0.0	0.0	0.0	0.0
Sub-total (Infrastructure)	269,867.9	80,602.4	24,479.9	28,398.8	31,183.3	27,264.2	28,600.0	49,339.3

Acquisition and Construction of Facilities
(Major Capital Projects of \$1.5 million and above)
(\$000s)

Region: Manitoba

Major Project Description	Current Estimated Total Cost	Total Expenditures (end March 31, 2002)	Planned Spending					Total 2007-08 Beyond
			2002-03	2003-04	2004-05	2005-06	2006-07	
Capital and Facilities Maintenance								
Education								
Birdtail Sioux — Small School	5,967.1	1,522.8	2,425.5	1,943.4	75.4	0.0	0.0	0.0
Chemawawin — School	18,171.7	971.4	3,478.5	8,771.8	4,950.0	0.0	0.0	0.0
Dakota Plains — New School	1,500.0	0.0	150.0	1,350.0	0.0	0.0	0.0	0.0
Fox Lake — New School	2,800.0	0.0	150.0	2,650.0	0.0	0.0	0.0	0.0
Garden Hill — School Phase II	27,751.0	27,470.0	281.0	0.0	0.0	0.0	0.0	0.0
God's Lake — School Repairs Phase II	1,665.0	900.0	765.0	0.0	0.0	0.0	0.0	0.0
Kinonjeoshtegon — School Expansion	3,661.2	143.8	2,288.8	1,228.6	0.0	0.0	0.0	0.0
Lake St. Martin — School Renovations	2,500.0	0.0	2,000.0	500.0	0.0	0.0	0.0	0.0
Little Black River — New School	5,700.0	0.0	0.0	0.0	400.0	3,000.0	2,300.0	0.0
Manto Sipi — School Expansion	11,000.0	0.0	0.0	0.0	0.0	600.0	4,400.0	6,000.0
Mathias Colomb — School	16,207.3	16,198.3	9.0	0.0	0.0	0.0	0.0	0.0
Norway House — School	36,358.1	0.0	10,247.0	4,371.2	11,500.0	8,281.8	1,958.1	0.0
Peguis — New School Phase II	22,830.3	20,427.8	2,402.5	0.0	0.0	0.0	0.0	0.0
Pinaymootang — School Expansion	2,946.5	212.7	2,571.8	162.0	0.0	0.0	0.0	0.0
Pine Creek — School	13,600.0	675.0	319.8	3,704.4	6,400.8	2,500.0	0.0	0.0
Pine Creek — Teacherages	1,924.5	37.5	1,887.0	0.0	0.0	0.0	0.0	0.0
Sagkeeng — New School S. Shore	10,215.7	795.0	6,913.0	2,507.7	0.0	0.0	0.0	0.0
Sapotaweyak Cree — School and Teacherages	14,297.7	592.4	0.0	1,000.0	1,000.0	5,001.0	2,500.0	4,204.3
Skownan — School Addition Phase II	1,500.0	0.0	300.0	1,200.0	0.0	0.0	0.0	0.0
Wasagamack — School Phase I — Complex Rem.	5,792.7	5,614.6	178.1	0.0	0.0	0.0	0.0	0.0
Sub-total (Education)	206,388.8	75,561.3	36,367.0	29,389.1	24,326.2	19,382.8	11,158.1	10,204.3
REGIONAL TOTAL	476,256.7	156,163.7	60,846.9	57,787.9	55,509.5	46,647.0	39,758.1	59,543.6

Acquisition and Construction of Facilities
(Major Capital Projects of \$1.5 million and above)
(\$000s)

Region: Saskatchewan

Major Project Description	Current Estimated Total Cost	Total Expenditures (end March 31, 2002)	Planned Spending					Total 2007-08 Beyond
			2002-03	2003-04	2004-05	2005-06	2006-07	
Capital and Facilities Maintenance								
Infrastructure								
Canoe Lake West Subdivision	2,000.0	1,850.0	150.0	0.0	0.0	0.0	0.0	0.0
Pelican Lake Subdivision Stage 2	1,600.0	100.0	0.0	1,500.0	0.0	0.0	0.0	0.0
Hatchet Lake Subdivision Phase 1	1,700.0	0.0	0.0	0.0	0.0	0.0	1,700.0	0.0
Lac La Ronge Bells Point — Subdivision Stages	5,967.0	3,072.0	0.0	735.0	0.0	0.0	1,000.0	1,160.0
Lac La Ronge Lagoon	1,500.0	0.0	1,500.0	0.0	0.0	0.0	0.0	0.0
Lac La Ronge (Stanley Mission) Subdivision W/S Stage 7, 8 & 9	3,724.0	0.0	0.0	924.0	0.0	1,400.0	0.0	1,400.0
Montreal Lake Bittern Subdivision	2,696.0	176.0	0.0	0.0	2,520.0	0.0	0.0	0.0
Peter Ball — Desch. Stage 3 Subdivision	2,155.6	0.0	0.0	2,155.6	0.0	0.0	0.0	0.0
Peter Ball — Pel. Nar. Subdivision Stage 1b — North Subdivision	6,254.0	1,972.0	0.0	1,282.0	0.0	0.0	0.0	3,000.0
Peter Ball — S. Bay Subdivision Stage 2 Second Half	1,930.0	1,030.0	0.0	0.0	0.0	900.0	0.0	0.0
Peter Ball — Southend Subdivision Stage 4 & 5	3,054.6	2,004.6	0.0	0.0	0.0	1,050.0	0.0	0.0
Peter Ball — Southend Water Treatment Plant Upgrade	1,700.0	0.0	1,700.0	0.0	0.0	0.0	0.0	0.0
Peter Ball — Southend TLE East Side Subdivision	1,500.0	0.0	0.0	100.0	1,400.0	0.0	0.0	0.0
Peter Ball — Southend Lagoon, Lift Station	3,320.0	380.0	0.0	0.0	1,000.0	1,940.0	0.0	0.0
Peter Ball — Sturgeon Tle Sewer & Water TLE	2,300.0	0.0	0.0	100.0	2,200.0	0.0	0.0	0.0
Yellowquill Water Treatment Plant	3,500.0	0.0	3,500.0	0.0	0.0	0.0	0.0	0.0
Cowessess Subdivision & Lagoon	1,700.0	0.0	0.0	1,700.0	0.0	0.0	0.0	0.0
White Bear Water Treatment Plant Demineralization	1,575.0	850.0	725.0	0.0	0.0	0.0	0.0	0.0
Kawacatoose Core Servicing WTP and Demineralization	2,050.0	150.0	1,900.0	0.0	0.0	0.0	0.0	0.0
Sub-total (Infrastructure)	50,226.2	11,584.6	9,475.0	8,496.6	7,120.0	5,290.0	2,700.0	5,560.0

Acquisition and Construction of Facilities
(Major Capital Projects of \$1.5 million and above)
(\$000s)

Region: Saskatchewan

Major Project Description	Current Estimated Total Cost	Total Expenditures (end March 31, 2002)	Planned Spending					Total 2007-08 Beyond
			2002-03	2003-04	2004-05	2005-06	2006-07	
Capital and Facilities Maintenance								
Education								
Birch Narrows New School	5,400.0	0.0	100.0	0.0	0.0	0.0	0.0	5,300.0
Black Lake School Addition	1,640.0	0.0	0.0	0.0	0.0	0.0	0.0	1,640.0
Clearwater High School Addition	5,200.0	510.0	2,500.0	2,190.0	0.0	0.0	0.0	0.0
Cowessess New School	11,253.2	9,266.0	1,987.2	0.0	0.0	0.0	0.0	0.0
Fishing Lake New School	4,150.0	50.0	200.0	0.0	0.0	0.0	0.0	3,900.0
Flying Dust New School	3,090.0	0.0	190.0	2,900.0	0.0	0.0	0.0	0.0
James Smith School Addition	2,100.0	0.0	0.0	0.0	0.0	0.0	0.0	2,100.0
Kahkewistahaw New School	6,488.5	433.5	15.0	0.0	0.0	2,100.0	3,940.0	0.0
Kawacatoose New School	9,789.3	8,927.9	861.4	0.0	0.0	0.0	0.0	0.0
Keeseekoose New School	9,164.9	8,515.0	649.9	0.0	0.0	0.0	0.0	0.0
Kitsakie New Primary School	6,603.3	5,960.0	643.3	0.0	0.0	0.0	0.0	0.0
Morin Lake School Addition	2,300.0	0.0	0.0	0.0	200.0	2,100.0	0.0	0.0
Makwa Sahgaiehcan School Addition	1,600.0	0.0	0.0	0.0	0.0	0.0	0.0	1,600.0
Moosomin High School Addition	5,821.0	0.0	0.0	0.0	0.0	0.0	0.0	5,821.0
Muskeg Lake New School	4,354.4	20.0	0.0	0.0	4,334.4	0.0	0.0	0.0
Muskoday New School	4,600.0	0.0	0.0	0.0	0.0	0.0	0.0	4,600.0
Nekaneet New School	4,192.0	200.0	1,150.0	2,842.0	0.0	0.0	0.0	0.0
Ochapowace High School Addition	2,300.0	0.0	0.0	0.0	0.0	0.0	0.0	2,300.0
Okanese New School	1,764.0	0.0	0.0	0.0	0.0	0.0	0.0	1,764.0
Onion Lake Chief Taylor Renovations	2,000.0	0.0	100.0	1,900.0	0.0	0.0	0.0	0.0
Pelican Lake School Addition	4,400.0	0.0	0.0	0.0	400.0	4,000.0	0.0	0.0
Pelican Narrows Renovations	4,000.0	160.0	150.0	2,000.0	1,690.0	0.0	0.0	0.0
Deschambault Renovations	2,500.0	160.0	500.0	0.0	1,840.0	0.0	0.0	0.0
Sandy Bay New School	10,000.0	0.0	0.0	0.0	0.0	0.0	0.0	10,000.0
Red Earth School Addition	3,300.0	0.0	0.0	0.0	0.0	300.0	3,000.0	0.0
Red Pheasant Addition	3,000.0	0.0	0.0	0.0	0.0	300.0	2,700.0	0.0
Sturgeon Lake Addition	2,700.0	0.0	0.0	0.0	0.0	300.0	2,400.0	0.0
Sweetgrass New School	8,559.0	0.0	0.0	0.0	0.0	0.0	0.0	8,559.0
Thunderchild New School	14,200.0	1,512.9	5,740.1	6,947.0	0.0	0.0	0.0	0.0
Wahpeton New School	3,000.0	0.0	0.0	0.0	0.0	0.0	0.0	3,000.0
Withekan Lake New School	5,563.0	245.0	0.0	0.0	3,318.0	2,000.0	0.0	0.0
Sub-total (Education)	155,032.6	35,960.3	14,786.9	18,779.0	11,782.4	11,100.0	12,040.0	50,584.0
REGIONAL TOTAL	205,258.8	47,544.9	24,261.9	27,275.6	18,902.4	16,390.0	14,740.0	56,144.0

Acquisition and Construction of Facilities
(Major Capital Projects of \$1.5 million and above)
(\$000s)

Region: Alberta

Major Project Description	Current Estimated Total Cost	Total Expenditures (end March 31, 2002)	Planned Spending					Total 2007-08 Beyond
			2002-03	2003-04	2004-05	2005-06	2006-07	
Capital and Facilities Maintenance								
Infrastructure								
Ft McKay Water Treatment Plant	2,100.0	0.0	1,266.0	834.0	0.0	0.0	0.0	0.0
Siksika Regional Water	2,788.0	0.0	1,570.0	1,218.0	0.0	0.0	0.0	0.0
Ermineskin Lagoon Expansion	1,760.0	50.0	910.0	800.0	0.0	0.0	0.0	0.0
Lavern Water Upgrade	1,669.6	0.0	1,669.6	0.0	0.0	0.0	0.0	0.0
LRR Road Access	9,600.0	0.0	506.0	756.0	4,338.0	4,000.0	0.0	0.0
Sub-total (Infrastructure)	17,917.6	50.0	5,921.6	3,608.0	4,338.0	4,000.0	0.0	0.0
Education								
Standoff School Replacement	5,561.0	100.0	300.0	2,361.0	2,800.0	0.0	0.0	0.0
Atigameg Elementary	9,324.4	9,265.6	58.8	0.0	0.0	0.0	0.0	0.0
Morley Schools	6,300.0	0.0	0.0	400.0	2,000.0	3,900.0	0.0	0.0
Sunchild School Expansion	2,000.0	0.0	0.0	0.0	200.0	1,800.0	0.0	0.0
Kehewin K4-6 Retrofit	2,000.0	0.0	0.0	200.0	1,800.0	0.0	0.0	0.0
Paul School Retrofit Expansion	3,900.0	0.0	0.0	2,000.0	1,900.0	0.0	0.0	0.0
Sub-total (Education)	29,085.4	9,365.6	358.8	4,961.0	8,700.0	5,700.0	0.0	0.0
REGIONAL TOTAL	47,003.0	9,415.6	6,280.4	8,569.0	13,038.0	9,700.0	0.0	0.0

Acquisition and Construction of Facilities
(Major Capital Projects of \$1.5 million and above)
(\$000s)

Region: British Columbia

Major Project Description	Current Estimated Total Cost	Total Expenditures (end March 31, 2002)	Planned Spending					Total 2007-08 Beyond
			2002-03	2003-04	2004-05	2005-06	2006-07	
Capital and Facilities Maintenance								
Infrastructure								
Cheslatta — Three Nations Water Project Phase 1&2	14,205.0	3,659.5	5,000.0	2,779.7	2,065.8	700.0	0.0	0.0
Gitwinksihlkw — Upgrade and Treat Current System IR #7	1,685.5	44.2	65.0	1,576.3	0.0	0.0	0.0	0.0
Pacheenaht — New Water System IR #2	1,824.3	249.3	92.0	1,483.0	0.0	0.0	0.0	0.0
Tl'azt'en — Domestic Water Supply — Middle River	1,742.1	682.6	0.0	200.0	859.5	0.0	0.0	0.0
Gingolx (Kincolith) — Sewage Treatment & Disposal	1,890.0	231.4	0.0	700.0	958.6	0.0	0.0	0.0
Lake Babine — Water Treatment	3,249.7	2,985.0	141.9	122.8	0.0	0.0	0.0	0.0
Tl'azt'en — Tache Water Treatment Plant	2,498.4	2,308.7	189.7	0.0	0.0	0.0	0.0	0.0
Takla Lake IR #7 — Water Supply & Treatment Plant	3,594.6	379.6	100.0	0.0	3,115.0	0.0	0.0	0.0
Doig River — Upgrade Treatment Plant and Water System	2,020.0	0.0	101.0	303.0	1,616.0	0.0	0.0	0.0
Moricetown — Upgrade Treatment Plant and Water System	1,950.0	0.0	97.5	292.5	1,560.0	0.0	0.0	0.0
Xeni Gwet'in — Water System and Treatment Plant	4,415.1	0.0	220.8	662.3	3,532.0	0.0	0.0	0.0
Metlakatla — New Wastewater System and Treatment Plant IR #2	1,510.0	0.0	75.5	226.5	1,208.0	0.0	0.0	0.0
Columbia Lake — Community Water Supply	1,739.0	187.7	150.0	20.0	0.0	1,381.3	0.0	0.0
Nazko — DWS Treatment Nazko IR # 20	1,851.9	307.9	0.0	1,544.0	0.0	0.0	0.0	0.0
Adams Lake — DWS Switsemalph IR #6 & IR #3	3,368.3	45.2	214.0	3,109.1	0.0	0.0	0.0	0.0
Nanoose — Community Sewage Disposal System	1,930.0	205.0	399.2	1,325.8	0.0	0.0	0.0	0.0
Kitkatla — Docking Facility	2,965.0	55.2	0.0	0.0	336.8	2,573.0	0.0	0.0
Tsawataineuk — Kingcome Village Access Road/Bridges	2,210.0	61.6	0.0	0.0	0.0	82.8	2,065.6	0.0
Xeni Gwet'in — DWS Chilco Lk IR 1, 1A; Garden IR 2, 2a; Tanakut IR 4	2,509.0	32.0	0.0	167.5	2,309.5	0.0	0.0	0.0
Kitkelas — Sanitary Sewer Connection Regional District	1,500.0	136.8	0.0	0.0	1,363.2	0.0	0.0	0.0
Seabird — Sewage Disposal System	3,232.7	216.3	2,801.0	215.4	0.0	0.0	0.0	0.0
Chemainus — Community Sewage Disposal	5,602.1	541.5	2,485.8	2,574.8	0.0	0.0	0.0	0.0
Westbank — Infrastructure Canada — IR #10 Sanitary Sewer System	4,992.0	0.0	0.0	1,414.0	0.0	0.0	0.0	3,578.0

Acquisition and Construction of Facilities
(Major Capital Projects of \$1.5 million and above)
(\$000s)

Region: British Columbia

Major Project Description	Current Estimated Total Cost	Total Expenditures (end March 31, 2002)	Planned Spending					Total 2007-08 Beyond
			2002-03	2003-04	2004-05	2005-06	2006-07	
Capital and Facilities Maintenance								
McLeod Lake — Road Upgrade McLeod Lake IR #1	1,950.5	20.8	0.0	0.0	0.0	0.0	0.0	1,929.7
Nak'azdli — Roads & Drainage Upgrade	1,693.5	36.8	0.0	0.0	0.0	1,339.8	0.0	316.9
Kispiox — DWS Improvements	2,024.5	50.0	0.0	0.0	0.0	1,850.8	0.0	123.7
Kitamaat — Haisla Avenue Road Extension within D.L. 305	1,593.0	56.1	0.0	0.0	0.0	1,536.9	0.0	0.0
Kitasoo — Roads & Drainage — Klemtu IR #1	3,286.1	26.1	0.0	0.0	0.0	125.0	3,135.0	0.0
Oweekeno — Minihydro Plant — Meadowse Creek	1,783.6	22.0	0.0	0.0	0.0	0.0	1,761.6	0.0
Tswwassen — Raise Road	3,500.0	0.0	350.0	1,000.0	2,150.0	0.0	0.0	0.0
Chehalis — River Dyke Design	1,800.0	122.2	0.0	1,530.0	0.0	0.0	0.0	147.8
Nuxalk Nation — Dyke and Berm	2,650.0	202.7	2,447.3	0.0	0.0	0.0	0.0	0.0
Squamish — Cheakamus River	4,100.0	122.3	0.0	0.0	0.0	2,000.0	1,977.7	0.0
Tswataineuk — Dyke and Remove LogJam	5,640.0	0.0	0.0	0.0	0.0	190.0	450.0	5,000.0
Old Massett Village Council — Bluejacket — Subdivision Phase 1 (SDP 650)	5,860.7	806.0	2,532.8	2,521.9	0.0	0.0	0.0	0.0
Spallumcheen — Canyon Ridge Subdivision Stage 1	3,111.0	268.0	126.8	2,716.2	0.0	0.0	0.0	0.0
Gitwinksihlkw — Ksi Bulii Subdivision	1,982.3	136.7	0.0	0.0	845.6	0.0	0.0	1,000.0
Tl'azt'en — 46 Lot Subdivision (Tache) — 640	1,982.0	33.0	0.0	0.0	1,949.0	0.0	0.0	0.0
Tahltan — Subdivision Parcel "A" 590	2,931.3	229.0	0.0	0.0	584.2	0.0	0.0	2,118.1
Ulkatcho — Subdivision Extension I.R. 14A, (62 lots)	1,935.4	25.5	0.0	0.0	1,909.9	0.0	0.0	0.0
Fort Nelson — Kahntah Subdivision Fort Nelson IR#2	2,890.3	125.3	0.0	0.0	0.0	2,765.0	0.0	0.0
Kispiox — Subdivision — IR #1 530	2,675.8	45.0	0.0	0.0	0.0	2,630.8	0.0	0.0
Beecher Bay — Speyside Subdivision Phase 1A	2,329.0	0.0	0.0	0.0	0.0	0.0	2,329.0	0.0
Sliammon — Subdivision IR #1 — 500	2,382.3	41.3	0.0	0.0	0.0	0.0	2,341.0	0.0
Homalco — Subdivision south of Willow Creek 360	9,140.3	117.9	0.0	0.0	0.0	0.0	156.9	8,865.5
Kitkatla — East Bay Subdivision Construction (23 Lots)	1,970.0	1,827.9	0.0	142.1	0.0	0.0	0.0	0.0
Campbell River — Spit Road Subdivision — 650	2,322.9	325.4	1,838.5	159.0	0.0	0.0	0.0	0.0
Da'naxda'xw — Community Subdivision/Village Restoration 560	4,237.8	730.1	3,133.8	373.9	0.0	0.0	0.0	0.0
Sub-total (Infrastructure)	148,257.0	17,699.6	22,562.6	27,159.8	26,363.1	17,175.4	14,216.8	23,079.7

Acquisition and Construction of Facilities
(Major Capital Projects of \$1.5 million and above)
(\$000s)

Region: British Columbia

Major Project Description	Current Estimated Total Cost	Total Expenditures (end March 31, 2002)	Planned Spending					Total 2007-08 Beyond
			2002-03	2003-04	2004-05	2005-06	2006-07	
Capital and Facilities Maintenance								
Education								
Kamloops — Sk'lep Elementary & Secondary School	4,939.4	435.2	2,179.5	2,324.7	0.0	0.0	0.0	0.0
Ditidaht — Community School	4,592.0	449.8	1,550.0	2,241.5	350.7	0.0	0.0	0.0
St. Mary's — Aqamnik Primary School Feasibility Study	2,500.0	0.0	39.0	200.0	0.0	0.0	2,261.0	0.0
Quatsino — Quatsino Elementary School	4,050.2	2,411.2	1,639.0	0.0	0.0	0.0	0.0	0.0
Nuu-Chah-Nulth Tribal Council — Maaqtusiis School — Ahousaht	4,144.2	36.0	300.0	2,264.0	1,544.2	0.0	0.0	0.0
Penelakut — Kuper Island Community School	4,336.1	4,148.3	187.8	0.0	0.0	0.0	0.0	0.0
Skeetchestn School	4,973.2	51.3	400.0	0.0	3,548.7	973.2	0.0	0.0
Cowichan — K4-K5-Grade 3 Feasibility Study	2,927.6	432.4	0.0	2,495.2	0.0	0.0	0.0	0.0
Skookumchuck — Skatin Community and School Gymnasium	1,881.6	0.0	0.0	0.0	0.0	0.0	0.0	1,881.6
Skookumchuck — Head of the Lakes School	3,678.6	419.6	1,629.5	1,629.5	0.0	0.0	0.0	0.0
Little Shuswap — Shuswap Lake Junior College	6,107.3	33.5	0.0	0.0	445.0	0.0	2,600.0	3,028.8
Mount Currie — Community School	3,830.9	2,274.0	1,556.9	0.0	0.0	0.0	0.0	0.0
Rust-Out — Lower Nicola Education Centre	5,816.6	3,637.6	1,371.0	808.0	0.0	0.0	0.0	0.0
Fort Nelson — Chalo School Expansion	2,000.0	21.3	0.0	0.0	1,978.7	0.0	0.0	0.0
Hesquiaht — Hot Spring's Cove School	4,000.0	34.8	300.0	0.0	1,832.6	1,832.6	0.0	0.0
Lax Kw'alaams — Community School	10,522.5	22.5	500.0	0.0	5,000.0	5,000.0	0.0	0.0
Lytton — Community School	4,462.2	0.0	0.0	462.2	0.0	4,000.0	0.0	0.0
Nak'azdli — Nak'al Bun School	3,000.0	0.0	25.0	0.0	0.0	300.0	2,675.0	0.0
Penticton — PIB Community School	4,000.1	0.0	25.5	0.0	0.0	1,987.3	1,987.3	0.0
Squamish — Xweme'Ich'stn Estimxawawtxw School IR #5	1,880.0	0.0	0.0	0.0	0.0	1,880.0	0.0	0.0
Toosey — Community School	2,000.0	0.0	31.8	0.0	0.0	0.0	1,968.2	0.0
Sub-total (Education)	85,642.5	14,407.5	11,735.0	12,425.1	14,699.9	15,973.1	11,491.5	4,910.4
REGIONAL TOTAL	233,899.5	32,107.1	34,297.6	39,584.9	41,063.0	33,148.5	25,708.3	27,990.1

Acquisition and Construction of Facilities
(Major Capital Projects of \$1.5 million and above)
(\$000s)

Region: Yukon

Major Project Description	Current Estimated Total Cost	Total Expenditures (end March 31, 2002)	Planned Spending					Total 2007-08 Beyond
			2002-03	2003-04	2004-05	2005-06	2006-07	
Capital and Facilities Maintenance								
<u>Infrastructure</u>								
Sub-total (Infrastructure)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<u>Education</u>								
Sub-total (Education)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
REGIONAL TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Acquisition and Construction of Facilities
(Major Capital Projects of \$1.5 million and above)
(\$000s)

Region: Headquarters

Major Project Description	Current Estimated Total Cost	Total Expenditures (end March 31, 2002)	Planned Spending					Total 2007-08 Beyond
			2002-03	2003-04	2004-05	2005-06	2006-07	
Capital and Facilities Maintenance								
<u>Infrastructure</u>								
Sub-total (Infrastructure)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<u>Education</u>								
Sub-total (Education)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
REGIONAL TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Section

III

Custodial Assets

- Custodial Assets Reference Levels by Program and Expenditure Category
- Custodial Assets Funding Details by Major Capital Project

Figures reflect current forecast of planned project spending. It should be recognized that there is a degree of uncertainty with respect to longer-term projections, and forecasts will be revised accordingly.



Custodial Assets Reference Levels by Program and Expenditure Category (\$000s)

Program: All

Expenditure Category	Actual Expenditures			Planned Spending														
	2001–2002			2002–2003			2003–2004			2004–2005			2005–2006			2006–2007		
	Capital	O & M	Total	Capital	O & M	Total	Capital	O & M	Total	Capital	O & M	Total	Capital	O & M	Total	Capital	O & M	Total
Real Property (Lands, Buildings, and Infrastructure)																		
Base/Reference Levels	5,078	290	5,368	9,784	678	10,462	7,305	880	8,185	1,120	777	1,897	1,820	777	2,597	120	777	897
<u>Adjustments</u>																		
Rust-Out	1,265	0	1,265	595	0	595	210	0	210	156	0	156	0	0	0	0	0	0
Sub-total (Revised Reference Levels)	6,343	290	6,633	10,379	678	11,057	7,515	880	8,395	1,276	777	2,053	1,820	777	2,597	120	777	897
Informatics (Hardware and Software)																		
Base/Reference Levels	9,557	9,646	19,203	14,596	6,755	21,351	14,172	6,967	21,139	8,215	7,846	16,061	5,425	8,065	13,490	2,050	8,768	10,818
<u>Adjustments</u>																		
Program Integrity	4,700	0	4,700	7,890	0	7,890	1,650	0	1,650	0	0	0	0	0	0	0	0	0
Sub-total (Revised Reference Levels)	14,257	9,646	23,903	22,486	6,755	29,241	15,822	6,967	22,789	8,215	7,846	16,061	5,425	8,065	13,490	2,050	8,768	10,818
Fleet (Light and Heavy)																		
Base/Reference Levels	307	254	561	1,260	216	1,476	700	199	899	2,538	197	2,735	1,490	207	1,697	1,397	208	1,605
Machinery and Equipment																		
Base/Reference Levels	446	556	1,002	103	59	162	85	59	144	83	59	142	80	59	139	80	59	139
Grand Total	21,353	10,746	32,099	34,228	7,708	41,936	24,122	8,105	32,227	12,112	8,879	20,991	8,815	9,108	17,923	3,647	9,812	13,459

Note: For the Long Term Capital Plan, capital refers to capital assets which are defined as assets with a useful life greater than one year and with a value greater than \$10,000; O&M refers to costs associated with the operation and maintenance of these assets.

Custodial Assets Reference Levels by Program and Expenditure Category (\$000s)

Program: Indian and Inuit Affairs

Expenditure Category	Actual Expenditures			Planned Spending														
	2001-2002			2002-2003			2003-2004			2004-2005			2005-2006			2006-2007		
	Capital	O & M	Total	Capital	O & M	Total	Capital	O & M	Total	Capital	O & M	Total	Capital	O & M	Total	Capital	O & M	Total
Real Property (Lands, Buildings, and Infrastructure)																		
Base/Reference Levels	5,078	67	5,145	8,784	303	9,087	7,000	505	7,505	1,100	402	1,502	1,800	402	2,202	100	402	502
<i>Adjustments</i> Rust-Out	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-total (Revised Reference Levels)	5,078	67	5,145	8,784	303	9,087	7,000	505	7,505	1,100	402	1,502	1,800	402	2,202	100	402	502
Informatics (Hardware and Software)																		
Base/Reference Levels	1,637	245	1,882	2,741	1,258	3,999	5,476	198	5,674	3,080	240	3,320	1,560	200	1,760	1,000	200	1,200
<i>Adjustments</i> Program Integrity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-total (Revised Reference Levels)	1,637	245	1,882	2,741	1,258	3,999	5,476	198	5,674	3,080	240	3,320	1,560	200	1,760	1,000	200	1,200
Fleet (Light and Heavy)																		
Base/Reference Levels	143	202	345	1,185	176	1,361	520	166	686	2,310	163	2,473	1,295	173	1,468	1,295	173	1,468
Machinery and Equipment																		
Base/Reference Levels	161	307	468	40	2	42	25	2	27	20	2	22	20	2	22	20	2	22
Grand Total	7,019	821	7,840	12,750	1,739	14,489	13,021	871	13,892	6,510	807	7,317	4,675	777	5,452	2,415	777	3,192

Custodial Assets Reference Levels by Program and Expenditure Category (\$000s)

Program: Northern Affairs

Expenditure Category	Actual Expenditures			Planned Spending														
	2001-2002			2002-2003			2003-2004			2004-2005			2005-2006			2006-2007		
	Capital	O & M	Total	Capital	O & M	Total	Capital	O & M	Total	Capital	O & M	Total	Capital	O & M	Total	Capital	O & M	Total
Real Property (Lands, Buildings, and Infrastructure) - Note (1)																		
Base/Reference Levels	0	223	223	1,000	375	1,375	305	375	680	20	375	395	20	375	395	20	375	395
<i>Adjustments</i>																		
Rust-Out	1,265	0	1,265	595	0	595	210	0	210	156	0	156	0	0	0	0	0	0
Sub-total (Revised Reference Levels)	1,265	223	1,488	1,595	375	1,970	515	375	890	176	375	551	20	375	395	20	375	395
Informatics (Hardware and Software)																		
Base/Reference Levels	75	11	86	60	11	71	97	11	108	61	11	72	60	11	71	50	11	61
<i>Adjustments</i>																		
Program Integrity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-total (Revised Reference Levels)	75	11	86	60	11	71	97	11	108	61	11	72	60	11	71	50	11	61
Fleet (Light and Heavy)																		
Base/Reference Levels	164	41	205	75	29	104	100	18	118	188	19	207	195	19	214	102	20	122
Machinery and Equipment - Note (2)																		
Base/Reference Levels	253	194	447	13	2	15	10	2	12	13	2	15	10	2	12	10	2	12
Grand Total	1,757	469	2,226	1,743	417	2,160	722	406	1,128	438	407	845	285	407	692	182	408	590

Notes:

- (1) The Rust-Out Program ends in 2005-2006.
- (2) The department purchased special water testing equipment in 2001-2002.

Custodial Assets Reference Levels by Program and Expenditure Category (\$000s)

Program: Administration

Expenditure Category	Actual Expenditures			Planned Spending														
	2001–2002			2002–2003			2003–2004			2004–2005			2005–2006			2006–2007		
	Capital	O & M	Total	Capital	O & M	Total	Capital	O & M	Total	Capital	O & M	Total	Capital	O & M	Total	Capital	O & M	Total
Real Property (Lands, Buildings, and Infrastructure)																		
Base/Reference Levels	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<i>Adjustments</i>																		
Rust-Out	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-total (Revised Reference Levels)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Informatics (Hardware and Software)																		
Base/Reference Levels	7,845	9,390	17,235	11,795	5,486	17,281	8,599	6,758	15,357	5,074	7,595	12,669	3,805	7,854	11,659	1,000	8,557	9,557
<i>Adjustments</i>																		
Program Integrity	4,700	0	4,700	7,890	0	7,890	1,650	0	1,650	0	0	0	0	0	0	0	0	0
Sub-total (Revised Reference Levels)	12,545	9,390	21,935	19,685	5,486	25,171	10,249	6,758	17,007	5,074	7,595	12,669	3,805	7,854	11,659	1,000	8,557	9,557
Fleet (Light and Heavy)																		
Base/Reference Levels	0	11	11	0	11	11	80	15	95	40	15	55	0	15	15	0	15	15
Machinery and Equipment																		
Base/Reference Levels	32	55	87	50	55	105	50	55	105	50	55	105	50	55	105	50	55	105
Grand Total	12,577	9,456	22,033	19,735	5,552	25,287	10,379	6,828	17,207	5,164	7,665	12,829	3,855	7,924	11,779	1,050	8,627	9,677

Custodial Capital Funding Details by Major Project (\$000s)

	2002–2003	2003–2004	2004–2005	2005–2006	2006–2007
Custodial Assets					
Capital Major Projects <i>(Major capital projects are captured if they are \$1.5 million and above. See attached detailed listing by region by major capital project).</i>	9,616	10,550	8,154	5,366	0
Capital Minor Projects	24,612	13,572	3,958	3,450	3,647
Total Capital	34,228	24,122	12,112	8,815	3,647

Acquisition and Construction of Facilities
(Major Capital Projects of \$1.5 million and above)
(\$000s)

Region: All

Major Project Description	Current Estimated Total Cost	Total Expenditures (end March 31, 2002)	Planned Spending					Total 2007-08 Beyond
			2002-03	2003-04	2004-05	2005-06	2006-07	
Custodial Assets								
Real Property — British Columbia (IIAP)								
Land Purchases for Settlement of Claims	4,600.0	0.0	4,600.0	0.0	0.0	0.0	0.0	0.0
Real Property — Northwest Territories (NAP)								
C.S. Lord Laboratory (Rust-Out)	2,575.0	2,500.0	75.0	0.0	0.0	0.0	0.0	0.0
Informatics — Headquarters (IIAP)								
Lands and Trust Services — Software Capital Assets	12,857.0	0.0	2,741.0	5,476.0	3,080.0	1,560.0	0.0	0.0
First Nations and Inuit Transfer Payments	18,836.1	2,682.6	2,200.0	5,074.0	5,074.0	3,805.5	0.0	0.0
Sub-total (Informatics)	31,693.1	2,682.6	4,941.0	10,550.0	8,154.0	5,365.5	0.0	0.0
REGIONAL TOTAL	38,868.1	5,182.6	9,616.0	10,550.0	8,154.0	5,365.5	0.0	0.0



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Appendices

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Appendix A

Key Pressures

This section provides a high-level overview of key pressures that have a significant impact on capital program management. In the absence of significant new funding, the department is managing these pressures strategically through: a risk management approach that addresses the most urgent requirements consistent with national priorities; a planned comprehensive review of existing capital programming; the departmental A-base review; building First Nations capacity and access to private-sector capital; implementing the First Nations Water Management Strategy (FNWMS); maximizing resources from Rust-out and Gathering Strength initiatives; allocating additional resources from the department's two-percent approved growth rate; fostering implementation of housing policy; and insuring that resources are aligned with national priorities through national priority-ranking criteria. However, the department cannot adequately address key pressures within existing A-base funding.

Protection of Existing Assets

The life cycle of assets is affected by a wide range of factors, including: geographic location; climatic and environmental conditions; construction quality/standards; population and economic growth; overcrowding; and lack of technical and financial resources. INAC strategies to extend the life cycle of assets include:

- **Asset Inspections/Assessments, Data Systems — Asset Condition Reporting System (ACRS):** The information in these databases is used to assess First Nations capital plans and operation and maintenance (O&M) activities. Assessment includes needs for recapitalization, health and safety concerns, performance monitoring and corrective actions required by inspections. Assessment results are conveyed to First Nations to ensure that improvements are addressed in their capital and maintenance plans.
- **O&M Funding Formula:** Regions allocate O&M funding to First Nations, using current inventory of assets to calculate annual O&M budget requirements. In addition, regions verify and maintain the department's Capital Asset

Management System (CAMS) including: Capital Asset Inventory System (CAIS), Asset Condition Reporting System (ACRS), the Capital Management Data Base (CMDDB) and the Environmental Stewardship Strategy Information Management System (ESSIMS) for environmental issues.

- **Replace and Upgrade Assets:** Continue to replace and upgrade substandard systems, and develop and construct new systems linked to national priorities where none currently exist.
- **First Nations Capacity Building:** Enhance First Nations management and technical capacity in providing community services through investments in education and training programs, primarily for water and sewage facility operators (e.g., circuit rider training).
- **Risk Management:** At the corporate level, establish a risk management framework to identify and assess the extent of the department's liability for each of the national priorities. Risk assessment results assist in the management of resources for each national priority.

Operation and Maintenance (O&M)

The department has been unable to adequately respond to increased demands for O&M spending. Inadequacies in O&M (both in funding and compliance), as well as unexpected increases in population growth and economic development, and higher federal and provincial standards, have contributed to increased recapitalization requirements. Upgrades of on-reserve water and sewage systems and, more recently, provinces' adoption of higher standards for drinking water quality since the tragedy at Walkerton, Ontario, has placed even greater pressures on O&M costs. Other factors, such as higher environmental standards for landfill sites, provincial deregulation of utilities like hydroelectricity and increased fuel costs, have also affected O&M costs on reserve. A 1998 PWGSC study of off-reserve O&M spending found that expenditures were significantly higher than corresponding on-reserve expenditures for four categories of assets: water and sewage systems; schools (especially fuel costs for remote communities); landfill sites; and diesel generators (providing power off-grid in remote communities).

Given the above pressures, departmental support for the protection of existing assets is expected to increase over the planning period. Spending on recapitalization cannot be precisely determined, since it is often integrated with facility expansion; however, it should be in the order of \$470.9 million, much of it on water and sewage systems and educational facilities. O&M support for all asset categories is currently \$300.4 million, including support for training and compliance activities (e.g., asset condition inspections).

On-reserve Drinking Water Quality

Recent studies by INAC have shown that First Nations communities, like many small rural/remote towns, face higher than acceptable health risks due to poor-quality drinking water and inadequate management of wastewater effluent. Independent on-site assessments have shown that a significant percentage of reserve communities face risks related to poor water quality due to such factors as inadequate water treatment and inadequate operator and maintenance skill levels. Application and enforcement of a comprehensive set of water quality standards, protocols and procedures is a key requirement for management of water on reserves. Without improvements, First Nations residents will continue to face risks to their health and safety.

Working with its partners, INAC is finalizing a seven-part First Nations Water Management Strategy (FNWMS) based on a comprehensive set of clear, enforceable standards. The strategy will include improvements in the level of treatment, operation and maintenance and in the qualifications of all operators. The strategy corresponds to the recommendations made by the Walkerton, Ontario, and North Battleford, Saskatchewan, Inquiries and is designed to fulfil Canada's direct responsibilities in ensuring the quality of water supplies in First Nations communities as called for in the 2001 and 2002 Speeches from the Throne.

Considering the risks to First Nations residents, capital and O&M spending on water and sewage systems will at least remain constant, but more likely will increase over the planning period. Current spending levels are over \$185 million in capital (including funding from the A-base, and from the Gathering Strength and Rust-out initiatives and the Canada Infrastructure Program) and \$50 million in O&M (including training). It is expected that effective implementation of the proposed FNWMS will require additional resources over the next five years. Efforts are under way to secure the funding required to implement the strategy from central sources.

Educational Facilities

As of 2001–02, approximately 119,000 First Nations students were on the department's Nominal Roll. Of these, about 60 percent attended First Nations schools, while about 40 percent attended off-reserve provincial or private schools. Some 67 percent were under the age of 14.

The department not only faces significant capital requirements in meeting the demand for school space for a rapidly growing population but continues to come under pressure to expand the current number of on-reserve schools to accommodate students now attending provincial schools. Over the last several years, there

has been slow but steady growth in the percentage of students attending on-reserve schools. This growth is reflected in the increase in square metres of school space on reserve up from about 892,000 m² at the end of 1999–2000 to almost 960,000 m² in 2001–02. While educational facilities are not its highest priority, the department has tried to accommodate this gradual move to on-reserve schools as a result of a number of factors. For instance, cost-cutting measures by provincial and local school authorities (e.g., closing and consolidating school facilities) often have not considered the impact on the First Nations student population, including increases in busing and travel times, children having to leave families at a young age to attend schools for extended periods of time (three to four months) and the resulting impact on the low success rates of these students.

Spending on educational facilities is expected to remain constant over the planning period, although it may be affected by the ongoing review of the Minister's Task Force on Education. Current spending is \$154.3 million in capital investments and \$81.3 million for O&M.

Housing

Between 1996 and March 2002, the total number of houses on reserve has increased by more than 14 percent from over 78,100 to 91,300. During the same period, the number of houses considered to be in adequate condition has increased from 39,000 to 51,000.

While recent policy changes have contributed to improvements in housing conditions, First Nations still face a large backlog of substandard and overcrowded houses. This backlog is a significant hurdle to these First Nations, many of whom are in rural or remote locations and generally face a bleak socio-economic prospect. Even beyond this backlog, housing starts have not kept pace with new household formation. These factors could jeopardize the progress achieved to date.

The rapid growth in First Nations population has meant that overcrowding remains a serious problem. In total, 18.6 percent of dwellings on reserve have more than one person per room compared with 1.7 percent in Canada as a whole. At present, there are about 91,300 housing units to accommodate close to 97,500 households, while new family formations are expected to continue at a rate of 4,500 per year for at least the next 10 years.

Funding for on-reserve housing is derived from several sources including: the department's subsidy program, contributions from First Nations, and assistance through other vehicles such as ministerial loan guarantees and Canada Mortgage and Housing Corporation (CMHC) programs.

Internal Resources and Capacity

Implementation of the new Capital Management Regime will require additional resources for key areas including program management, compliance, monitoring, capacity building and information systems.

Roads, Electrification and Contaminated Sites On Reserve

Construction of on-reserve roads and bridges, excluding provincial roads, are 100 percent funded by the department. Factors such as the backlog in services, the need to meet current service standards and the impact of climate change on ice roads mean additional pressures on the current capital program.

As of September 30, 2002, the Indian and Inuit Affairs Program has identified 1,251 open contaminated sites on reserve. Many of these sites pose significant threats to community health and safety as well as threats to ecological integrity of reserve lands. In addition, the presence of these sites will continue to lead to losses in land and water use and economic development opportunities. Many of the contaminated sites are directly related to capital projects, lack of maintenance and premature rust-out of assets.

Current departmental liabilities associated with contaminated sites on reserve are estimated at \$100 million, or a requirement of \$10 million annually over the next 10 years out of the existing capital budget. As the most urgent risks are remedied, the focus will be shifted to proactive prevention and education.

Custodial Assets

An aging inventory and a lack of resources to maintain real property assets is a serious problem that has resulted in health and safety issues, as well as affected the delivery of departmental programs. Although some of these issues are being addressed through Rust-Out funding, an ongoing maintenance program needs to be implemented to ensure that facilities meet appropriate health and safety and accessibility standards.

As technology becomes an increasingly integral part of program delivery and management, the fast-paced evolution of technology will put additional demands on the department to continually upgrade its information technology (IT) asset base (e.g., "ever greening") and infrastructure.

Northern Contaminated Sites

The management of Northern contaminated sites has grown into a very serious financial challenge for the department. Since 1991, INAC has spent approximately \$160 million on Northern waste and contaminated sites, the first seven years

funded through the Arctic Environmental Strategy. Of the \$160 million expended, \$92 million has been spent in the last three years alone, primarily on care and maintenance work at several abandoned mines INAC recently inherited by virtue of its land management responsibilities. Current government liability for remediation at all Northern contaminated sites now stands at \$723 million. This represents a four-fold increase since 1998–99 when the liability totalled \$174 million. Costs can be expected to increase if remediation work is not begun in earnest and site conditions are allowed to continue to deteriorate. A permanent source of long-term funding must be identified to deal with the Government of Canada's liabilities.

Appendix B

Data Management Systems

Capital and Facilities Maintenance — First Nations Assets

Capital and Facilities Maintenance information systems are used to track and provide information on community infrastructure such as fire protection, electrification, water and sewage systems, roads, and schools and other community buildings. Infrastructure data collected from communities is used to demonstrate that resources have been allocated to regions, and subsequently to First Nations, in a fair and equitable manner. Since First Nations communities are essentially the managers of these assets, the information they report (for inventory and asset condition) also serves as a key indicator of the extent of protection of existing assets, population growth, backlog pressures, and health and safety requirements, as well as the impact of policy adjustments.

Collection of infrastructure data is specified in the annual First Nations National Reporting Guide. The respective forms, with definitions for reporting changes to the infrastructure database, are provided to the First Nations for input, and are then collected by regions. Under the data management regime implemented by the Corporate Information Management Directorate (CIMD), data provided to headquarters is signed off by the respective Regional Director General. As part of this data regime, CIMD also collects and publishes completeness indicators for elements of the Capital Asset Management System (CAMS) data submissions. Regions and headquarters verify data submissions on a macro level by flagging sudden variations in asset trends (i.e., large swings in asset condition or quantity), while on-site inspections through the Asset Condition Reporting System (ACRS) provide a type of periodic "audit" of the asset inventory.

In order to support INAC's strengthened capital management regime, the department is implementing the following proposed improvements over the planning horizon to its data management systems:

- At a minimum, increasing the frequency of ACRS inspections for major asset categories (3 year cycle);

- Rigorously updating the Asset Condition Reporting System on an on-going basis; and
- Developing an Asset Recapitalization Calculator (ARC) which will be able to gauge where assets are in their life cycle and the financial implications of maintaining the current level of service. This will mean an increased use of asset condition ratings, and provide for a more formalized life-cycle approach to meeting infrastructure needs.

These improvements will enable long-term work plans and investment plans for assets based on industry standards and departmental life-cycle, maintenance and costing data.

The Capital and Facilities Maintenance component of the capital program uses the following information systems:

1. Capital Asset Management System (CAMS): The department collects capital asset and housing data from First Nations/Tribal Councils for the purposes of operational (funding), planning and program monitoring.

CAMS consists of three existing and one proposed module:

- Capital Asset Inventory System (CAIS);
- Asset Condition Reporting System (ACRS);
- Capital Management Data Base (CMDB); and
- Asset Recapitalization Calculator (ARC) (*proposed*).

Capital Asset Inventory System (CAIS)

- First Nations report any changes to assets through data submitted annually as part of the terms and conditions of funding agreements.
- New capital assets are entered into the database via Project Completion Reports.
- Coupled with costing data and departmental service standards, asset information is used to gauge operation and maintenance (O&M) requirements and adequacy of infrastructure given the community population.
- Reports that can be generated from CAIS include national annual infrastructure reports, reports on gross funding and net funding requirements for O&M, *ad hoc* reporting of service levels and asset replacement values for determining adequacy of infrastructure in communities.

Asset Condition Reporting System (ACRS)

- Inspectors assess condition, and recommend health and safety requirements and other maintenance projects to extend the useful life of assets on a three-year cycle.
- Data on the condition of assets is used for recapitalization decisions, also as a long-term indicator for adequacy of O&M.

- At the national level, the annual condition report for infrastructure is used for policy support and performance measurement of capital O&M funding. At the regional level, inspectors provide recommendations for health and safety, and maintenance of projects — these recommendations are entered along with the asset condition.

Capital Management Data Base (CMDB) — Housing and Infrastructure (H&IA) Web Site

- Site-level information is gathered on housing and adequacy of basic community services such as fire protection, water and sewage systems, solid waste disposal, road access and electrification. This element is now web-based, enabling communities to enter and retrieve information pertinent to their operations.
- Joint capital agreements with provincial schools are tracked.
- Data is combined with CAIS infrastructure data to form part of the annual housing and infrastructure reports, in addition to providing *ad hoc* data for determining high-level measurement for general condition of housing stock and adequacy of municipal services.

Asset Recapitalization Calculator (ARC) (proposed)

- The proposed model is based on using ACRS asset condition, industry standards and departmental costing data to estimate long-term investments including recapitalization and major maintenance projects for a portfolio of assets.
- The calculator will include an asset performance indicator that is able to gauge where assets are in their life cycle and the financial implications of maintaining the current level of service and the effects of varying the level of O&M on a facility or portfolio.
- The model will provide cash flow analyses for a given asset portfolio, initially to include schools and other major classes of infrastructure (larger water/sewage systems). Later versions will include a rudimentary model on financial implications of shortened asset life due to reduced O&M.

2. Environmental Stewardship Strategy Information Management System (ESSIMS):

- ESSIMS is a dynamic, web-based tracking and reporting system.
- ESSIMS tracks environmental liabilities through data entered at the regional level; plans are to include community-level participation.
- Operational modules include contaminated sites and fuel storage tanks.

- Developmental modules include environmental assessment and waste/landfill sites.
- System produces a variety of hard-coded internal reports.
- Generates external report(s) to satisfy central agency requirements (i.e., contaminated sites inventory).

Custodial Assets

Custodial Assets information systems are used to track and provide information on real property, vehicles, machinery and equipment within the department.

1. Automated Real Property Management System (ARMS):

- System holds basic information on each real property site, such as type of asset, location, legal description, number of buildings and use, as well as information on environmental issues associated with the property.
- Regions update the assets database on an ongoing basis.
- *Ad hoc* reporting supports recapitalization, divestiture, and planning and budgeting activities of custodial real property.

2. OASIS Fixed Assets Module:

- System tracks moveable assets valued at over \$1,000.
- System provides information on the description, group and class of assets, acquisition cost, year of purchase, serial number and location.
- Assets valued at \$10,000 and over are depreciated over the life of the asset. Regional Assets Managers update the assets database on an ongoing basis.
- *Ad hoc* reporting provides information on age of assets, depreciated value for planning and budgeting activities.

3. Access 2000:

- System records acquisition and maintenance costs associated with vehicles and heavy equipment.
- ARI Financial Services Incorporated captures maintenance information through credit card purchases on an ongoing basis.
- New acquisitions are reported to ARI Financial Services Incorporated by regional Fleet Managers.
- *Ad hoc* reporting monitors operating, maintenance and accident costs, depreciated value, etc. to support planning and budgeting for replacement of vehicles and equipment.

Appendix C

Capital Management Regime

Introduction

During the next five years, INAC will be reinforcing its management regime for both capital and operation and maintenance (O&M) funds for all its investments in capital.

As a result the department will:

- establish and implement national priorities consistent with Treasury Board direction as follows (in order of importance):
 - protect and maintain existing assets, with an emphasis on health and safety,
 - mitigate health and safety risks through new and existing assets,
 - address water and sewer backlogs, and
 - other priorities;
- establish a Capital Management Regime and priority-ranking criteria to ensure that, over the five-year planning horizon, all capital and related O&M funding is used to meet national priorities;
- further strengthen and standardize procedures and information systems nationally;
- ensure sufficient administrative capacity to support an effective regime; and
- ensure that, by 2004–05, adequate project management controls are in place for all capital projects that include federal funding.

The new Capital Management Regime will ensure that:

- investment criteria are applied in an equitable fashion nationally;
- clear accountability for investment decisions is established;

- priority is given to health and safety and recapitalization considerations in allocation of funds and selection of projects;
- asset condition is reported, maintenance plans are established and evidence of compliance with these plans is provided;
- the department is able to forecast its priority health, safety and recapitalization requirements for a five-year period, based on a reliable inventory of existing non-residential assets on reserves and custodial assets; and
- in the interim, the capital program is managed such that urgent health and safety needs are considered as a top priority, followed by recapitalization and growth requirements.

Table 12 below provides an outline of the major elements of the new Capital Management Regime, along with required activities and intended results.

Table 13 outlines expected results, targets and indicators for measuring progress.

Table 12: Capital Management Regime Elements, Activities and Intended Results

Regime Element	Change/Enhancement	Issue/Need Addressed	How It Will Be Implemented	Intended Results
Planning				
Sectoral/Regional/National Investment Management Boards	Management boards represent a key element of the Capital Management Regime.	National consistency in program delivery, and internal operations.	New, standard functions to be established by March 2003.	Ensures the provision of direct senior management guidance and decision making in the establishment of national priorities and the allocation of scarce capital resources.
Strategic Investment Plans	Introduction of sectoral/regional strategic investment plans.	Integrated planning process that considers all assets/sectors. Risk profile and action plan specifically developed for capital program.	Sectors/regions will develop a two- to three-page strategic investment plan to submit to the National Investment Management Board (NIMB).	Enhance management control and ensure national consistency.

Regime Element	Change/Enhancement	Issue/Need Addressed	How It Will Be Implemented	Intended Results
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Funding Allocation

Allocations to Sectors/Regions	Capital and O&M target allocations to sectors/regions, for which regions will have to provide annual investment strategies and report on results.	Managing pressures within scarce capital resources.	<p>Within its annual global funding allocation, the department will identify specific amounts targeted for capital and O&M for each sector/region. Amounts will be linked to national priorities and results.</p> <p>Sectoral/regional re-allocation threshold level will also be established, above which approval of the NIMB will be required.</p>	Ensures capital and O&M requirements are addressed in an integrated manner that supports national priorities.
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Priority-ranking Criteria	<p>Priority-ranking criteria for infrastructure and educational facilities, linked to national priorities. Housing will continue to be guided by the approved 1996 policy.</p> <p>Projects submitted by First Nations, either annually or through five-year plans, will be ranked in accordance with criteria.</p> <p>Priority-ranking criteria for custodial assets/projects.</p>	National consistency in how projects are ranked and linked to national priorities.	<p>Regions will review proposed priority-ranking criteria with First Nations. INAC will finalize priority-ranking criteria for infrastructure and educational facilities.</p> <p>INAC will be working toward developing and implementing a priority-ranking framework for custodial assets/projects.</p>	National priorities/criteria applicable to all investments and, over time, allocations aligned with priorities.
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Regime Element	Change/Enhancement	Issue/Need Addressed	How It Will Be Implemented	Intended Results
Housing	Enhance implementation of the 1996 housing policy.	Follow-up on First Nation housing plans.	Additional resources will be provided to regional offices to review annual housing plans, updates or new housing plans, as well as housing construction reports from First Nations.	Align First Nations plans with INAC national priorities.

Compliance and Performance Reporting

Capital Project Monitoring	Standardize monitoring procedures for capital projects.	Effective monitoring of capital projects.	Regions to have appropriate resources to monitor major projects and monitor First Nations management of minor projects.	Enhanced management of capital projects by First Nations and regions.
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Capital Asset Management Systems (CAMS)	Adapt the existing systems to support the enhanced regime. Ensure data is entered in a timely manner. Audit the quality of the data.	Ensure management information system is updated regularly, and the quality of data is reliable.	Once program directives and procedures are revised, systems will be revamped to support it.	Ensure support for the planning, allocation, asset maintenance, monitoring and compliance functions.
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Multi-year Agreements	Standardize reporting requirements to conform to this regime.	Consistent reporting requirements across the country to monitor results.	Agreement terms and conditions will be reviewed and First Nations will be informed of the proposed changes. Agreements being renewed will contain the new terms and conditions. The national reporting guide will be modified in the fall of 2003, for initial application in 2004–05.	Simplified and improved reports on project management and on asset maintenance.
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Regime Element	Change/Enhancement	Issue/Need Addressed	How It Will Be Implemented	Intended Results
Asset Maintenance Funding Assistance				
Asset Maintenance Funding Assistance	<p>Ensure appropriate funding for asset maintenance is first program priority.</p> <p>Standardize the monitoring of asset maintenance by First Nations.</p> <p>Standardize asset inspections (3 year cycle).</p> <p>Standardize follow-up on all repairs and major maintenance work needed.</p> <p>Review departmental O&M funding policy.</p>	To properly fund asset maintenance and monitor First Nations operations.	<p>By 2004–05, regions will have enough internal resources to discuss/monitor First Nations asset maintenance plans, to inspect assets regularly (three- to five-year cycle) and to monitor First Nations compliance with terms and conditions of multi-year funding agreements.</p> <p>By 2004–05, review O&M funding policy with special attention to the fairness of the financial participation required from communities.</p>	<p>Enhanced asset maintenance.</p> <p>Systematic monitoring of asset maintenance and of First Nations performance.</p> <p>Regular updating of Capital Asset Management System (CAMS).</p>

Table 13: Expected Results, Targets and Indicators

Expected Results	Targets	Indicators (to be measured by)
Objective: Protect and maintain existing assets, with emphasis on health and safety. Maximize life cycle of existing assets.		
Reduced premature recapitalization.	Reduce outstanding health and safety projects identified in ACRS and ARMS inspections.	Asset condition inspections and reports through ACRS and ARMS.
	Move to three-year from five-year inspection cycle.	
Objective: Mitigate health and safety risks, reduce backlogs with emphasis on water and sewer. Ensure all capital and O&M expenditures support national priorities.		
Extended life cycle/reduced premature recapitalization.	Reduce outstanding health and safety projects identified in ACRS and ARMS inspections.	Asset condition inspections and reports through ACRS and ARMS.
Reduced health and safety risks and backlog in water and sewer requirements.	Address all high-risk water treatment plants identified in the latest INAC assessment, over the next five years.	Asset condition inspections and reports through ACRS and ARMS.
	Improved water treatment plant maintenance practices.	Number of high-risk sites identified through annual updates.
	All water treatment plant operators provided with basic circuit rider training program, over the next three years.	Number of updated maintenance plans, and compliance monitoring through Water Database.
	Assess and remediate all on-reserve contaminated sites currently identified in the ESSIMS over the next 10 years.	Number of water treatment plant operators provided basic training, as demonstrated through Water Database.
	Improve and maintain existing facilities to address immediate health and safety threats related to education and other types of infrastructure.	Number of contaminated sites on reserve assessed and remediated as identified through annual updates and compliance reports in ESSIMS.
		Number of adequate school and other facilities identified through ACRS.
Objective: Manage health and safety risks associated with contaminated sites North of 60.		
Reduced risks to human and environmental health and demonstration of due diligence.	Manage the most urgent health and safety risks to the best of our ability within reallocated funds on an annual basis until permanent multi-year funding is approved.	Demonstrated through periodic updates to the inventory of Northern contaminated sites.

Appendix D

Environmental Liabilities

Liabilities Related to On-reserve Contaminated Sites

Through the Environmental Issues Inventory and Remediation Plan (EIIRP), the Indian and Inuit Affairs Program (IIAP) of INAC has provided financial assistance to assess and if necessary clean up environmentally contaminated sites on reserve. Since 1992, the EIIRP has identified and documented 3,800 environmental problems on over 800 inhabited reserves; of these, some 2,500 indicated a potential for environmental contamination.

An inventory has been developed, and assessment of environmental contamination on reserve has for the most part been completed. As of the end of March 2002, \$115 million has been spent to carry out assessment and remediation activities under the EIIRP. Of the 2,495 sites currently listed, 1,244 have been remediated and closed as of September 30, 2002.

Tables 14 and 15 below show estimated liabilities, contingency costs and assessment scores related to the remaining 1,251 contaminated sites on reserve, grouped on a regional basis. Costs are based on estimates provided by regional offices, based on their detailed records and information on each of the contaminated sites.

To promote consistency in assessing the environmental issues, the EIIRP process has used the National Contaminated Sites Classification System (NCSCS), developed by the Canadian Council of Ministers of the Environment (CCME), as much as possible. The NCSCS was also used to determine the relative priority for implementing remedial measures.

In 2002, IIAP began an exhaustive site confirmation to verify and update existing data. This activity will continue throughout the remainder of this fiscal year, by which time IIAP expects to be able to provide accurate and current information on a site-by-site basis. At present, the data still contains some anomalies. These have been identified and the regions have begun to work with these issues.

Current confirmed liability estimates amount to approximately \$75 million and it is anticipated that the estimate will rise to \$100 million once site confirmation has been completed.

Table 14: On-reserve Contaminated Sites — Liabilities and Contingency Costs

Region	Number of Contaminated Sites			Estimated Cost of Evaluation and Remediation	
	Assessed	Suspected	Total	Liability	Contingency
Atlantic	31	18	49	\$4,289,700	\$75,000
Quebec	64	11	75	\$1,177,000	\$0
Ontario	330	133	463	\$30,619,127	\$2,413,673
Manitoba	59	9	68	\$23,878,911	\$0
Saskatchewan	11	2	13	\$88,000	\$18,000
Alberta	20	0	20	\$1,845,000	\$0
British Columbia	549	6	555	\$10,340,044	\$0
Yukon	7	0	7	\$167,000	\$0
Northwest Territories	1	0	1	\$0	\$0
TOTAL	1,072	179	1,251	\$72,404,782	\$2,506,673

Table 15: On-reserve Contaminated Sites — Assessments

Region	National Contaminated Sites Classification Category					Total
	Class 1 (Action Required)	Class 2 (Action Likely Required)	Class 3 (Action May Be Required)	Class N (Action Not Likely Required)	Class I (Insufficient Information)	
Atlantic	6	38	0	2	3	49
Quebec	16	36	14	4	5	75
Ontario	114	217	48	11	73	463
Manitoba	34	31	3	0	0	68
Saskatchewan	2	2	0	5	4	13
Alberta	5	3	5	0	7	20
British Columbia	266	19	1	6	263	555
Yukon	2	2	0	0	3	7
Northwest Territories	0	0	1	0	0	1
TOTAL	445	348	72	28	358	1,251

Liabilities Related to Northern Contaminated Sites

In Nunavut, the Northwest Territories (NWT) and Yukon, the federal government has responsibilities for the management and administration of Crown lands, which are carried out through INAC's Northern Affairs Program (NAP). Part of NAP's responsibilities consist of managing waste and contaminated sites in Canada's North and to reduce and eliminate, where possible, risks to human and environmental health and liability associated with these sites, in a cost-effective and consistent manner. In the longer term, NAP's vision is to provide a safer and cleaner northern environment, in which activities are carried out following the principles and practices of sustainable development.

There are currently 1,818 contaminated waste sites in northern Canada under federal and NAP jurisdiction (Northern contaminated sites). At 976 sites, assessment work has determined that either no further action is required or any required remediation has already been completed. In addition to these sites, 16 sites are currently classified as contingent liabilities to the Government of Canada because of the possibility that INAC may be required to assume some level of financial responsibility for the sites in the future; the value of this contingent liability is estimated at \$79.4 million.

The remaining 826 waste and contaminated sites require further action. Of these, 265 are waste sites that have been assessed and deemed lower risks, for which remediation funding has never been available; 498 sites will eventually require funding for further assessments and site inspections to develop comprehensive remediation strategies. Finally, 394 contaminated sites, representing an estimated liability of \$723 million, are currently the focus of INAC's attention (see Tables 16 and 17 below). Financial constraints have meant that, of these sites, only 63 are currently receiving active attention. These include:

- 37 high-risk sites that have received some funding on a year-by-year basis (indicative liability estimate \$700 million);
- 9 sites that require continued funding for ongoing monitoring of contamination (indicative liability estimate \$2.8 million); and
- 17 contaminated sites that require remediation engineering plans but lack funding for this purpose (indicative liability estimate \$21.3 million).

The following tables summarize the liability and contingency costs and the assessment scores for Northern contaminated sites as of March 31, 2002.

Currently, there is no annual A-base budget to deal with the growing problems associated with Northern contaminated sites. Reallocations from the IIAP, Program Integrity funding and funds from Treasury Board for the assessment of contaminated sites have been key funding sources, but are insufficient to adequately address the issues and risks to human and environmental health and safety these sites pose.

Until multi-year funding is made available to INAC for the management of Northern contaminated sites, INAC is not in the position to commit to a five-year capital expenditure plan. Rather, funding requirements will be assessed annually as part of the Capital Management Regime.

Table 16: Northern Contaminated Sites — Liabilities and Contingency Costs

Region	Number of Contaminated Sites			Estimated Cost of Evaluation and Remediation	
	Assessed	Suspected	Total	Liability	Contingency
Yukon	24	14	38	\$226,851,400	\$55,042,000
Northwest Territories	31	183	214	\$341,730,000	\$24,350,000
Nunavut	24	118	142	\$154,653,000	\$0
TOTAL	79	315	394	\$723,234,400	\$79,392,000

Table 17: Northern Contaminated Sites — Assessments

Region	National Contaminated Sites Classification Category					Total
	Class 1 (Action Required)	Class 2 (Action Likely Required)	Class 3 (Action May Be Required)	Class N (Action Not Likely Required)	Class I (Insufficient Information)	
Yukon	9	2	13	0	0	24
Northwest Territories	16	8	7	0	0	31
Nunavut	20	4	0	0	0	24
TOTAL	45*	14	20	0	0	79

* Includes 37 NCSCS Class 1 sites where further assessment and remediation are required, as well as 9 sites that require ongoing, legally required monitoring of risk-management measures.

Appendix E

National Investment Management Board — Terms of Reference

Background

INAC is establishing a new Capital Management Regime that includes the creation of a National Investment Management Board (NIMB), consisting of the existing Operations Committee with representatives from Public Works and Government Services Canada, to ensure effective processes are in place to optimize the use of capital and operation and maintenance (O&M) resources, and to address national priorities for all categories of assets.

The Board represents a key element of the department's Capital Management Regime and will provide direct senior management guidance and decision making in establishing national priorities and allocating scarce capital resources.

The Minister will consider/approve national priorities and National Investment Strategy recommended by the Board, including the Long-term Capital Plan and allocation methodologies. These terms of reference will come into effect by December 2002.

Members

The Board will consist of:

Associate Deputy Minister (Chair)

Regional Directors General

Atlantic

Quebec

Ontario

Manitoba

Saskatchewan

Alberta

British Columbia

Northwest Territories

Yukon

Nunavut

Assistant Deputy Ministers

Policy and Strategic Direction

Claims and Indian Government

Lands and Trust Services

Corporate Services

Economic Development and Special Initiatives

Socio-Economic Policies and Programs

Northern Affairs

Executive Director of Indian Oil and Gas Canada

Real Property Services of Corporate Services

Secretariat Manager

Socio-Economic Policies and Programs

Mandate

Reporting to the Minister, the Board's mandate is to:

1. provide strategic guidance, set national priorities and develop a National Investment Strategy based on regional/sectoral investment plans.
2. reconfirm national priorities and recommend annual targets and outcomes for ministerial approval, as follows:
 - protecting and maintaining the life cycle of existing assets that are included in the Indian and Inuit Affairs Program, the Northern Affairs Program and the Administration Program, with an emphasis on health and safety;
 - mitigation of health and safety risks through existing and new assets;
 - investment to address backlog of water and sewage systems projects under Capital and Facilities Maintenance — First Nations Assets; and
 - other priorities.

3. recommend a National Investment Strategy for ministerial approval.
4. review Long-term Capital Plan annually and make any resource-related adjustments through the Annual Reference Level Update (ARLU).

Administration

The Board will be administered by a secretariat manager whose responsibilities include:

1. providing advice to National and Regional Investment Management Boards.
2. providing the following secretariat services to the NIMB:
 - preparing meeting agendas;
 - distributing documents to committee members;
 - looking after meeting logistics such as reserving board rooms and organizing tele-/video conferences; and
 - keeping minutes of meetings.