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Speaker: The Honourable Jobie Nutarak, M.L.A.

Legislative Assembly of Nunavut

Speaker

Hon. Jobie Nutarak

(Tunnunuiq)

Steve Mapsalak

(Akulliq)

Hon. Louis Tapardjuk

(Amittuq)

*Minister of Culture, Language,
Elders and Youth; Minister of
Human Resources
Minister Responsible for
Sport Nunavut*

David Alagalak

(Arviat)

Hon. Leona Aglukkaq

(Nattilik)

*Minister of Finance; Government
House Leader
Liquor Licensing Board
Crown Agency Council*

Hon. David Simailak

(Baker Lake)

*Minister of Economic
Development and Transportation
Business Credit Corporation
Nunavut Development
Corporation*

Keith Peterson

(Cambridge Bay)

Peter Kattuk

(Hudson Bay)

Hunter Tootoo

(Iqaluit Centre)

Hon. Ed Picco

(Iqaluit East)

*Minister of Education; Minister
of Energy; Minister Responsible
for Qulliq Energy Corporation
Minister Responsible for Nunavut
Arctic College; Minister
Responsible, Homelessness and
Immigration*

Hon. Paul Okalik

(Iqaluit West)

*Premier; Minister of Justice;
Minister of Executive and
Intergovernmental Affairs
Utility Rates Review Council*

Joe Allen Evyagotailak

(Kugluktuk)

Patterk Netser

(Nanulik)

Hon. Peter Kilabuk

(Pangnirtung)

*Minister of Community and
Government Services; Minister
Responsible for the Nunavut
Housing Corporation*

Tagak Curley

(Rankin Inlet North)

Hon. Levinia Brown

(Rankin Inlet South-Whale
Cove)

*Deputy Premier; Minister of
Health and Social Services;
Minister Responsible for the
Status of Women*

Hon. Olayuk Akesuk

(South Baffin)

*Minister of Environment;
Minister Responsible for the
Workers' Compensation Board*

James Arreak

(Uqqurmiut)

Levi Barnabas

(Quttiktuq)

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Law Clerk

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Sergeant-At-Arms

Simanek Kilabuk

Hansard Production

Innirvik Support Services

Box 1200

Iqaluit, Nunavut, X0A 0H0

Tel (867) 975-5000 Fax (867) 975-5190 Toll-Free (877) 334-7266

Website: www.assembly.nu.ca

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Iqaluit, Nunavut
Thursday November 25, 2004

Members Present:

Honourable Leona Aglukkaq, Mr. David Alagalak, Mr. James Arreak, Mr. Levi Barnabas, Honourable Levinia Brown, Mr. Tagak Curley, Mr. Joe Allan Evyagotailak, Honourable Peter Kilabuk, Mr. Steve Mapsalak, Mr. Patterk Netser, Honourable Jobie Nutarak, Honourable Paul Okalik, Mr. Keith Peterson, Honourable Edward Picco, Honourable Louis Tapardjuk, Mr. Hunter Tootoo.

Item 1: Opening Prayer

Speaker (interpretation): Good afternoon, Premier and the ministers and the members. I would like to ask Mr. Curley to say the opening prayer.

>>*Prayer*

Speaker (interpretation): Thank you. Orders of the day. Item. 2. Ministers' statements. Hon. Leona Aglukkaq.

Item 2: Ministers' Statements

Minister's Statement 031 – 2(2): Minister Simailak Absent from the House

Hon. Leona Aglukkaq: Thank you, Mr. Speaker. I wish to advise members that the Hon. David Simailak will be absent from the House on November 25 and 26 to attend federal provincial and territorial meetings in Ottawa. Thank you, Mr. Speaker.

Speaker (interpretation): Ministers' statements. Hon. Peter Kilabuk.

Minister's Statement 032 – 2(2): Government of Nunavut Energy Management Programs

Hon. Peter Kilabuk: Thank you, Mr. Speaker. I rise in the House today to announce the Government of Nunavut's Energy Management Program. This important initiative supports our commitment to improving energy efficiency in Nunavut. Implementing energy saving measures throughout the government will save money, reduce greenhouse gas emissions, and create local employment.

Mr. Speaker, we all know that increasing oil prices on world markets is driving energy prices to go up. We also know that global climate change, caused by human activity, is having social, cultural, and economic impacts, especially here in the Arctic.

Through our Energy Management Program we will be assisting Canada in meeting its Kyoto greenhouse gas reduction commitment. Reducing greenhouse gas emissions will

reduce the threat to the traditional lifestyle of Inuit and reduce our energy costs here in Nunavut.

Mr. Speaker, this is a three part program: Save Ten, an employee education program, will teach government employees how to save energy. Save Ten is expected to reduce government energy consumption by, as the name indicates, as much as 10 percent.

The retrofit program, the Nunavut Energy Management Program, is being modeled on the federal government's Federal Buildings Initiative. It will be introduced as a pilot project in Iqaluit where local qualified firms will be contracted by the Department of Community and Government Services to upgrade existing government facilities. The retrofit program will generate energy savings of over 20 percent and will create local employment,

The addition of an energy efficiency section to Nunavut's Good Building Practices Guideline is the third part of our energy management program. Used during the design of new facilities, the guideline will ensure that new facilities are built with attention to energy management.

We are seeking financial support for our energy management program from the federal government's Energy Innovations Initiative. All other program costs will be recovered through energy savings, federal grants, and reduced operating costs.

Mr. Speaker, lastly, the Joamie School project has been a good starting point for our energy management program. The new school has an energy efficient design and was built according to the latest green building standards found under the international environmental initiative, Leadership in Energy and Environmental Design. This energy efficient design will result in lower operating costs over the life cycle of the school.

These energy management principles will be applied in all future government activities. Thank you, Mr. Speaker.,

>>Applause

Speaker (interpretation): Thank you. Ministers' statements. Orders of the day. Item 3. Members' statements. Ms. Aglukkaq.

Item 3: Members' Statements

Member's Statement 057 – 2(2): Recognition of Two Taloyoak Pages

Hon. Leona Aglukkaq: Thank you, Mr. Speaker. I am pleased that I have the opportunity to acknowledge some special individuals that have come all the way from Taloyoak and Ottawa and pay a visit. Two of these individuals are working as pages this week in the Legislative Assembly.

Mr. Speaker, I would like to draw your attention to Nellie Anne Uquqtuq and Lindsay Anaijak, seated behind. These young ladies have traveled from Taloyoak to Iqaluit in order to participate in our session and to share those experiences with their fellow students when they go back to Taloyoak.

I feel it is very important to point out that one of the reasons why they are here is because they are also hardworking students and were highly recommended by the education authorities in Taloyoak.

>>*Applause*

Mr. Speaker, hard work and perseverance deserves recognition. I would like to congratulate and encourage them to continue their quest for knowledge.

As well, Mr. Speaker, I would like to recognize another important individual in the gallery: Mr. Johnny Kootook, my constituency assistant from Taloyoak, seated behind me. Johnny Kootook has been kind enough to travel with the pages in order to ensure that they had a safe journey here.

Also, I would like to recognize a constituent of mine, as well as my good friend: Sandra Lyall, who arrived here this morning from Ottawa, seated next to Johnny. She is attending the Nunavut Sivuniksavut program in Ottawa for the next couple of years. Seated next to her is Daniel. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Members' statements. Mr. Peterson.

Member's Statement 058 – 2(2): 2nd Annual Say No to Drugs Tour

Mr. Peterson: Thank you, Mr. Speaker. I rise today to recognize the second annual Kitikmeot Stay in School-Say No to Drugs Tour.

On an almost daily basis we hear that alcohol and drugs are causing serious problems in our communities. The RCMP tell us that almost 100 percent of the incidents that they investigate are alcohol or drug related.

One of the saddest by-products of alcohol abuse is when children are apprehended by social workers to protect them.

Many Kitikmeot individuals, groups, and organizations are working hard to help people overcome their addictions and lead healthy lifestyles. Others, Mr. Speaker, are educating our youth about the dangers of alcohol and drug abuse.

One such organization is the Kitikmeot Corporation. The president of Kitikmeot Corporation, Charlie Lyall, started the annual Stay in School-Say No to Drugs Tour to visit every Kitikmeot high school to talk to kids about alcohol and drugs.

The tour isn't just a group of people who travel around and lecture to the kids. In fact, the tour is a fun event for the entire community. The tour group talks to and entertains students in the afternoons and then gives a public concert in the evenings. Well-known northern musicians and singers George Tuccaro, John Tees, and Bobbi Bovier participate because they believe in this worthy cause.

They were accompanied by Christy Brewster who grew up in the Kitikmeot and is a youth role model. The Speaker of Experience was Bill Davidson from Larga Home in Edmonton; he is well known to many Kitikmeot residents who have stayed in the Larga boarding home that he operates.

Through their music and anecdotes, they speak to the kids and entire community about their experiences with alcohol.

Every worthy cause has many people to thank for helping them: the RCMP detachments helped move the equipment within the communities; the Department of Health and Social Services provided some financial help; others in the communities contributed where they could.

The students and the communities want to see more initiatives like this. One person in Taloyoak told Charlie Lyall that he was thinking about quitting drinking because of the tour. If even one person is thinking like that, then the tour was a success. I would like to salute the organizers, entertainers, and speakers who gave up their time for the people in the Kitikmeot. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Members' statements. Mr. Netser.

Member's Statement 059 – 2(2): Restraining Order Against Spouses

Mr. Netser (interpretation): Thank you, Mr. Speaker. I rise today to talk about a concern raised by elders.

Sometimes when couples get together for the first time they have problems, and when they have problems the RCMP is usually called in. When there are domestic problems, and when the RCMP apprehends the spouse, he is given a peace bond and they are not allowed to talk to each other; they also give a restraining order to the spouse.

So, I urge the Minister of Health and Social Services and the Minister of Justice to improve the safehouse shelters. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Members' statements. Mr. Curley.

Member's Statement 060– 2(2): Utility Rate Review Council – General Rate Application

Mr. Curley (interpretation): I rise today to express my frustration regarding the Qulliq Energy Corporation's General Rate Application, or to put it in a way the minister prefers, the QEC's GRA that is being reviewed by the URRC.

(interpretation ends) The General Rate Application is confusing enough with the issue of energy being disrupted by the constant usage of high-voltage acronyms. To make it more confusing, reference is made to millions of kilowatt hours at a cost of pennies each.; well, depending on the community you're looking at.

So, I decided to try to determine exactly how much money was collected by the Power Corporation, Nunavut Power Corporation or Qulliq Energy Corporation or whoever, using the information in the General Rate Application.

The figure I came up with for Rankin Inlet is 12,182,831 kilowatt hours; I found that in table 10.1.3 in appendix M, multiplied by 31.89 cents per kilowatt hour. That is the average community rate for Rankin Inlet found in the table 11.4.1 of appendix N. So, from what I can tell, the NPC-QEC could have collected as much as \$3.9 million from Rankin Inlet for 2003 and 2004.

Like I said, Mr. Speaker, from what I can tell, they could have collected that much. Of course, that doesn't take into account any accounts that are outstanding so it probably isn't an accurate figure.

I am frustrated that Qulliq Energy Corporation's revenue is not broken down by community in the GRA; the mathematical equations using the information provided only give me an approximate value.

Mr. Speaker, I can tell you there was some residual hot air created from the frustration caused in trying to find this information. Thank you.

>>*Applause*

Speaker (interpretation): Thank you. Members' statements, Mr. Barnabas.

Member's Statement 061 – 2(2): Conditions to Offenders

Mr. Barnabas: Thank you, Mr. Speaker. I rise today to express concerns from my constituency in Resolute Bay with respect to conditions that are placed on offenders by judges. These conditions are placed on inmates that are being released or on offenders that are on conditional sentences instead of being incarcerated.

Mr. Speaker, there are a variety of conditions that a judge can place, such as enforcing a restraining order on offenders from seeking or contacting their families or victims, to refrain from drinking or drugs, to not possess firearms, keep the peace, and take mandatory counseling and community services. These are just some of the examples.

Mr. Speaker, these conditions are all intended for the safety of the people and the community; however, there are some necessary services that cannot be provided at the smaller community level because of the shortage of mental health workers.

Mr. Speaker, at the appropriate time I'll be asking some questions on this issue. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Members' s statements, Mr. Tootoo.

Member's Statement 062 – 2(2): Airline Services

Mr. Tootoo: Thank you, Mr. Speaker. I'm pleased to rise today on the state of the airline service in Nunavut. Mr. Speaker, throughout this week all members of this House have had the opportunity to meet informally with the management teams of both our major carriers.

I know many members took the opportunity to raise issues of concern with them in relation to air service to our communities. Mr. Speaker, it's good to see that our major carriers are competing vigorously with each other, as competition serves the consumer well.

As you know, Mr. Speaker, one of the major carriers is partly owned by the Inuit of Nunavut, through Nunasi Corporation. I know that we all support a high profile corporate presence in this territory for Canadian North.

Mr. Speaker, both our major carriers are longtime supporters of important charities that benefit the North. Each year, for example, tens of thousands of dollars are raised around Christmas by First Air through its annual presidents' charity ball and, I'm sure that members that are in town will probably be attending the ball coming up in the next week or so.

Air travel is our lifeline. While the airlines are in the business to do business, we must look at ways to maximize benefits to our residents and encourage economic growth through increased tourism in Nunavut.

Mr. Speaker, in a recent interview, the Governor General of Canada and her spouse were interviewed at length about their experiences in the North. I was pleased to see them encourage Canadians to come north and explore what we have to offer.

However, the fact is that it can be much more expensive for someone to fly from Toronto to Pangnirtung than it is for them to go to Europe. We need to look at ways of working with the airlines to foster economic growth by reducing this high barrier.

A healthy transportation sector is good for Nunavut, and I look forward to more years of good corporate citizenship on the part of our major carriers.

I would like to ask all members to join me in thanking both our carriers for an opportunity to meet with them this last week and hear our concerns. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Members' statements. Hon. Ed Picco.

Member's Statement 063 – 2(2): Beavers, Cubs, and Scouts Volunteers

Hon. Ed Picco: Thank you, Mr. Speaker. Last night, I had the opportunity to attend the induction and the initiation of Beavers, Cubs, and Scouts in Iqaluit.

With many parents in attendance, the young Beavers, Cubs, and Scouts were resplendent in their uniforms and received their new wobbles and ties. Organizations like Cubs, Scouts, and Beavers rely on dedicated volunteers for organizing them.

I would like to take this opportunity to thank Shawna Barkley and her team of volunteer Beaver, Cubs, and Scout leaders for donating their time to this very worthwhile cause for our children.

Also, would like to take this opportunity to thank the many volunteers here in Iqaluit and across Nunavut who put in many hours on behalf and for communities, children, and Nunavummiut. Thank you, Mr. Speaker.

>>*Applause*

Speaker (interpretation): Thank you. Members' statements. Going back to the orders of the day. Item 4. Item 5. Recognition of visitors in the gallery. Hon. Ed Picco.

Item 5: Recognition of Visitors in the Gallery

Hon. Ed Picco: Thank you, Mr. Speaker. It gives me a great pleasure today to recognize someone in the gallery that I have not recognized in nine years as a member of the Legislative Assembly.

With me, over the last day, is my daughter Dora. She is on the job-shadow program of Inuksuk High School. Dora is in grade 9, and I would like to take this opportunity to welcome my panik to the Legislative Assembly. Thank you, Mr. Speaker.

>>*Applause*

Speaker (interpretation): Welcome to the gallery. Recognition of visitors in the gallery. Mr. Mapsalak.

Mr. Mapsalak (interpretation): Thank you, Mr. Speaker. I would like to recognize an individual who is now the mayor of Repulse Bay: Simeonie Kopak, who is sitting over there in the gallery, and also one of the councilors, Bill Kopak. Thank you, Mr. Speaker.

>>Applause

Speaker (interpretation): Welcome to the gallery. Recognition of visitors in the gallery. Ms. Aglukkaq.

Hon. Leona Aglukkaq: Again, I would like to recognize constituents of mine: Wendy and Johnny Kootook, Sandra, and Daniel that are in the gallery today. I would like to welcome them. Thank you.

>>Applause

Speaker (interpretation): Thank you. Recognition of visitors in the gallery. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Speaker. I would like to take this early opportunity to recognize someone in the gallery that they are acknowledging a little later on today in the orders of the day, but that's Ms. Elaine Keenan-Bengst; she's our information and privacy commissioner for Nunavut. I would like to welcome her to the gallery. Thank you, Mr. Speaker.

>>Applause

Speaker (interpretation): Recognition of visitors in the gallery. Going back to the orders of the day. Item 6. Oral questions. Mr. Alagalak.

Item 6: Oral Questions

Question 083 – 2(2): Policy on Fuel Resupply in Icy Waters

Mr. Alagalak (interpretation): Thank you, Mr. Speaker. (interpretation ends) I would like to direct my question to the Minister of Community and Government Services.

Mr. Speaker, I was interested to note that there have been fuel tankers in Frobisher Bay this week. Can the minister tell me his department's practice with respect to the resupply of fuel in conditions where there is ice in the water. Thank you.

Speaker (interpretation): Minister of Department of Community and Government Services, Hon. Peter Kilabuk.

Hon. Peter Kilabuk: Thank you, Mr. Speaker. I apologize, I didn't get the last part of the question; could my colleague repeat his question, please.

Speaker (interpretation): Mr. Alagalak.

Mr. Alagalak (interpretation): Thank you, Mr. Speaker. My question is, could the Minister of Community and Government Services tell us what the procedures are when there is going to be a re-supplying of fuel when there are ice conditions.

Speaker (interpretation): Hon. Peter Kilabuk.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Speaker. The Petroleum Products Division, under our department, is involved when the ships come into the communities. I recognize the members' concern, especially at this time of the year when they are re-supplying fuel. The tanker employees are the ones that are making sure that everything is working properly and that the lines and everything else are in order; that's done by the people from the tankers. Thank you, Mr. Speaker.

Speaker (interpretation): Mr. Alagalak.

Mr. Alagalak (interpretation): I'm well aware that there are people involved there to make sure that everything's in order. My question is, what kind of safety equipment do you have just in case there's a breakage in the couplings or if there's fuel spilled? Do you have any emergency response teams on standby when the tankers are here? Thank you, Mr. Speaker.

Speaker (interpretation): Hon. Peter Kilabuk.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Speaker. I understand that if there's a spill, the tankers have sponges that would soak up any fuel that is spilled. For example, we did that when there was a spill in Coral Harbour. We do have an emergency response available; that is done by the crew. Thank you, Mr. Speaker.

Speaker (interpretation): Mr. Alagalak.

Mr. Alagalak (interpretation): Thank you, Mr. Speaker. My last question is: why are there tankers coming to the Nunavut communities in November when the ice is forming and there's a possibility of an accident? Thank you.

Speaker (interpretation): Hon. Peter Kilabuk.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Speaker. It seems that they are coming in later, at this time of the year, because there's an increase in the demand. I haven't heard of any incidents or concerns to date. Thank you, Mr. Speaker...

Speaker (interpretation): Thank you. Oral questions. Mr. Curley.

Question 084 – 2(2): Government Hiring Practices

Mr. Curley (interpretation): Thank you, Mr. Speaker. My question is to the Minister of Human Resources about job competitions.

The Nunavut Government posts these competitions to obtain qualified employees in numbers representative of Nunavut's population. Supposedly, this should result in large numbers of land claim beneficiaries working for the government, but that has not happened and thus, government hiring policy is broken. Why aren't they following their own policies?

Speaker (interpretation): Thank you. Hon. Louis Tapardjuk.

Hon. Louis Tapardjuk (interpretation): Thank you, Mr. Speaker. The government has a policy to give priority to beneficiaries when they are hiring for the government, following their skills and experiences.

We do provide training programs to employees who are beneficiaries, and in our policy and in giving priority to beneficiaries, we are doing all we can to follow those policies. We also work together with the government departments to make sure that these policies are applied by all departments.

We follow Article 23 of the Nunavut Land Claims Agreement, and to my knowledge, we are making sure that these policies are adhered to by the departments. It is a directive that has been sent to all departments. Thank you, Mr. Speaker.

Speaker (interpretation): Mr. Curley.

Mr. Curley (interpretation): Thank you, Mr. Speaker. I sincerely want to believe what the minister is saying, that this should be a representative workforce and that Nunavut beneficiaries will be given priority.

In the Keewatin, few truly believe in the government. In October, there was an opening for a shipper-receiver and it required a minimum of grade 10. People applied, and even though they could speak Inuktitut and they had their diploma, and there was another candidate who had the education too, now they are going to re-advertise the job because there were no "suitable candidates". Maybe because no one applied from down South.

Speaker (interpretation): Hon. Louis Tapardjuk.

Hon. Louis Tapardjuk (interpretation): Thank you, Mr. Speaker. I understand your question in regards to job advertisements. They are looking for people who have experience, and all those things are taken into consideration. But the specific question that you are asking about is why those candidates weren't interviewed. I could look into this further and find out exactly what the status is, because they definitely have to be considered, especially if they are Nunavut beneficiaries.

Maybe they didn't have enough experience for what the job entails.

A lot of times you need specific training for some positions, but we are constantly looking at the jobs descriptions because a lot of the times these positions require too much experience for the position. We are trying to adhere to our policy and regulations in regards to hiring, and we are very much interested in hearing concerns about why they were not hired. Thank you, Mr. Speaker.

Speaker (interpretation): Mr. Curley.

Mr. Curley (interpretation): Thank you. He is welcoming concerns about those candidates who were not interviewed. I want them to speak to their MLAs, to the ministers.

Another question: you should not just go by those applicants, you do have to go with what you put in the ad. A lot of times, people who first come up have no experience in working up North and a lot of times they are hired anyway.

Another question: how many applicants were there for the receiver-shipper-clerk in Rankin Inlet? If you can respond to that, I will be happy. Thank you.

Speaker (interpretation): Hon. Louis Tapardjuk.

Hon. Louis Tapardjuk (interpretation): I don't have the figures right in front of me, especially on any one specific job. I will be able to inform you, maybe through correspondence.

For the applicants who had applied for the job, and there is a toll-free number and I can make it available to all the members. Those people who apply for jobs, if they want to appeal that, we are very much interested in hearing about it. There are numbers where they can call. We have to understand that the Department of Human Resources is responsible for this. It's usually the departments who do the hiring.

Yes, I agree that I will provide the member with this toll-free number for if people wish to appeal. So, all this information will be available to those people who are unhappy about the selection process. Thank you.

Speaker (interpretation): Thank you. Oral questions. Mr. Tootoo.

Question 085 – 2(2): Status of the General Rate Application

Mr. Tootoo: Thank you, Mr. Speaker. My question is for the Minister of Energy.

I know, as been indicated here in the House before, that the minister is our learning minister, and since he has taken on the portfolio of Energy I would assume that he would have gone over the General Rate Application put forward by the Power Corporation to the URRC.

Can the minister indicate if he is familiar with and if he has gone through the General Rate Application that is currently before the URRC? Thank you, Mr. Speaker.

Speaker (interpretation): Minister of Energy. Hon. Ed Picco.

Hon. Ed Picco: Thank you, Mr. Speaker. I had an opportunity to go through the General Rate Application and I would concur with what Mr. Curley was saying earlier in his member's statement, that it is very confusing. There is a lot of information and analytical data within the document. I think there are over 200 pages within the application itself. Thank you, Mr. Speaker.

Speaker (interpretation): Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Speaker. Given the minister's eye for detail and wanting to make sure that things are done properly, is the minister confident that the information within the GRA is accurate? Thank you, Mr. Speaker.

Speaker (interpretation): Hon. Ed Picco.

Hon. Ed Picco: Thank you, Mr. Speaker. The information within the GRA application has been put forward by the Power Corporation. Again, as we said earlier, it's a submission by the Power Corporation to deal with the issue around the shortfall in revenue funding based on the rates.

I have no reason to question the veracity of the information within the report, but if there are errors within the information that's being brought forward, then I'm sure if the member or any member of the public has information that anything within that application is wrong, then they could make that information known, because the Utility Rate Review Council would need that information when they're making their final evaluation of the proposal. Thank you, Mr. Speaker.

Speaker (interpretation): Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Speaker. Within the General Rate Application I found some very interesting numbers, and although I had thought that this information was secret, I found out that Appendix F does have a fiscal forecast for the Qulliq Energy Corporation for 2004 and 2005.

As the minister indicated yesterday in this House, and I understand it was a ball park figure that he was talking about, it was 11 or \$12 million. I just wonder how big the ball park is because on Appendix F it's forecasting about a \$20 million deficit.

I'm just wondering if the minister could explain the variation, the difference in there. Is the ball park that big, or are there some numbers that aren't right in there. Thank you, Mr. Speaker.

Speaker (interpretation): Hon. Ed Picco.

Hon. Ed Picco: Thank you, Mr. Speaker. Again, under the expectations of any general rate application, the corporation has put together what they believe is a cash flow requirement. Again, they had to be balanced off, based on actual figures and numbers.

What I've been trying to say in the House is that the actual numbers that we have are the first audited financial statement which indicates a little over a \$5 million loss. The second audited financial statement shows a \$7 million loss. And now, we will have in the next couple of weeks, a third financial statement which will show the current loss for this year. And that's why I said I'm not sure exactly what that amount is until the Auditor General signs it off, so there are no changes in those financial statements.

It may be 10 or \$11 million, it may be less than that. That would be for the first three years of the corporation. The projection until March 31, 2005 is part of what makes up the GRA application, because they're taking the guesstimate or estimate of what is available.

In September they didn't have the audited financial statements for the third year of operation, because we don't have them yet, and this is almost December. So, Mr. Speaker, I can say that the amount of \$20 million forecast for a loss, an operating year loss, for the fourth year would seem to be very high, based on 5, 7, and what the amount would be for this year. Thank you, Mr. Speaker.

Speaker (interpretation): Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Speaker. Then this begs the question: are the numbers in there high? If that is way high, then how do we know that the other numbers in there aren't high as well?

Is this something that the minister can commit to: pulling back and taking a look at and making sure that the Utility Rate Review Council has accurate information on which to base its decision. As he had indicated, that number is extremely high. And that's what has been submitted to the Utility Rate Review Council to take a look at in evaluating and determining what the rates should be for the corporation.

So, will the minister commit to pulling it back and analyzing and making sure that all the numbers in that application aren't high? Thank you, Mr. Speaker.

Speaker (interpretation): Hon. Ed Picco.

Hon. Ed Picco: Thank you, Mr. Speaker. The member referred to Appendix F. Mr. Speaker, I had an opportunity to go through Appendix F while the member was speaking. The appendix F in the GRA, the member says, has a deficit of \$20 million; a revenue deficiency is what they're calling it. They made an appropriate assumption, I guess, of

\$19,712,000 as what they forecast as their deficiency up to and including March 31, 2005.

Mr. Speaker, the URRC... That's why you have an independent body review the application; it's not rubber stamped. The URRC has with it the expertise of a utility rate expert who will go through these numbers and see if they jive with the expected forecast and the amounts that are in the application.

Mr. Speaker, it's important to point out that when the third financial statement is available in the next couple of weeks, that will help them balance out what the projections are, up to and including March 31, 2005 and beyond.

The GRA process is to look at balancing the power corporation and having a revenue stream, so that after April 1, 2005 and onward the corporation will be able to balance its books and hopefully generate a little bit of profit. That's what the GRA is for: it's for 2005 onward.

Appendix F... It is my understanding that the forecast is up to and including the period where there is no statement available. And it is a forecast; that's why you have the independent process of the URRC to look at those figures and see what the veracity of them are. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Oral questions, Mr. Netser.

Question 086 – 2(2): Chesterfield Inlet Request for Zamboni Parking Bay

Mr. Netser (interpretation): Thank you, Mr. Speaker. Perhaps if you get a rear view mirror you could see me quicker when I raise my hand. I would like to direct my question to the Minister of Culture, Language, Elders and Youth.

Last fall (interpretation ends) the minister gave a second call for capital projects and the hamlet of Chesterfield Inlet applied to make a zamboni room for the arena. However, the minister has said that he has not received the application.

(interpretation) I would like to get clarification or an update on the application from the Chesterfield Inlet that was sent to your department. Thank you, Mr. Speaker.

Speaker (interpretation): Minister of Human Resources, Hon. Louis Tapardjuk.

Hon. Louis Tapardjuk (interpretation): Thank you, Mr. Speaker. The application for a grant or contribution has been received by our department, but the application was a bit late for 2004-05 fiscal year funds, because those funds were depleted.

I was told that my staff will keep the application from the recreation committee and that once there is more funding in the new fiscal year, that application will still be considered.

I will be writing a letter to the applicant to explain this to him, and the Member for Chesterfield Inlet will be sent a copy of the letter.

Speaker (interpretation): Mr. Netser.

Mr. Netser (interpretation): Thank you, Mr. Speaker. I want to get clarification. When I spoke with the SAO in Chesterfield Inlet, he said that he was going to send the application right away. Although he said that he sent the application, we have heard that your department did not receive any applications from our community. So, we want clarification as to what has happened to the application.

Speaker (interpretation): Hon. Louis Tapardjuk.

Hon. Louis Tapardjuk (interpretation): Yes, we now have the applications. I don't have any further responses to that question. Our department didn't have a copy of the application, but I can look or do a follow-up to find out where it had gone. We now have the second application and that application is going to be kept in our files so that once there is funding for recreation, the application will still be considered.

To this date, for this fiscal year, that funding has been depleted. Thank you.

Speaker (interpretation): Mr. Netser.

Mr. Netser (interpretation): Thank you, Mr. Speaker. Can we get a clarification of who received the second call? Thank you, Mr. Speaker.

Speaker (interpretation): Hon. Louis Tapardjuk.

Hon. Louis Tapardjuk (interpretation): Although I don't have that information in front of me, I think I understand. I think he is asking me who was given some funding assistance. Is that correct?

Speaker (interpretation): Mr. Netser.

Mr. Netser (interpretation): Thank you, Mr. Speaker. I want to get a clarification as to who received the second call for capital projects after the minister had tabled the information.

Speaker (interpretation): Thank you. Hon. Louis Tapardjuk.

Hon. Louis Tapardjuk (interpretation): I don't have the information for the second call and as to who was given some funding at the first call, but I can inform the member through a letter as to who was given financial assistance for they are now confidential. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Oral questions. Mr. Barnabas.

Question 087 – 2(2): Conditional Sentences/Mental Health Assessments

Mr. Barnabas: My question is directed to the Minister of Justice. Earlier, in my member's statement, I said that I would ask questions to the minister on the conditions judges apply to offenders.

The main concerns that my constituents have is when a judge orders an offender to seek counselling from a mental health worker; in most small communities there are no mental health workers.

Are judges aware of what services can be provided in the smaller communities and are they kept informed on the availability of these services? Thank you, Mr. Speaker.

Speaker (interpretation): Minister of Justice. Hon. Paul Okalik.

Hon. Paul Okalik: Thank you, Mr. Speaker. There have been a lot of expenses incurred by justice on mental health assessments. To my knowledge, we have had to get a supplementary appropriation last year just to handle mental health assessments, court-ordered assessments.

So, it is something that we have been working on, and hopefully we can work something out with Health so that we can make it a bit more affordable for all of our communities in Nunavut. Thank you, Mr. Speaker.

Speaker (interpretation): Mr. Barnabas.

Mr. Barnabas (interpretation): Thank you, Mr. Speaker. What alternatives does the department offer if no mental health worker is available in the community? Thank you, Mr. Speaker.

Speaker (interpretation): Mr. Premier.

Hon. Paul Okalik (interpretation): Thank you, Mr. Speaker. The Department of Health and Social Services will be working with our department on how we can make mental health workers more available in the communities.

The department of health is now working towards closer-to-home treatments and through that we are able to use telehealth. We have used telehealth to provide mental health services, according to my knowledge.

Therefore, we will have to work further on this. Thank you, Mr. Speaker.

Speaker (interpretation): Mr. Barnabas.

Mr. Barnabas (interpretation): Thank you, Mr. Speaker, and I would like to thank the minister for giving me a response and clarification. Some individuals would like to be counseled face to face, and in the smaller communities that I represent, mental health workers have not gone into the communities. I was wondering why mental health workers have not visited those communities.

Speaker (interpretation): Mr. Premier.

Hon. Paul Okalik (interpretation): Thank you, Mr. Speaker. I'll have to work closely with the Department of Health and Social Services, for that department is more responsible for this. So, I could look into that issue. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Oral questions. Mr. Peterson.

Question 088 – 2(2): Update on Qulliq Energy Corporation's Corporate Controls

Mr. Peterson: Thank you, Mr. Speaker. My question is for the minister responsible for the Energy Corporation.

The Auditor General of Canada told the standing committee last summer that QEC was in bad shape financially. I've got 1,000 pages of minutes to that effect on the Qulliq Energy Corporation.

Our standing committee concluded, among other things, that the Qulliq Energy Corporation was poorly managed and that huge inefficiencies exist in management, accounting, billing, and general operating systems.

I would like to ask a question to the minister. The Auditor General's audit took place in 2003. Can the minister tell us what, in terms of financial controls, needs to be instituted in order to improve the financial health of QEC since 2003? Thank you, Mr. Speaker.

Speaker (interpretation): Minister of Energy, Mr. Picco.

Hon. Ed Picco: Thank you, Mr. Speaker. The Auditor General's report for 2003, and the member is correct, was brought forward, and we got a draft copy of it, I believe, in the spring of this year, 2004, and it reflected the previous 12 months which, now, is 16 months ago.

In that time many of the recommendations that were made by the Auditor General of Canada have been implemented. A good example is the Crown Agency Council that reviews all Crown agencies of the government.

Mr. Speaker, extra accountants and financial administration people were hired by the Corporation, the Corporation adopted the excluded handbook for employees to bring those costs in line with the Government of Nunavut, and there are many other similar occurrences that have occurred on that file since the audit. Thank you, Mr. Speaker.

Speaker (interpretation): Mr. Peterson.

Mr. Peterson: Thank you, Mr. Speaker. Two years ago when I was mayor at the hamlet of Cambridge Bay, the Power Corporation tried to invoice hamlets for under-billed charges, due to incompetence from previous fiscal years. We flat-out refused to pay those bills.

Would the minister explain to the House if this practice is still occurring, the practice of invoicing customers for services that QEC forgot to invoice, stretching back for one or two previous fiscal years? Thank you, Mr. Speaker.

Speaker (interpretation): Hon. Ed Picco.

Hon. Ed Picco: Thank you, Mr. Speaker. As of April, 2004, a new billing system was put into place by the corporation to deal with the issues around the late billings and so on that the member has talked about.

So, it is my understanding from the corporation that the new billing service that was put into place in April of 2004 has had the desired effect. I hope that helps clarify the question to the member. Thank you, Mr. Speaker.

Speaker (interpretation): Mr. Peterson.

Mr. Peterson: Thank you, Mr. Speaker. It helps clarify a little bit, but most of the customers in my riding have been receiving form letters from Qulliq Energy Corporation in the past month. It's right here. I'd read the whole thing but it's a bit long. It's telling them that Qulliq Energy Corporation has under-billed them on base charges for years.

The base charges are \$40 per meter and the period of under-billing goes back at least 17 months, maybe longer. Some commercial customers, including the local housing organizations, have been asked to pay up to \$15,000 for under-billings, and that effect could be in the millions, depending on if it's just in Cambridge Bay or right across Nunavut.

So, my question for the minister is how many commercial customers and meters in Nunavut are affected by this under-billing? Thank you, Mr. Speaker.

Speaker (interpretation): Hon. Ed Picco.

Hon. Ed Picco: Thank you, Mr. Speaker. The member has raised some interesting observations from the hamlet of Cambridge Bay. I would like to take this opportunity to ask the member to provide a copy of that to me, as the minister, so that we can actually follow it up.

I'm not aware of how many cases of this type of billing occurred. My understanding is that the corporation issues thousands of invoices on a monthly basis, and the billing service that they put in place in April has been having the desired effect. But at the same time, I'm sure that there's room for improvement, so if the member would make the information known to me... . If he wants to table it or whatever, I would be able to follow up directly with the corporation and see what the issue is.

When we look at the issue around the housing corporation and the housing associations, as the member knows, almost 80 percent of all the revenue generated from those organizations comes directly from the Government of Nunavut, and it's millions of dollars that are under-collected, then a majority, 80 percent, of the cases, would probably be the Government of Nunavut having to pay it. So, that has issues for us as a government, not only on the customer side but on the accounts payable side. Thank you, Mr. Speaker.

Speaker (interpretation): Your final supplementary, Mr. Peterson.

Mr. Peterson: Thank you, Mr. Speaker. I will table this letter for the information of the House later today. Most of the commercial customers in my riding of Cambridge Bay are what we call "triple A." They pay their bills every month, or when they get the bills. So, you can imagine the surprise to get a letter saying you owe another \$15,000.

My question for the minister is: what plans does the QEC have to penalize commercial customers in my riding and elsewhere in Nunavut if they refuse to pay the other billings that are a result of a system failure as described in the letter. Thank you, Mr. Speaker.

Speaker (interpretation): Hon. Ed Picco.

Hon. Ed Picco: Thank you, Mr. Speaker. There are different remedies available under contractual law that are in place not only for the member's riding, but for the residents of Nunavut. I would assume that the issue would be dealt with by the board of directors, and they would have to look at each individual case.

Now, Mr. Speaker, I don't have a copy of the letter so it's very difficult for me to speak to that comment. In general terms, I can say that if the corporation has failed to collect over a period of time and that money is owed, then the corporation will expect to receive that money. It's no different than if you owe X number of dollars for a service, such as your cable bill, and you haven't been billed for it for six months and then you receive a bill: if you were receiving the service, you would be expected to pay.

That type of contractual obligation is in place in the law, so I would expect that the corporation, the board of directors, would look at the issue, administratively as well as logistically and financially, to see what is the best course of action. I'm not in a position at this time to second guess what their action would be. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Oral questions. Mr. Curley.

Question 089 – 2(2): Status of Recommendations in Ikuma I and II Reports

Mr. Curley (interpretation): Thank you, Mr. Speaker. I would like to direct my question to the Minister of Energy.

We would like to have clarification on *Ikuma I* and *Ikuma II*. I'm sure that the minister has read both of these reports, but I don't understand what's happening here. I'm sure that a team of consultants wrote these reports. My question is: are all the recommendations in these two reports approved by the cabinet?

Speaker (interpretation): Hon. Ed Picco.

Hon. Ed Picco: Thank you, Mr. Speaker. A lot of effort and work went into the project called *Ikuma I* and *Ikuma II*, which was to look at energy-related areas for the Government of Nunavut, the latest foundation, as it were, or where we were going to move after division of the corporation.

Mr. Speaker, some of the recommendations from that *Ikuma I* report followed up into *Ikuma II*, which was to come forward with an affordable energy fund and some other issues including the setting up of the Qulliq Energy Corporation and its subsidiary company, the Nunavut Power Corporation, as well as the Qulliq Fuel Corporation.

The *Ikuma II* report, Mr. Speaker, lays out pretty well the situation on what we are paying for energy in Nunavut. So for example, Mr. Speaker, I believe the *Ikuma II* report, which was tabled almost two years ago in the Legislative Assembly, points out that over \$120 million, at that time almost 25 percent of the total budget of Nunavut, went in the direction of providing fuel- and energy-cost related matters to the Government of Nunavut. That is a huge sum of money.

Ikuma II pointed out some economies of scale, some initiatives that would be available to take care of the issues around the energy matter. So, for example, bringing forth the QEC, looking at the integration of the Qulliq Fuel Corporation, that is, taking POL and putting it into a separate corporation, and making what the real cost of energy is in Nunavut visible to the communities. Thank you, Mr. Speaker.

Speaker (interpretation): Mr. Curley.

Mr. Curley (interpretation): Thank you, Mr. Speaker. I haven't got a response to the question that I posed to the minister.

There are quite a lot of recommendations in these reports. Were they just tabled here, or were they approved by the government to make sure that all these recommendations are implemented and not to worry about the cost?

My question is: have these recommendations been approved by the cabinet? Thank you.

Speaker (interpretation): Hon. Ed Picco.

Hon. Ed Picco: Thank you, Mr. Speaker. The recommendations were filed within the report. The report itself was approved by the cabinet and the minister responsible at the time, me, when they tabled it, coming from the minister, which would have been the government.

But there were recommendations within the report itself. We had tabled the report, the report was endorsed by the cabinet, and I mentioned some of the recommendations: the affordable energy fund that we are working on, the Qulliq Fuel Corporation, and so on; these were recommendations from the report that had been adopted and followed through by the government. So, in that sense, the report was tabled by the government and was a report of the government. Thank you, Mr. Speaker.

Speaker (interpretation): Mr. Curley.

Mr. Curley: Thank you, Mr. Speaker. It appears that the minister, when the matter of *Ikuma II* recommendation comes in, would just shut his eyes and put his finger on a particular part and say, "Oh, this one, this particular part does apply."

It appears to be that way with respect to Kivalliq region, because the report does strongly recommend that the fuel and dry cargo not be split, due to the fact that there is limited business operating for the suppliers.

So my question is this: will the minister recommit himself, as a minister responsible for the major consumer, Nunavut Power Corporation, that the fuel contract be aligned and returned to dry cargo within the Kivalliq?

Speaker (interpretation): Mr. Picco.

Hon. Ed Picco: Thank you, Mr. Speaker. As I said earlier, the two reports were quite weighty volumes; I see the member has been holding the two reports up. There were recommendations within the report. The contract for fuel that was at length for the Kivalliq was done through government process.

There are some economies of scale, as the member has talked about. At the same time, there was other information provided during that decision that lends itself to doing the proposal for the delivery of fuel, the way it was awarded.

So, the *Ikuma* report was brought forward, like many reports within the House, and tabled by the minister; a lot of the recommendations have been adopted. Some might have been superseded by events in time.

I would suggest to you, Mr. Speaker, one of them may be the cargo. I believe that the minister responsible has indicated before that at the end of that contract period, we will

be able to look at the evaluation of the process and see what the economies of scale were, what the savings, and so on, were, and move forward. That is my understanding of that process. Thank you, Mr. Speaker.

Speaker (interpretation): Your last supplementary. Mr. Curley.

Mr. Curley (interpretation): Thank you. That is the understanding that I had. If we were going to combine both the dry cargo and the fuel, then it would lower the costs associated with it to the consumers and to the construction companies. That is what it says in the report.

Would the minister possibly look at the idea of putting those two together again, the dry goods and the fuel?

Speaker (interpretation): Minister Picco.

Hon. Ed Picco: Thank you, Mr. Speaker. That process and project is not under the Minister of Energy, it is a different portfolio. What I can say, and say very clearly, is there were other mitigating factors and circumstances when that contract was awarded. One was the shipping distance and so on. There were quite a few other contingent factors.

I believe the member is asking me to make a commitment that I am not able to make. What I can say is that I know the process, and I know the members, here, will have an opportunity at the end of that contract period to be able to review and to do an analysis.

The member has raised, in this House, in the last few days, that he has concerns with the way the contract is actually being delivered, and is it cheaper? Mr. Speaker, at the end of the day, this government wants to get the best value for the dollar spent. That will be part of the evaluation process that will be put in place for that contract.

Mr. Speaker, I am not the minister that would make that commitment because I am not the minister responsible for the cargo contract; however, I can say to the member of this House that I would believe that the appropriate minister would be bringing forward the evaluation of that process. That will be a fully transparent process where the members will have their input, including the member.

So I appreciate the member's question. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Oral questions. Mr. Tootoo.

Question 090 – 2(2): Utility Rate Review Council Receiving Monthly Updates

Mr. Tootoo: Thank you, Mr. Speaker. I am kind of lost. I am wondering whether I should believe any of the information in the General Rate Application. The minister responsible had indicated roughly a \$10 million difference between the numbers they are projecting in the General Rate Application and what they are actually looking at this year.

Mr. Speaker, it worries me that inaccurate information has been given to a body to evaluate and determine rates that will effect every single person in Nunavut, including the government. I think it is important that accurate information is there so that you can make the best informed decision possible.

The minister indicated that they are getting regular, it is supposed to be monthly, but regular updates of financial information from the corporation. Is the Utility Rate Review Council getting that information as well, or is it something that the government is just keeping to itself? Thank you, Mr. Speaker.

Speaker (interpretation): Minister of Energy, Hon. Ed Picco.

Hon. Ed Picco: Thank you, Mr. Speaker. I don't think that the government is that strategic, on this side, that we are trying to hide things. I think it is very important to say that the member has said that he has read the General Rate Application.

Part of the General Rate Application is a statutory declaration by the CEO. Mr. Robert Gunn, the CEO of the Power Corporation says, I will read it, "The 2004 General Rate Application, GRA, of the Energy Corporation and supporting documents will be provided to the Minister of Energy. To the best of my knowledge, the statements and facts contained in these documents are true. I make this sound declaration conscientiously..." and so on. The declaration was signed on September 15.

As I said earlier, I have no reason to question the veracity of the information found within the General Rate Application. If the member had pertinent information that he would like to bring forward, he has the right, again as does any other citizen in Nunavut, to do that, which is why the process of the General Rate Application goes forward. The corporation makes their best case, the Utility Rate Review Council is providing that check and balance, and they review that information and verify it.

The member said that he needs verifiable information, Mr. Speaker, and I have said several times over the last two days that we only have two audited statements from the Auditor General for Canada; you can't get any better statements than that.

The third statement should be available over the next couple of weeks, as I have said. Once those are received, they will be available in February when the Utility Rate Review Council looks at it. Three audited statements from the Auditor General for Canada.

The General Rate Application, however, as we have promised in 2003, would be delivered in 2004. The Power Corporation has made its best estimates of what they believe the revenue requirement would be and that is what they are putting forward. So, those checks and balances are in place. Thank you, Mr. Speaker.

Speaker (interpretation): Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Speaker. The minister still never answered the question that I asked. That current information, that's regular, is supposed to be monthly; according to the government's response to the Auditor General's recommendation, it is supposed to be getting these regular updates of financial information from the corporation.

Is the URRC getting that same information? Thank you, Mr. Speaker.

Speaker (interpretation): Hon. Ed Picco.

Hon. Ed Picco: Thank you, Mr. Speaker. It's my understanding that the Utility Rate Review Council has the weighty volume of the application. Mr. Speaker, if pertinent information comes forward during this process, then the URRC would look at it. For example, if the member has some information that he would like to share, then the URRC will have an opportunity to look at that information.

At the same time, if something extraordinary is occurring within the corporation that they believe the Utility Rate Review Council should be made aware of, within their financial statements, for example, if they received an interim financial statement that was off 30 or 40 percent, they would also make that information known to URRC. Because it would impact on that rate application and on the rates that would come forward in April 1, 2005. So, that's the way the process is set up.

My understanding is also, Mr. Speaker, that on a monthly basis, the Department of Finance is in contact with the Qulliq Energy Corporation, ascertaining the requirements of the corporation and so on. So, those things are occurring.

Speaker (interpretation): Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Speaker. I guess, as the minister indicated, if there was doubt that there was pertinent information that was out that the Utility Rate Review Council needed to know, I believe they used a figure of 20 percent or something like that... . If you look at almost \$20 million, and roughly what the minister was ballparking yesterday was in around \$11 million, that's almost a 50 percent difference.

Would the minister not consider that pertinent information that URRC would need in order to properly evaluate the information that it has in time? Thank you, Mr. Speaker.

Speaker (interpretation): Hon. Ed Picco.

Hon. Ed Picco: Thank you, Mr. Speaker. What I said in the House was this: I said we had the audited financial statements for the year one, which we received in December 2002. It indicated an operating deficit of \$5.2 million. The second audited financial statement that we received last year, Mr. Speaker, indicated a loss of \$7 million.

This year, the one I'm waiting for right now, I said in the House, may be a loss of 10 to \$11 million or 10 to \$12 million, within that ballpark. I don't have those audited financial

statements signed off by the Auditor General of Canada. So, when I receive those statements, Mr. Speaker, then I would be able to show them. I said I will have them to table, for sure, in February in the House, and we will be able to look at them and the member can see it.

Right now, the best guesstimate I have, and again we've said and as the Premier has said, we don't want to get into guesstimates. So, between 10 to \$12 million, probably, would be that loss for this year. As of March 31, 2005 it will take us six or seven or eight or nine months to get those statements, as is occurring right now. We won't have those statements until, probably, September 2005. So, I would expect at that time we would be able to look at the statements that are available.

In the meantime, in the next two or three weeks when we receive the audited statements for the third year of operation, that information will immediately be given to the URRC so they can ascertain what is needed for April 1, 2005, because we actually will have verifiable audited statements signed off by the Auditor General of Canada. So, that's what I'm trying to bring some clarity to. Thank you, Mr. Speaker.

Speaker (interpretation): Your final supplementary, Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Speaker. Again, the government has, whether it is the Department of Finance or the Minister of Energy, current, accurate information, I would hope.

As the minister indicated, that current accurate information is that they're looking at a 10, 11, \$12 million deficiency this year.

The information that is in the General Rate Application is projecting, approximately, a \$20 million deficiency. That's almost 50 percent out. Does the minister not feel that that's pertinent information? That this current information is not pertinent for the Utility Rate Review Council to have so that they can see these numbers prior to them having to give the report back to the minister?

If we wait until February to get those statements, the decision is going to be made and then the information is going to come out. I mean, 50 percent, that's a huge discrepancy. So, I would like to ask the minister if he will commit to, whether it be himself or the Minister of Finance, providing that current actual variance information to the Utility Rate Review Council, so that they can get some accurate figures to be able to base their decision on before it's too late. Thank you, Mr. Speaker.

Speaker (interpretation): Hon. Ed Picco.

Hon. Ed Picco: Thank you, Mr. Speaker. This is part of the whole process, as Mr. Curley had said, around the GRA application: misinformation. Mr. Speaker, I have said it now and I'll do it once more: within the next two weeks we should have a copy signed off by

the Auditor General of Canada for the third-year operating expenses of the Power Corporation.

Mr. Speaker, that information will be made known to the URRC. They will have that information long before February 1. As soon as the cabinet has a copy and I as the Minister have a copy, we will be providing it to the URRC, and they'll have that information in the next couple of weeks.

Mr. Speaker, at the same time, the URRC, when they're looking at all the information that they've received from the submission between the December 17 and February 1, when they're writing their report, will have an opportunity to request to the Qulliq Energy Corporation, to the power corporation, interim financial statements; again, to make sure of the projections that have been made.

So, Mr. Speaker, they won't be waiting until February 1, to have that information. We should have, as I've said many times, the third audited financial statement in the next couple of weeks, signed off by the Auditor General of Canada. We will make that information known to the URRC long before they write their report. And, as I said earlier, I would table those, then, in February, in the House.

At the same time, on February 1, they have to return with their review of the GRA application. At that time we'll have the audited financial statements, and I'm sure that we'll have an opportunity to look at that in the House. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Oral questions. Mr. Curley.

Question 091 – 2(2): Fuel and Dry Cargo

Mr. Curley (interpretation): Thank you, Mr. Speaker. I would like to direct my question to the minister responsible for Petroleum Products. In this report, page 21, I think they were going by that book, it states that fuel and dry cargo are very expensive, especially in the Kitikmeot and Keewatin.

I wonder if the minister can support the fuel and dry cargo issue, to find out if they can be put together, would it be cheaper. Does he support this idea or doesn't he, and why?

Speaker (interpretation): Minister of Community and Government Services, Hon Peter Kilabuk.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Speaker. I understand his concern, and I'd like to address the concerns of fuel transportation in the Keewatin. We fully understand them. The Department of Community and Government Services is presently preparing for when the current contract will expire on March 31, 2006. The contract for fuel delivery is due to expire this year.

I can tell the member that we are in support of this, but we want our study to be understandable by everyone. Then we will advise him as to what further action we will take. Thank you.

Speaker (interpretation): Mr. Curley.

Mr. Curley (interpretation): Thank you. The *Ikuma II* report has indicated that the fuel, on page 22... (interpretation ends) "...consider dry cargo and fuel together." (interpretation) It's stated like that. Why didn't you go by that? Maybe this whole book is not implemented?

Speaker (interpretation): Mr. Premier.

Hon. Paul Okalik (interpretation): Thank you, Mr. Speaker. We went through the recommendations and we agreed to them, but we are trying to find some ways of how we can do things the most economically because of financial restraints. That's the system we are presently using. Thank you, Mr. Speaker.

Speaker (interpretation): Mr. Curley.

Mr. Curley (interpretation): Mr. Speaker, was it cheaper that in the Keewatin, at the present, businesses are going through very difficult times? If this were happening in the Baffin region, then you would feel it. So, after the split of fuel and dry cargo, why weren't they thinking about this?

Speaker (interpretation): Mr. Premier.

Hon. Paul Okalik (interpretation): Thank you. They want us to use the most economical ways to operate it, and anybody was able to try, so we agreed to theirs. Upon the expiration of the contract, we will do a further review. Thank you, Mr. Speaker.

Speaker (interpretation): Final supplementary, Mr. Curley.

Mr. Curley (interpretation): We are not joking around. The people show high respect for this House.

In Keewatin, there are businesses thinking whether they should order from Montreal or Manitoba. They don't know any suppliers in Montreal, so you should make an exception because it states there that there isn't a lot of competition in Keewatin.

This should be supported, just like the Kitikmeot can't break away from NTCL too.

Speaker (interpretation): Mr. Premier.

Hon. Paul Okalik (interpretation): Thank you, Mr. Speaker. We try to look for the most economical ways because money doesn't grow on the land. We will scrutinize this to figure out how it would be most economical in the second year. Thank you, Mr. Speaker.

Speaker (interpretation): Question period is now over. Going back to the orders of the day. Item 7. Item 8. Item 9. Item 10. Item 11. Item 12. Item 13. Tabling of Documents. Mr. Kilabuk.

Item 13: Tabled Documents

Tabled Document 028 – 2(2): Rankin Inlet Gasoline Test Results from October 2004

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Speaker. I am very pleased to table this in regards to the Rankin Inlet Gas Report for the year 2001, the Inspection Report. Thank you.

Speaker (interpretation): Thank you. Item 13, Tabling of Documents. Mr. Peterson.

Tabled Document 029 – 2(2): Adjustments Applied to Commercial Accounts

Mr. Peterson: Thank you, Mr. Speaker. I'd like to table a letter from the Nunavut Power Corporation to commercial customers in Cambridge Bay dated October 13, 2004, entitled "Adjustments Applied to Commercial Accounts." Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Tabling of Documents. Mr. Kilabuk.

Tabled Document 030 – 2(2): Nunavut Housing Corporation's Annual Report 2002-2003

Hon. Peter Kilabuk: Thank you, Mr. Speaker. My apologies, Mr. Speaker. I wish to table the following document, the Nunavut Housing Corporation's annual report. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Tabling of Documents. Tabling of Documents.

Tabled Document 031 – 2(2): 2003/04 Annual Report of the Information and Privacy Commissioner of Nunavut

I have to table a document. Honorable members, I wish to table the 2003-04 annual report of the Information and Privacy Commissioner of Nunavut pursuant to Section 68 of the Access to Information and Protection of Privacy Act.

Tabling of Documents. Item 14, Notices of Motions. Mr. Tootoo.

Item 14: Notices of Motions

Motion 002 – 2(2) Re-Appointment of the Information and Privacy Commissioner of Nunavut – Notice

Mr. Tootoo: Thank you, Mr. Speaker. I give notice that on Monday, November 29, I will move the following motion;

Now therefore I move, seconded by the Honourable Member for Arviat, that Ms. Elaine Keenan-Bengst, be reappointed as the Information and Privacy Commissioner of Nunavut for a term of five years, effective the day of passage of this motion.

Mr. Speaker, at the appropriate time I will be seeking consent to deal with my motion today. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Item 14. Item 15. Item 16, Motions. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Speaker. Mr. Speaker, I would like to seek consent to deal with my motion today. Thank you.

Speaker (interpretation): The member is seeking unanimous consent to deal with his motion today. Are there any nays? There are no nays. Mr. Tootoo.

Item 16: Motions

Motion 002 – 2(2): Re-appointment of the Information and Privacy Commissioner of Nunavut

Mr. Tootoo: Thank you, Mr. Speaker.

WHEREAS the purpose of the *Access to Information and Protection of Privacy Act* is make public bodies more accountable to the public and to protect personal privacy;

AND WHEREAS the Commissioner, on the recommendation of the Legislative Assembly, shall appoint an Information and Privacy Commissioner to carry out the duties and functions set out in the Act;

AND WHEREAS the position of Information and Privacy Commissioner is presently vacant;

NOW THEREFORE I move, seconded by the Honourable Member for Arviat, that Ms. Elaine Keenan Bengts be re-appointed as Information and Privacy Commissioner of Nunavut for a term of five years, effective the day of passage of this motion.

Thank you, Mr. Speaker.

Speaker (interpretation): The motion is in order. Are there any comments to the motion?
Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Speaker. I am very pleased to be able to speak briefly on this motion and before I go forward, I would like to just again, welcome, Ms. Bengst, here in the Gallery, she is sitting here.

This position is appointed by the Commissioner of Nunavut, as I pointed out, on the recommendation of the Legislative Assembly pursuant to *Access to Information and Protection of Privacy Act*.

The Information and Privacy Commissioner has a broad range of responsibilities under the Act including monitoring government compliance with legislation, the act is intended to make public bodies more accountable to the public and to protect the personal privacy by giving the public a right of access to records held by public bodies, giving individuals a right of access to and a right to request corrections of personal information about themselves held by public bodies, specifying limited expectations to the rights of access, preventing the unauthorized collection and use or disclosure of personal information by public bodies, and providing for an independent review of decisions made under the Act.

This is a very important watchdog position and keeping the government accountable. As some members will know, I sat on the committee that originally recommended that Ms. Bengst's appointment back in 1999.

She is a long-term northerner and is an active non-resident member of the law society of Nunavut and the committee looks forward another term of a good working relationship with her in her second term of office. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Are there any comments? There is a motion. All those in favour? Opposed. Abstentions. The motion is carried.

>>*Applause*

Going back to the Orders of the Day. Item 16. Item 17. Item 18. Item 19. Consideration in Committee of the Whole on Bills and Other Matters. Bill 4. Appropriation Capital Act 2005-06, with Mr. Arreak on the Chair. We will take a 20-minute break.

Sergeant-at-arms.

>>*House recessed at 15:09 and resumed at 15:41*

Item 19: Consideration in Committee of the Whole of Bills and Other Matters

Chairman (Mr. Arreak)(interpretation): Thank you for coming back. (interpretation ends): In the Committee of the Whole we have the following items to deal with, Bill 4 Appropriation Capital Act 2005-2006. What is the wish of the committee? Mr. Evyagotailak.

Mr. Evyagotailak: Thank you, Mr. Chairman. We wish to continue with review of the capital for the Department of Community and Government Services followed by the Department of Education. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Evyagotailak. Are we in agreement with that? Department of Community and Government Services, agreed?

Some Members: Agreed.

Chairman (interpretation): Thank you. Minister Kilabuk, do you have witnesses that you would like to bring to the table?

Hon. Peter Kilabuk: Yes I do, Mr. Chairman.

Chairman: Does the committee agree to bring the witnesses to the table? Agreed?

Some Members: Agreed.

Chairman (interpretation): Thank you.

Sergeant-at-Arms.

Minister, for the record, please introduce your witnesses.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Speaker. We have our Deputy Minister, Tom Rich, and Doug Sitland, our Capital Planner. Thank you, Mr. Chairman.

Chairman: Thank you, minister. Before we proceed I would like to remind members of the following: According to Rule 77 (1) we have 10 minutes to speak. According to Rule 77 (2), subject to discretion of the Chair, a member may speak more than once to a matter under discussion but not until every member wishing to speak has spoken.

I suggest to members that wherever possible you ask your detailed question during the page-by-page review of the departmental estimates. Do members have general comments? Mr. Curley.

Mr. Curley (interpretation): Thank you. With the mission statement and what we were talking about yesterday, most of the departments and the social and economic

opportunities in self-governing and sustaining communities, that is the main mission of most of the departments in government.

I'm not sure exactly how your department operates, as the Community and Government Services. It seems like there is a close link between the Department of Transportation and you do use a large chunk of your budget for re-supply, and so on.

So, I'm not sure who does the policies on those issues. If we should look back on the comments that are made in regards to dry goods, I don't believe that one department can make that decision.

I'm sure that it's up to the Premier to give that direction, because there is an interlink between all the departments. I think there are more shipping companies that are owned by companies outside of Nunavut.

Sixty years ago, the transportation of dry goods and fuel started being supplied to the north. The federal government was the ones who administered the ships following the shipping zones.

One comment that I would like to make is that it's totally different today than it was 60 years ago. There are publications of cargo rates and we have an idea of what it's going to cost for that year but in regards to shipping, the rates are never published.

Usually these shipping companies have two year contract. If we look at Northern Quebec as a model, the coast guard and the government do not give contracts. It's a free market now in Northern Quebec.

At the appropriate time, I will be asking if you will consider going to a free market, and if that should be the case, it would be open. There is one particular company in the Keewatin who doesn't have the supplying contract and the ships that are now coming to the Keewatin come from Quebec or Montreal.

If we're going to follow through with your mission statement, I believe that we should look at other options like going into the free market. Those are the comments that I wanted to make. Thank you.

Chair (interpretation): Thank you, Mr. Curley. We're on general comments and page J-5. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. I'd like to welcome the Minister and his officials to our meeting. I just wanted to make a few quick comments and we've talked about this many times over years, various capacities.

My capacity as mayor, and Nunavut Association of Municipalities and now Member of the Legislative Assembly, it feels like I'm talking to the same guys and it's the same story, but we have a current municipal infrastructure that's \$350 million in Nunavut, 26

communities. That's quite a large deficit. Canada-wide it's \$60 billion. Those are huge numbers. I'm looking at your capital estimates for the next fiscal year where \$24 million. So, it's not a lot of money to deal with a \$350 million deficit.

That's the reality and the only way I can see getting help in Nunavut, is you have to get some help from Ottawa. There is no question about that. I asked the Minister yesterday about the upcoming negotiations in Ottawa, the gas taxes, and hopefully we get some help there. I think in the long-term, we have to look at improving the waste and water treatment systems.

I recall reading a business plan from the last time we met in May; there is a 65 percent failure rate when you waste water, your sewage lagoons. It has been fairly recent that I think in the Baffin, I guess it's really problematic and particularly up in Cape Dorset.

So I think in the long-term, we have to start looking at mechanical systems to improve it. It will create some business opportunities and training opportunities for people.

The same with solid waste pumps, we have solid waste pumps that are, not in every Nunavut community, but I have heard of stories that they are really a serious problem in every communities.

I know in Cambridge Bay it's a problem, it's blowing across the town, it's blowing across the tundra, it's blowing all over the place. So we have to take a look at mechanical systems there and possibly incinerators and tying them with our waste recovery wherever it's available.

I know that they said that there has been some tests done in the north, I think in the Mackenzie area to be tested in the tar sands in Alberta, I think that there is even system up in a lake that they are using.

I think long-term, thinking where it's long-term, five to ten to fifteen years in that range, this could be very important for Nunavut because, as the Premier and the government has stated, they are looking for progress in devolution within this term of government. I think one of the things that the Government of Canada will recognize; can we look at our environment up here.

The federal minister, when he gets sued by the environmentalist groups, the Sierra Club, or Canadian Arctic Resource Committee, and all that, and he loses, when it happens down south, it's a 4 to \$5,000,000 settlement, and that they have to pay those groups and those groups turn around and use the funds to launch other law suits.

So it's only a matter of time before those departmental groups start launching law suits against the Government of Canada that is applicable in Nunavut, and it will tie in with us and put more pressure on the limited funds that you have.

It's quite conceivable. A lot of it that concur with capital estimates, the funds that the Government of Nunavut has available, could go to waste water and solid waste dumps, there would be more money available for tank farms, or any other infrastructure. This can't happen because there are huge demands from all municipalities for community halls, ice arenas, hamlet buildings, and so on, and so forth.

I think we are going to have to, as a group, Members of the Legislative Assembly and ministers have acted collectively, put all our energy, strength into working together to lobby the powers that be in Ottawa. And it creates problems, the reality up here is we need help. We don't have the capability of our own to raise that money.

Ninety percent of our funds come from the federal government as it is until we get our economy going. I think that's going to continue and that could be continued for the next five to ten years, as well. So it's a serious, serious matter, but I think we are going to have to keep that in mind. Those are my opening comments, Mr. Chairman, thank you very much.

Chairman (interpretation): Thank you, Mr. Peterson. Mr. Alagalak.

Mr. Alagalak (interpretation): Thank you, Mr. Chairman and welcome. I would like to see you go back to the witness table. Usually what happens is some of the capital projects are built in the middle of the year and what usually happens is that they don't expend the total amount that was allotted for that program, or a project, and then the portion that they didn't use is sent back to the general pot.

There are some communities that don't have gravel pits anymore and of course they do need capital to have those gravel pits, and to have the equipment, and so on.

Those requests that are made by the hamlets are extremely important and essential to the operations of the municipality. It takes careful consideration by the hamlets to make sure that the equipment are appropriate for their communities.

When you're setting up your capital budget, as a government, the recommendations that were sent by the hamlets are not factored in, when the government is setting up their capital estimates.

It's not a very happy experience for the hamlets in those cases, and the municipal government starts saying that the government is not listening to the needs identified by the communities.

When we're setting up the capital estimates, I think that we should place the community needs on a priority basis. Just this past winter, we lost some equipment. For example, in the Keewatin region, we have absolutely no idea what we're going to do this summer.

We're working with the Manitoba private businesses, and we use a lot of businesses in the south to order in food, equipment, supplies and so on. So, it's very hard to know which would have the most competitive price.

The consumers are having a hard time these last few years because they have to order all the way from Montreal instead of ordering from Manitoba. I think it's very important that your department seriously think about the kinds of impacts that your decisions make on these issues.

We should be totally working for the government. We should think about the individuals out there, the businesses that are out there that are impacted by the decisions. It is something that we're not doing anymore, when we don't factor in the needs that are identified.

I wanted to make those comments. When we start reviewing these page by page, we'll identify where they should be. Thank you, Mr. Chairman.

Chairman: Thank you. I have no more names on my list. Turning to page J-6. Do you have any questions on page J-6. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. I have a question on the Government of Nunavut-Iqaluit contribution agreement, \$4 million. I understand there is a long term agreement in place with the City of Iqaluit.

I don't believe there are similar agreements in place with any other municipality in Nunavut. To my knowledge, all the other communities have to go through an annual capital planning exercise at the community level, and then compete with each other more or less to receive funds, whereas the City of Iqaluit automatically gets \$4 million.

Could the minister explain how that system or process works? Thank you, Mr. Chairman.

Chairman: Thank you. Minister Kilabuk.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. Yes, the member is correct so far as to say that Iqaluit is handled differently because the City of Iqaluit is the only tax based community in Nunavut. I'll also remind the members that the funding we provide also is dependant on the capital project list, approved, also by the Minister of the Department of Community and Government Services. Thank you, Mr. Chairman.

Chairman: Thank you, minister. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. I guess the logical question to ask would any other municipality, once they become a municipal taxing authority, would they be able to, for the similar funding agreements? Thank you, Mr. Chairman.

Chairman: Minister Kilabuk.

Hon. Peter Kilabuk: That is correct, but I'll also remind you, which I should have said in my first comments that the projects for Iqaluit are cost-shared with the City. Thank you, Mr. Chairman.

Chairman: Thank you, minister. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. Could the minister tell us for the record how that annual funding has been working so far? I think it's two years, three years since it's gone in place. Could the minister explain how it's been working since then? Thank you, Mr. Chairman.

Chairman: Minister Kilabuk.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. Right now the Department of Community and Government Services contribution is based over six years for the City of Iqaluit. Thank you, Mr. Chairman.

Chairman: Thank you, minister. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. I was asking for more information on what is your experience in terms of City of Iqaluit receiving that \$4 million and utilizing it to the best possible purposes? Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Minister.

Hon. Peter Kilabuk: If I did understand my colleague correctly, this has produced some very positive results, as first you saw that it cost-shared like I said. Originally in the startup of the delivery of this plan it was a bit slower than what we are seeing today, with experience and a time of trial and error, things have really improved, and we are very pleased with the delivery of these projects at this time. Thank you.

Chairman: Thank you. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. We are following, with great interest, in Kitikmeot the troubles with the Sewage Treatment Plant that the City of Iqaluit has. I don't know if that was part and before this came into place, or since it came into place, but it seems an ongoing problem. Could the minister if there are improvements to the sewage plant or if money coming from the annual \$4 million to put that sewage plant into operation? Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Minister.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. For the new one, there is money assigned from this block of funding, so if that suffices his question to this one, if not, he can further question if he pleases.

Chairman: Thank you, Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. Would the minister tell us what happened to the old one. What is the current situation with the old one, I think 7 or \$8 million cost us or so. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Minister.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. To my immediate right, Mr. Sitland who has been around further than both me, and Mr. Rich, will probably be in the best position to share more along this line of questioning. Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Sitland.

Mr. Sitland: Thank you, Mr. Chairman. The sewage treatment plant, as it's out there right now, was constructed in 1998 and 1999. At that time it was also a cost shared project between both the City and the Government of Nunavut.

The total amount that the Government of Nunavut put in was approximately \$5 million, at the time, and the remainder, \$7 million you had mentioned was the city's responsibility. We are now in the process of retrofitting, essentially retrofitting that sewage treatment plant.

The building will be reused. There are additional improvements that have to be made to the building but the funding that was spent on that building has not been for naught. I believe the tender for the construction for the new mechanical treatment plant is supposed to go out in early January, if my memory serves me correctly. Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. Thank you, Mr. Sitland for that explanation. I'm not an expert in water and sewer but over in the Kitikmeot we just have sewer trucks, water trucks back and forth, so we don't have plants there, but could the minister or his official explain what are the best types of sewer systems for the structure or operation in the high arctic, in Iqaluit, for example, perhaps if they install some more in other parts of Nunavut.

Has it been tested by your engineers or studied. Has there been background detail work done on that sort of mechanical sewer systems. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Peterson. Mr. Minister.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. That is a very hard question to answer. It is because first of all, there are different types that have been tried in Nunavut, and also there are still many different types that have not been tried in Nunavut.

If you look at the history of our sewage lagoons in Nunavut, because a lot of these are just open pits in the ground, given time to settle, and then the cleaner part of the sewage pumped into the water, and what have you.

As of today, I don't think we really have one system that we can say is the best proven facility other than to say that the most used in Nunavut has been the open pit lagoons, pretty much throughout all of Nunavut except for, I believe Pangnirtung is the only operational facility now, that handles it's sewage through the treatment facility. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Minister. Anymore questions? Mr. Peterson.

Mr. Peterson: Not on this page, but when we get to J-8, I'll ask some questions on Cape Dorset. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Peterson. We're on page J-6. Are there anymore questions on page J-6? J-6, Community and Government Services. Details of Capital. Grants and contributions. Total, Qikiqtaaluk region, \$4,503,000. Are we agreed?

Some Members: Agreed

Chairman: Thank you. Total, Kivalliq region, \$372,000. Agreed?

Some Members: Agreed.

Chairman: Page J-7. Total Kitikmeot region, \$398,000. Do you agree?

Some Members: Agreed.

Chairman: Total Grants and Contributions, \$5,273,000. Are we agreed?

Some Members: Agreed.

Chairman: Page J-8, Community and Government Services. Details of Capital. Details of Capital. Tangible assets. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. I wanted to ask the minister and his officials about the status of the Cape Dorset sewage lagoon repairs. We have been hearing for years that they have been having some difficulties; they have had breeches in their barns. They have been receiving threats from the federal government up to \$100,000 fines, or a year in jail. I am sure that and thought about it, considering you have got to come up with 300 to \$400,000, it might be easier going to jail.

If the minister and his officials can explain how the repair to the lagoon are going, but also I think you have received an unsolicited proposal for a mechanical sewage treatment

plant and have you been considering that seriously, or not, maybe if you could update us on that. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Peterson. Mr. Minister.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. Currently, for the community of Cape Dorset, there are two options being reviewed and one of them is a mechanical facility, as my colleague just mentioned.

Also, further to this, the request for proposal for the lagoon has now closed. So, at the immediate time, the options are being reviewed and they will continue to be reviewed until such time they are comfortable to decide as to which option to go with. Thank you.

Chairman: Thank you, Mr. Minister. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. I am not altogether familiar with the geography of the Baffin. The Kitikmeot is a little bit flatter and it's probably more adaptable to the sewage lagoons whereas over here you have got lots of mountains and hills. We have a mountain in Cambridge Bay, it is called Mount Pelly, and it's 650 feet high. So it's not quite the same as mountains that you have over here.

Is that a problem for the Baffin to have terrain that is not suitable for sewage lagoons? Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Minister.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. Yes, especially in some communities where the cliffs are a couple of thousand feet high, but the wetland area in the Baffin is really a problem. So, as a result, it has really forced the department and officials to look at different options and also consider other means of handling this ongoing problem.

So, to answer your question, it is a big problem in the Baffin. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Minister. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. So, I take it that because of the increasing pressure from the federal government, in terms of fines, and other threats, that this is a matter that is under serious review by your department to whether the goal is the basic sewage lagoon versus the mechanical system.

So, you will probably be doing a lot of testing and studying and reviewing of this system for Cape Dorset, and probably using that Pangnirtung experience, as well and the Iqaluit system. I take it that you are going to be doing that and this may lead to, over time, heavier investment in mechanical sewage systems. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Peterson. Mr. Minister.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. Yes, and from what my colleague has mentioned the federal government because this is certainly one that we have thrown back at them because of the assistance we need to go with the green plans.

In Nunavut, the best examples we have ongoing today, as challenges, are water and sewage projects and the extra dollars we need in support to be able to deliver on these very important projects. Thank you, Mr. Chairman.

Chairman: Thank you, Minister. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. Yes, I agree with the minister, the difference between the community hall and the fire hall and the three bay garage, if you can put them up in the future years. When it comes to water and sewer systems, you can't put them out there. They're basic system is that every community needs but more importantly the federal government says thou shall repair, thou shall fix, thou shall replace. And you have to do that, comply with federal laws.

They do it, you applying, appliance amount to quite a significant amount and that is taking money away from these other infrastructure that we need. So, we're spending tens of millions of dollars now to fix up our systems. We're not going to be able to pay for community halls, or ice arenas or all those other important things that every community needs. That's my comment Mr. Chairman. Thank you.

Chairman (interpretation): Thank you. Mr. Minister.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. No, I just want to agree with the member's comments because those are right along with some of the discussions that we have had at the departmental level because we realize the importance of community halls, recreational facilities in Nunavut are being undermined by the urgent requirements of new codes and the facilities, water and sewage facilities we are challenged with here in Nunavut right now. As my colleague mentioned earlier, we are really in a deficit situation when we look at our overall needs in Nunavut. Thank you, Mr. Chairman.

Chairman: Thank you, Minister. Mr. Mapsalak.

Mr. Mapsalak (interpretation): Thank you, Mr. Chairman. Some of the questions that I wanted to pose have been asked by my colleagues but I will ask another question.

The sewage lagoons, every year it seems, they need improvement annually, especially in the north. When our climate gets really cold and when the weather gets cold and its starts to, when the weather starts to warm up, I'm sure that if we have that kind of a lagoon, they will always require some work on it annually.

As I have stated before, as Kugaaruk is one of my communities and they are concerned about these sewage lagoons, too. The communities in the Baffin and Keewatin regions, I'm sure, have the same concerns.

As the minister stated they've been threatened by the federal government with fines and imprisonment because the sewage lagoons are leaking to the ocean and contaminating the environment. The community and municipalities are going to be fined and when they are fined, they are fined with huge sums of money.

The main question that I wanted to ask was that if the municipality is fined, I'm sure that it would not be cheap. The municipalities are always in shortage of their funds and some municipalities are running in deficit situations. When they're not given some funds to do the repairs and when they are being fined, I know their fine would not be a small sum.

Who would pay the fine? Would that community be given some assistance by the Government of Nunavut? Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Mapsalak. Mr. Minister.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Chairman. If there was a fine, I'm sure the community and our department would be charged. As the member stated, the communities' municipalities are not given any funding to do any improvement work because our resources are limited and we're unable to give additional funds because of limited funds, if there was to be a fine.

I'll have my Deputy Minister respond.

Chairman: Mr. Rich.

Mr. Rich: Thank you, Mr. Chairman. Since I received some of the letters too that the SAO's or mayor's receive I get to share in the responsibility. We would certainly discuss the situation, you are certainly right that there is a shared responsibility between the Government of Nunavut and the community for it. We are fortunate in that we've not had to in fact, specifically in the last couple of years, pay a fine but as the minister said we would sit down with that and work out an arrangement with the hamlet.

Certainly though all of our efforts are to avoid that. We've had constant communications with the federal officials and in those communications with the officials they have been understanding and they are working with us.

We are also planning to have, later in the winter, a conference involving the federal officials and the Government of Nunavut officials, so that we can talk about those regulations for water and wastewater facilities and find a better way to address that and hopefully find a way so that the hamlets don't receive those letters anymore, so that we work more in a spirit of cooperation with the federal government. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Rich. (interpretation): Mr. Mapsalak.

Mr. Mapsalak (interpretation): Thank you, Mr. Chairman. Although this question was posed earlier on, have you looked at better solutions, although it would be very expensive, have you looked at better sewage lagoons. The mining companies do use different techniques, have you looked at alternatives for sewage lagoons. Thank you.

Chairman: Thank you, Mr. Mapsalak. Mr. Minister.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Chairman. The problem that we encounter is serious, especially in the Baffin Region, although we had mentioned it, it becomes a challenge. First of all, we've done a pilot project in Pond Inlet and they did some kind of a protector for the sewage lagoon. When the sewage lagoon was filled to capacity it overflows. Yes we are still considering these. As I have stated these, we have not found one sewage treatment or sewage containment that is the most economical. Thank you, Mr. Chairman.

Chairman: Thank you, minister. Mr. Mapsalak.

Mr. Mapsalak: Thank you, Mr. Chairman. I'm finished with my questions.

Chairman: Thank you, Mr. Mapsalak. Mr. Alagalak.

Mr. Alagalak (interpretation): Thank you, Mr. Chairman. I would like to ask a question under page J-8. I need clarification. If the municipality was in a different situation there are huge chunks of money and I need clarification on municipal services and evaluation.

I know that within the next six years there's \$829,000 and this year \$627,000 and the 2006-10 estimates, we don't know if we are going spend the money but there's \$1,817,000 in there. What is the municipal services evaluation for? Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Alagalak. Mr. Minister.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Chairman. It's for three issues; municipal services evaluation; for water and sewage lagoons; and municipal dumps. Thank you.

Chairman: Thank you, minister Mr. Alagalak.

Mr. Alagalak (interpretation): Thank you, Mr. Chairman. Are these for making improvements or are these just for evaluations for the communities. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Alagalak. Mr. Minister.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Chairman. It's from the evaluation all the way up to just before the work is done. It's to do evaluations from the initial stage up to the time when they're supposed to do work on it. Thank you, Mr. Chairman.

Chairman: Thank you. Back to Community and Government Services. Details of Capital. Tangible assets. Total of tangible assets. Total for Qikiqtaaluk region, \$4,689,000. Are we agreed.

Some Members: Agreed.

Chairman: Page J-9. Are there any questions on page J-9? Mr. Alagalak.

Mr. Alagalak (interpretation): Thank you, Mr. Chairman. For Arviat, tangible assets, although I don't have any questions here, but I found something missing here. Last year the municipality starting having concerns in regards to the water reservoir. We've got a water reservoir that's been built and it's not close to the community. There are potential water reservoirs, but they're quite far.

The community of Arviat has been looking for the best possible water reservoir and they're taking water samples to make sure the water is good in the lakes where they are accessible. There is nothing mentioned on this until 2010 and the water reservoir is experiencing problems because of the freezing.

I was wondering what the minister has planned for the community of Arviat. The community of Arviat has been running into problems continuously due to the water reservoir.

There doesn't seem to be any funding for this. There doesn't seem to be any funding for consultants to do any evaluation or reviews. I was wondering if you can update me, Mr. Minister. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Alagalak. Mr. Minister.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Chairman. I was very pleased to have gone to Arviat in the fall and I had a meeting with the mayor. This issue was placed as a concern and we're pleased that there is a water reservoir, but it's been an ongoing concern to the community of Arviat.

So, we had a consultant do a review of the whole water system in Arviat. Once we have compiled the findings in a report, and once they are available, I will review the documents with the member for Arviat. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you. Mr. Alagalak.

Mr. Alagalak (interpretation): Thank you, Mr. Chairman. Thank you, very much, Mr. Minister. Once all the information is compiled into a document, I would be more than pleased to review them with you and I will have to give an update to the residents of Arviat. I think this is kind of urgent.

I'm out of questions. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Mr. Alagalak. Mr. Minister.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Chairman. Once all the information is compiled, I will review it with the member. Thank you.

Chairman: Thank you, Mr. Minister. Mr. Netser.

Mr. Netser (interpretation): Thank you, Mr. Chairman. My question to the minister is in regards to the Coral Harbour water reservoir. I am sure the minister has talked to some of the employees.

Could he give us an update on what's happening with the water reservoir in Coral Harbour?

Chairman: Thank you. Mr. Minister.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Chairman. I would like to apologize to the member. I was asking that same question to Mr. Sitland. We don't have the information available at this point and I apologize to the member for that. Thank you.

Chairman: Mr. Netser.

Mr. Netser (interpretation): Thank you, Mr. Chairman. I think it's Mr. Purdy, who is responsible for that part. If you could direct him to get that information? Thank you.

Chairman (interpretation): Thank you. Minister Kilabuk.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Chairman. I am sure our employees are listening to the proceedings of the House. We will do so. Thank you, Mr. Chairman.

Chairman (interpretation): Mr. Netser.

Mr. Netser (interpretation): Thank you, Mr. Chairman. That's it.

Chairman: Are there further questions on J-9? Department of Community and Government Services. Details of Capital. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. I think in Rankin Inlet they have sewage treatment plants and I used to live there. Is this an addition to the plant that there is already an extension to it or is it a new one? Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Tootoo. Minister Kilabuk.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. I have been led to believe that it's a reuse of the existing building with a new system. Thank you, Mr. Chairman.

Chairman: Thank you, Minister. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. What happened to the old one?

Chairman: Thank you, Mr. Tootoo. Minister Kilabuk.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Chairman. I apologize. The old one can't keep up with the growth of the community. Thank you.

Chairman: J-9, Department of Community and Government Services. Details of capital. Tangible assets. Total for the Kivalliq region. \$328,000. Agreed?

Some Members: Agreed.

Chairman: Page J-10, any questions on J-10? Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. I would like to ask the minister about the solid waste facilities in Cambridge Bay. Have they had a chance to clarify with legal counsel on who exactly owns the dump in Cambridge Bay? Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Peterson. Minister Kilabuk.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. I am going to direct that Mr. Sitland respond to that question. Thank you.

Chairman: Thank you. Mr. Sitland.

Mr. Sitland: Thank you, Mr. Chairman. The ownership of solid waste facilities across Nunavut is a very complex issue. Under the Land Claims Agreement, we are supposed to transfer ownership of those facilities to communities, but as everyone will know, they are contaminated sites. We certainly don't want to place that incremental burden upon communities without some assurances that, when it comes time to abandon and restore these facilities that its done in the proper form.

In Cambridge Bay's particular case, we haven't clarified exactly who owns it, but as the Deputy Minister has previously eluded to, responsibility for these facilities, not just

sewage lagoons, to solve these facilities it a shared responsibility. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Sitland. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. When hamlets do their annual audits, the auditors, I think I mentioned this before, from the bullets in the audited statement said, that these contingent liabilities is what is on the statements for hamlets and a fiduciary duty for hamlets rests with the mayor and council.

So, when the letters come from the Federal Government, threatening hefty fines and/or jail time, they usually are directed to the hamlets. But for some reason, I like to at least argue this because we don't own the dump. So, why should we be contingent to liability on audited financial statements.

The audit that I received from Department of Community and Government Services because we use the dump, we kind of own it. Even though we get funding from the department to maintain it and keep it contained. So, its been, I've been trying to find out for at least going on five years. Who owns the dump in Cambridge Bay? To this day, I still don't know and I don't think you guys know as well.

So, I think they may, or hamlet mayor council would like an answer to that. If the minister could comment on it please. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Peterson. Minister Kilabuk.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. The member is right. I'd say yes, we still don't know either and that is why our discussions with the federal government is ongoing to try and put the case to rest. As it is to date, the discussions are ongoing; until such time they have been concluded, until such decision has been made.

I really don't have concrete answer to that other than to say that these discussions are still ongoing. Thank you, Mr. Chairman.

Chairman: Thank you, minister. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. It says here that there is a summer waste management facility budget at \$250,000 for this plant in Cambridge Bay, I think to move or relocate the dump to a new sites. So what would happen to the old dump site? Who would be responsible for reclaiming that area? Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Peterson. Minister Kilabuk.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. Very quickly, the current plans now are to build a new one. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Minister. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. To get back to my original question, because there are contaminants in that existing dump, who would be responsible for reclaiming the dump? Would that be the responsibility of the hamlet or would it be the responsibility of your department or the responsibility of the federal government? Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Minister.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. Again, this case is really a gray area. I'd have to say that all of the above members are in question, because again it is still very unclear at this time as we were, as to whom liability would rest. I think I'll let Mr. Rich add to my comments. Thank you, Mr. Chairman.

Chairman: Thank you. You were almost promoted. Mr. Rich.

Mr. Rich: Thank you, Mr. Chairman. As the minister said, the liability rests on all three parties and that is one of the difficult things to sort out. We have raised this as an issue as part of our negotiations on the implementation plan, as part of the Land Claims Agreement.

One of the things that we've identified as a major barrier in some of the transfer of land that needs to be done to municipalities is the very issue that you've brought up and that is contaminated sites that are contained within that land that would be transferred.

One of the things that we looked at in the study is to try to identify when some of the contaminants and unfortunately as is true in many of those sites and communities it's difficult to know who is exactly responsible for putting them there.

We have made the argument in some of our presentations to the federal government that Canada has the ultimate responsibility for it because of the sites being under their control before the transfer under the land claim agreement. We will continue to have that discussion with them.

The final thing I would add is that when the site is moved the responsibility still is there for the original site. Simply by moving the waste site to a new site doesn't eliminate that original responsibility for the original site. So there needs to be a restoration plan that would put that site back to a safe state. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Rich. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. Adjacent to the soda waste dump we have a metal waste dump. Does this plan include relocation of the metal waste dump to the new site as well? Thank you, Mr. Chairman.

Chairman: Thank you, Hon. Peter Kilabuk.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. I will get Mr. Sitland to respond to that question please. Thank you.

Chairman: Thank you, Mr. Shetland.

Mr. Sitland: Thank you, Mr. Chairman. The study that we have completed has concluded that there is some capacity remaining at the sites with better segregation and increased management of the site we believe we can still use the entire site for at least another five years.

There is a problem with the metal waste site and we need to do an additional study on that. The project in the capital plan is for access to a future new site and that additional study determined the exactly the problems that are existing at the metal waste dump. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Sitland. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. At this point, an issue that applies to all Nunavut communities. In our metal waste dump we have old vehicles, heavy equipment going back 30-40 years and you can't just easily bury it over. How would you reclaim or relocate a metal waste dump that has 30 or 40 or 50 years of vehicles on the site? Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Peterson. Hon. Peter Kilabuk.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. (interpretation): I'll have Mr. Sitland respond to that question. Thank you.

Chairman: Thank you, Hon. Peter Kilabuk. Mr. Sitland.

Mr. Sitland: Thank you, Mr. Chairman. Unfortunately the method used for reclamation of solid waste sites is generally limited to the compact, shred where possible and bury. The member is correct that it is an ongoing problem not just in Cambridge Bay but in most communities across Nunavut.

We would not actually look at picking up the solid waste and moving it. We would look at the best way to consolidate what was there, compact it and bury where possible. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Sitland. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. 50 years ago the US Air Force used to take all their heavy equipment and surplus vehicles out on the ice on Cambridge Bay in the spring and when the ice melted, down it would go. I actually saw pictures of all the junk

on the bottom of the bay there, there's jeeps and planes and half-tracks and a whole lot of other stuff. It's good to see things have changed in 50 years but it's going to take a work in the next years to deal with our messes in our dump.

Mr. Chairman, I want to ask, in the capital plan there was a storm fence for Cambridge Bay, they've been looking for one for many years. I think it was identified for 2007-2008 and it was eliminated. Perhaps, the minister could shed some light on why it was eliminated from the capital plan. Thank you, Mr. Chairman...

Chairman: Thank you, Mr. Peterson. Mr. Kilabuk.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. The best response I can give at this time to his question is because of higher priorities that were identified for Cambridge Bay, thus the snow fence had to be removed from the list. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Minister. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. We use some practical solutions to snow fencing in Cambridge Bay over the years. We stuck poles in the ground and we got some of that fence meshing there to put up two snow fences but it would be great if your department could continue to give Cambridge Bay some funding for those practical solutions.

It doesn't cost \$1 million, sometimes. I think it cost us \$10 thousand, but it probably saved us \$100 thousand in snow removal fees every winter. I want to just clarify I'm looking at Kugluktuk.

They've got, they say, a sewage lagoon study for \$1 million and the Kuugaaruk sewage lagoon study, \$150 thousand. The Kugluktuk study, should that actually be a sewer lagoon. It's seems a little high for a study. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Peterson. Mr. Minister.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. I definitely do stand corrected. It is a sewage lagoon. Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. That's good. I was almost going to run out and get my degree in sewage lagoons and become a consultant. Thank you, Mr. Chairman. That was all my comments.

Chairman: Thank you, Mr. Peterson. Mr. Evyagotailak.

Mr. Evyagotailak: Thank you, Mr. Chairman. Again I'd like to thank my colleague for bringing the sewage lagoons up. I was going to bring this up. On J-10 a couple of sewage

lagoon studies here in my region. For that much money, wouldn't it be much better to build a sewage lagoon and do a study later on.

Because, it seems like to me it's just a waste of money when you do the study before you build the lagoon. Anyway, I'm happy with what you said about the sewage lagoon study for Kugluktuk.

You mentioned that it's a lagoon, not a study. Is that correct. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Evyagotailak. Minister Kilabuk.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. Unfortunately in the way these projects are recorded, the word study has had its rightful place there. This money is for the sewage lagoon. Thank you, Mr. Chairman.

Chairman: Thank you, Minister. Mr. Evyagotailak.

Mr. Evyagotailak: Thank you, Mr. Chairman. I'm glad that the sewage lagoon will be built because that lagoon that we have in Kugluktuk overflows and goes down the little creek and it goes right into the bay.

We have a lot of fish, white fish, char, some lake trout which go down the rivers, that would be hanging around in that area. Also, there are a lot of white fish in the, cod and tom cod and so on.

A lot of people from Kugluktuk used to go out and do some fishing for their own use. It's not so nice in the spring time when the snow starts to melt and you can see the raw sewage going down to the bay.

I'm glad that this money is for a new sewage lagoon. I thank the Minister for that. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Evyagotailak. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. I will just remind you of my colleague's comments. Mr. Rich mentioned to my other colleague, Mr. Mapsalak earlier about working with the federal government. It occurred to me, sort of what lawyers used to do in the 1980's, a good offense is a good defense. Form a creative task force made up of Government of Nunavut officials like yourselves, federal regulators here in Iqaluit and Ottawa, perhaps the Nunavut Association of Municipalities and the task to find solutions to our water and sewer issues in Nunavut and look at solutions and look at all the options.

Working with the federal government, instead you get in trying to define what the federal regulations are in the next 10 to 15 years. That could buy us some time.

If you are working with them, you will be closer to understanding what our issues and difficulties are up here in terms of complying with federal regulations that are set down in Ottawa and it's partnership arrangement.

So that might be something to talk with your counterparts in Ottawa and to talk to them because of the Nunavut Association of Municipalities meeting this weekend, I mean that is something to suggest to them. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Peterson. Minister Kilabuk.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. I got to give it to this member, it's like he has been reading our minds the last few days very clearly. So, that's exactly what we plan to do to join forces to form a steering committee.

So it is under consideration at this time and it's being given its rightful and serious consideration. Thank you.

Chairman: Thank you, Minister. Mr. Peterson.

Mr. Peterson: No more comments Mr. Chairman.

Chairman: Thank you. Back to page J-10, Department of Community and Government Services. Details of capital. Tangible assets. Total Kitikmeot Region. \$3,110,000. (interpretation) Agreed?

Some Members: Agreed.

Chairman: Page J-11. Department of Community and Government Services. Details of capital. Tangible assets. Total headquarter region. \$173,000. (interpretation) Agreed?

Some Members: Agreed.

Chairman: Total tangible assets. \$11,100,000. (interpretation) Agreed?

Some Members: Agreed.

Chairman: J-12. Petroleum Products Division. Any questions? Mr. Curley.

Mr. Curley (interpretation): Thank you. I would like to make a brief comment in regards to Petroleum Products Division. Just before I start it, this is a working document and sometimes it's used and sometimes it doesn't seem to be used.

Reading under page 2, I believe, structures and strategies part 1.3, it states that the environmental impacts, (interpretation ends) there is contaminated soil in 17 Petroleum Products Divisions sites. An estimated cleanup cost is close to \$2,000,000 over ten years.

(interpretation) Maybe you or the Deputy Minister, which ones are they, the 17 sites that they are talking about?

Chairman: Minister Kilabuk.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. I must admit that we were not prepared to answer that particular question. So, we don't have the list of the communities my colleague is referring to, but however, I will definitely commit to providing that list. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Minister. Mr. Curley.

Mr. Curley (interpretation): I believe you worked on this in regards to fuel supply and the reports. So if this is approved by the Cabinet, there are 17 PPD sites that have contaminated soil. There should be a plan in place.

Who is responsible for the contaminated sites and if there is 17 of them, who will be responsible for them? It's clear that it would have cost in 2000, \$4.22 million because they definitely have to be cleaned up and I know that Rankin Inlet is one of them because 20,000 gallons was spilled, when we were still under the Northwest Territories and it has never been cleaned up.

Maybe you can respond. See if they can be worked on because they're in the public document. Thank you.

Chairman (interpretation): Thank you, Mr. Curley. Mr. Minister.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. No, I concur and agree with the concerns expressed by my colleague but as I indicated earlier, I wish I could provide that list here but unfortunately, at this time, with the ongoing work to correct the problems in those communities, I do not have that list with me.

I will advise the House that as part of our responsibilities, that falls under our responsibilities at Community and Government Services. Thank you, Mr. Chairman.

Chairman: Thank you, Minister. Mr. Evygotailak did you want to make a point of order.

Mr. Evygotailak: Mr. Chairman, we don't have a quorum.

Chairman: Thank you, Mr. Evygotailak. We'll ring the bell.

Thank you. We'll proceed, Mr. Curley.

Mr. Curley (interpretation): Thank you, Mr. Chairman. I think that's what the Government of Nunavut is going by in regards to petroleum and transportation and under page 42, under Petroleum Products, March 21, it was written 31.

(interpretation ends) For fuel and dry cargo, (interpretation) and those are stated there. The report is incredible.

As I stated earlier in Northern Quebec, they have a free market, and in the Kitikmeot and the Eastern Arctic, there is a bit of competition there. On dry cargo and fuel there is no choice.

Here, I would like to direct my question, if they're still considering under Report 43, it states in English (interpretation ends) Investigate alternative re-supply strategies for fuel and dry goods.

The opening statement is very good. I think we all agree to that. It states in both Kitikmeot and Kivalliq where there is only one transportation company operating, it was but not now here in Kivilliq. That was two years ago.

I just want to go back to the bottom part. It says charging of navigational routes and the construction of specialized ships may be required. The Government of Nunavut must take the lead role in this planning in partnership with the transportation industry and not expect private enterprise to develop those complex solutions. That would bother me a bit, if we can't get the private sector to really play a major role, then who is really going to do it?

I just want to conclude before I ask my question, it says, and it goes on "combining the field with dry cargo will increase total volume and may help improve the feasibility of alternatives." I really strongly agree with that and it's that sort of that thought, it's still in the planning mode, it has not been ruled out, even if we were to re-arrange shipping components given that we do have a term contract but we would be able to visit any suggestions in those reports. Thank you.

Chairman: Thank you, Mr. Curley. I would like to remind members we are dealing with capital assets on J12 and J13. Hon. Peter Kilabuk, if you'd like to respond to that.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. Very quickly I guess, to respond to his question, we will be conducting a survey involving a measurement of full satisfaction and needs of customers. Not only are we doing this in the Kivalliq we are also doing this in all regions of Nunavut. Thank you, Mr. Chairman.

Chairman: Thank you, minister. Mr. Curley.

Mr. Curley: Thank you, minister. I realize that I'm reading a document that involves fuel delivery and we're dealing with a petroleum products item. You can't spend \$4.8 million

if you are not delivering the fuel. So, all these reports' recommendations are simply that to improve delivery of petroleum products into communities.

So I'm not going to accept, whether I'm out of line or not, but someone has to read the point of privilege on that. So, given the fact that some areas of these privatized, Kitikmeot is certainly a lot more privatized according to this information that the supply is private, that the infrastructure is privately owned in Kitikmeot. I wonder, and it also says, the supply of fuel or of diesel, is also private in Iqaluit but the infrastructure is owned by government.

The report does recommend that there should be owned with privately owned with some small delivering contracts in communities but not the infrastructure.

At that plant be finally nil, would it not be wise to maybe adopt Kitikmeot, given the fact that that region is probably easier to deliver if this shipping route was concluded. I'm not trying to get you to commit anything I'm just trying to ask whether or not these kinds of ideas would be feasible in the future. Thank you.

Chairman: Thank you, Mr. Chairman. Hon. Peter Kilabuk.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. As a matter of fact, Mr. Chairman, I think they'd almost fit very well with the customer satisfaction needs of our customers' study that what we want to do so I more than welcome those suggestions. Thank you, Mr. Chairman.

Chairman: Thank you, minister. Mr. Curley.

Mr. Curley (interpretation): Thank you, Mr. Chairman. I'm sure that all of us have read this report. As the, we'll have to change the ships, I think it would be quite too much. (interpretation ends): Trying to convince the shipping companies to re-arrange and build specialized shipping, I think that's way out of our head for all that matter. (interpretation) But I wanted to ask a question so that you will all reconsider it.

In the north here, it's better to have one for dry and fuel goods. I think we have to consider (interpretation ends) that for this report, I have not read it all, but it does say privatized partly, but not all together in order to provide efficiency and price stability. That is the final outcome of this thing.

I know the Minister of Finance have read the document, but it raises subsidy forever, really. But I want to ask the minister is the private sector ownership completely out of the question altogether? Thank you.

Chairman: Thank you, Mr. Curley. Minister Kilabuk.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. No, I think I would be lying if I said they were out the picture because as I indicated to this House, just a few minutes ago,

during the review, that is probably what will be appropriate, but that also what will be considered as part of the review to see where they can have more input into the plan and also the outcome of the study.

So, I think again, it is only a good suggestion, that is it's consideration and that is, during this time of review, we also want to make sure that we do not force negative impacts or possible changes that may have negative impacts on some communities.

So, we will definitely review this to make it a more Nunavutized approach and I look forward to the review and the outcome. Thank you, Mr. Chairman.

Chairman: Thank you, Minister. We are on J-12 and J-13. Department of Community and Government Services. Detail of Capital. Tangible assets. Total headquarters region. \$100,000, (interpretation) Agreed? (interpretation ends) Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. On page J-13, in Resolute Bay that the upgraded fuel facility full compliance, \$2,000,000, looking forward could be another \$6,000,000, but I understand that that tank farm up there used to be owned by the federal government.

I am wondering if the Government of Nunavut could seek some financial assistance from the federal government, the former owners of the tank farm up there, to help upgrade it. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Peterson. Minister Kilabuk.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. Unfortunately, we took the liability on this one, but do you have something further to add to that? No. Thank you.

Chairman: Thank you, Minister. Mr. Peterson.

Mr. Peterson: Well, that answers my question, Mr. Chairman. Thank you.

Chairman: Thank you. Page J-13. Total headquarters. \$100,000. (interpretation ends) Do you agree?

Some Members: Agreed.

Chairman: Total Qikiqtaaluk Region. \$2,100,000, do you agree?

Some Members: Agreed.

Chairman: Page J-14. Department of Community and Government Services. Details of Capital. Mr. Netser.

Mr. Netser (interpretation): Thank you, Mr. Chairman. I wanted to ask a question to the minister. In reviewing the gasoline in Coral Harbour before the fuel tank arrived, and it took a while for it to arrive, I was wondering if there is enough fuel supply in our community or do you have any plans to have additional fuel for the community? Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Netser. Mr. Minister.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Chairman. Yes, the delivery of fuel to the communities, we believe it is sufficient enough. But, we can already forecast if they are going to not have enough fuel in the community. Then we have contingency plans for that. Thank you.

Chairman: Thank you, Minister Kilabuk. Mr. Netser.

Mr. Netser (interpretation): Thank you, if we were in shortage of fuel in year 2005, speaking of 2005, do you have any plans to have additional fuel tanks?

Chairman: Minister Kilabuk.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Chairman. I'll have my deputy respond, or deputy made me smile. But, the fuel that was transported, we're not concerned about the fuel transport to the communities, if it was insufficient.

If it happens to be insufficient, we transfer fuel by airplane. When there is a shortage the procedure would be just the same. Once we identify a community with fuel shortage, we will review it along with the community. Thank you, Mr. Chairman.

Chairman: J14. Mr. Curley.

Mr. Curley (interpretation): Thank you, Mr. Chairman. I wanted to get a clarification on fuel delivery contract, if it is a single contract. I was going to be talking about fuel delivery contracts for Keewatin, Baffin and Kitikmeot, and when does the fuel delivery contract expires?

Chairman: Mr. Minister.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Chairman. The contract will have ended by next year and it would apply the same through the three regions. Thank you.

Chairman: Mr. Curley.

Mr. Curley: The fuel deliver contract will end on the 2005 delivery season with the option to remove and what are the terms of the options to renew? Thank you, Mr. Chairman.

Chairman: Minister Kilabuk.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. The option to renew is one to two years for the fuel delivery contract. Thank you, Mr. Chairman.

Chairman: Thank you, Minister. Supplementary Mr. Curley. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. Just so I'm clear, when the sudden increased capacity co-plans that you're building a larger tank farm for the communities so that they can hold more fuel so that they won't run out of fuel in the future? You factored in so, you've got some calculation to show that fuel consumption that the community needs over the next, say the 10 to 15 years? Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Peterson. Minister Kilabuk.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. Very quickly, correct, all of the above. But Mr. Chairman, also to advise the House that during the increase of capacity of code compliance where the opportunities present themselves, if it is realigning the lines at certain tanks of those that have larger volumes possibilities then those will also be realigned to accommodate more fuel, certain type of fuel at different communities. I know this first hand because that was some work done in Pangnirtung to be able to accommodate this just recently. Thank you, Mr. Chairman...

Chairman (interpretation): Thank you, Minister. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. In Kugaaruk, how is fuel delivered currently. Thank you, Mr. Chairman.

Chairman (interpretation): Minister Kilabuk.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. Well, for the first time, we were able to get the fuel supplied by tanker right into Kuugaaruk, for the very first time ever. Thank you, Mr. Chairman.

Chairman: Thank you, Minister. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. If the community, say the typical community were to run out of fuel or forecast run out of fuel, you had to fly the fuel in, to provide the product, what would be just a rough cost to provide fuel via an airlift to see a community through until the next fuel ship arrived? Thank you, Mr. Chairman.

Chairman (interpretation): Minister Kilabuk.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. It depends on the type of gas, naphtha, diesel fuel. It also depends on the quantity that will be delivered. We have had airlifts in

the last couple of years where costs may have gone close to \$250,000, for the delivery of certain types of products. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Minister. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. So, investment in our fuel tank farms in the long term, the pay back could be quite substantial and that's why it looks like we're increasing capacity code compliance in a lot of communities Nunavut. Thank you, Mr. Chairman.

Chairman: Thank you. J-14, Community and Government Services. Detail of Capital. Tangible assets. Total Kivalliq Region, \$2,550,000. Do we agree?

Some members: Agreed.

Chairman: Total Kitikmeot Region \$50,000. Do we agree?

Some members: Agreed.

Chairman: Oh, sorry. Yeah, I said 50,000. Thank you. I was correct. I was right. Total tangible assets, \$4,800,000. Do we agree?

Some members: Agreed.

Chairman: Back to J-4. Community and Government Services, department summary. Details of Expenditures. Total capital expenses, \$21,173,000. Do we agree?

Some members: Agreed.

Chairman: Do members agree that this department is concluded.

Some members: Agreed.

Chairman: I'd like to thank the Minister and his officials. Minister, do you have any closing comments.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. No, I would just like to thank all members for their comments and suggestions and also my staff here with me today and those waiting, elsewhere. Thank you.

Chairman: Thank you very much Minister. We will take a five minute break and after the break we'll deal with education with Mr. Netser in the Chair. A five minute break.

>>Committee recessed at 17:19 and resumed at 17:31

Chairman (interpretation): Thank you very much for coming back. Mr. Peterson.

Mr. Peterson: Mr. Chairman, I would like to move to report progress.

Chairman: We have a motion on the Floor. Thank you, Mr. Peterson. We have a motion on the floor to report progress. The motion is not debatable. All those in favour? All those opposed? The motion is carried. I will now rise to report progress.

Deputy Speaker (interpretation): Please be seated. Thank you. Item 20, Report of the Committee of the Whole. Mr. Arreak.

Item 20: Report of the Committee of the Whole

Mr. Arreak: Thank you, Mr. Speaker. Mr. Speaker, your committee has been considering Bill 4 and the capital estimates and would like to report progress. Also, Mr. Speaker, I move that the report of committee of the whole be agreed to. Thank you, Mr. Speaker.

Deputy Speaker (interpretation): Thank you. (interpretation ends) We have a motion on the Floor. Is there a seconder? Mr. Picco. The motion is in order. All those in favour? All those opposed? The motion is carried. Item 21. Item 22. Orders of the Day. Mr. Clerk.

Item 22: Orders of the Day

Clerk: Thank you, Mr. Speaker. Orders of the day for Friday, November 26:

1. Prayer
2. Ministers' Statement
3. Members' Statement
4. Returns to Oral Questions
5. Recognition of visitors from the gallery
6. Oral Questions
7. Written Questions
8. Returns to Written Questions
9. Replies to Opening Address
10. Petitions
11. Reports of Standing and Special Committees.
12. Reports of Committees on the Review of Bills
13. Tabling of documents
14. Notices of Motions

15. Notices of Motions for First Reading of Bills
16. Motions
17. First Reading of Bills
18. Second Reading of Bills
19. Consideration for Committee of the Whole and Bills and Other Matters
 - Bill 4
20. Report to Committee of the Whole
21. Third Reading of Bills
22. Orders of the Day

Thank you.

Deputy Speaker (interpretation): Thank you, Mr. Clerk. (interpretation ends) This House stands adjourned until Friday, November 26, 2004, at 10:00 a.m.

Sergeant-at-Arms.

>>*Session adjourned at 17:36*

