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**Tuesday, March 11, 2008**

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**Iqaluit**

**Speaker: The Honourable James Arreak, M.L.A.**

## Legislative Assembly of Nunavut

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(Pangnirtung)

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(Nattilik)

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(Rankin Inlet South – Whale Cove)

*Deputy Premier; Minister of Community and Government Services*

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(Iqaluit West)

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(Cambridge Bay)

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**David Simailak**

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**Levi Barnabas**

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*Deputy Chair, Committee of the Whole*

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*Minister of Economic Development and Transportation; Minister responsible for the Nunavut Housing Corporation*

**Hon. Louis Tapardjuk**

(Amittuq)

*Minister of Culture, Language, Elders and Youth; Minister of Human Resources; Minister of Finance; Chairman, Financial Management Board*

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**Iqaluit, Nunavut**  
**Tuesday, March 11, 2008**

**Members Present:**

Honourable Leona Aglukkaq, Honourable Olayuk Akesuk, Mr. David Alagalak, Mr. James Arreak, Mr. Levi Barnabas, Honourable Levinia Brown, Mr. Tagak Curley, Mr. Joe Allen Evyagotailak, Mr. Peter Kattuk, Mr. Steve Mapsalak, Honourable Patterk Netser, Honourable Paul Okalik, Mr. Keith Peterson, Honourable Edward Picco, Mr. David Simailak, Honourable Louis Tapardjuk, Mr. Hunter Tootoo.

**Item 1: Opening Prayer**

**Speaker** (Hon. James Arreak)(interpretation): Thank you. I would like to ask Mr. Netser to say the opening prayer. Mr. Netser.

>>Prayer

**Speaker** (interpretation): Thank you. Good afternoon, Mr. Premier, Ministers, Members, and Nunavummiut. Mr. Peterson.

**Mr. Peterson:** Thank you, Mr. Speaker. Pursuant to Rule 18(1), I seek unanimous consent of the House to proceed immediately to Item 19 on the Orders of the Day. Thank you, Mr. Speaker.

**Speaker:** Thank you, Mr. Peterson. The member is seeking unanimous consent of the House to proceed immediately to Item 19. Are there any nays? There are no nays. We will proceed directly to Item 19 in our Order Paper.

Item 19. Consideration in Committee of the Whole of Bills and Other Matters. Bills 22, 23, 24, and 25. In accordance with the authority provided to me by Motion 4 – 2(4), the Committee of the Whole will stay in session until it reports itself out. I ask members to remain at their desks as we proceed with Committee of the Whole with Mr. Barnabas in the Chair.

(interpretation) Sergeant-at-Arms.

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

**Chairman** (Mr. Barnabas)(interpretation): Good afternoon, Members. I would like to call the committee meeting to order. In Committee of the Whole, we have the following items to deal with: Bills 22, 23, 24, and 25. What is the wish of the committee? Mr. Kattuk.

**Mr. Kattuk:** Thank you, Mr. Chairman. We wish to continue with Bill 23 and the review of the Department of Community and Government Services, followed by the Department of Finance, the Nunavut Housing Corporation, Justice, and if time permits, the Department of Economic Development and Transportation. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Kattuk. Does the committee agree that we proceed with the Main Estimates for the Department of Community and Government Services?

**Some Members:** Agreed.

**Bill 23 – Appropriation (Operations & Maintenance) Act, 2008-2009 –  
Consideration in Committee – Community & Government Services**

**Chairman** (interpretation): I would like to ask Minister Brown if she wishes to bring her officials to the witness table. Ms. Brown.

**Hon. Levinia Brown** (interpretation): Yes, I do. Thank you.

**Chairman** (interpretation): Thank you, Ms. Brown. Sergeant-at-Arms, please escort Ms. Brown's officials to the witness table.

Welcome, Ms. Brown and your officials. For the record, please introduce your officials, Ms. Brown.

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. On my left is my Deputy Minister, David Akeagok, who is known by everyone, and on my right, you probably know him, Mike Rafter, who is the Director of Finance in our department. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Minister Brown. I would like to remind members that our proceedings in Committee of the Whole are being broadcast. Does the Chairman of the Standing Committee on Infrastructure, Housing and Economic Development have opening comments? Mr. Curley.

**Mr. Curley:** Thank you. (interpretation) Yes, I do. Can I proceed? Thank you. I would like to welcome all of the Nunavummiut who are watching the proceedings. We don't usually go straight to Committee of the Whole.

I am pleased to provide you with opening comments on behalf of the Standing Committee on Infrastructure, Housing and Economic Development on its review of the 2008-09 Main Estimates and Business Plan of the Department of Community and Government Services.

The standing committee notes that the department's proposed 2008-09 operations and maintenance budget of \$155,288,000 has increased approximately 43 percent since the 2004-05 fiscal year. During the minister's recent appearance before the standing committee, members took the opportunity to raise a number of issues and concerns.

The standing committee notes that the department's business plan indicates that its legislative priorities for 2008-09 include a review of the regulations under the *Lotteries*

*Act* and a review of the *Conflict of Interest Act*. The business plan also indicates that the department's review of the *Consumer Protection Act* has been delayed. The standing committee stresses the importance of ensuring that our constituents benefit from modern consumer protection legislation because we don't have such an Act at this time.

Following its September 2007 retreat, the Cabinet announced that it had directed the Department of Community and Government Services to "present solutions for the future management of large-scale projects and materials transportation that could benefit from economies of scale." The minister indicated that her department has been working to increase its staff capacity in the area of project management.

The standing committee will continue to monitor this issue closely and notes that the department's business plan indicates that it is working to "improve capital project management and delivery by reviewing practices and processes, as well as soliciting feedback from the private sector through questionnaires and meetings."

Mr. Chairman, the Department of Finance has indicated that it is working with the Department of Community and Government Services to develop a new GN policy on the use of public-private partnerships. The standing committee looks forward to the tabling of a new P3 policy, and encourages the government to work closely with the private sector to identify innovative ways of addressing Nunavut's infrastructure deficit.

Mr. Chairman, I'll be speaking in English.

(interpretation ends) Mr. Chairman, the standing committee also welcomes the recent announcement of the signing of the Canada-Nunavut Framework Agreement under the new Building Canada Infrastructure Fund. The standing committee urges the government to work closely with all MLAs and the Nunavut Community Infrastructure Advisory Committee with respect to identifying key priorities for new investments. Mr. Chairman, while the standing committee recognizes that the needs of communities in Nunavut greatly exceed available GN resources, a consultative approach to capital planning and priority-setting is important. The standing committee also stresses the importance of investing in areas with the greatest potential for fostering economic growth.

Mr. Chairman, the Department of Community and Government Services is responsible for preparing the GN's annual reports on departmental contracting, procurement and leasing activities. The standing committee is pleased that the minister has tabled these reports in a timely manner. However, Mr. Chairman, these reports do not include information on the procurement, contracting and leasing activities of Crown corporations and agencies, such as the Nunavut Housing Corporation and Nunavut Arctic College. The Legislative Assembly prepares and tables a separate annual report on its contracting activities. The standing committee urges the minister to work with her Cabinet colleagues to enhance the government's transparency by ensuring that similar information is tabled on an annual basis for the government's Crown agencies and corporations.

Mr. Chairman, this department provides a range of critical services to municipalities. The standing committee notes that the department's business plan indicates that its priorities for 2008-09 in this area include the continuation of its water and sewage pilot project, the completion of a municipal taxing model and the establishment of a Granular Program.

The department's proposed budget for core funding to municipalities in 2008-09 under the Municipal Funding Program is unchanged at just over \$34 million. The department's proposed budget for its Water and Sewage Funding Program is increasing by 13 percent from \$5.5 million in 2007-08 to \$6.3 million in 2008-09.

Mr. Chairman, the standing committee is pleased that the department recognizes that the quality of granular materials varies greatly between communities, and has initiated a Nunavut-wide study on this issue. The standing committee looks forward to the minister tabling this report at the earliest opportunity. Mr. Chairman, the standing committee also remains supportive of NAMIX, the Nunavut Association of Municipalities Insurance Exchange.

Mr. Chairman, the department's business plan indicates that a priority for 2008-09 is to "investigate and undertake an open-market feasibility study as outlined in the Annual Resupply Evaluation Report." The standing committee recognizes the importance of the annual sealift and looks forward to the results of this study being tabled in the Legislative Assembly.

Mr. Chairman, the provision of safe drinking water to our communities is a fundamental responsibility of government. Last fall, the standing committee raised a number of questions regarding the extent to which Nunavut's communities meet the national *Guidelines for Canadian Drinking Water Quality*. Although the standing committee was pleased to note that the department has been working with the Municipal Training Organization to develop courses for municipal water treatment plant operators, the standing committee continues to recommend that the department prepare and table in the Legislative Assembly a comprehensive report on water quality in all of Nunavut's communities.

Mr. Chairman, the standing committee is concerned that the department's 2008-09 main estimates project that the Petroleum Products Revolving Fund will have a deficit of \$9.5 million. The standing committee also notes that the department's business plan indicates that it has been implementing recommendations made by consultants to comply with the new federal regulations concerning tank farms. Mr. Chairman, the business plan indicates that "GN facilities are compliant except for our resupply pipeline. Given the unique circumstances with our pipelines from the shore manifolds there remains ongoing discussion respecting regulatory compliance." The standing committee will monitor this issue with attention.

Mr. Chairman, that concludes my opening comments on the 2008-09 Main Estimates and Business Plan of the Department of Community and Government Services. Individual



members may raise their own comments and concerns as we proceed with the consideration of the department. (interpretation) Thank you.

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

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

**Mr. Kattuk** (interpretation): Thank you, Mr. Chairman. I would like to welcome the minister and her officials. Beware that you will have many questions and I know that you will respond accordingly.

I would like to send my greetings to all of the relatives in Sanikiluaq. First of all, I would like to say that the residents of Sanikiluaq are going through a hard time because they're looking for an individual. Although this may be the case, this is unavoidable. I am happy to note that the missing person's mother is now in Sanikiluaq and I also appreciate the Department of Community and Government Services for their assistance in the search and rescue efforts of the Hamlet of Sanikiluaq.

I am also very appreciative of the efforts of our local search and rescue team as they have spent countless hours now searching from island to island, and they have now combed the entirety of the Belcher Islands. I am grateful for the assistance of the department as they have paid for a plane to search for about 30 hours. However, it is unfortunate that even with all of the search and rescue efforts that the missing person has not yet been sighted.

I wanted to note that I also have some news of another problem that has cropped up in my constituency of Sanikiluaq and that's in regard to fuel supply issues we have faced. We are continuing to experience problems with the local fuel truck as it keeps breaking down, seemingly when we need it the most this winter. It should not have been allowed to deteriorate to that condition and I have already raised that issue here in the House to the Minister of Department of Community and Government Services, especially as it impacts those who own their own homes since they have to go and retrieve fuel on their own to refuel their homes.

I believe that this should not be the case, but I cannot determine if this is due to poor management or mechanical issues. The issue is that there could be dangerous liability issues if people have to refuel their own homes since the government is responsible for fuel and fuel delivery in the communities. If anything should happen, then the person would have to sue the contractors responsible for the fuel delivery services.

No one should have to retrieve fuel using five gallon jerry cans to refuel their homes and this has to be something that the department prioritizes and resolves. When we reach the matter of the PPD, I will be raising questions in regard to how the department deals with issues affecting fuel delivery services in the community. That is all for now, Mr. Chairman. Thank you.

**Chairman** (interpretation): Thank you, Mr. Kattuk. We send our condolences to those who are searching for the individual and his relatives. Mr. Peterson.

**Mr. Peterson**: Thank you, Mr. Chairman. I welcome Minister Brown and her officials today.

Mr. Chairman, I would like to tell the minister that all MLAs, and I'm sure all Nunavummiut, agree with me that Community and Government Services is a vital department to all residents of Nunavut. Therefore, it's imperative that the minister and her officials continue to strive and work hard to improve the standard and quality of life for all residents. I know from working with many of the officials in your department over the years, even before I became an MLA, that I am very confident that they do work very hard every day to help residents out. It's certainly difficult when there's a shortage of funding.

I know as a former Councillor in the Hamlet Council of Cambridge Bay that mayors and councils are on the frontlines everyday dealing with serious municipal issues and there always seems to be an issue, some are small issues and some are large, but there are countless issues. I don't think a lot of Nunavummiut realize how important mayors and councillors to our effective operations of our communities.

I am very pleased, reading through your business plan, to see that you continue to support the Nunavut Association of Municipalities, an organization that represents all of the communities and you have the Nunavut Community Investment Advisory Committee that works with your department to prioritize capital projects and other projects for the communities. I am also pleased, in the past anyway, that your department has supported the Nunavut Municipal Exchange Program. I didn't see anything in your business plan this year to assist that important program, so I will probably be asking some questions about that.

I was very happy earlier in this sitting when the Minister of Finance, in his budget speech, announced the Building Canada program that appears to be designed to help communities with their priority projects. I know, from what the Minister of Finance said, that there will be some reconfiguration of the 2008-09 capital plan to allow some of the community priority projects to proceed as there are numerous projects. I hope that the minister will consult with the MLAs and the mayors and councils in the months ahead to get that capital plan reconfigured so that we can have delivery of some of those projects in the next fiscal year.

I read a recent media report that almost half of the communities in Nunavut don't have a senior administrative officer. So that was quite a revelation because I know the senior administrative officers are very key and integral positions in the management team of the hamlets. If you don't have a good SAO or an SAO at all, it could have some very serious consequences for the financial operations of the hamlets.

I have always maintained, over the years, that as the hamlet council goes, if they're effective in the community, then the community will prosper, and if the hamlet council's municipal operations is ineffective, then the community will suffer immensely as they try to recover from deficits and they can't implement important programs in their communities for their residents. So I'm hopeful that in the next couple of hours that the minister and her officials can give me some comfort that her department is continuing to work with hamlet councils to find solutions to overcoming the loss or absence of key hamlet personnel in hamlets across Nunavut.

In my riding, I have raised the issue a couple of times with the minister and that's the issue of providing support to two communities of Bay Chimo and Bathurst Inlet. I know we have debated whether they're outpost camps or whether they're communities but I would think that most of the people in my riding of Cambridge Bay, which includes those two communities, would argue that they are communities and they should be entitled to some help with some of their core needs down there. So I'll be interested to hear from the minister if she has made any progress in advancing their issues at the Cabinet level.

Another issue that's important to my riding and in my hometown of Cambridge Bay is the issue of dust control. Last fall, I raised the issue of dust control in Cambridge Bay, but I know from my travels in Nunavut that dust control is an issue in all communities. It's not just an issue; it's a serious health issue because elders, infants, and people with respiratory problems are affected. The reason I asked the question and raised the issue last fall is because I wanted to give the minister a lot of lead time to work with the Nunavut Association of Municipalities and all mayors to develop a strategy or a plan to address the upcoming dust season which is only a few months away in most communities.

Related to that, in Cambridge Bay, an issue that I wasn't aware of until last year when I did some investigation is the airport road. I asked if some dust control could be put on the road to the airport and I understand from your officials that because of the dangers of dust control to airplanes, they couldn't provide dust control on the road to the airport. In Cambridge Bay, a lot of our dust comes from that airport road because it's right there. So I'm probably going to ask your officials if they have arrived at some sort of solution where they can address the dust control right out to the airport proper so that it doesn't continue to blow over the community of Cambridge Bay.

With that, Mr. Chairman, I will end my comments. Thank you.

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

**Mr. Alagalak** (interpretation): Thank you, Mr. Chairman. Welcome. As long as we don't fall asleep, we will be fine. I am very pleased to make general comments with regards to this department. This is a very important department because we depend on this government in Arviat, especially since we experience problems all the time in our community. As my colleague spoke about his home community, my community can relate to his comments.

The *Guidelines for Canadian Drinking Water Quality* and having a good quality water control system are very important. Since I became a Member of the Legislative Assembly, I have heard in the past that and I know that your department is continually working on it, but we have never actually seen it materialize and I have never seen any capital estimates in the past. We do speak about this issue but it seems like it doesn't seem to go anywhere.

When we are looking for areas of an alternative water reservoir, all of the engineers had identified what kinds of bodies of water are available around the community. Our water reservoir is very nice, it's not too far, and it's accessible to deliver the water from there to our community, but it would cost more if it was further. During the winter, when the ice has thickened, the water is no longer palatable. This reservoir was rebuilt and residents say that the water gets so murky that it's not safe for drinking, especially for the elders who are unable to go out and get ice for drinking water. They have no choice but to drink that water.

To date, I have been told that our water is only good enough for washing; the salinity of it is quite strong and it becomes murky when the ice is thick. *Inuit Qaujimajatuqangit* says that when there's a lack of oxygen in the water, it become quite murky and the water is not circulating. The elders in my community say that that's why there's a lot of sickness occurring because they're drinking water without any oxygen, so I believe that this has to be considered. I keep getting concerns expressed to me about this issue time and again.

I am told by my constituents that we need to live healthy and that we depend on this water to live a healthy lifestyle, so we have continually let the department know about that. My colleague from Cambridge Bay had experienced that problem, especially the children, because of the dust in and around the community from ATVs and trucks, especially with families walking along the street with their babies on their backs. I believe that there's a detrimental effect on the health of the people when there's a lot of dust; their eyes turn red, it affects their mouth, and it affects their sinuses.

We have been told that there are a lot of problems with dust in the communities and this has to be rectified. They say that there's no funding for that and our municipalities have been trying to come up with solutions to deal with dust within the communities even using salt water. They would put salt on the roads to prevent the dust from becoming airborne and there's also some equipment. For the people walking on the roads wearing *Kamiik*, they fall down and their hands contact the sand and this is creating a lot of problems in our home community. So therefore, the department or the government needs to think about it seriously instead of neglecting it.

The municipalities are not provided proper equipment to keep the dust down and they have to make their own equipment to keep the dust in control. For that reason, I believe your department needs to look into that.

The constituents believe that some people have to leave town for medical treatment because the dust gets into their eyes and because of those problems, some children are given prescription glasses in our community. If there was no dust flying around the community, there would be less eye problems with the children. I believe that we need proper equipment for dust control because the parents tend to think about alternative ways to keep the dust down and they get hurt by doing so.

The elders are expecting something to be done on the dust control, especially the parents with children. There are a lot of parents with children in Arviat as you know. There is a report on the population ages of our community and I believe that they should deal with the dust control as soon as possible so that the government doesn't spend so much money on health treatment. In my constituency, they say that dust control is part of healthy living.

I just wanted to make those general comments. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Alagalak. Mr. Simailak.

**Mr. Simailak** (interpretation): Thank you, Mr. Chairman. I am very pleased to come back to the meeting and I send my greetings to Baker Lake. Although we are getting a bit homesick, we are nearly finished with the session.

I would like to thank the minister and her officials for appearing before the committee. I would also like to say how proud I am because I know that her department is working on the most difficult and challenging issues. All of the communities are actually involved in their daily operations and the communities make requests from her department on a daily basis, so there's no other way but to work on that.

I would like to say how proud I am of the Mayor and Council of the Hamlet of Baker Lake and all of their staff because the community is growing and it's getting quite difficult to maintain. The hamlet's equipment is quite old now but they still have to provide their services within the community. For instance, the hamlet service people have to work very hard on a daily basis to provide water delivery and pump the sewage out.

There's a lot of support needed in the community, especially in Baker Lake, when all of the water is trucked in and all of the sewage is pumped out. There are quite a few things that the community would like to see enhanced, especially when mining is developing in that community, and the department is working with the Municipality of Baker Lake.

Mr. Chairman, I would also like to congratulate the municipality, especially their youth committee. In the past, there used to be bingo games held every evening at the

community hall, but the youth committee was able to take away three evenings per week for youth events, which has given the youth a place to gather for games and events.

Mr. Chairman, I urge the department to consider the needs of the larger communities. We all understand that smaller communities have been neglected for many years, especially before Nunavut was created. The largest centres have already received their infrastructure but the infrastructure is quite old now and their needs are still great.

The Municipality of Baker Lake is not in debt and they have a very good SAO and staff, but they want more assistance from the Department of Community and Government Services. They cannot afford to pay capital funds, so they need to be provided with assistance. The roads are running out of top gravel and every summer, the hamlet has an aggressive dust control program.

Spring clean-up is all done by volunteers and supported by the hamlet and businesses. They say that every time somebody visits the community of Qamani'tuaq, they say it's a very clean community because everybody volunteers to clean it up. People tend to pick up litter when they're out walking around and they see it on the ground. For garbage services, all our garbage is delivered to the dump and yet, it all blows back into town throughout the year.

Also, I tabled a photo where caribou were drinking from the sewage lagoon and this is quite a concern for our community.

Another concern is the lease of land. When one wants to build a house, it takes so long to lease the land. The process takes too long and sometimes it takes over a year to process the documents, so this is a concern of my constituents.

This morning, the cost of fuel was over \$107 per barrel, so we're quite concerned about that and it seems that the global demand is affecting the price.

Mr. Chairman, these are the concerns that we have but there are a lot of good things happening. That concludes my comments. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Simailak. Mr. Curley.

**Mr. Curley** (interpretation): Thank you, Mr. Chairman. I would like to welcome the minister, her deputy, their Director of Finance, and her officials. I would also like to welcome the people from Rankin Inlet who are in the Gallery.

First of all, I would like to thank the minister and her officials for handling the emergency situation in Rankin Inlet recently when the generators failed in our community. Mr. Zebedee did an extremely good job and worked tirelessly during that emergency, sometimes even without sleep. We appreciate your department, the mayor and the council, and the employees who worked during that crisis and it alleviated a lot of issues with their management of the crisis.

Mr. Chairman, we had set up the *Emergency Measures Act* to have the communities ready to respond to an emergency. The regulations will have to be drafted and I think we need to urgently complete those. We now know that there are no extra generators available for any one of the communities. When we found out that there were none left, we finally found one from the Northwest Territories and it was flown in. There are no extra backup generators in Winnipeg and Iqaluit either, so your department will have to work on this issue and be ready to respond to another local emergency. You should prepare now during this period of no emergencies so that everything is on hand for the next emergency.

It's pretty obvious that there isn't even one backup generator available in the Keewatin region. Although that's the case, there are a lot of things we have to be grateful for in Rankin Inlet. There are also the mining companies and M&T Logistics, a private company who had a generator, and I would like to thank them personally for providing it as backup. We now know that we definitely need to have backup generators solely for the Keewatin region and if it's not in the Keewatin, then I would suggest that we put it in a supplementary appropriation.

Mr. Chairman, I would like to talk a bit about something else. CGS contracts quite a lot of services and goods. We do contract work for computers, shipping or airlines, medical travel, which are all contracted out by the government and CGS is involved. There are millions and millions of dollars that are spent by this department for contracts. There are also contract regulations, for example, the *Financial Administration Act*, that have to be adhered to.

To date, we hear a lot of Nunavummiut businesses saying the government is not following the regulations, and because of that, we heard that there is sole sourcing and the latest was for the construction of houses in Coral Harbour. It wasn't tendered out and the lease was given to some individuals. So there definitely has to be a review to find out why regulations are not being followed. I'm not even mentioning the NNI Policy; there is a 10 percent preference made for local companies.

It seems like the government is not following their own regulations. If we look at the Nunavut Housing Corporation's marshalling contract, logically thinking, you would assume that the facility would be near the harbour and it would be a great place to have Inuit workers. However, we heard this winter that a firm in Ontario has now been contracted to do the marshalling and I'm almost certain that there is not going to be one Inuk working there. We are creating 70 to 90 jobs for a small town in Ontario. It's not CGS' responsibility but it is again with one of the government departments, and it's very obvious that they are not following their own regulations and policies. I wanted to make that comment and I will be asking questions on it later.

I want to make a general comment. Nunavummiut need more consumer protection. The goods and services up here are very expensive and we hear in Canada that there are toys with lead in them or other dangerous materials. This winter, we heard that toys in China

were now banned in Canada and I'm sure that some of them made it up here. They could be a source of potential illness or accidents. As I stated earlier, we have to ensure that we establish a *Consumer Protection Act*.

In today's age, we don't have dog teams anymore, so we need to find alternate modes of transportation, such as snowmobiles and so on. In Nunavut, even if we purchase big ticket items, we can't get any warranty service. If you know what to do, you can go under warranty and it can be covered, but the regular Inuit can't do that. For example, if you have 25 Northern Stores, there is one dealer who deals with the warranties in Winnipeg. There is nothing in Nunavut and I think you can set that up through your department under the *Consumer Protection Act*.

We see very old vehicles coming into some of our communities. If they purchase this big ticket item, if it's five years old and should this commodity break down, then the buyer is stuck. For example, if you look at the Northern Store, or the Co-op, or some other retail outlet, if they're going to be selling automobiles, they should be licensed and the big ticket items should be able to be brought back to that retail store and repaired under warranty. We see vehicles that can't be brought back for repairs, but here in Nunavut, we can set that up through the *Consumer Protection Act*.

Those are some of the comments that I wanted to make very briefly. Another issue that I would like to bring up is that Community and Government Services should consider having a license or an agreement to make sure that if there is any damage, or spills, or anything, we would be protected, or if the double-sided barrels are used, your department should make sure that they get a license in order to store those products.

For example, in Rankin Inlet, we saw that the fuel is brought in and then it's put in the barge, it gets iced in and that will be used by the camp mining company. If they are going to be doing that, I think they should have a license. There should be an agreement, if the product is safe, if there was a spill, if it's just one or two. If the barge had an accident, it would spill to our harbour. If you could provide them with license and if they are going to have proper storage, I would fully support that.

I'll end my comments with that and I'll be asking some questions on those issues. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Curley. I have no more names on my list for general comments. We are on (interpretation ends) Branch Summary. Directorate. Total Operations and Maintenance, to be Voted. \$7,836,000. Mr. Mapsalak.

**Mr. Mapsalak** (interpretation): Thank you, Mr. Chairman. I send my regards to the residents of Kugaaruk and Repulse Bay if they're watching us live.

First of all, I would like to ask a question on J-4. One of your priorities for 2008-09 is to continue the review of the Lotteries Regulations and the *Conflict of Interest Act*. What problems has the department identified with these pieces of legislation and what



amendments are you proposing to make to the *Conflict of Interest Act*, the *Lotteries Act*, and their regulations? Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Mapsalak. Minister Brown.

**Hon. Levinia Brown:** Thank you, Mr. Chairman. If I understood the question correctly, I think it touches on the proposed amendments, which includes a clarification of the silver section of this legislation to the *Conflict of Interest Act*.

Specific issues that are addressed include the tightening of wording and the intent around the issues of self declaring of potential conflict and the requirement of boards and municipal councils to develop a Code of Ethics by-law.

(interpretation) I hope that's what the member was referring to. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Minister Brown. Mr. Mapsalak.

**Mr. Mapsalak** (interpretation): Thank you, Mr. Chairman. I would also like to thank the minister. I have another question on the regulations under the *Lotteries Act*. What's the status of that and are you looking at making any amendments to the legislation? Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Mapsalak. Minister Brown.

**Hon. Levinia Brown:** Thank you, Mr. Chairman. Thank you, Member, for raising that question. During the last spring session in 2007, the concern of lottery gambling activity in Nunavut was brought up by Members of the Legislative Assembly.

I made a commitment to formally consult the communities to amend the regulations. The department began consultations with the mayors' leadership meetings that took place in November 2007 and thereafter. These results are being reviewed and a new survey is being developed for further consultation based on mayors' concerns. A formal public consultation is being planned for 2008-09. (interpretation) Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Minister Brown. Mr. Mapsalak.

**Mr. Mapsalak** (interpretation): Thank you, Mr. Chairman. I would also like to thank the minister. As that's the case, the *Lotteries Act* is used all over Nunavut for fund-raising. It's very obvious that we do need to have a *Lotteries Act* because there's a lot of fund-raising and there's also entities without licences that are fund-raising. Who is responsible for the *Lotteries Act* and who monitors whether the citizens are adhering to the Act and regulations? I hope you understood me, Mr. Chairman. Thank you.

**Chairman** (interpretation): Thank you, Mr. Mapsalak. Minister Brown.

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. I will have my Deputy Minister, Mr. Akeeagok, respond to that question.

**Chairman** (interpretation): Thank you, Minister Brown. Mr. Akeeagok.

**Mr. Akeeagok** (interpretation): Thank you. Our department is responsible for issuing licences for bingos, Nevadas, raffles, and casino-like games. We are responsible for issuing licences for non-profit charity organizations. We are the main agency that organizations approach for licenses.

The RCMP and other law enforcement agencies are responsible for those who break the regulations. We issue the licenses and if any law is broken, we look into it, or when it's complete, they usually have to make a report to our department on the illegal activity. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Akeeagok. Mr. Mapsalak.

**Mr. Mapsalak** (interpretation): Thank you, Mr. Chairman. I thank Mr. Akeeagok for his clear response. I would like to pose a question based on what my colleague, Mr. Curley, touched a bit on with the *Consumer Protection Act*. He indicated that we have to be protected as consumers. The *Consumer Protection Act* has been reviewed by your department. Are there other reasons for its delay? Is the review of the Act causing the delay of it being presented to the House? Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Mapsalak. Minister Brown.

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. In regard to those questions as for the reason for the delay is that we don't have enough staff available. This was brought up by the members and by the Standing Committee *Ajauqtiit* after the session last fall. We had realized that we were a little behind in reviewing the Act.

We have been using the Act that we inherited from the NWT in 1999 and we know that we will have to give the Act more power. We will definitely need more staff because we only have one and the other one is on maternity leave at this time. Currently, we only have one person who is responsible for the whole territory. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Minister Brown. Mr. Mapsalak.

**Mr. Mapsalak** (interpretation): Thank you, Mr. Chairman. Thank you, Minister. When did you realize that you didn't have enough staff in your department and that you were falling behind? I would like to know when your department realized that there was a shortage of staff. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Mapsalak. Minister Brown.

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. We realized it over a year ago. At this time, they are working very hard and they are responsible for a very big mandate. I would like my colleague to know that we will definitely work very hard on this issue. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Minister Brown. Mr. Mapsalak.

**Mr. Mapsalak** (interpretation): Thank you, Mr. Chairman. Thank you, Minister. Are you currently looking for more staff? Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Mapsalak. Minister Brown.

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. The department is dealing with this shortfall and will be putting out an RFP for one position. It should be open later on this month. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Ms. Brown. Mr. Mapsalak.

**Mr. Mapsalak** (interpretation): Thank you, Mr. Chairman. Can the minister indicate to the House how long this process will take for the filling of the positions and when new staff will be hired? When will the department catch up with their staffing levels? Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Mapsalak. Minister Brown.

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. Our staff will be working really hard to resolve these challenges and we're looking at advertising it for six months or so. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Minister Brown. Mr. Mapsalak.

**Mr. Mapsalak** (interpretation): Thank you, Mr. Chairman. Thank you, Minister. I'll just pose another question, just so you'll know. Your department's business plan indicates that it is developing amendments to regulations made under the *Technical Standards and Safety Act*. What changes does the department plan to make with the regulations and what has transpired to date? Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Mapsalak. Minister Brown.

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. I'll have my deputy respond. Thank you.

**Chairman** (interpretation): Thank you, Minister Brown. Mr. Arreak... Mr. Akeegok.

**Mr. Akeegok** (interpretation): Thank you, Mr. Chairman. The *Technical Standards and Regulations Act* is currently being written and we're expecting, hopefully this spring, the amendments to the regulations will be made.

We're currently working with the Department of Justice and making changes to the bill. Prior to it becoming regulations, we will make it available to the public, to the contractors and all other firms and individuals affected by the legislation. This is for the people impacted by the provisions of the *Technical Standards and Safety Act* and we are expecting the final version this spring. The person responsible for this reported that it should come out fairly soon. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Akeegok. I apologize for making a mistake with your name. Mr. Peterson.

**Mr. Peterson**: Thank you, Mr. Chairman. I want to ask the minister and her officials. One of their priorities for 2007-08 was to "Complete amendments to the *Local Authorities Election Act...*" Can the minister provide us with an update on how that initiative is proceeding? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown**: Thank you, Mr. Chairman. The amendment to the *Local Authorities Election Act* fell on the Order Papers during the fall of 2007's Legislative Assembly. The department continues to use the existing *Local Authorities Election Act*. Thank you, Mr. Chairman.

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

**Mr. Peterson**: Thank you, Mr. Chairman. I thank the minister for the update. As I recall, there was some concern by the standing committee that that *Local Authorities Election Act* was inherited from the Government of the Northwest Territories and that the proposed amendments were not adequately addressing the Nunavut situation, so the standing committee was asking for more of a made-in-Nunavut *Elections Act*. I'm wondering if the minister could give us some indication of whether her department is doing any research or consultations into developing a made-in-Nunavut *Elections Act*. Thank you, Mr. Chairman.

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

**Hon. Levinia Brown**: Thank you, Mr. Chairman. The department will be working with Elections Nunavut to consider a new *Local Authorities Election Act*, and of course, this will require more time and therefore, the department has not set a new timeline yet. Thank you, Mr. Chairman.

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

**Mr. Peterson:** Thank you, Mr. Chairman. I thank the minister for that information. Can the minister indicate if the department is working on an overall consultation plan on how they will consult with the mayors and councils, the Nunavut Association Municipalities, and other organizations that have an important interest in a new *Elections Act*? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown:** Thank you, Mr. Chairman. Yes, it's very important to be consulting with the communities. So this spring, NAM is having a meeting and through there, we hope to have a discussion with them and their meeting should happen in the spring. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Minister Brown. We're on (interpretation ends) Branch Summary. Directorate. Total Operations and Maintenance, to be Voted. \$7,836,000. Does the committee agree?

**Some Members:** Agreed.

**Chairman:** We will go to page J-5. Mr. Alagalak.

**Mr. Alagalak** (interpretation): Thank you, Mr. Chairman. I would like to ask a couple of questions under J-5, Community Support.

In 2008-09, the government will be allocated \$4,187,000 for Grants and Contributions. It's written in there and that amount is quite high, especially if they will be providing it to the hamlet. What responsibilities or what other tasks are the hamlets going to be responsible for? Will their responsibilities be increased? They seem to be working on the same thing, so I wonder if you are giving them new programs or services. Is that why it's higher? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. I will have our Director of Finance, Mr. Rafter, respond to that question. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Minister Brown. Mr. Rafter.

**Mr. Rafter:** Thank you, Mr. Chairman. There is no new programming for this current fiscal year. If we look at page J-11 of the main estimates, it does provide a detailed breakdown of the programming that is planned and it's largely the same as last year with some minor increases. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Rafter. Mr. Alagalak.

**Mr. Alagalak** (interpretation): Thank you, Mr. Chairman. For the benefit of the public, I wonder if the minister could direct her officials to elaborate a bit more on what those funds are geared towards. Thank you, Mr. Chairman.

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. Yes, Mr. Rafter can elaborate further. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Minister Brown. Mr. Rafter.

**Mr. Rafter**: Thank you, Mr. Chairman. I would just ask if the member can ask the question again; I wasn't certain if he was referring to the \$48,178,000 figure, which is a consolidated number of about 15 grants and contributions. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Rafter. Mr. Alagalak, please rephrase your question.

**Mr. Alagalak**: Thank you, Mr. Chairman. I was questioning the minister if their department is budgeting \$4,187,000 that's a new kind of initiative that we see in their business plan. I was asking in an open comment from you: what new responsibilities are being transferred from the GN to municipalities under this program? (interpretation) Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Alagalak. He is asking a question under J-11. (interpretation ends) Transfers from Other Government Departments. (interpretation) I think he is referring to that amount of \$4,187,000. I would like Mr. Alagalak to confirm if I'm correct. Mr. Alagalak.

**Mr. Alagalak**: Thank you, Mr. Chairman. (interpretation) Yes, I am referring to that amount.

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. Again, I will have Mr. Rafter respond to that. Thank you.

**Chairman** (interpretation): Thank you, Minister Brown. Mr. Rafter.

**Mr. Rafter**: Thank you for the clarification. The program doesn't have any additional tasks or responsibilities being developed in municipalities. There is a cost of living adjustment to the existing program for municipalities. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Rafter. Mr. Alagalak.

**Mr. Alagalak:** Thank you, Mr. Chairman. Thank you for the answer. The next question I have is your department's proposed budget for core funding to municipalities under the Municipal Funding Program is projected remaining at \$34,381,000 until 2010-11.

(interpretation) With our population expanding greatly in Nunavut and expected to further increase in the coming years, at the same time, it seems that prices are rising for commodities. Items such as fuel and gasoline, including diesel for trucks, along with the increased demand for water by the bigger population, including the corresponding sewage services, are impacting the hamlets in Nunavut. The maintenance of roads is also becoming a bigger expense as we now require full-time snow removal positions.

With my fellow members also identifying shortfalls in funding and resources for communities and with resources stretched to the breaking point, there are hamlets that now are required to keep staff working until the wee hours in order to keep up with the demand for services. The costs of these services are not decreasing and in fact, I believe that there are upwards of seven communities that have difficulty operating within their budgets due to these factors.

As well, the residents who are being serviced by the local government tend to complain frequently and often these days. The residents want better and bigger services but at the same time, almost every community is undergoing the same type of increased demands from their residents. However, the funding levels for the hamlets have not increased in the last few years and it seems that it will not climb anytime soon.

In regard to the increasing costs of servicing our people and the forced growth factors impacting our communities, although it is a common concern, it seems that the government is not overly worried about these matters. Why is it that the government is not seemingly concerned with these issues? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. We did increase the budget by 30 percent since 2002 for hamlet services and we continue to support our hamlets with their programs. It was due to these common concerns that led to this 30 percent increase since 2002. However, I will ask Mr. Rafter to provide more details in regard to these questions. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Minister Brown. Mr. Rafter.

**Mr. Rafter:** Thank you, Mr. Chairman. Most of the increases that have occurred since 2002 are related to bringing the base level of operating funding up to a reasonable level for municipalities. There have been a number of adjustments for utility rate increases and fuel rate increases over that period of time. In addition to that, we have increased our monitoring of communities over the past number of years and have provided more training opportunities and training for municipal employees.

So all of this working together, if we look at page J-7 in the business plan, we see a trend of improving financial performance overall, although, from time to time, we do experience issues at the municipal level with performance. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Rafter. Mr. Alagalak.

**Mr. Alagalak** (interpretation): Thank you, Mr. Chairman. That may be so. It was in 2002 that funding was instituted for its operation. In our communities, people are paying user fees to do the services in the hamlets. I was part of that as a mayor in Arviat and that assisted us greatly for capital expenditures, such as for trucks and services in the community; we were able to go on with it.

However, when we have to pay for many things in the communities for services, it's getting difficult to keep up. They would like to save money toward these services in the communities as a local government, but we are forced to keep up with the growth of the population. It's getting really hard to keep up because communities are growing in population, more people are getting older, and it is extremely difficult to provide all the services to our residents. On top of that, there are others coming into the communities to work. We would like to welcome them and have them feel at home in our community, and find jobs in our communities within government departments, but that increases our population.

Also, children that are growing up in the communities will need to be looked after down the road. Looking at the budgets of hamlets, it will not increase for eight years. What are we going to do? We are at a standstill and yet, we have to pay for the services provided by the hamlet. Some people can't keep up with all of the expenses. We have had to add more people to the assistance lists. How are we going to keep up with the payments for the people that don't have the money? I don't think we need to be in this situation.

It seems to me that the hamlets are scaring the people. Hamlet councils and SAOs started out working really well at the beginning but due to a lack of funding, they have given up their services to the communities by the local governments. There are even communities that don't have SAOs in their community. What improvements are you planning to make so that this could be better in the future? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. I thank my colleague for his comments. We know that the hamlets are undergoing financial hardships and we are striving hard to work towards the budgets of the hamlets in the communities. Community and Government Services works with all hamlets when there are emergencies in the communities.

Like you said, we have a shortage of SAOs in some of the communities at the hamlet offices and our staff usually works with the hamlets to resolve their issues. We are reviewing that to see how we can fill SAO positions and this includes when you're trying



to get them to Nunavut. The hamlets themselves should be looking for SAOs, it's their responsibility. SAOs are lacking in many communities and there's also a shortage of SAOs in western Canada, so we're trying to build capacity in the communities to let them grow.

We are trying to review this through the MTO, but to date, Community and Government Services is trying support the hamlets in the communities when we're reviewing their services. We're collaborating with the hamlets on resolving their many challenges and we usually review the issues related to their difficulties. Further, if we are required to assist the hamlets financially, we do so and we also offer support and recommendations every year to various hamlets.

I think Mr. Rafter would like to supplement my response, so I will hand the mic over to him. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Minister Brown. Mr. Rafter.

**Mr. Rafter:** Thank you, Mr. Chairman. In addition to the increases of about 30 percent over the past number of years, there's also been an increase during the past year to the water/sewer program, which is a major municipal program that has caused impacts for most local residents. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Rafter. Mr. Curley.

**Mr. Curley** (interpretation): Thank you. I want to add to my earlier statements and I'm in support of the comments made by the MLA for Arviat. The government increased their finances and budgets by 43 percent since 2004. I would like to ask the minister: since 2004, by what percentage has the hamlet councils' budgets increased? I won't ask that question now but I'll write it in a letter form.

When we were dealing with the supplementary bills in our standing committee, when we asked the minister, "Why did you increase (interpretation ends) only halfway through the year?" (interpretation) We are told that the departments and their officials said that they are following the forced growth amounts when they're increasing their budgets. Yet, they don't explain why they increased it and they just go forward with their forced growth amounts.

I think this is happening with the municipal government services in the communities and they're being dumped with a lot of services and more responsibilities without being given extra funds. I think it is imperative that you review it quickly before they get into further debts and problems. Many hamlets are working really hard to try and meet the demands of their residents. That's just a comment.

My question is in regard to what the minister mentioned earlier. Even though there are only two employees in the Consumer Protection Division, using your authority, I think you can direct them to write letters to the retail stores concerning the consumer rights of

people. I don't think they're complying with consumer rights legislation, so I think they need to be reminded of that.

I'll just say that the retail stores, it could be any type of store, for instance, the Northern Store or the Co-op, they use every strategy available to try to get you to spend your money at their stores, (interpretation ends) they want all of your money if you can give it to them. (interpretation) They must follow laws and regulations, such as the *Consumer Protection Act*, which some retailers don't even follow, so it's getting a little frightening.

We hear through the local radios and TV that the trucks and cars are being recalled because they are unsafe to operate, but as long as you're in Nunavut, that doesn't apply. It's the responsibility of the government to look after the consumers. We would like to get some of the stores that are selling trucks and cars to have licenses. If you're going to sell things, it's not hard to get a licence. I can say that without anything to give and if I was to sell something, then I would go get a licence. It's very easy for me to get a licence in the community but I believe that we need to tighten our regulations.

As I said earlier, the Northern Stores are starting to sell used trucks in the communities. Some of them are broken and not running properly, so I think they are stealing money from Nunavummiut when they're selling such things. Therefore, we must ensure that we revise our regulations to better protect our consumers and to make certain that there are no fraudulent occurrences. I think that this is an urgent issue.

Perhaps the minister can identify some of the warranty services as some of the consumers do fill out their warranties. We should thank them because they're diligent in their practices, for example, here in Iqaluit, there are businesses that honour the warranties of their products. Take snowmobiles for example; they are usually covered by warranty. Some of the bigger products do not seem to be under warranty and perhaps this is something that the minister can look into and deal with. (interpretation ends) Thank you.

**Chairman** (interpretation): Thank you, Mr. Curley. Before I acknowledge Minister Brown, we were directed by the Speaker not to point at members or to state their names. This is just to remind members. Minister Brown.

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. I thank the member for bringing that up. We have another official who is responsible for Consumer Affairs, Mr. Silas Angna'naaq. Please stand so the members can see you. He is sitting in the Gallery and he works out of the Baker Lake GN offices.

As I stated before, we are now working on this quite busily. Excuse me, let me put on my glasses because I cannot see too well. With regards to the question that was just posed, yes, we will be dealing with those issues. We have a toll-free number and I will ask my officials to advertise that toll-free number more frequently. This is a number you can call if you have concerns with respect to consumer protection. For example, if you purchase second-hand vehicles, such as automobiles, snowmobiles and ATVs, the number is 1-

866-223-8139. I would like Nunavummiut to know that it's a toll-free number and if you encounter any problems or if there are any complaints, you may call that phone number.

We were tasked to tighten up the regulations, so we will do that along with our officials. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Minister Brown. Welcome, Silas Angna'naaq. He was also a Member of the Legislative Assembly for the Northwest Territories. Mr. Peterson.

**Mr. Peterson:** Thank you, Mr. Chairman. Minister, last year, the standing committee recommended to your department to review the issue of whether the quality and safety of drinking water in all Nunavut communities meets the national *Guidelines for Canadian Drinking Water Quality*. We also recommended that your 2008-09 business plan address the issue of training and certification requirements for persons working in water treatment plants in Nunavut. My question for you: what actions has your department taken in response to the standing committee's concerns and recommendations? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown:** Thank you, Mr. Chairman. I guess the MTO has been very good to the department and to all of Nunavummiut. The MTO and CGS have developed an orientation course for water, wastewater and solid waste operations for all of the municipal foremen. That's a step that has been taken.

Also, the MTO and CGS are currently in discussions with the Environmental Operators Certification Program in British Columbia to have the EOCP certify trained operators from Nunavut. The EOCP certification will result in Nunavut operators having nationally recognized certification. Thank you, Mr. Chairman.

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

**Mr. Peterson:** Thank you, Mr. Chairman. I thank the minister. I wonder, Mr. Chairman, just for the record, if the minister could clarify, for when people read the *Hansard*, what MTO is and the other acronyms. It would make it much easier for people to understand the answers. Thank you, Mr. Chairman.

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

**Hon. Levinia Brown:** Thank you, Mr. Chairman. I'm sorry and pardon me for that; we have so many abbreviations.

The MTO stands for the Municipal Training Organization, which is applied to all Nunavut communities and participation is from any organization throughout Nunavut, say for example, from housing, hamlets, or other organizations throughout Nunavut, to

assist them so that they could go into training. The other one that I used, EOCP, is the Environmental Operators Certification Program. Thank you, Mr. Chairman.

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

**Mr. Peterson:** Thank you, Mr. Chairman. I thank the minister for clarifying those acronyms. I have often cracked jokes in the House that it's like learning a new language with all of the acronyms that are tossed around in the Legislative Assembly and in the different levels of government, so it's very difficult to follow them all.

Can the minister explain to us what the current process is for communities to test for water quality? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. I'll have my deputy minister respond to that question. Thank you.

**Chairman** (interpretation): Thank you, Minister Brown. Mr. Akeegok.

**Mr. Akeegok** (interpretation): Thank you, Mr. Chairman. (interpretation ends) I don't have the actual procedure here with me but there are daily checks done by our municipalities on the water quality for the chlorine and the additives to ensure that it's acceptable.

The health centres, through the Department of Health, do monthly water checks on every other water tank, the delivery, and on annual basis, the Department of Indian and Northern Affairs send their water quality inspectors into the community to ensure that the water coming from the source and the water itself that we drink meet acceptable national standards.

So there are checks and balances in each case. (interpretation) Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Akeegok. Mr. Peterson.

**Mr. Peterson:** Thank you, Mr. Chairman. I thank the minister and deputy minister for that information. Can the minister or deputy minister outline the procedures that hamlets follow when the tests show that the water quality is less than the acceptable standards? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. I'll have my deputy respond to that. Thank you.

**Chairman** (interpretation): Thank you, Minister Brown. Mr. Akeegok.

**Mr. Akeegok** (interpretation): Thank you, Mr. Chairman. (interpretation ends) There is a manual and a procedure that hamlet water operators use. This is done through the daily sampling and they do check on the chlorine. If the level of chlorine is too high or low, then they have to adjust it, or if there are any other issues with it, then they adjust the water sample.

If there are any immediate concerns, then the ultimate thing is to either call a Boil Water Advisory, and also, in order to do that, the hamlets report to the Department of Health, which then takes appropriate further testing and then determines what to do in the next steps, which could be various things, either boil water, shut it down, or deem it safe. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Akeegok. Mr. Peterson.

**Mr. Peterson:** Thank you, Mr. Chairman. I thank the minister and the deputy minister for explaining that. Can the minister or deputy minister clarify now, you mentioned manuals and training, are you 100 percent certain that all hamlets in Nunavut are up to current standards and practices with respect to testing the water quality as set out by your department or the Department of Health? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. I thank the member. I will have my deputy to respond to that. Thank you.

**Chairman** (interpretation): Thank you, Minister Brown. Mr. Akeegok.

**Mr. Akeegok:** Thank you, Mr. Chairman. At this time, I can't necessarily confirm that but if I could allow time for that, we do work with our regional offices on this. In addition, in the last session, our minister did commit to providing and tabling the certification program for the water. We are hoping that our water quality report will be completed by mid July, and at that particular report, we hope all of the questions that the member just asked will be included in there. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Akeegok. Mr. Peterson.

**Mr. Peterson:** Thank you, Mr. Chairman. I thank the deputy minister for that answer. I certainly do look forward to receiving that information. Can the minister or deputy minister indicate if they're aware of any reported incidences in the last two to three fiscal years of where people have come in contact with water in the hamlet and become sick? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. I have not seen anyone getting ill from the water in the past two years. I remember, I think it was last year or the year before, that there was a Boil Water Advisory in Rankin Inlet. After the water was analyzed quite a few times, it was deemed safe.

We're very appreciative of the fact that the Department of Health and Social Services have been very supportive of us. It seems like they can find out right away if the water quality is good enough to drink and they deal with that all the time. That's the only time I remember of a Boil Water Advisory and that might have been last year. Thank you, Mr. Chairman.

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

**Mr. Peterson:** Thank you, Mr. Chairman. I thank the minister for that answer. On page J-14 of your business plan, one of your priorities for 2007-08 was a "Continuation of Water and Sewage Pilot Project roll out to additional participating communities," but you state in your business plan that "The Water and Sewage Pilot Project will continue for established participating communities to be fully evaluated." Can the minister update the House on the current status of that Water and Sewage Pilot Project? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. I will have our Director of Finance respond to that question.

**Chairman** (interpretation): Thank you, Minister Brown. Mr. Rafter.

**Mr. Rafter:** Thank you, Mr. Chairman. Three communities participated in the pilot project or the testing project during last fiscal year. It was determined at the end of the fiscal year that there were some uncertainties about how well the program was progressing.

It appeared, in many respects, to be better meeting municipal needs, better meeting needs of government, but because it was a relatively narrow pilot project, they wanted to get some additional time and monitoring of the program before it was rolled out to additional communities to look at the pros and cons and benefits across the board. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Rafter. Mr. Peterson.

**Mr. Peterson:** Thank you, Mr. Chairman. I thank the minister and Mr. Rafter. Can the minister, for the record, tell us which three communities were involved in this pilot project? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown** (interpretation): The three communities were Kugaaruk, Chesterfield Inlet, and Pangnirtung. Thank you, Mr. Chairman.

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

**Mr. Peterson:** Thank you, Mr. Chairman. I thank the minister. Just to confirm, did Mr. Rafter say that the department is adding additional communities because it says here that we may see additional municipalities. Can you just confirm that for the record? Are planning to add or have you added additional communities? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown:** Thank you, Mr. Chairman. No, at this time, we're not adding any communities. Thank you, Mr. Chairman.

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

**Mr. Peterson:** Thank you, Mr. Chairman. I thank the minister for that. Can the minister indicate why they don't want to add additional communities for that project? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown:** Thank you, Mr. Chairman. The project was well received by all three communities and it seems like we should be looking at adding more pilot projects since it was so successful. However, it's kind of premature right now to say if we will be adding any more in the near future. That's all I can say for now. Thank you, Mr. Chairman.

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

**Mr. Peterson:** Thank you, Mr. Chairman. I thank Minister Brown. Can the minister tell us when they expect to have a final report or an interim report, if that's available, to table in the House to provide to the standing committee? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown:** Thank you, Mr. Chairman. The report is done; it's just a matter of time now for tabling it in this House. Thank you, Mr. Chairman.

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

**Mr. Peterson:** Thank you, Mr. Chairman. I thank the minister for that clarification. Can the minister tell us: are you going to table it this week or are you going to table it in the spring session? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown:** Thank you, Mr. Chairman. My mistake, I meant the interim report. We will commit to tabling it in the spring session, in May. Thank you, Mr. Chairman.

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

**Mr. Peterson:** Thank you, Mr. Chairman. I thank the minister for that. I wonder if the minister could, to help our standing committees get some advance information, provide it to us through the back channel process and allow us to review it before the spring session. Thank you, Mr. Chairman.

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. Yes. Thank you, Mr. Chairman.

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

**Mr. Peterson:** Thank you, Mr. Chairman. I thank the minister for that commitment and I look forward to reviewing that report.

Also in your business plan on page J-14, one of your 2007-08 priorities was the Municipal Taxing Model and we have heard about this initiative for many years. I'm wondering if the minister could update us on the progress that her department has made in advancing the Municipal Taxing Model in Nunavut. Thank you, Mr. Chairman.

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. I would like to ask you and the members if Shawn Maley could go up to the witness table so that he can respond to that question. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Madam Brown. I would like to ask my colleagues if Mr. Maley could go to the witness table. Do you agree?

**Some Members:** Agreed.

**Chairman** (interpretation): Thank you. Sergeant-at-Arms, please escort Mr. Maley to the witness table.

Thank you, Sergeant-at-Arms. Welcome, Mr. Maley. So you can get a response to your question, Mr. Peterson, if you can ask it again. Mr. Peterson.



**Mr. Peterson:** Thank you, Mr. Chairman. I'm going to be very straightforward. Can the department just update us on the Municipal Taxing Model that's outlined as their priority in 2007-08 in their business plan? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown:** Thank you, Mr. Chairman. Beside me is my Assistant Deputy Minister, Shawn Maley, and he will respond to that question. Thank you.

**Chairman** (interpretation): Thank you, Minister Brown. Mr. Maley.

**Mr. Maley:** Thank you, Mr. Chairman. Thank you, Minister. I thank the member for the question. The member is correct. This is an initiative that has been ongoing for a number of years.

One of the things that we quickly realized when we were looking at this new area of study was that we were quite unsure as to the base from which the municipalities could draw their tax revenue from potentially. And, we also received some words of caution from some Members of this Assembly that they were cautiously optimistic that this was maybe an initiative that could move forward but they wanted to be sure that we weren't going to be adding another burden onto an already burdened consumer group.

So the first thing that we decided to do was look at making sure our property assessments were up to date and that's taken some time. I am happy to say that as of today, we are much further ahead in terms of knowing that the properties that are available to tax are pretty much accounted for and the data is good.

We have done some consultation with some interested communities and we have also looked at a number of taxation models in other jurisdictions that we could possibly model some of our new program after. One of those includes the Northwest Territories, which has now empowered their communities with the ability to tax if they so choose.

So we're putting that together, we're not yet done, we still have at least another year to go in terms of developing this, but our minister and the department are committed to having a report completed by the end of this fiscal year and have it ready for consideration and direction from the Assembly. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Maley. Mr. Peterson.

**Mr. Peterson:** Thank you, Mr. Chairman. I thank the minister and Mr. Maley for that information. Can the minister or Mr. Maley tell the House what are the benefits of a community having taxing authority? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. I will have my assistant deputy minister respond. Thank you.

**Chairman** (interpretation): Thank you, Minister Brown. Mr. Maley.

**Mr. Maley**: Thank you, Mr. Chairman. I thank the minister and thank the member for the question. It's a good question. Quite often when you mention taxes, people tend to get a funny look in their eye and not really want to discuss the issue with you. The ability for communities to tax does bring a new source of revenue to their operations and it gives them a certain level of independence.

With the new mining activity in the territory and where, in some cases, there is prolonged mining activity within the municipal boundaries, it does also provide the municipality to tax a new corporate source of revenue. So the ability to tax allows communities the independence to make financial decisions by themselves.

However, as we have heard from some Members of the Assembly, we do want to make sure that it's done in a manner that won't overly hinder the people that are already paying their costs and at the same time, give the community some real sources of new revenue that they can make some decisions and maybe be able to look at building infrastructure that the government doesn't have to pay for entirely itself. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Maley. Mr. Peterson.

**Mr. Peterson**: Thank you, Mr. Chairman. I thank the minister and Mr. Maley for that answer. My concern is, and I'm probably one of the individuals you're referring to about hearing from there, most of the communities in Nunavut don't have an economic base and most of the housing in municipal communities is public and social housing, so you really don't have a tax base as such. If hamlets are going to implement the Municipal Taxing Model in their communities, it will be on the backs of a small group of people, so I'm wondering how they would be assured that they're not going to be paying all the taxes.

Presumably in the taxing model, you can only raise so much from taxes, so you're still going to have to provide some government funding. There are grants in lieu of taxes; I have heard that phrase. Could you give us a little bit of insight into the different types of models you're exploring in your research that would potentially be implemented in Nunavut? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. I will have Mr. Maley respond to that question. Thank you.

**Chairman** (interpretation): Thank you, Minister Brown. Mr. Maley.

**Mr. Maley:** Thank you, Mr. Chairman. I thank the minister and the member for the question. In looking at models and there are lots of different models that have been implemented across the country, the one we're closest to is...

First of all, homeowners currently pay property tax now; they just pay it to the territorial government. The territorial government is responsible for the assessment of their property on a yearly basis, we do that through a contractor, and then once the assessment is done, the homeowner receives a yearly invoice. Outside of Iqaluit, generally, you would find a property owner to have tax anywhere from \$200 to \$500, depending on the community and the value of their property. So that's the first level of tax that could be made available to communities.

The second level of tax would be if a community is to have the ability to tax, they could go to a local plebiscite and ask the rate payers themselves if they're willing to add on more tax for an improvement to their arena or for an improvement to their community hall, then they themselves, as ratepayers, would have the ability to vote on that. So that's another example.

Thirdly, none of the models that we looked at do we expect that the government won't have a role to play as a funding agent, whether it's through an unconditional capital grant, or whether it's streamlining federal money, like the City of Iqaluit gets through gas tax, and so forth.

So the model that we're developing certainly sees the government as a partner but also allows the communities possibly to make some decisions on raising money that they feel they can afford and that the people themselves in the community will agree to. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Maley. Mr. Peterson.

**Mr. Peterson:** Thank you, Mr. Chairman. I thank Mr. Maley for that answer. While you were speaking earlier, I was rolling some numbers around in my head. If you had a community of 1,000 people and only 100 homeowners, and 15 of those who own their home are actually paying property taxes, then they're effectively the ratepayers, so would they be the ones that would be making all the decisions for the hamlet if they were asked to vote on permits to the ice arena?

The government is paying all the rest, you know for the public and social housing, so the actual true homeowners are the ones paying their property taxes. So it would be them that I would think that would effectively make the decisions if the hamlet council was asking for input into taxes. Can you clarify that for me? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. I will have Mr. Maley respond to that question. Thank you.

**Chairman** (interpretation): Thank you, Minister Brown. Mr. Maley.

**Mr. Maley:** Thank you, Mr. Chairman. I thank the minister and the member for the question. Generally, the question that gets asked of ratepayers, whatever you consider a ratepayer, in the case of most tax basis, it would be homeowners, businesses, and anybody generally that pays the taxes that you're taxing. In some cases, it may not be property tax; it may be an additional level of tax, but generally, you want to ask the question to the people who are going to have to pay it. Again, it's an excellent question and it really highlights the issue.

There is no sense in putting more of a burden on the people that are already paying, so we need to make sure that the model is made-in-Nunavut, it makes sense to people, that the ratepayers that are involved are interested in it, and that it will make a difference in terms of the revenue stream. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Maley. Mr. Peterson.

**Mr. Peterson:** Thank you, Mr. Chairman. I thank minister and Mr. Maley for that update. I'm sure we will hear more as it goes along. I'm happy to know that the department is heeding the cautions and concerns of some of the members that they heard from and that they're not going to jump into this with both feet without fully exploring the pros and cons. I trust that you will probably be consulting with all the mayors and councils and the Nunavut Association of Municipalities on that initiative.

I can understand the conundrum you find yourself in, you know Nunavut is a unique area; we just don't have the tax base to do some of the things that we want to do. When I was Mayor of Cambridge Bay many years ago, I remember having this conversation with Mr. Maley and the media heard about it. They reported that we were jacking up the taxes in Cambridge Bay and I had people calling me up wondering what was going on. Of course, I had to calm them down and say, "No, no, it's just an issue that the government is working on." That was five or six years ago, so you're still working on it and that's good.

I wanted to move on to page J-15 of your business plan. One of your priorities for 2008-09 is to "Actively work with Government of Canada to advance Nunavut's Building Canada program." Can you give us an update on how you're proceeding to work with the Government of Canada and then rolling out that program in Nunavut? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. Once again, I will have Mr. Maley answer that question.

**Chairman** (interpretation): Thank you, Minister Brown. Mr. Maley.

**Mr. Maley:** Thank you, Mr. Chairman. I thank the minister and the member for the question. As you are aware, the minister was designated the responsibility for negotiating the Building Canada Fund Agreement. To date, we have finalized and signed off on the framework agreement which is, as you are aware, a higher level sort of MOU. We are now about a third of the way through the negotiations on the funding agreement, which is really the trigger for the funding to flow.

The process for developing projects is being led by the Minister of Finance and they will be sending out a letter shortly as to how that is going to work. Right now, we're collecting data from various departments and through the NCIAC, and developing potential project lists for consideration in the future. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Maley. Mr. Peterson.

**Mr. Peterson:** Thank you, Mr. Chairman. I thank the minister and Mr. Maley for that information. The Minister of Finance, in his budget speech, made a lot of positive announcements. One of them was the announcement of the Building Canada program and provided a list of example-type projects they would fund. He also, in his budget speech, mentioned that the Government of Nunavut was going to reconfigure their 2008-09 capital planning in view of the fact that these new funds are available to help fund some of the projects that the House approved last November.

Can the minister or Mr. Maley confirm for me that the exercise that you're currently going through to reconfigure the 2008-09 capital plan will actually result in projects that were on, I don't want to call it a wish list, a priority list by MLAs, mayors and councils that have been previously identified, will some of those projects be added to the 2008-09 capital plan and will we actually see them commence this year or next fiscal year? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. I'll have Mr. Maley respond to that question. Thank you.

**Chairman** (interpretation): Thank you, Minister Brown. Mr. Maley.

**Mr. Maley:** Thank you, Mr. Chairman. I thank the minister and the member for the question. What I can tell the member is that the established capital process will be followed. The Building Canada Fund was kind of announced mid-year for us and the federal government is interested in having money flow immediately so that we can get projects up and running.

At this point in time, it would be really early for us to commit that the specific projects from the priority list will be on the first announcements. But I can tell you that the list of priority projects, which we previously consulted on with communities, will be projects

that will be going forward as part of this whole process for consideration. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Maley. We are on (interpretation ends) Branch Summary. Community Support. Total Operations and Maintenance, to be Voted. \$54,851,000. Does the committee agree?

**Some Members:** Agreed.

**Chairman** (interpretation): At this time, we are going to take a 20-minute break and we will be back.

*>>Committee recessed at 15:43 and resumed at 16:07*

**Chairman:** Welcome back, members, (interpretation) minister and your officials. We will go to page J-6. (interpretation ends) Branch Summary. Government Services. Total Operations and Maintenance, to be Voted. \$63,067,000. Does the committee agree?

**Some Members:** Agreed.

**Chairman** (interpretation): Thank you. (interpretation ends) Now go to page J-7. Protection Services. Total Operations and Maintenance, to be Voted. Mr. Peterson.

**Mr. Peterson:** Thank you, Mr. Chairman. As I indicated in my opening comments, I was curious as to the status of providing some funding to the NAMIX program in 2008-09. Can the minister provide us with an update if the department is going to help them out? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown:** Thank you, Mr. Chairman. I thank the member for the question. NAMIX is funded in 2007-08. The funding is \$200,000 and \$100,000 is for training, so altogether that's \$300,000, and it's the same for 2009. Thank you.

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

**Mr. Peterson:** Thank you, Mr. Chairman. I thank the minister for that information. Minister, I heard that the NAMIX program had to provide you with a report on the success of that insurance program over the last few years. Could you confirm that a report has been requested and confirm again what information you're seeking from them in that report? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown:** Thank you, Mr. Chairman. We are reviewing NAMIX now. Thank you, Mr. Chairman.

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

**Mr. Peterson:** Thank you, Mr. Chairman. That's a very brief answer. Can you provide me with some specifics of what information you're seeking from the NAMIX to prepare your report? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown:** Thank you, Mr. Chairman. Mr. Rafter will respond to that. Thank you.

**Chairman** (interpretation): Thank you, Minister Brown. Mr. Rafter.

**Mr. Rafter:** Thank you, Mr. Chairman. There is a review ongoing presently of NAMIX and it's primarily a value for money review of the performance of the past five years of NAMIX, and the value that the government and NAM received from the program as it was structured.

In addition to that, there are two additional components to the review - one is compliance with the subscribers' agreements and the additional one is an actuarial based assessment of the go forward needs for NAMIX. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Rafter. The NAMIX program is under page J-5. I'm not sure if that program is under J-7, so if you could clarify that for me, Mr. Peterson.

**Mr. Peterson:** Thank you, Mr. Chairman. I'm on Protection Services; it's insuring and protecting community assets, so that's how I'm interpreting it. We brought this up before where the preparations of the business plans and the preparations of the main estimates is they don't match up. I wish the government would find an easier way of doing this, rather than requiring us to constantly be detectives; I haven't seen much improvement since I have started.

Having said that, Mr. Chairman, can the minister indicate if it's the intention of the department to continue supporting NAMIX in the coming years subject to that report? Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Peterson, for that clarification. Minister Brown.

**Hon. Levinia Brown:** Thank you, Mr. Chairman. Yes. Thank you.

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

**Mr. Peterson:** Thank you, Mr. Chairman. I thank the minister. I guess I'm going to have to ask open-ended questions so that I could hopefully get some longer answers, or no more questions where you can say yes or no. I think the public would like to receive some information. Can the minister tell the House how successful NAMIX has been in the last five years in the opinion of the department? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown:** Thank you, Mr. Chairman. The NAMIX program has been very successful in Nunavut. Although NAMIX has greatly reduced the number of liability losses, they remain somewhat vulnerable due to the recent significantly large fires throughout Nunavut. Thank you, Mr. Chairman.

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

**Mr. Peterson:** Thank you, Mr. Chairman. I thank the minister for that information. I indicated in a Member's Statement earlier in this session that the NAMIX and the Nunavut Association of Municipalities were invited to a conference in Montreal, the Aboriginal Financial Officers Conference. They made a presentation on one of the best practices type of initiatives in Nunavut and in Canada. It was very encouraging to see that other jurisdictions are trying to learn from Nunavut, so I encourage the minister and her officials to continue to support NAMIX.

On the same page of Protection Services, you mentioned emergency preparedness. Can the minister tell the House how many hamlets and cities in Nunavut have up-to-date, current emergency response plans? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. I will have my Deputy Minister, Mr. Akeeagok, respond to that. Thank you.

**Chairman** (interpretation): Thank you, Minister Brown. Mr. Akeeagok.

**Mr. Akeeagok** (interpretation): Thank you, Mr. Chairman. I would also like to thank the member. This bill was reviewed last fall and revised by the members, and we appreciate that. We have now relayed this information to the communities and we are currently preparing training modules for the communities.

However, since the legislation was updated, we have not sent it out to all the communities. Some communities are still working off of the old legislation, while others are using the new legislation. However, we do not have a list of which communities have started using the new legislation that you approved.

We have started to implement the legislation as passed and have identified resources, including a worker who is working with the communities to ensure that they are using the



new legislation as all communities are required to work with the new law. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Akeegok. Mr. Peterson.

**Mr. Peterson:** Thank you, Mr. Chairman. I thank the minister and the deputy minister. The recent emergency in Rankin Inlet highlighted the importance to have current and updated emergency response plans. I understand, from listening to the discussions in the House, the media, and my colleague from Rankin Inlet who praised the folks down there, that they had a very good emergency response.

It concerns me that, possibly, other communities don't have emergency response plans and as we have seen, an emergency can occur any time. My question for the minister: when these hamlets have emergency response plans, how do they practice implementation of the emergency response plans that they have developed for their communities? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. I will have my Deputy Minister, Mr. Akeegok, respond.

**Chairman** (interpretation): Thank you, Minister Brown. Mr. Akeegok.

**Mr. Akeegok** (interpretation): Thank you, Mr. Chairman. All the communities have emergency plans and they have to constantly update their plans because it's better to be prepared in case there was an emergency. We have told the communities that they need to have a plan.

As a department, we support their plans, and we have to support them. Our minister has tasked us to do that in case there was an emergency, to provide support to the communities. For example, with the incident in Rankin Inlet, there was great cooperation between the hamlet, the government, and the Power Corporation.

At this time, when they are making the plans, we expect, in English it's called 'Table Top Exercise,' so we figure that we will be able to work closely together. For instance, in Rankin Inlet, we have to review what has happened and what we learned from that experience, both from an operational and staff perspective. Those are the things that we will review and we will forward them to the communities. These are some of the things that we are trying to accomplish. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Akeegok. Mr. Peterson.

**Mr. Peterson:** Thank you, Mr. Chairman. I thank the minister and deputy minister. What I'm trying to get at is in a community, you can have an emergency anywhere and they may have an emergency response plan, but if you have a disaster at the airport, such as an

airplane crash, then that's much different than a power generator failing or all of the generators failing. Depending on the type of disaster, there has to be one organization that has the overall responsibility to coordinate all the others; you will have the Health Department involved, you will have the fire department, you'll have the power plant, you'll have the stores, schools, and all that.

So I'm just trying to get an idea of how the community develops their emergency response plan and integrates all the key stakeholders into the plan and practices it so that when there is an actual emergency, wherever it is in the community, then everybody knows what their role and function is that day so that they mitigate any serious breakdown of communication that may result in a loss of a life or an injury. Thank you, Mr. Chairman.

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. I'll have my deputy respond. Thank you.

**Chairman** (interpretation): Thank you, Minister Brown. Mr. Akeegok.

**Mr. Akeegok** (interpretation): Thank you, Mr. Chairman. I thank the member for his question.

(interpretation ends) With this new *Emergency Measures Act*, there was a subtle change in wording on the plans; it is now called a program. Typically, plans tend to sit on shelves and then when it's needed, they're dusted off. What we are encouraging by calling it a program is it should be integrated into everyday life of the community. There are various areas that the member touched on, which, if there is an airplane incident, if there is a health incident, all those have to be integrated into the community program and also to the territorial program.

Everybody has to understand their roles; I agree with the member on this; for each component, that's what we're striving for. With the new legislation, that spells out sort of who's got the authority at certain points in time. Our minister has the ultimate authority at the territorial level. If it is a localized emergency, there are sections in the legislation that allows for the municipality to declare the local state of emergency and that's where some of their duties get to be exercised. (interpretation) Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Akeegok. Mr. Peterson.

**Mr. Peterson:** Thank you, Mr. Chairman. I thank the deputy minister for that answer. Could you expand a little bit... now, I know you don't want documents sitting on the shelf collecting dust and we all encourage these plans to be alive and active and always be updated.

We hope that there's never an emergency or disaster, but to be ready for one of those emergencies or disasters, will the communities be encouraged or assisted to simulate disasters or emergencies so that they all know on a particular day, whatever day that is or time in the future, if there is ever a disaster, that they have rehearsed what to do to and they could respond quickly and effectively? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown:** Thank you, Mr. Chairman. Again, Mr. Akeegok will respond, please. Thank you.

**Chairman** (interpretation): Thank you, Minister Brown. Mr. Akeegok.

**Mr. Akeegok** (interpretation): Thank you, Mr. Chairman. (interpretation ends) Yes, I could expand a bit more.

At our departmental level, we have sent out the Municipal Emergency Response Program template and we do have a dedicated staff that has been getting a hold of the communities and will be getting a hold of communities, along with key stakeholders in the community, to give them the updated hazard and risk assessment and begin their program development. Also, we have training started and as a matter of fact, they're on the search and rescue side of things. We do have training taking place right now on the structure of the search and rescue and how we can provide training courses to each community.

At the same time, we are aware that each community does things slightly differently but what we are encouraging is for them to use the template and allowing for dialogue work and the stakeholders, and have the community assessed and assess their possible hazards and risks, and ensure that if a disaster or emergency does happen, that all communities and the territorial government will be prepared to respond to that.

We never want disasters or emergencies to happen but it's known to happen, so we have to be prepared. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Akeegok. Mr. Peterson.

**Mr. Peterson:** Thank you, Mr. Chairman. I thank the minister and deputy minister for that detailed information. We hope that we will never need to use the emergency plan, but it's always good to be prepared. I found that, as my time on the hamlet council in Cambridge Bay, we were prepared. We actually simulated a few incidences involving the fire department and the Health Department, it worked really well. It was kind of interesting because it also highlighted and raised awareness amongst the public that disasters and emergencies could occur when they saw people practicing.

On page J-19 of your business plan, under Search and Rescue, you have identified or budgeted \$500,000 for search and rescue. I know that can't be the full amount of the costs of search and rescue in Nunavut, but can you tell us, as the minister, what the

annual cost is to the Government of Nunavut for search and rescue missions? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown:** Thank you, Mr. Chairman. The budget for expenditures changes from year to year and I will ask Mr. Rafter if we have the amount available with us. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Minister Brown. Mr. Rafter.

**Mr. Rafter:** Thank you, Mr. Chairman. If I understood the member's question, he is looking for a figure for a total cost of search and rescue across Nunavut for each year, and that would include federal agencies, national defence, a number of federal departments, as well as funding from this government. We don't have a single consolidated figure of the total costs for searches in Nunavut at this time. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Rafter. Mr. Peterson.

**Mr. Peterson:** Thank you, Mr. Chairman. I thank minister and Mr. Rafter. Is that a figure that you can, through your various channels, obtain for us? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown:** Yes, we can work on that. Thank you, Mr. Chairman.

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

**Mr. Peterson:** Thank you, Mr. Chairman. Can I ask the minister to commit to have that information available for the spring session? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. We will try and make a report and table it in the House to the members during the spring session. If we can complete it by that time, we will try and do so, but we will have to wait on other departments to get that information. Thank you, Mr. Chairman.

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

**Mr. Peterson:** Thank you, Mr. Chairman. I think it is important information to have. I often get questioned about how much it's costing all the various agencies, organizations and individuals involved, and what the true cost is of a search and rescue in Nunavut. I think it's a figure that we should have and then we can maybe put more of those funds into education and training and providing equipment for people to use when they're

going out on the land if there are emergencies. So I hope the minister can get that information.

I noticed in your 2007-08 priorities, there's a Nunavut Search and Rescue Society that has been approved. Can you give us an update on the status of that society and what work they will be doing in the current fiscal year and in the next fiscal year? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown:** Thank you, Mr. Chairman. There is a body that was formed and it's called *Qiniqtiit Nunavumit Tunngavinga*. That was formed in December of 2007 and they're very new. I think their duties are to collaborate with the search and rescue representatives from each community, along with a representative from the RCMP Joint Task Force North and Community and Government Services. They have met here in Iqaluit and the board of directors is made up of seven search and rescue volunteers that have been elected, and the board of directors consists of a president and two directors from each region.

The community search and rescue representatives also voted on a different title for their association which I just mentioned. In December 2007, \$95,000 out of the fiscal year 2007-08 funds was allocated for the enhancement of community search and rescue volunteers. It was spent to have community search and rescue volunteer fellows to meet in Iqaluit. The terms of reference is being developed by them since they were just elected. Thank you, Mr. Chairman.

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

**Mr. Peterson:** Thank you, Mr. Chairman. I thank Ms. Brown for that answer. It mentions in your business plan that a new funding policy is to be approved by the board. Is it the plan or the intention of the Department of Community and Government Services to provide them with annual funding to carry out their operations? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown:** Thank you, Mr. Chairman. I thank you for that question. Yes. Thank you, Mr. Chairman.

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

**Mr. Peterson:** Thank you, Mr. Chairman. I thank Ms. Brown for that answer. Can the minister indicate the level of annual funding she intends to provide to the Search and Rescue Society? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown:** Thank you, Mr. Chairman. I thank the member for that question. Now that the society has been formed, it is recommended that \$300,000 to \$350,000 will be a contribution for the society to manage. Thank you, Mr. Chairman.

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

**Mr. Peterson:** Thank you, Mr. Chairman. I thank Ms. Brown for that information. Can the minister tell us how the Search and Rescue Society would integrate into the roles, responsibilities, and functions of the community search and rescue and the government search and rescue obligations? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown:** Thank you, Mr. Chairman. I thank the member for that question. I will ask the deputy minister to respond to that. Thank you.

**Chairman** (interpretation): Thank you, Minister Brown. Mr. Akeeagok.

**Mr. Akeeagok** (interpretation): Thank you. (interpretation ends) The new society is elected by all the search and rescue organizations from each community and their function is to sort of take it to the next level where there is stronger coordination between communities and with the territorial government, along with some sort of integration with the federal government as to what sort of resources are available. They are voted on from the communities, so there's that interaction with it.

Coming from this department, we are providing an administrative role to the society. The integration between the government and the community would be, if they would like certain training to be offered for the communities or any preventative measures for searching resources in terms of equipment either for the search and rescue or for the public at large, that body would assist the department in getting some of that direction. (interpretation) Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Akeeagok. We are on (interpretation ends) Branch Summary. Mr. Curley.

**Mr. Curley** (interpretation): Thank you. I alluded to this during my opening comments and it's in regard to emergency measures because communities need emergency response plans which are required under our new legislation.

Although the *Emergency Measures Act* was passed last fall, it became evident that it won't be the same across the communities. How do you advise the other departments of this legislation and whether they are required to have emergency preparedness plans? If that's not the case, the minister perhaps can advise the other departments of the plans required under the *Emergency Measures Act*, especially with regards to utility and power.

We had no emergency power system available at all. I would like to get the minister's view because I believe that it became evident that the departments need to have emergency response plans. (interpretation ends) Thank you.

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. I thank the member for asking the question with regards to this issue. Yes, it's evident now and we know for sure that we need to have an emergency response plan under the legislation and I know that we will be working diligently on making the plans.

We still have discussions with various agencies and departments. The deputy ministers from various departments, such as Health and Social Services, Education and Environment, as well as our staff who would meet together, have acknowledged the fact that they need to have emergency response plans. Thank you, Mr. Chairman.

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

**Mr. Curley** (interpretation): Thank you, Mr. Chairman. Since you have been conducting reviews to find out what needs to be amended and because there was no backup generator, have you identified the fact that those are needed? Thank you.

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. We will be reviewing all aspects of what happened during the state of emergency in Rankin Inlet. We will have to make a report so that we can find out what needs to be dealt with. We found out that we need an emergency response plan and we will be working on that. Thank you, Mr. Chairman.

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

**Mr. Curley** (interpretation): Thank you. My other question I would like to pose is with regards to the Minister of Finance's recent announcement in his Budget Address that volunteer firefighters in Nunavut will be receiving a tax credit of \$500 per year. Did your department provide any form of support or assistance? Who would qualify under that program and what's the eligibility requirement for the tax credit on fire prevention? (interpretation ends) Thank you.

**Chairman** (Mr. Evyagotailak): Thank you, Mr. Curley. Minister Brown.

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. I'll have our director, Mr. Rafter, respond to that question. Thank you.

**Chairman**: Thank you, Minister Brown. Mr. Rafter.

**Mr. Rafter:** Thank you, Mr. Chairman. The program is oriented toward volunteers and of course, the department is very supportive of tax benefits of this nature to encourage volunteers within the fire departments. It was not an initiative of the department but the department is supportive of it. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Rafter. Just before we go to Mr. Curley, we don't have a quorum.

Mr. Curley.

**Mr. Curley:** Thank you. So the department has no involvement as to who qualifies. I'm just curious; I would have thought they would ask you because individuals may have to some kind of ideal or some kind of certification, I'm not sure. If the information is required from you guys, I'm sure that you guys would be willing to help out and inform the local municipalities with what's happening with this.

I'm sure that the program aspects of it will have to be worked out somewhere along the road but I'm not sure if the Department of Finance has people who do that. (interpretation) My question is: what exactly will be the plans? I would like to understand that as I'm sure the public will have questions on how that's set up. Thank you.

**Chairman:** Thank you, Mr. Curley. Minister Brown.

**Hon. Levinia Brown:** Thank you, Mr. Chairman. The Department of CGS could assist the communities to identify those who are eligible. Thank you, Mr. Chairman.

**Chairman:** Thank you, Minister Brown. Thank you, Mr. Curley. J-7. Protection Service. Total Operations and Maintenance, to be Voted. \$5,394,000. Does this committee agree?

**Some Members:** Agreed.

**Chairman:** Thank you very much. J-8. Capital Planning and Technical Services. Mr. Peterson.

**Mr. Peterson:** Thank you, Mr. Chairman. In the last year, we have heard of many capital projects being delayed due to cost overruns and the inability to interest contractors and developers to bid on contracts, and if they do bid, the costs are too high or there are delays. There are all kinds of issues that are surrounding management of the contracts.

The department has indicated in their business plan on page J-21, "Improve capacity to manage all of the capital projects including the incremental programming associated with existing and emerging third party infrastructure agreements and emerging third party agreements." I'm wondering if the minister and her officials can give us an overview of the work they have undertaken to date to improve the capacity of the department to deliver on schedule and on time, on cost, capital projects across Nunavut. Thank you, Mr. Chairman.



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

**Hon. Levinia Brown:** Thank you, Mr. Chairman. I would like to ask the chair and the members if Mr. Boddy could come and join us here at the witness table and his role is the Assistant Deputy Minister. Thank you, Mr. Chairman.

**Chairman:** Thank you, Ms. Brown. Does the committee agree that the minister bring one of her staff?

**Some Members:** Agreed.

**Chairman:** Sergeant-at-Arms, please escort the witness.

Thank you, Sergeant-at-Arms. Minister Brown, can you please, for the record, introduce your witness.

**Hon. Levinia Brown:** Thank you, Mr. Chairman. Mr. Boddy has just joined us at the witness table and he's the Assistant Deputy Minister. (interpretation) Thank you, Mr. Chairman.

**Chairman:** Welcome, Mr. Boddy. The question to Mr. Peterson, Minister Brown.

**Hon. Levinia Brown:** Thank you, Mr. Chairman. Mr. Boddy will take that question. Thank you.

**Chairman:** Thank you, Minister. Mr. Boddy.

**Mr. Boddy:** Thank you, Mr. Chairman. In response to the member's question, we have increased our capacity in project management over the past year. We have brought on four new positions of project officers - one in each region and another one at headquarters. We also have a position for a quantity surveyor. Of the project officers, two are already hired, two are in the process of being hired, and the quantity surveyors are in the final stages of that competition. This has come at quite a good time.

There is certainly a lot of work out there with the existing and ongoing projects. I would say, as far as capacity goes, for the first time ever we now have complete staff in the Pond Inlet office, which was a newly created office through decentralization. We now have that completely staffed up, so we are improving our capacity there.

We have taken on a number of initiatives in order to train our staff. We've had several in-services, we have met with contractors, and we have also met with our consultants to look at ways that we can do business in a more efficient manner. We do recognize that there are some serious challenges when it comes to the amount of companies that are available to bid on the larger projects. This is a problem that's being felt right across the

country and we are looking at many different ways of addressing that. I hope that this answers the question. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Boddy. Mr. Peterson.

**Mr. Peterson:** Thank you, Mr. Chairman. I thank the minister and Mr. Boddy. It partially answers my question. I think there's some hope there; you have hired some project officers and a quantity surveyor. With this Building Canada program and reconfiguring the 2008-09 capital plan, there are some carryover projects that we're still working on, so it's critical to have qualified staff that can oversee project management.

You mentioned some other initiatives that you have underway or that you're reviewing. Could you explain in a bit more detail what those internal initiatives are that would help more effectively deliver the capital plan for Nunavut? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. I will have Mr. Boddy respond to that question. Thank you.

**Chairman:** Thank you, Minister. Mr. Boddy.

**Mr. Boddy:** Thank you, Mr. Chairman. Yes, we have done a number of things that are ongoing.

First off, I'll touch a bit on P3. We are working with the Department of Finance on that policy. We've had two staff go out, myself included, on seminars and conferences on P3. The last one took place actually last week where we had our director go out and the Department of Finance also sent people down to Edmonton on that conference. This is something that's being worked on and we, of course, want to see a policy in place. We've had discussions with the industry in Nunavut about some P3 approaches. This is all preliminary though, we haven't gone in any firm direction until we have that policy in place.

We have also looked at the way we deliver our projects. We have been looking at re-bundling, in some cases, where we break the projects down into smaller contracts. We have looked at design-build and this is where you combine the design of the infrastructure with the construction. Traditionally, we do two separate contracts - an RFP for a design and then another tender for the actual construction. We have looked at, in some cases, where combining the two had some merit.

We have been looking at different types of construction techniques. We have examined the modular buildings to see how they could apply in our situation in the north. We have even looked so far as to perhaps undertaking some design in-house and that would not be for the complex projects, so that would be for the basic, simpler projects.

We have also worked at listening to our contractors and consultants. We're trying to take a more integrated approach with project delivery where all stakeholders get together and have a firm vision of what they want. We're trying to increase and improve the communication for all those involved because there are many entities involved in delivering a capital project; you have your client department, you have the consultants, you have the contractors, you have the subcontractors, and you have technical services and the project managers. We're trying to get a more unified approach in regard to delivering those projects with not everyone stovepiped and learn about their own specific area.

A lot of this I see as a positive move in the right direction. Thank you, Mr. Speaker... Mr. Chairman.

**Chairman:** Thank you, Mr. Boddy. Mr. Peterson.

**Mr. Peterson:** Thank you, Mr. Chairman. For a moment there I thought you were receiving a promotion. I would like to thank the minister and Mr. Boddy for that answer. It certainly sounds promising.

Is there an individual or a committee that's been assigned this overall responsibility to coordinate with all the entities you have mentioned, all the departments, and you also talked about the private sector and contractors. Is there some mechanism within the government to bring it all together so that everybody knows how the government wants to see effective and efficient delivery of the capital projects? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. I will have Mr. Boddy respond to that.

**Chairman:** Thank you, Minister. Mr. Boddy.

**Mr. Boddy:** Thank you, Mr. Chairman. The coordination aspect of that rests with Technical Services here in Iqaluit at headquarters and there's a director that reports directly to me. This is an ongoing process; there's not just one person who is responsible for it.

One thing we did over the last year is we had roundtable meetings with all of our consultants and our contractors. We intend to have another one this year so that we can further develop the progress we have made. We have tried to listen at these meetings. For instance, at the last meeting, there was a concern brought up by the contractors and consultants about how long it takes to get paid through the mail. We worked with the Department of Finance on that and now we're implementing direct payments for the contractors and consultants into their bank accounts. This also helps a lot for the smaller contractors that work in communities that don't have banking services. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Boddy. Mr. Peterson.

**Mr. Peterson:** Thank you, Mr. Chairman. I thank Mr. Boddy. With all this work that you're doing and all the initiatives you have reviewed and studied, you have attended the P3 meetings, do you see the possibility of immediate improvements to the capital planning process so that we can have a more effective delivery currently in the new fiscal year when these new projects kick off? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. I will have Mr. Boddy respond because he answers questions very well. Thank you, Mr. Chairman.

**Chairman:** Thank you, Minister. Mr. Boddy.

**Mr. Boddy:** Thank you, Mr. Chairman. I have always stressed that I want to see progress and I think we're seeing it already. One area that has been an area of concern has been the capital carryovers. When we viewed the third quarter variance, we noticed a 30 percent drop. So I would take that as an indicator and hopefully we can report further after the end of the fiscal year. But I do think there will be progress and measurable progress on this issue. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Boddy. Mr. Peterson.

**Mr. Peterson:** Thank you, Mr. Chairman. I thank Mr. Boddy for that answer. That was going to be my next question: the indicators of the success or how you had measured it. Obviously, you have thought about it. Can you give us some idea what kind of indicators you look at so you can measure the success? I know you talked about the capital carryovers, but there are probably other areas that you have also looked at where you can measure the progress, or the success, or the delays that are occurring in the capital planning process. Thank you, Mr. Chairman.

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. I will have Mr. Boddy respond. Thank you, Mr. Chairman.

**Chairman:** Thank you, Minister Brown. Mr. Boddy.

**Mr. Boddy:** Thank you, Mr. Chairman. Yes, there certainly are other indicators as well. Another initiative we're undertaking that came out of those roundtable meetings was that our consultants and contractors all would like to see the contracts go out earlier in the tendering season. I think this is very measurable; anyone who is looking at the papers is noticing, 'Here we are in early March and a lot of tenders are already starting to roll out.' This is something that I think will have a positive impact.

Also, I guess the real acid test will come about when we start closing tenders and seeing how close we are on budget. The only cautionary thing I would like to say is that we're dealing with extremely rising construction costs right across the country and that it is a moving target. I will just say that in Alberta, over the last two years, they've had 17 and 18 percent increase in their construction costs. So we will have some challenges there.

I'm a realist. I don't expect perfection but I think we certainly will be able to see if we're getting closer to the mark. Some of these things like the quantity surveyor, I mean, it's going to take a while before we will see the effect of that person's role. Everyone is aware of the situation and trying to do their best in dealing with the present economic environment. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Boddy. Mr. Peterson.

**Mr. Peterson:** Thank you, Mr. Chairman. I thank Mr. Boddy for that. That's good to know and I'm encouraged to hear that you're making some progress. We look forward to see the results and any successfully completed capital projects in the next fiscal year.

In the Capital Planning and Technical Services Division, there are 114 PYs for 2009-2010. That's a couple of extra to result and they're probably the four project officers. Out of the 114 PYs, do you have an idea of how many would be vacant? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. I will have Mr. Rafter respond. Thank you.

**Chairman:** Thank you, Minister Brown. Mr. Rafter.

**Mr. Rafter:** Thank you, Mr. Chairman. Yes, we just completed a review of vacant positions within the department and we do have a detailed listing of which positions are vacant. Unfortunately, I don't have it here with me today. We do know that approximately 30 percent of the positions in the department are vacant, or 105 of the 345 positions are vacant today. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Rafter. Mr. Peterson.

**Mr. Peterson:** Thank you, Mr. Chairman. I thank the minister and Mr. Rafter. That's a very high number. Can the minister explain why there are 105 vacancies? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. I will have Mr. Rafter respond. Thank you.

**Chairman:** Thank you, Minister. Mr. Rafter.

**Mr. Rafter:** Thank you, Mr. Chairman. The turnover has been relatively high in the past number of years. It has become difficult to recruit and retain individuals in certain employment categories. A lot of this is said to be attributable to some of the major economic booms that are happening in Western Canada. We experience very similar situations in construction projects with technical and professional positions within the department. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Rafter. Mr. Peterson.

**Mr. Peterson:** Thank you, Mr. Chairman. I thank the minister and Mr. Rafter for that answer. Because of the high vacancy rate in your department, does that vacancy rate have any impact on delivery of capital projects by your department? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. I'll have Mr. Boddy respond to that question.

**Chairman:** Thank you, Minister. Mr. Boddy.

**Mr. Boddy:** Thank you, Mr. Chairman. Yes, the vacancy rates certainly create challenges and I would say, from our side, the most obvious challenge is we do require project officers to work extra hours. There's overtime involved, especially during the peak seasons like when the tenders are rolling out. I'm really proud to say that we have a highly dedicated bunch and we have been very lucky at recruiting what I consider high calibre individuals for those positions in project delivery. So, yes, there is the extra workload.

There's always been a turnover with project officers since I have been aware of anyhow, so this is not something totally new and it's something we have learned to manage. I do think it's very timely that we do get those extra positions though as it does put us in a better position this year because we've got extra seats to be filled. It is challenging but it is manageable. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Boddy. Mr. Peterson.

**Mr. Peterson:** Thank you, Mr. Chairman. I thank the minister and Mr. Boddy. What activities or initiatives do you have underway within the department to try and reduce the vacancy rate within the department? Thank you, Mr. Chairman.

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. I'll have Mr. Boddy respond.

**Chairman:** Thank you, Minister. Mr. Boddy.

**Mr. Boddy:** Thank you, Mr. Chairman. Aside from the normal recruiting process, which we do rely on very heavily through advertisements and that sort of thing, we have gone beyond just advertising in the north; we have advertised in the south on some competitions.

We have actively tried to network and find people that are interested in coming to the north. Some of this is just done on an informal basis but it's surprising really how many people we have attracted through word of mouth, talking to other people and finding those who are interested in living in the north because, to be quite honest, the most success we've had in recruitment has been when we have brought in people that actually want to come to the north and be in a northern environment.

We've had some success in our Inuit Employment Plan in training people or incumbents that we have in our organization that show the interest in going into the project management field. We have a fully qualified project officer in the Cambridge Bay office who is a beneficiary, we also have one who is working in the Iqaluit office, and there is a second one actually starting out at the junior level in Cambridge Bay.

So we're trying to get beneficiaries interested; we're going to career fairs in the schools and we're trying to get people in Nunavut interested in going into a career in any of the building/science fields. It is something that is a priority and we're trying to pursue it. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Boddy. Thank you, Mr. Peterson. Capital Planning and Technical Services. Mr. Curley.

**Mr. Curley:** Thank you, Mr. Chairman. I have some questions with respect to energy efficient maintenance work that has been carried out by the department. I noticed on your business plan on J-21 that the department is coordinating with regional offices to collect energy status stuff. It also says here that "MOU has been drafted and will be implemented prior to the end of the fiscal year." Can the minister explain to us exactly what the MOU, which I understand is between the departmental agencies as well, attempts to accomplish? Thank you.

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. I will have Mr. Boddy respond. Thank you.

**Chairman:** Thank you, Minister. Mr. Boddy.

**Mr. Boddy:** Thank you, Mr. Chairman. The MOU was drafted and essentially, it was a document that was to be signed off by all the deputy heads. In it, it has appendices, such as the *Good Building Practices Guidelines*, which has all of our energy standards for buildings; it also has office space standards to show the size of offices for all government workers.

Since the drafting of that document, we have actually been directed to take this to policy level, so we're no longer going to leave this as an MOU. We're going to work on a policy basically to get buy-in from all departments to make sure that they are in agreement to have our buildings designed as energy efficiently as possible. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Boddy. Mr. Curley.

**Mr. Curley:** Thank you, Mr. Chairman. I appreciate that response. That appears to be a very interesting project to update all buildings and so on, and it's probably a good lesson even for the private sector, although it will have an impact with the private sector where the government has the lease on facilities in place.

I also have a question with respect to the status of the ongoing Energy Retrofit Contract work required. Apparently, the documents, as you say on this page, have been completed. Has the department got an estimate or a figure as to how much it will cost to do energy retrofits annually, or are you costing them out over a number of years? Thank you.

**Chairman:** Thank you, Mr. Curley. Minister Brown.

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. This is new and it's being worked on. I'll ask Mr. Boddy to respond to the question since he was a part of it. Thank you.

**Chairman:** Thank you, Minister. Mr. Boddy.

**Mr. Boddy:** Thank you, Mr. Chairman. There are a number of things we are doing when it comes to the retrofit. First of all, there's the low cost, which is ongoing and it's doing a lot of those things that can be done quite quickly, such as changing light bulbs. We are targeting all government buildings owned and leased in Nunavut, and this is something that can be done quite easily and quite inexpensively and savings are achieved. We are also working with NAM; we're trying to get the information about the low-cost initiative so that we can pass that onto the municipalities so that they can achieve savings as well.

However, in addition to that, we're doing a rather comprehensive contract for a major retrofit of a number of the buildings here in Iqaluit and this is a pilot project where the proponent will be doing the retrofit, we will be paying for the energy retrofit, and we will be paying the proponent back through achieved utility savings. In other words, after they do the work, when our utilities budgets go down, that's how we pay for the work. So this



is a pilot project and we're hoping to expand it out to the rest of Nunavut. Thank you, Mr. Chairman.

**Chairman** (Mr. Barnabas)(interpretation): Thank you, Mr. Boddy. Mr. Curley.

**Mr. Curley:** Thank you, Mr. Chairman. These are very interesting set of projects that are going on. Unlike the government, the private sector or private homes don't have access to funds to carry out all the work. I believe the information that you're developing, once proven that they are worthwhile doing, that they will be passed on to municipalities. I wonder why the municipalities are not part of that pilot project. Thank you.

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. I will have Mr. Boddy respond. Thank you.

**Chairman** (interpretation): Thank you, Minister Brown. Mr. Boddy.

**Mr. Boddy:** Thank you, Mr. Chairman. Yes, I have recently had meetings with the Executive Director of NAM and we have actually agreed to do a presentation at the NAM meeting that's coming up next month. So this is something that they're very keen on learning about and they would like to receive more information. So we will be working with the municipalities and letting them know about this. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Boddy. Mr. Curley.

**Mr. Curley:** Thank you. Yes, it is a very interesting project. For the one that is a pilot project, can the minister or her officials explain and give us an example of what the actual evidence of energy cost saving projects would look like? I think it's interesting to have some real understanding because all Nunavummiut are certainly challenged with having to pay a particularly high cost of energy. So I think it would be useful, even to the members here, if your officials can give us some examples of how the cost saving energy projects, in terms of buildings, are happening. Thank you.

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

**Hon. Levinia Brown:** Thank you, Mr. Chairman. Yes, we could certainly achieve that by a form of a report and present it to the members. Thank you, Mr. Chairman.

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

**Mr. Curley:** Actually, I was asking for some comments here. I even read on the floor here that the pilot project probably has some certain terms and conditions, or whatnot, or objectives listed. So it would be useful to at least, even verbally here, get some ideas on exactly how it's being done. Thank you.

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

**Hon. Levinia Brown:** Thank you, Mr. Chairman. Certainly, we can do that. So therefore, I will ask Mr. Boddy to respond to the question or to the remarks. Thank you.

**Chairman** (interpretation): Thank you, Minister Brown. Mr. Boddy.

**Mr. Boddy:** Thank you, Mr. Chairman. On these energy retrofit projects, we target three areas - electricity, fuel consumption, and water consumption. There are many different ways to approach these things.

In fact, for that retrofit project that I was talking about for the pilot project for Iqaluit, there are close to 400 different things that are going to be done to building and some of them can be more insulation, sealing up, putting in better windows, improving the mechanical systems, changing the lighting systems, the flow of water for toilets, that sort of thing. There are many different areas and like I said, I would be happy to maybe expand upon that even more in the form of a report if that would be useful. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Boddy. Mr. Curley.

**Mr. Curley:** Thank you. We would certainly appreciate that. I, for one, would want to see that report.

Also, if the minister could at least commit to tabling the energy guide that is being updated because I think that would also be useful, not only for the members but the private sectors as well in Nunavut, and if that could be done so that we can begin to think about energy savings; we certainly have a lot of room to do that here in Nunavut. I wonder if the minister would be prepared to share with us that document I quoted and table it at some appropriate time when it's completed. Thank you.

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

**Hon. Levinia Brown:** Thank you, Mr. Chairman. We're working with the other departments. So once that is completed, we certainly would like to table it and give it to the members. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Minister Brown. We're on J-8. (interpretation ends) Branch Summary. Capital Planning and Technical Services. Total Operations and Maintenance, to be Voted. \$24,140,000. Does the committee agree?

**Some Members:** Agreed.

**Chairman:** We will go to J-9. Mr. Evyagotailak.

**Mr. Evyagotailak:** Thank you, Mr. Chairman. On October 22 of last year, you announced that the new fuel price will not enable the government's Petroleum Product Stabilization Fund to maintain its legislated limits with the cost of the 2007 fuel resupply. Your department's draft 2008-09 main estimates indicate a deficit of \$9.5 million. Will you be introducing an amendment to the *Revolving Funds Act* when the Legislative Assembly reconvenes next month, and if not, why not? Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Evyagotailak. We're on the information item on J-9. I believe you already answered that question, minister, so I leave it at your discretion to respond. Minister Brown.

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. I would like to ask the members if Susan Makpah can come to the witness table and she is the Director for PPD. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Minister Brown. I would like to ask the members if the Director for PPD can come to the witness table.

**Some Members:** Agreed.

**Chairman** (interpretation): Sergeant-at-Arms, please escort the official to the witness table.

Thank you, Sergeant-at-Arms. I would also like to thank Mr. Boddy for sitting at the witness table. Can we get a response to the question? Minister Brown.

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. Maybe I should introduce the witness so that I can get her to answer the question. On my left is Susan Makpah. Thank you.

**Chairman** (interpretation): Thank you for introducing her. (interpretation ends) Can you repeat your question? Mr. Evyagotailak.

**Mr. Evyagotailak:** Thank you, Mr. Chairman. On October 22 of last year, you announced that the new fuel price will not enable the government's Petroleum Product Stabilization Fund to maintain its legislated limits with the cost of the 2007 fuel resupply. Your department's draft 2008-09 main estimates indicate a deficit of \$9.5 million. Will you be introducing an amendment to the *Revolving Funds Act* when the Legislative Assembly reconvenes next month, and if not, why not? Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Evyagotailak. Minister Brown.

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. I'll have Susan Makpah, the Director of Petroleum Products Division, respond. Thank you.

**Chairman** (interpretation): Thank you, Minister Brown. Ms. Makpah.

**Ms. Makpah** (interpretation): Thank you, Mr. Chairman. (interpretation ends) I would have to consult with the Department of Finance because they would have to make an amendment to the Petroleum Products Stabilization Fund.

**Chairman** (interpretation): Thank you, Ms. Makpah. Mr. Evyagotailak.

**Mr. Evyagotailak**: Thank you, Mr. Chairman. Thank you, Ms. Makpah. Your department's business plan indicates that a reorganization of the Petroleum Products Division has taken place. What changes were made in this reorganization? Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Evyagotailak. Minister Brown.

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. I'll have Ms. Makpah respond. Thank you.

**Chairman** (interpretation): Thank you, Minister Brown. Ms. Makpah.

**Ms. Makpah** (interpretation): Thank you, Mr. Chairman. (interpretation ends) The changes we made to the PPD reorganization were that the staff at the offices in Cambridge Bay, Pond Inlet, and Rankin Inlet now report directly to PPD Headquarters instead of to the CGS Regional Directors. That's the change we made and also, we wanted to increase our PYs. From that change, we have added four new positions into the organization of PPD Headquarters.

**Chairman** (interpretation): Thank you, Ms. Makpah. Mr. Evyagotailak.

**Mr. Evyagotailak**: Thank you, Mr. Chairman. Thanks again, Ms. Makpah. A few years ago, the government proposed a transfer of the functions of the PPD to the Qulliq Energy Corporation. The Legislative Assembly did not approve the requested funding to do this. What is your position today as minister on the idea of moving the PPD to the Qulliq Energy Corporation? Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Evyagotailak. Minister Brown.

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. I'll have Ms. Makpah respond. Thank you.

**Chairman** (interpretation): Thank you, Minister Brown. Ms. Makpah.

**Ms. Makpah** (interpretation): Thank you, Mr. Chairman. (interpretation ends) We were told about two years ago that the transfer of PPD to QEC was cancelled and I don't know what the position of the GN is on this matter.

**Chairman** (interpretation): Thank you, Ms. Makpah. Mr. Evyagotailak.

**Mr. Evyagotailak:** Thank you, Mr. Chairman. Thanks Ms. Makpah. Your department's business plan indicates that "GN tank farm facilities are compliant with federal regulations except for our resupply pipeline. Given the unique circumstances with our pipelines from the shore manifolds there remains ongoing discussion respecting regulatory compliance." How much would it cost the Government of Nunavut to be compliant with all of the federal regulations and what discussions are taking place between the Government of Nunavut and federal regulators? Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Evyagotailak. Minister Brown.

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. I'll have Ms. Makpah respond to that. Thank you.

**Chairman** (interpretation): Thank you, Minister Brown. Ms. Makpah.

**Ms. Makpah** (interpretation): Thank you, Mr. Chairman. (interpretation ends) The actual costs have not been determined. At this time, Environment Canada has not informed us of exactly how they would like to handle the pipeline from the shore to the tank farms. It hasn't been determined as to how much it is going to cost the Government of Nunavut to comply with the regulations that are going to kick in. We haven't heard anything back from Environment Canada to date.

**Chairman** (interpretation): Thank you, Ms. Makpah. Mr. Evyagotailak.

**Mr. Evyagotailak:** Thank you, Mr. Chairman. Thanks Ms. Makpah. If the Government of Nunavut cannot become fully compliant with federal regulations, what fines or penalties could it face? Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Evyagotailak. Minister Brown.

**Hon. Levinia Brown:** Thank you, Mr. Chairman. Ms. Makpah, please. Thank you.

**Chairman** (interpretation): Thank you, Minister Brown. Ms. Makpah.

**Ms. Makpah** (interpretation): Thank you, Mr. Chairman. (interpretation ends) About a year ago, we contracted a consultant to review all of our tank farms and the only thing we have to do right now is, when this new regulation kicks in from Environment Canada, we will provide the inspection certificates and the information on the tank farms or the tanks themselves. Right now, I have no idea of how much it would cost the government if we don't comply with the new regulations. At this time, we have no idea because it hasn't been implemented to date.

**Chairman** (interpretation): Thank you, Ms. Makpah. Mr. Evyagotailak.

**Mr. Evyagotailak:** Thank you, Mr. Chairman. This will be my final question. Your department's business plan indicates that it plans to work with the Alberta Research Council and major refineries in the coming year to examine the issue of gasoline specifications. What does your department hope to achieve in this review? Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Evyagotailak. Minister Brown.

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. Ms. Makpah will respond to that question. Thank you.

**Chairman** (interpretation): Thank you, Minister Brown. Ms. Makpah.

**Ms. Makpah** (interpretation): Thank you, Mr. Chairman. (interpretation ends) This project was initiated from the 2004 Gasoline Quality Report that was commissioned by a consultant and there were two recommendations in that report.

The other recommendation was to investigate how the cold environment we live in affects the gasoline. What the report wanted was for the GN's PPD to have a joint effort with the Alberta Research Council to see if we have to make any changes to our gasoline specifications.

**Chairman** (interpretation): Thank you, Ms. Makpah. Mr. Kattuk.

**Mr. Kattuk** (interpretation): Thank you, Mr. Chairman. As per my earlier comments, I have questions I would like to ask while we are on this subject. The fuel delivery truck in my constituency has broken down more than once and the homeowners end up having to go and get their own fuel. I would like to know if that is allowable to force people to go and get their own heating fuel, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Kattuk. Minister Brown.

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. That's not supposed to happen but I was informed that the fuel delivery truck in Sanikiluaq had broken down and they had to order the parts in and the truck was down for the time it took for the parts to arrive. They did not face any risks because all the fuel delivery tanks were filled to capacity and I'm very happy of the fact that they dealt with it right away during the time the fuel truck was down. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Minister Brown. Mr. Kattuk.

**Mr. Kattuk** (interpretation): Thank you, Mr. Chairman. I'm talking about the private homeowners. The public housing units' tanks were all filled and they have a schedule that is followed, but it was not the case with the homeowners' and private businesses' fuel tanks.

A homeowner was quite concerned because he owns a company and he had to use five-gallon tanks to fill up his business unit fuel tank. It's hard to know if the GN should have allowed that or not. This occurred after 5:00 p.m. and there was a \$20 fee for service after 5:00. This individual had to go get his own fuel with five-gallon tanks and he had to deliver that to his own business unit. This should be investigated to make sure that it's permissible.

As well, private homeowners who didn't get fuelled up also created risks of running out of fuel. If there had been an accident or someone got hurt, what kind of regulations does the Petroleum Product Division or the government have in regard to these matters? Thank you.

**Chairman** (interpretation): Thank you, Mr. Kattuk. Minister Brown.

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. I'll have Ms. Makpah respond to that question. Thank you.

**Chairman** (interpretation): Thank you, Minister Brown. Ms. Makpah.

**Ms. Makpah** (interpretation): Thank you, Mr. Chairman. Yes, when the fuel truck broke down, it was impossible to deliver fuel. Our staff (interpretation ends) was prepared to bring fuel to the homeowners but the fuel truck was repaired prior to that.

In terms of call-out fees, (interpretation) the only time they charge fees is after working hours because our fuel delivery guys have staff that need to be paid. Every time there's a call-out after working hours, they have to charge the fees.

**Chairman** (interpretation): Thank you, Ms. Makpah. Mr. Kattuk.

**Mr. Kattuk**: I can tell you, for instance, if that happened, that I know fuel trucks have broken down twice - last month and this month. Myself, I had to fill my tank. I bought fuel from the agent and then I delivered the fuel in jerry cans with my snowmobile to my home and I filled my tank. I also know that there was somebody else who did the same. Aren't the fuel delivery people supposed to do that? If I buy fuel, don't they have to deliver it to my tank? Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Kattuk. Minister Brown.

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. Ms. Makpah will respond to that. Thank you.

**Chairman** (interpretation): Thank you, Minister Brown. Ms. Makpah.

**Ms. Makpah** (interpretation): Thank you, Mr. Chairman. I'm very sorry that your fuel delivery truck broke down, but it was impossible to deliver fuel during the time it was broken down.

When I spoke with the contractor there, (interpretation ends) he was prepared to deliver fuel to the houses. (interpretation) However, the repairs were completed and he still had not made the fuel deliveries. He did say he could deliver the fuel by snowmobile. Meanwhile, the truck was finally repaired, but the truck was no longer making deliveries. (interpretation ends) He was prepared to deliver fuel (interpretation) using 45-gallon drums if need be.

**Chairman** (interpretation): Thank you, Ms. Makpah. Mr. Kattuk.

**Mr. Kattuk**: Thank you, Mr. Chairman. It also happened last week at my home. My son had to get fuel from the agent and he delivered it himself and filled the tank. So I'm asking if it's my job to refuel my tank when the truck is broken. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Kattuk. Minister Brown.

**Hon. Levinia Brown**: Thank you, Mr. Chairman. (interpretation) We will review that. It is unfortunate that this happened and I'm sorry to hear that and we do not wish to see that happen again.

It was impossible to deliver fuel while the delivery truck was broken down in Sanikiluaq. I understand from my officials that the delivery to private homes differed with some having taken it upon themselves to pick up their own fuel. I will ask my officials to improve that situation and make sure it doesn't occur again should similar circumstances occur elsewhere. I have heard that the fuel delivery truck has since been repaired.

I prefer to see proper plans in the community and contractors should perform their obligations better in the future. We will continue to be in communication with the contractors. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Minister Brown. Mr. Kattuk.

**Mr. Kattuk** (interpretation): Thank you, Mr. Chairman. My next question, although it might be under capital expenditures, is regarding the replacement requirements for fuel trucks. How old do the fuel trucks have to be in order to be replaced? Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Kattuk. Minister Brown.

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. The fuel delivery truck was purchased in 2002, so it's fairly new. Every time they need to get parts, we have to order them from outside Nunavut and that's why it takes so long. Maybe we should purchase parts and have them available in the communities. We can look into that and work with the contractors to make sure that these parts are made available in the



community. We do not like to see something like what happened in your community. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Minister Brown. Mr. Kattuk.

**Mr. Kattuk** (interpretation): Thank you, Mr. Chairman. This will be my last question. In Sanikiluaq, is the fuel truck owned by the Government of Nunavut? Thank you.

**Chairman** (interpretation): Thank you, Mr. Kattuk. Minister Brown.

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. Yes, the fuel truck is owned the Government of Nunavut. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Minister Brown. We will go back to page J-3. (interpretation ends) Department Summary. Community and Government Services. Detail of Expenditures. Total Operations and Maintenance. Mr. Curley.

**Mr. Curley** (interpretation): Thank you. I had a question. Are we done with J-9?

**Chairman** (interpretation): If you have a question, I will let you proceed. Mr. Curley.

**Mr. Curley** (interpretation): Thank you. Mr. Chairman, my question is on this page under Petroleum Products. First of all, I would like to welcome the minister and Susan.

It's getting a little scary with the fuel prices at the international level and I want to make a comment on that. It's getting extremely hard up here in Nunavut and it's very hard to find fuel that's cheaper than today's prices. I didn't want to rush on this issue.

In 2007, the prices at the international level were approximately 40 percent higher. That's my own unofficial calculation and I'm sure that when the bulk fuel is delivered to Nunavut next year, it's probably going to be a lot more expensive. The government buildings, schools and everything else are going to remain the same but it's the private homeowners and the hunters who are going to suffer from the increase in prices.

I know that you order four types of oil - gasoline, diesel, AV fuel, and so on. Do you have some kind of a study in regard to the increasing prices of fuel? (interpretation ends) Thank you.

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. I thank my colleague. I will have Ms. Makpah respond. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Minister Brown. Ms. Makpah.

**Ms. Makpah** (interpretation): Thank you, Mr. Chairman. We have spoken with some of the firms, especially the firm that does our fuel testing from Alberta. We have spoken with them about only checking three products, including jet fuel, and we have spoken about no longer testing diesel, (interpretation ends) but Jet A1.

(interpretation) It would help if we just have (interpretation ends) two products that we buy for the territory instead of the Jet A1, diesel and gasoline, and we also have avgas. (interpretation) So if we were to just purchase two products, we would see how much it would actually cost, but this is only in the planning stages.

**Chairman** (interpretation): Thank you, Ms. Makpah. Mr. Curley.

**Mr. Curley** (interpretation): If you have only two types of products, I'm sure one of them has to be gasoline. Would it decrease the cost of home heating fuel or avgas? Would there be a decrease or would the home heating fuel stay at status quo?

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. Thank you, Member. I will have Ms. Makpah respond. Thank you.

**Chairman** (interpretation): Thank you, Minister Brown. Ms. Makpah.

**Ms. Makpah** (interpretation): Thank you, Mr. Chairman. We're planning to see (interpretation ends) if we can do that, so we're going to investigate if it's going to make a difference in terms of prices. We have asked them if they could take a look at if... (interpretation) we don't want to be getting lost but we are planning (interpretation ends) to see if we could take a look at how we could implement this to just buy jet fuel, instead of diesel. (interpretation) We still don't know (interpretation ends) if there's a going to be a price change if we did that. (interpretation) Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Ms. Makpah. Mr. Curley.

**Mr. Curley** (interpretation): Thank you, Mr. Chairman. Yes, I would definitely urge you to undertake this review. We tend to think how we can deal with this for a whole year. For example, following our Rules, we have \$150 million that will have to be paid for the entire year. Have you considered bringing it back to the revolving fund (interpretation ends) and spread it over two years instead of one year to the consumer? (interpretation) So has that been considered, or could you make a recommendation to the Cabinet (interpretation ends) since Nunavummiut cannot afford the prices anymore? Thank you.

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman and my colleague as well. We can do a review on this issue and we will include the Petroleum Products Division in this review. If we find something constructive or another avenue, I will

certainly discuss it with my Cabinet colleagues and we can make plans. If the members direct us to do so, I think that the Cabinet can have a meeting on this issue and see what they can do to improve the system. Thank you, Mr. Chairman.

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

**Mr. Curley**: I think it would be worthwhile to look at options. When do you want to recover the total cost of spending that occurred? I think it's pretty good for a number of retail agents that we have out there when we have to pay back over \$150 million in one year. I say that's pretty good. Why don't we do them a favour by saying that we will extend the payment terms so that we don't jack up the prices like we do with some other agencies?

(interpretation) I want to ask the minister: how are these purchases paid for by the corporations? When you're buying fuel for Qulliq Energy Corporation, do you give them 100 percent of their required fuel or do you give them a percentage (interpretation ends) of the Nunavut-wide supply? Thank you.

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman and my colleague. I will have Ms. Makpah respond to that question. Thank you.

**Chairman** (interpretation): Thank you, Minister Brown. Ms. Makpah.

**Ms. Makpah** (interpretation): Thank you, Mr. Chairman. (interpretation ends) There are two ways that we charge QEC for the fuel. In some communities, they have their own tank farms and in those cases, they are charged the landed cost, the actual product cost, the actual transportation cost, but in a lot of communities, they don't have enough tankage in their communities, so we keep their fuel in our tank farms and they are charged the retail price.

**Chairman** (interpretation): Thank you, Ms. Makpah. Mr. Curley.

**Mr. Curley** (interpretation): Thank you, Mr. Chairman. The landed costs that are applied to the QEC, it doesn't apply to the other consumers at the pumps, (interpretation ends) only QEC? Thank you.

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. I will have Ms. Makpah respond to that question. Thank you.

**Chairman** (interpretation): Thank you, Minister Brown. Ms. Makpah.

**Ms. Makpah** (interpretation): Yes, Mr. Chairman, we don't apply that cost (interpretation ends) to the consumers of the territory because it's charged only to QEC.

**Chairman** (interpretation): Thank you, Ms. Makpah. Mr. Curley.

**Mr. Curley**: Thank you. (interpretation) Then which one is larger? Are their tanks bigger or looking at the retail price, when you look at the quantity, which comprises the larger portion when QEC is purchasing the fuel? (interpretation ends) Thank you.

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. Ms. Makpah will respond to that.

**Chairman** (interpretation): Thank you, Minister Brown. Ms. Makpah.

**Ms. Makpah** (interpretation): Thank you, Mr. Chairman. (interpretation ends) The volume is greater where they buy the fuel on the retail price if it is greater than the landed cost itself.

**Chairman** (interpretation): Thank you, Ms. Makpah. Mr. Curley.

**Mr. Curley**: Thank you. (interpretation) My next question is with regards to the landed costs of the purchased fuel. Do you have an estimate, (interpretation ends) in terms of dollars, (interpretation) of how much dollars used? If we look at the prices for last year or the year before, do you have a range of prices? (interpretation ends) Thank you.

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. Ms. Makpah will respond to that question.

**Chairman** (interpretation): Thank you, Minister Brown. Ms. Makpah.

**Ms. Makpah** (interpretation): Thank you, Mr. Chairman. (interpretation ends) Unfortunately, I don't have that information with me. The volume that goes into their tank farm...

**Chairman** (interpretation): Thank you, Ms. Makpah. Minister Brown.

**Hon. Levinia Brown**: Thank you, Mr. Chairman. In addition, I would like to pass on this information; PPD buys approximately 18 million litres worth of bulk fuel for direct resale to QEC every sealift season. This fuel is discharged directly into QEC storage tanks, QEC pays the full landed costs, supply and transportation that is, for the volume.

The other part, too, is, Mr. Chairman, PPD also purchases an additional 27 million litres of nominated fuel for QEC which is stored in PPD tanks and sells it to QEC as it is required over the course of a 12-month period. QEC pays the regulated rate, the rate established annually by Cabinet for this nominated volume. QEC does receive the benefit of a subsidy on this nominated diesel volume.

PPD forecasts that the volume of the subsidy for fiscal year 2008 will be approximately \$1.7 million. Thank you, Mr. Chairman.

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

**Mr. Curley** (interpretation): Thank you for that information. We would like to understand the figures and we would like to have them tabled so that we can review them later on. At this point, I cannot ask some of the questions since they can only be asked directly to QEC.

What I'm trying to understand is which one is benefiting Nunavummiut: when they pay at the pump or when QEC buys the product. As an example, if I buy heating fuel, is this reflected in the nominated price or is part of the volume QEC purchases under the nominated price? I'm referring to consumer home fuel prices. (interpretation ends) Thank you.

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

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. Thank you, my colleague. I will have Ms. Makpah respond to that question. Thank you.

**Chairman** (interpretation): Thank you, Minister Brown. Ms. Makpah.

**Ms. Makpah** (interpretation): Thank you, Mr. Chairman. I didn't quite understand (interpretation ends) his question (interpretation) whether they get subsidy for the consumers through the QEC price. I don't think I understand the question, so I can't answer properly, Mr. Chairman.

**Chairman** (interpretation): Thank you, Ms. Makpah. Mr. Curley, please rephrase your question.

**Mr. Curley**: Thank you. I will probably have a more precise written question so that we understand all of that.

What I'm trying to get at is I just want to be sure that whatever price is applied to the consumer, I think we need to have a clear understanding of whether or not all or some part of it, as far as the price is concerned, is as a direct result of the QEC's supply. For instance, the consumers, we know pretty well how much they require. The reason it is complicated in trying to explain it is we also pay some part of the fuel through these

lights up there, so that's what I'm getting at. I will clarify that not now but later probably through a letter.

(interpretation) I would like to thank you all. (interpretation ends) I know it is complex but I would like to continue to insist that there be a study of whether or not the long-term impact of prices, or whatnot, or the pricing system that we have is the best model or not. I think that there should be some consideration, at least by the minister, that we try and recover, and get Nunavummiut a break by maybe allowing sometimes two years to recover parts of the costs incurred during one year. (interpretation) I just wanted to have that considered. Thank you.

**Chairman** (interpretation): Thank you, Mr. Curley. I didn't hear a question but if you want to respond, Minister Brown.

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. We will definitely try to review this since it impacts all of us, especially with the rising costs of fuel. Earlier today, I was informed that the price per barrel is still rising. I was told that the cost of purchasing one barrel now stands at \$110, which is extremely expensive. Just two days ago, it was at \$107 per barrel and three days ago, it was at \$105 per barrel. It's distressing to see the costs just escalate skyward.

Yes, I will commit to getting the factors reviewed due to the rising costs and we will try to consider other options when looking at the factors that affect our territory. We will work with both PPD and especially the Department of Finance since all budgets go through this department. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Minister Brown. I have no more names on my list for general comments. We will go back to J-3. (interpretation ends) Department Summary. Community and Government Services. Detail of Expenditure. Total Operations and Maintenance, to be Voted. \$155,288,000. Does the committee agree?

**Some Members:** Agreed.

**Chairman:** Are you agreed that the Department of Community and Government Services is concluded?

**Some Members:** Agreed.

**Chairman** (interpretation): Thank you, Minister. Do you have any closing remarks? Minister Brown.

**Hon. Levinia Brown** (interpretation): Thank you, Mr. Chairman. You are a good Chairman. I would like to thank the members for asking some good questions. I would like to acknowledge my officials here with me, David Akeeagok in particular, Brent Boddy, Mike Rafter, Shawn Maley, and Susan Makpah and it was her first appearance in

Committee of the Whole. I would also like to thank Silas Angna'naaq. I would like to thank all of you.

**Chairman** (interpretation): Thank you, Minister Brown. I would also like to thank your officials for providing responses to our questions. Sergeant-at-Arms, please escort the minister and her officials from the witness table.

Thank you, Sergeant-at-Arms. We will proceed with the Minister of Finance's opening comments, followed by the comments of the chair. Minister of Finance, Minister Tapardjuk.

**Bill 23 – Appropriation (Operations & Maintenance) Act, 2008-2009 –  
Consideration in Committee – Finance**

**Hon. Louis Tapardjuk** (interpretation): Thank you, Mr. Chairman. I am pleased to appear before you to discuss the 2008-09 Main Estimates and Business Plan for the Department of Finance.

Mr. Chairman, 2008-09 marks a year of change for the Department of Finance. A review of the department's organization has been completed and the business plan before you today reflects the changes that have been made.

Some of the changes simply formalized existing reporting relationships. Other changes rationalize the divisions into three categories based on their objectives. Forward looking divisions are included under the policy and planning, current operations are included under financial management and because of its reporting and tracking functions, comptrollership is seen as more historical in nature.

Of course, each of these categories overlap to some degree. I am pleased to report that this enhancement to the department will support strengthening financial management without any negative budgetary impacts.

Mr. Chairman, 2008-09 will also be a year focused on growing partnerships and working together. As a central agency, finance will be managing the Affordable Energy Fund on behalf of the government while tracking direct and indirect energy subsidies.

In the coming months, we'll be working with the Government of Nunavut departments to finalize fund operations. I look forward to reporting back to the House once we have finalized the funding mechanism and parameters of the Affordable Energy Fund.

Members will have noted that our Liquor Commission has had a busy year. There have been plebiscites in no fewer than six communities, and as a result at least two new Alcohol Education Committees have been formed. The government has recognized the growing need to address concerns related to the use of alcohol and has formed an inter-departmental working group.

The multi-faceted nature of alcohol in our territory means that the working group will be addressing the administration and sales and the responsible use of alcohol to penalties to people who abuse the system and programs for Nunavummiut are struggling with addiction.

Mr. Chairman, the 2008-09 the crown agency council will continue to refine its approach to providing support to all public agencies while enhancing our partnership with public agencies. I recently tabled the 2007-08 letters of expectation to the territorial corporations.

Over the coming year, we will be working closely with the corporations to ensure due diligence by reviewing their quarterly financial results, hopefully including face to face meeting with each crown corporation.

In addition to strengthening our relationship with individual corporations, we will be replacing the current letters of expectation format with a more collaborative approach that more closely resembles the memorandum of understanding.

This will allow for greater understanding and more focused support of our territorial corporations. Mr. Chairman, working together does not simply mean working within government. We are continuing our work to develop meaningful policy and public private partnerships or P3s.

Mr. Chairman, in our research leading up to the development of Nunavut's P3 policy, we realize that more research and discussion was necessary to craft a meaningful policy.

Staff from our department and the Department of Community and Government Services have just returned from a major national P3 conference. We will use the conference outcomes to guide our deliberations as we finalize this important policy.

We will continue to evaluate projects individually to maximize our resources and ensure that we do not miss out on opportunities to build our infrastructure. Mr. Chairman, we are continuing our efforts to strengthen financial management.

Working closely with the Department of Community and Government Services and with Indian and Northern Affairs Canada, we have finalized our proposal for this \$23 million initiative. We are confident that the project will receive federal Cabinet approval shortly and that we will be able to meet this year's sealift deadlines.

Mr. Chairman, nowhere is our commitment to working together more apparent than in our initiatives related to Strengthening Financial Management. We have made real progress on our project to essentially rewrite the Financial Administration Manual and have already held training workshops in each of the regions. We are also working towards the completion of our Financial Procedures Manual.



We see the standardization of procedures as an opportunity to engage GN employees from the corporate services division of each department and public agency. In this way we are ensuring that there is adequate opportunity for input into the new policies and directives that clearly lay out the financial responsibility required across the Government of Nunavut.

Mr. Chairman, I will now turn to a brief overview of the department's budget.

Finance has six branches: Directorate, Policy and Planning, Financial Management, Internal Audit Services, Comptrollership and the Centrally Administered Funds.

For 2008-09, the Department of Finance has been allocated \$54.1 million in operations and maintenance expenditures, which is unchanged over 2007-08.

The major components of the department's budget are:

- \$19.7 million for compensation and benefits:
- \$30.6 million for centrally administered programs and costs, including:
  - \$10 million for government-wide employee benefits such as dental premiums, workers' compensation premiums, and employee medical travel;
  - \$9.9 million for the lease costs of the Legislative Assembly building and other office buildings constructed by the Nunavut Construction Corporation prior to April 1, 1999;
  - \$7.2 million for the regular Nunavut Electricity Subsidy Program;
  - \$3.5 million for Government of Nunavut's insurance premiums; and
- \$3.9 million for other operations and maintenance costs in the department.

In summary, the department's focus for 2008-09 will continue to be the provision of central agency services in areas that include support for the Financial Management Board, managing the government's overall fiscal position, and overseeing the financial framework and accounting processes.

Thank you, Mr. Chairman. I welcome questions and comments from members.

**Chairman** (interpretation): Thank you, Minister Tapardjuk. Does the Chairman of Government Operations and Accountability have opening comments? Mr. Tootoo.

**Mr. Tootoo:** Thank you, Mr. Chairman. I am pleased to provide you with opening comments on behalf of the Standing Committee on Government Operations and Accountability on its review of the 2008-09 Main Estimates and Business Plan for the Department of Finance.

The standing committee notes that the department's proposed 2008-09 budget is \$54,156,000. The department's budget has increased approximately 96 percent from its initial allocation of \$27,548,000 back in 1999-2000.

The standing committee recognizes the role that the department plays as a central agency. One of the key functions that the department performs is supporting the Financial Management Board's coordination of the government's budget development process through the preparation of the annual main estimates, capital estimates and public accounts. In light of some of the things we have seen this year, I think some stronger steps will need to be made by the Department of Finance in the development of some of the budgets that get put into the main estimates.

Mr. Chairman, an issue with GN-wide implications that continues to be of concern to the standing committee is the growth in the size of the public service since the creation of Nunavut in 1999. According to the GN's own departmental business plans for the 2004-05 fiscal year, the total number of PYs across the government was approximately 3,040, not including the Qulliq Energy Corporation's positions. The number of PYs budgeted for 2008-09 year is approximately 3,614. This is an increase of around 574 positions, or 18 percent, since the beginning of the Second Legislative Assembly.

This growth is taking place even though the government's overall vacancy rate remains around 20 percent. Although the GN's most recently tabled employment statistics revealed that over 725 positions across the government are vacant, departments continue to add new PYs to their organizational charts. The standing committee has been advised that the Financial Management Board has approved a new PY control mechanism to ensure that all PYs listed in departmental structures are fully funded. However, we must recognize that the bureaucracy cannot grow forever.

The government has budgeted over \$335 million in 2008-09 for compensation and benefits for employees, an amount which accounts for over 31 percent of total government spending. While it is important to fairly compensate our hard-working employees in a manner that supports our recruitment and retention goals, we also need to recognize that dollars budgeted for compensation and benefits for new positions are dollars that are not available for other spending priorities, such as capital projects in communities, or increased financial assistance for young Nunavummiut to attend university or obtain other post-secondary qualifications.

Mr. Chairman, the standing committee has consistently called on the department to enhance the transparency and accountability of government operations through such measures as ensuring that the government's financial statements are tabled within the timelines established by law, and expanding the level of detail contained in financial documents. The standing committee is pleased to note, for example, that the government's 2008-09 main estimates and business plans include significantly more detail with respect to the planned budgets and priorities of Crown agencies, with the exception of the Qulliq Energy Corporation.

However, the timeliness of tabling of a number of critical items remains a concern. For example, in June of 2006, the Minister of Finance tabled a comprehensive GN-wide report on grants and contributions made during the 2004-05 fiscal year. However, reports

for subsequent years have not yet been tabled. The 2004-05 Public Accounts were not tabled until March 8, 2007. The 2005-06 Public Accounts were not tabled until March 6, 2008. The 2006-07 Public Accounts have not yet been tabled.

The standing committee notes that the department's 2008-09 business plan indicates that, "Federal budget 2007 also provided \$23 million to Strengthen Financial Management in Nunavut. Of this, \$15 million will be used to create an efficient and effective business computer network. The remaining \$8 million will be used to strengthen the accountability framework and to facilitate the timely preparation of Nunavut's Public Accounts."

Mr. Chairman, the standing committee will continue to closely monitor progress in this area. Members are firmly of the view that it is important for our government to come to the devolution negotiation table with credibility and confidence. Our capacity to achieve a significant transfer of responsibilities will be strengthened if we can clearly and convincingly demonstrate to Ottawa that we are successfully and responsibly managing our own affairs.

Mr. Chairman, the 2008-09 Business Plan of the Department of Finance indicates that, "The challenges associated with recentralization are being evaluated to ensure that any future recentralization initiatives address concerns that were identified during the first phase." It also indicates that a priority for 2008-09 is to, "Continue to research the potential for further restructuring of financial transaction processing within a shared services model and the possibility of the creation of centres of expertise as recommended in the Auditor General's 2005 Report and in the Review of GN Financial Structures Report dated April 2006."

A number of reports of the Auditor General and this standing committee have recommended that the government review aspects of its decentralized financial management structure. The standing committee's recent public hearings concerning the Nunavut Business Credit Corporation and the impact that its decentralized location has had on its operations have clearly highlighted the need for the government to realistically re-evaluate specific decentralization decisions that have not proven successful.

Mr. Chairman, during the fall 2007 sitting of the Legislative Assembly, a formal motion was unanimously passed in this House on the issue of the federal Northern Residents Deduction, which Nunavut tax filers are eligible to claim. The motion called upon the Government of Canada to increase the residency portion of the Northern Residents Deduction and ensure that the residency portion be adjusted thereafter on an annual basis to an inflation index that is reflective of the high cost of living in Canada's Arctic. The standing committee was disappointed with the limited support that the federal government gave us on this initiative, a small step forward; I think it's just a little percentage increase. That's a first step and the committee supports the efforts on behalf of all three territories in the north and their Parliamentary representatives in Ottawa to continue to lobby the federal government on the issue.

Mr. Chairman, the Department of Finance is responsible for administering the GN's Fuel Tax Rebate program, which was announced in the 2006 budget. The program provides incentives for mineral exploration and development, and provides for a fuel tax rebate for commercial harvesters and outfitters. The 2006-07 annual report on the program was dated June 7, 2007. However, it was not tabled in the Legislative Assembly until March 4, 2008. The standing committee looks forward to the continued tabling of annual reports on the program, which will enable all MLAs and the public to evaluate the success of the program in achieving its objectives.

In its response to a petition presented in the Legislative Assembly on February 3, 2007, the government indicated that: "[The Minister has] directed [his] officials in the Department of Finance to review the program and make the necessary changes to address the concerns. For example, we are suggesting an expansion of the program to allow all hunters and harvesters to access the program, regardless of whether or not they are employed or classified as a commercial hunter. As well, we are making the forms simpler and easier to complete." The standing committee notes the minister's recent statement in the House on this issue and looks forward to further progress in meeting this commitment.

Mr. Chairman, amendments were passed to the *Payroll Tax Act* in 2006. Concerns have been expressed by MLAs with respect to the ability of the GN to capture revenue from consultants and contractors who perform work on a contract basis for the Government of Nunavut.

The standing committee also urges the government to objectively measure the success that tobacco tax increases have actually had on reducing smoking rates in the territory, and to report its findings to the Legislative Assembly and the public.

Mr. Chairman, over \$10 million of the department's budget is allocated for paying the GN's commercial leases. The standing committee is pleased that the GN has begun the practice of tabling an annual report on its leasing activities.

The committee also looks forward to the department making progress on developing a formal policy for the use of Public-Private Partnerships (P3s). In his response to an oral question posed in the Legislative Assembly on November 6, 2007, the Minister of Finance indicated that a draft GN policy on the use of Public-Private Partnerships is "being prepared and should be presented to the Cabinet ... before Christmas." The minister indicated that the Departments of Finance and CGS have been developing the policy. The standing committee looks forward to the policy being formally tabled in the Legislative Assembly.

Mr. Chairman, the issue of Crown agency governance is important. In 2003, the GN announced the establishment of a Crown Agency Council to address issues related to the GN's relationship with its major Crown agencies and corporations. The CAC's annual activities report for 2006-07 was tabled on February 25, 2008.

On December 5, 2006, the 2006-07 Letters of Expectation to the Qulliq Energy Corporation, Nunavut Development Corporation, Nunavut Business Credit Corporation, Nunavut Arctic College and the Nunavut Housing Corporation were tabled in the Legislative Assembly. The Crown agencies' responses to their Letters of Expectation were also tabled in the House. However, Ministerial Letters of Expectation to Nunavut's Crown agencies for 2007-08 were not tabled in the House until February 25, 2008. The Letters of Expectation for 2008-09 have not yet been tabled. It is the standing committee's hope that these be tabled at the spring sitting of the Legislative Assembly.

The standing committee will continue to monitor progress in this area, including such issues as the QEC's compliance with direction given in respect to such matters as staff housing. The committee also recommends that all ministerial directives, instructions, and other formal instruments directed to Crown agencies be tabled in this House in a timely fashion. I also note that I think, right now, the Crown Agency Council is made up of just two people - the Minister of Finance and the Minister of Executive and Justice, and HR. That's only two ministers that make up that council out of the four on paper.

The standing committee has noted that the GN has brought forward a new bulk refined petroleum products risk management strategy. This strategy will allow the government to use financial hedging instruments in its approach to purchasing fuel. Although this strategy does have the potential to reduce the price that we pay for fuel, it is not without a degree of risk. It is critical that the government be candid with Nunavummiut on this point.

On October 30, 2007, the Minister of Energy tabled a document titled "Ikummatiit - Government of Nunavut Energy Strategy." On November 1, 2007, the provisions in the *Qulliq Energy Corporation Act* providing for the creation, finally, of an Affordable Energy Fund came into force. The order announcing this was published in Part II of the November 2007 edition of the *Nunavut Gazette*. This fund, I understand, is to be managed by the Department of Finance. The standing committee looks forward to monitoring the government's implementation of this fund.

Mr. Chairman, the functions of the Nunavut Liquor Commission and the Liquor Revolving Fund fall under the jurisdiction of the Department of Finance. Responsibility for the Liquor Licensing Board was transferred in 2007-08 to the Department of Justice. Members note that the Department of Finance is planning to collaborate with other GN departments in undertaking a comprehensive review of the *Liquor Act*.

The issue of access to alcohol is complex and contentious, and members recognize that different communities have different views on the extent to which access should be permitted. Members are also aware of the concern that in those communities where alcohol is permitted, excessive barriers to the legal importation and purchase of alcohol can result in the unintended consequence of people being driven into the hands of bootleggers.

For those communities where voters have chosen through plebiscite to establish Alcohol Education Committees, the standing committee supports efforts on the part of the department to provide training and support for these bodies, while recognizing the need to review whether their core mandate should be focused on controlling access or providing counselling services that might be more appropriately delivered by other entities.

Mr. Chairman, that concludes my opening comments. Individual members may wish to raise their own questions and concerns as we proceed. Thank you, Mr. Chairman.

**Chairman** (interpretation): Thank you, Mr. Tootoo. I don't have any more names on my list for general comments. We will take a 30-minute break.

>>*Committee recessed at 18:36 and resumed at 19:09*

**Chairman** (Mr. Evyagotailak): Welcome back. Minister Tapardjuk, do you have witnesses you would like to bring to the witness table?

**Hon. Louis Tapardjuk** (interpretation): Yes.

**Chairman**: Does the committee agree to bring the witnesses in?

**Some Members**: Agreed.

**Chairman**: Thank you. Sergeant-at-Arms, please bring the minister's witnesses in.

Thank you, Sergeant-at-Arms. Minister, for the record, please introduce your witnesses.

**Hon. Louis Tapardjuk** (interpretation): Thank you, Mr. Chairman. To my left is my Deputy Minister, Peter Ma, and to my right is Chris D'Arcy, the Acting Assistant Deputy Minister. Thank you, Mr. Chairman.

**Chairman**: Thank you, Minister. Mr. D'Arcy and Mr. Ma, welcome. Does this committee have any general comments? Mr. Tootoo.

**Mr. Tootoo**: Thank you, Mr. Chairman. I just want to make a slight correction. In my opening comments I had indicated that there were 725 vacant positions across the government and I just want to correct that. That was as of March 31 last year and the latest one up to September is actually worse than that; it's 818 vacant positions, not 725. I just wanted to clarify that. Thank you, Mr. Chairman.

**Chairman**: Thank you, Mr. Tootoo. General comments. I have no names on my list for general comments. We will now proceed to the page-by-page review of the departmental estimates starting with page C-4. Directorate. Total Operations and Maintenance, to be Voted. \$1,755,000. Does this committee agree?

**Some Members:** Agreed.

**Chairman:** Thank you. C-5. Policy and Planning. Total Operations and Maintenance, to be Voted. \$3,532,000. Mr. Tootoo.

**Mr. Tootoo:** Thank you, Mr. Chairman. As I indicated in my opening comments, I think it's under this branch that supports the Crown Agency Council. I'm just wondering if the minister could give an indication of what that council's priorities are for 2008-09. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Tootoo. Minister Tapardjuk.

**Hon. Louis Tapardjuk** (interpretation): The Administrators and Directors of the Crown Agency Council have been given their Letters of Expectation for this year. The Department of Finance would like to receive financial statements every three months. So one of our main priorities for the upcoming year is that we would like to receive the Crown Agency Council's financial statements on time and be reported. We want to monitor them more closely this year, Mr. Chairman.

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

**Mr. Tootoo:** Thank you, Mr. Chairman. I thank the minister for that response. Mr. Chairman, the minister is the Chair of the Crown Agency Council. I'm just wondering if he is of the view that the Crown agencies are fully complying with their Letters of Expectation and if any Crowns have not complied with direction given to them by their ministers. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Tootoo. Minister Tapardjuk.

**Hon. Louis Tapardjuk** (interpretation): They have complied fully with the Letters of Expectation we have sent them and we're pleased with the way they comply with the Letters of Expectation. Yes, we're satisfied, Mr. Chairman.

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

**Mr. Tootoo:** Thank you, Mr. Chairman. I know the 2008-09 corporate plans for the Housing Corporation, the college, the Business Credit Corporation, and the Nunavut Development Corporation have been tabled in the House. I'm just wondering if the minister can indicate why the Qulliq Energy Corporation's 2008-09 Corporate Plan hasn't been tabled. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Tootoo. Minister Tapardjuk.

**Hon. Louis Tapardjuk** (interpretation): I will have my deputy respond to that question, Mr. Chairman.

**Chairman:** Thank you, Minister. Mr. Ma.

**Mr. Ma:** Thank you, Mr. Chairman. I believe that this is actually an annual question that's asked by members. The reason for the delay in getting the 2008-09 Qulliq Energy Business Plan is because their board typically approves their business plan after we have gone through the GN's business cycle. We expect to be receiving their business plan shortly so that we can table it by the time we get to the May sitting. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Ma. Mr. Tootoo.

**Mr. Tootoo:** Thank you, Mr. Chairman. I think I stated in my opening comments, I think there are only two ministers on that Crown Agency Council. If I can just get the minister to, for the record, indicate which ministers sit on that council. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Tootoo. Minister Tapardjuk.

**Hon. Louis Tapardjuk** (interpretation): The Premier and I are on the Crown Agency Council. We are currently looking at how we can increase the number of members sitting on the council. We are concerned about this and we are discussing how we can improve the system, Mr. Chairman.

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

**Mr. Tootoo:** Thank you, Mr. Chairman. I know the council has been working to finalize the governance model for public agencies. Can I get an update on the status of that initiative? Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Tootoo. Minister Tapardjuk.

**Hon. Louis Tapardjuk** (interpretation): I will have Mr. D'Arcy respond to that, Mr. Chairman.

**Chairman:** Thank you, Minister. Mr. D'Arcy.

**Mr. D'Arcy:** Thank you, Mr. Chairman. We're working on that on two fronts now to finalize a global governance model that we can use as a template for territorial corporations that they can align their governance models with, but also through a new discussion or a new agreement with our territorial corporations, through a Memorandum of Understanding, which will clearly lay out the roles and responsibilities between the government itself and those territorial corporations. That, in itself, will actually go a long way to strengthening our ties with respect to governance between the government and the territorial corporations. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. D'Arcy. Mr. Tootoo.



**Mr. Tootoo:** Thank you, Mr. Chairman. I know that in the department's business plan, it indicates that a priority for 2008-09 is to "Continue to research the potential for further restructuring of financial transaction processing within a shared services model and the possibility of the creation of centers of expertise" as the Auditor General recommended in her 2005 report.

In addition to the recent transfers of positions from the Departments of EIA and Health and Social Services to the Department of Finance, what other options are being looked at? Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Tootoo. Minister Tapardjuk.

**Hon. Louis Tapardjuk** (interpretation): I will have Mr. Ma respond to that.

**Chairman:** Thank you, Minister. Mr. Ma.

**Mr. Ma:** Thank you, Mr. Chairman. The department has looked at a number of different things that it could be doing. I believe the member had made mention in our business plan about shared services, so that's the crux, I guess, of what we're trying to do in terms of recentralizing financial processing operations.

There are other services that we're looking at and we've had some discussions with other departments in that respect. We have started looking at other departments to possibly bring back into Finance. I think our experience in the past year has probably taught us that it's easier maybe to deal with smaller departments and that's likely what we would do next.

We're also looking at some of the territorial corporations; there was discussion of centres of excellence. There are some territorial corporations where there is some commonality in terms of geography, so that's also an area that we're looking at. We hope that we can get to the next part of this quite soon in the next fiscal year. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Ma. Mr. Tootoo.

**Mr. Tootoo:** Thank you, Mr. Chairman. I know the federal budget for 2007 indicated that there was, and I mentioned it in my opening comments, \$23 million to help strengthen the financial management for the government. I wonder if we can get an indication of this today: how much of that funding has actually been received and what specifically has it been spent on? Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Tootoo. Minister Tapardjuk.

**Hon. Louis Tapardjuk** (interpretation): I will have Mr. Ma respond to that question.

**Chairman:** Thank you, Minister. Mr. Ma.

**Mr. Ma:** Thank you, Mr. Chairman. At this point, we have not received any of the \$23 million from the federal government but we have been in discussions with them to move this forward. It's our understanding, as of this week, that it will be going to the federal Cabinet.

With respect to where we're going to spend it, part of the money will go towards improving our information technology infrastructure, part of it will go towards the public accounts, and lastly, part of it will also go towards our public accountability framework which, for an example, is the FAM directives that we're working on. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Ma. Mr. Tootoo.

**Mr. Tootoo:** Thank you, Mr. Chairman. Can the minister or his officials indicate why that money hasn't flowed yet? Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Tootoo. Minister Tapardjuk.

**Hon. Louis Tapardjuk** (interpretation): Mr. Ma will respond to that question.

**Chairman:** Thank you, Minister. Mr. Ma.

**Mr. Ma:** Thank you, Mr. Chairman. We continue to work closely with our federal counterparts. When this was announced in the federal budget 2007 in February-March, the file was with Federal Finance. It subsequently got transferred to Indian and Northern Affairs and that didn't happen until the fall, so we weren't able have any discussions with our federal counterparts until that time.

I would say, since November through to now, we've had some fruitful discussions and the file is moving along. Again, because of the transfer of the file from Federal Finance to INAC, I think that delayed things. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Ma. Mr. Tootoo.

**Mr. Tootoo:** Thank you, Mr. Chairman. This division is also responsible for the Liquor Commission. I know in the business plan it states that how-to manuals for Alcohol Education Committees have been developed and that a workshop for committee members is being planned. I'm just wondering if he can indicate when those workshops will be held and if those manuals will be tabled in the Assembly. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Tootoo. Minister Tapardjuk.

**Hon. Louis Tapardjuk** (interpretation): Thank you. They already held a meeting, both in Iqaluit and Rankin. The manuals are currently being worked on and our expectations are that we will table a report from the committee on the Nunavut Liquor Commission at the next sitting of the Legislative Assembly on what the committee works on, Mr. Chairman.

**Chairman:** Thank you, Minister Tapardjuk. Mr. Tootoo.

**Mr. Tootoo:** Thank you, Mr. Chairman. The business plan also states that one of the priorities for the 2008-09 fiscal year is to work with the Liquor Licensing Board and the Department of Justice “to develop a consultation plan for the review of the *Liquor Act*.” When do you anticipate the bill being ready for introduction to the Legislative Assembly and what changes would you, as the minister responsible, like to see made to the *Liquor Act*? Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Tootoo. Minister Tapardjuk.

**Hon. Louis Tapardjuk:** I don't foresee an introduction of this particular Act during this mandate, for sure, because there's quite a bit of work that needs to be done in the consultation process.

Having said that, Mr. Chairman, the Act itself does require some serious thought because it is serving a dual purpose - one is the policing aspect of the liquor into the communities and the other one is to deal with addictions and trying to help individuals that may have some problems.

The mandate of the Alcohol Education Committee, that's what it is: it's an Education Committee. We've had some discussions in that area. One is to recognize the fact that we are trying to put the controls in place so that alcohol abuse in the communities can be minimized through the committee. At the same time, the responsibility of these Alcohol Education Committees is to do just that: try to educate the public about the harm alcohol can do to others.

For that reason, we will have to define the Act in such a way that it addresses the issues. That will require quite a bit of consultation and of course, in the process, we're also looking at possible alcohol treatment centres. So that will all have to be considered. Like I said, I don't foresee the introduction of this particular Act or a revision of this particular Act until our next mandate. Thank you, Mr. Chairman.

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

**Mr. Tootoo:** Thank you, Mr. Chairman. It's good to hear the minister indicate something that seems to have been forgotten. I think after a retreat in the past year, the Cabinet had directed the Department of Health to come up with a treatment facility in Nunavut, and we all know, as we've heard over the last few days, with the limited resources available to the government right now.

I'm just wondering if the minister would support an issue that has been raised here where having any revenues received from fines under the *Liquor Act* to go towards these committees for their operations and the operation of the alcohol treatment centre. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Tootoo. Mr. Tapardjuk.

**Hon. Louis Tapardjuk:** Yes, that's one area that we're looking at and in addition to that, we're also looking at, in the Act, the possibility of giving larger fines for bootlegging and so forth. We are looking at that very closely and it's a huge issue that we will have to investigate. I think the *Alcohol Education Act* is about 30 or 40 years old, so it's outdated and we are quite anxious to have a look at it. Thank you, Mr. Chairman.

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

**Mr. Tootoo:** Thank you, Mr. Chairman. As I indicated in my opening comments, on June 2006, the Minister of Finance tabled the GN-wide annual report on grants and contributions made by all government departments during the previous fiscal year. The GN has yet to table the annual reports for 2005-06 and 2006-07, so I'm just wondering when those annual reports on grants and contributions will be tabled. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Tootoo. Minister Tapardjuk.

**Hon. Louis Tapardjuk (interpretation):** We will be tabling those annual reports at the May sitting, Mr. Chairman.

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

**Mr. Tootoo:** Thank you, Mr. Chairman. This division also looks after our tax system. I know in the past when amendments to the *Income Tax Act* had been made, there was a commitment by the previous minister to look at trying to find a way, again, as I mentioned in my opening comments, to capture...

The payroll tax doesn't really capture all the money that's made up here by people who are working up here but don't live up here. The contractors and consultants get away with not having to worry about paying that versus those people who are actually on payroll that pay that. I believe there was a commitment made to look at that, so I'm just wondering if I could get an update as to when we can expect to see something on that. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Tootoo. Minister Tapardjuk.

**Hon. Louis Tapardjuk (interpretation):** I will have Mr. Ma respond to that question, Mr. Chairman.

**Chairman:** Thank you, Minister. Mr. Ma.

**Mr. Ma:** Thank you, Mr. Chairman. The department expects to be in a position soon to make some sort of recommendation. What we're struggling with is if we impose some

sort of tax on consultants, they simply pass on that tax to us in terms of the cost to the GN. So as a result of that, there would be no net benefit to us to go towards that. We are examining the issue closely and we expect to have something that we can bring forward shortly. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Ma. Mr. Tootoo.

**Mr. Tootoo:** Thank you, Mr. Chairman. The other commitment that was made to look at was adding another sin tax on of looking at a tax on junk food.

We know that if we put sin taxes on things like alcohol and tobacco because of the high cost that those products cost the government in health related costs down the road, or through our justice system and everything, there's no secret that, I was hearing it on the radio today that because of junk food and that, the diseases related to that are much higher in the north than they are in a lot of other jurisdictions. So where are we at as far as looking at imposing or bringing forward a recommendation to address that issue? Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Tootoo. Minister Tapardjuk.

**Hon. Louis Tapardjuk:** The Department of Finance has examined the issue of the junk food tax and after carefully considering all aspects of using a blunt instrument like tax regimes to try to address health and social issues like this one, imposing a tax on junk food would not be in the best interest of Nunavummiut. I think there was some research done... I'll get Peter to explain further on that. I think it's worth mentioning it to the members here that we found that it wasn't all that great. So if I can ask the Chair for Mr. Ma to expand on that further.

**Chairman:** Thank you, Minister. Mr. Ma.

**Mr. Ma:** Thank you, Mr. Chairman. As the minister said, the department gave careful consideration to junk food tax. In the end, the recommendation was not to go ahead with the junk food tax. Basically, there are other jurisdictions in other countries that have looked at a junk food tax and none of them have imposed a junk food tax.

The primary reason for not imposing a junk food tax is what we call the inelasticity of the net. So basically what that really means in economic terms is that no matter how much you increase the price of a particular product that people really want, they're going to keep paying it. In our particular case in Nunavut, kids love pop and they love junk food, so even if a can of pop was \$1.50 to \$10, they would probably keep paying for it. So that's just not good because we're actually taxing the people that can least afford it.

There are other ways, as the member has said, to deal with health care issues. We have a very successful campaign here that's run by Health; I think it's called 'Drop the Pop.' So it's those kinds of initiatives that other people participate in, not just government but

businesses participate in, I think are more effective in dealing with it. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Ma. Mr. Tootoo.

**Mr. Tootoo:** Thank you, Mr. Chairman. I kind of don't understand the rationale there; I think they're saying, "Well, they're going to keep buying it." Why don't they use that same argument on alcohol and tobacco? The result is the same. People want it, they're going to buy it and they do. If it goes up, then they're buying less.

So I don't understand that rationale. If it is not a good enough rationale to use for imposing alcohol and tobacco taxes, why is it a good enough rationale for junk food when, I would say, the treatment costs for health and justice issues and everything related to junk food are just soaring; they're going through the roof?

And, that's the whole idea of imposing those taxes on alcohol and tobacco is if we're going to have to pay to look after these people, whether it's through the legal system or through the health care system, then at least they're contributing a little bit through the taxes to pay for those costs. Why is that a different rationale for junk food when the issues are exactly the same? Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Tootoo. Minister Tapardjuk.

**Hon. Louis Tapardjuk** (interpretation): Mr. Ma will respond to that question.

**Chairman:** Thank you, Minister. Mr. Ma.

**Mr. Ma:** Thank you, Mr. Chairman. I concur with the member. There is a cost to our health system, whether it's tobacco, liquor, or junk food. Having said that, as I stated earlier, what we call the inelasticity, or in other words, the demand for pop or other junk food, is higher than it is for alcohol or tobacco. Kids will continue to drink pop or eat junk food versus people that can choose to smoke or not smoke; it's easier to give up alcohol or tobacco.

The other thing I didn't point out earlier in our analysis for the junk food tax is that in order to set up a junk food tax, it would be a fair amount of work administratively, not to say it's impossible but there is a fair amount of administrative work to do that.

So I don't disagree with the member in terms of the health care costs; it's just the demand for this particular product continues to be there no matter how much more you increase the tax. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Ma. Mr. Tootoo.

**Mr. Tootoo:** Thank you, Mr. Chairman. So if I interpret that correctly then, if the demand for alcohol went a lot higher like that, too, then you would drop the tax from that, too. Is that basically what you're saying? Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Tootoo. Minister Tapardjuk.

**Hon. Louis Tapardjuk** (interpretation): I will have Mr. Ma respond to that.

**Chairman:** Thank you, Minister. Mr. Ma.

**Mr. Ma:** Thank you, Mr. Chairman. It's highly unlikely that we would drop the tax on alcohol, but if we raise the price of alcohol through taxes to a high enough level, people may not buy from us but they may go to other sources like bootleggers. In fact, they probably do that now because of the tax we impose. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Ma. Mr. Tootoo.

**Mr. Tootoo:** Thank you, Mr. Chairman. I think if people went to the bootleggers now, their prices would be a heck of a lot more than what they would be paying at regular prices.

It's almost like the government is saying, "Well, it's an issue. It's costing us lots of money to deal with it but we're going to ignore it because too many people like it." That attitude will never change unless something is done and that's why governments across the country have imposed sin taxes to try and curb the use of alcohol and tobacco; to deter it. And to say, "Well, it's too much in demand, so we're not going to bother," why ignore the problem? If you want to ever get to that level for junk food, you've got to start somewhere. Why doesn't this government want to make that part? Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Tootoo. Minister Tapardjuk.

**Hon. Louis Tapardjuk** (interpretation): I will have Mr. Ma respond to that.

**Chairman:** Thank you, Minister. Mr. Ma.

**Mr. Ma:** Thank you, Mr. Chairman. As I stated earlier, Nunavut is not the only jurisdiction that looked the issue of a junk food tax. Countries, internationally, have looked at this, provinces across Canada and states in the U.S. have also looked at this, and as I said earlier, none of them have imposed a junk food tax.

I don't know how to quite put it, but yes, as I said earlier, we're taxing the people that can at least afford it and Nunavut prides itself on having a progressive tax system and I think this would work contrary to that. I share the member's concern and I think, certainly, the government and the department shares his concern in terms of health care costs that we would eventually pick up.

Like I said earlier, there are more effective ways to deal with this, like the 'Drop the Pop' campaign, which I think, and I think the member would agree, has been a successful campaign. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Ma. Thank you, Mr. Tootoo. Mr. Peterson.

**Mr. Peterson:** Thank you, Mr. Chairman. One of the responsibilities of your department, according to your business plan, is to monitor performance of the economy and provide the Government of Nunavut with an economic outlook for the territory and you mentioned that you tried to develop the semi-annual economic outlook but now, you're going to an annual outlook because of the "unavailability of hard economic data." I wonder if the minister could explain why the hard economic data isn't available for Nunavut for this economic outlook. Thank you, Mr. Chairman.

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

**Hon. Louis Tapardjuk** (interpretation): Thank you, Mr. Chairman. Mr. Ma will respond to that question.

**Chairman:** Thank you, Minister. Mr. Ma.

**Mr. Ma:** Thank you, Mr. Chairman. In order to do the economic outlook, we have to rely on other agencies that are outside of our government to get the information. Some of the agencies we rely upon are agencies like Statistics Canada and the Conference Board of Canada.

However, even though we have gone to an annual economic outlook, I think the quality of what we produced this year is significantly better than what it was in previous years. I don't know if members recall or not, but it was an appendix to the minister's Budget Address and I think the work that was done by Finance and the Department of Economic Development and Transportation was pretty good. Obviously, there's room for improvement but I think it is getting there. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Ma. Mr. Peterson.

**Mr. Peterson:** Thank you, Mr. Chairman. I thank Mr. Ma for that answer. Could the minister or Mr. Ma explain to us: who would be the main users of the annual economic outlook? Thank you, Mr. Chairman.

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

**Hon. Louis Tapardjuk** (interpretation): Thank you, Mr. Chairman. Mr. Ma will respond to that question.

**Chairman:** Thank you, Minister. Mr. Ma.



**Mr. Ma:** Thank you, Mr. Chairman. I guess, as deputy for the department, I would hope everybody uses it. Seriously speaking, hopefully people in government use it, industry, businesses, chambers of commerce, hopefully people that come up to invest in Nunavut look at it, and hopefully our federal counterparts look at it. Basically anyone who has an interest in the economy of Nunavut, we would hope that they would get a good hard look at it and hope that that information is as useful to them as it is to us. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Ma. Just before I get back to you, Mr. Peterson, we have no quorum here, so I'm going to ring the chime.

Thank you. I would suggest to the members, before you leave, look around to see if we have quorum or not and if we have more than enough, then you can leave. Mr. Peterson.

**Mr. Peterson:** Thank you, Mr. Chairman. You say that you have to rely on outside sources for the data for the semi-annual is difficult but you're able to prepare an annual report. Where do you collect the data for the annual report from? Thank you, Mr. Chairman.

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

**Hon. Louis Tapardjuk** (interpretation): Thank you, Mr. Chairman. Mr. Ma will respond to that question.

**Chairman:** Thank you, Minister. Mr. Ma.

**Mr. Ma:** Thank you, Mr. Chairman. Even though our department has the lead for developing the economic outlook, a lot of what we get could not have been possible without the help and assistance of the Department of Economic Development and Transportation; a majority of the information we compiled came from that department.

The other thing in Nunavut, because our economy is so small, it doesn't really change that drastically. So even if we produce an economic outlook that's annual in timeframe versus semi-annually, there isn't really that much there to be gained in that respect. Hopefully, as we go forward, we would go towards that semi-annual thing and we have lots to talk about. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Ma. Mr. Peterson.

**Mr. Peterson:** Thank you, Mr. Chairman. I thank Mr. Ma for that answer. I actually agree with you on that. Nunavut is small, so I was wondering why you would want to prepare it semi-annually. I do know that there are organizations and investors out there that, when they're looking around for areas to invest for their companies, they do look for that kind of data, so it's good that your department is preparing it with the support of the Department of Economic Development and Transportation.

Another question I have here is related to devolution. You indicated in your business plan that you have identified an employee, and you say, "... to be devoted..." I don't know what that means, "... to be devoted to devolution-related duties." Perhaps you could expand on that a little bit what exactly the role is of the Department of Finance in devolution negotiations or negotiations that hopefully will begin in the near future. Thank you, Mr. Chairman.

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

**Hon. Louis Tapardjuk** (interpretation): Mr. Ma will answer that question.

**Chairman:** Thank you, Minister. Mr. Ma.

**Mr. Ma:** Thank you, Mr. Chairman. My staff person better be devoted or I'm gonna have to... no I'm kidding. Seriously speaking, to answer the member's question, I think we're still getting used to it in the last week or two, from the Premier, but our role, in terms of the devolution discussions, is to provide financial assistance and support on what we call the financial table of the discussions.

Obviously, EIA has the lead role in terms of the overall discussions but Finance supports those devolution discussions through the financial side of it. It's our responsibility to look at the financial side of it to make sure the numbers make sense because we obviously want what we call a "net fiscal benefit" at the end of the day.

Our job in Finance is to ensure that any sort of projections going out into the future in terms of royalties or other benefits that could flow to the territory are looked at, analyzed, and that assumptions are reasonable. So basically, our main role is to play the financial forecasting role in the devolution discussions. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Ma. Mr. Peterson.

**Mr. Peterson:** Thank you, Mr. Chairman. I thank Mr. Ma. So, Mr. Ma, what you're saying is that that's not a full-time job for that person; it's just one of their tasks, perhaps maybe 25 percent of their duties. Thank you, Mr. Chairman.

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

**Hon. Louis Tapardjuk** (interpretation): Mr. Ma will respond to that.

**Chairman:** Thank you, Minister. Mr. Ma.

**Mr. Ma:** Thank you, Mr. Chairman. At this point, it is pretty much 100 percent of their day. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Ma. Mr. Peterson.

**Mr. Peterson:** Thank you, Mr. Chairman. I thank Mr. Ma. That's interesting because I was under the understanding from discussions recently that negotiations haven't actually started. They're in discussions to develop an agreement to set parameters for negotiations, so I'll look forward to more information in the future from your department on that.

Also on the same page in the business plan, C-14, you mention training for liquor inspectors under the *Liquor Act*. Exactly how many inspectors do you have in the Department of Finance? Thank you, Mr. Chairman.

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

**Hon. Louis Tapardjuk** (interpretation): I am told that there are about four or five inspectors, Mr. Chairman.

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

**Mr. Peterson:** Thank you, Mr. Chairman. I thank the minister. Where would the four inspectors be located? Thank you, Mr. Chairman.

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

**Hon. Louis Tapardjuk** (interpretation): One is located in Rankin Inlet and the rest are in Iqaluit, Mr. Chairman.

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

**Mr. Peterson:** Thank you, Mr. Chairman. I thank the minister for that answer. Going back to the Mr. Ma's earlier answer in response to the annual economic outlook, in our small jurisdiction, I would think that there wouldn't be a lot of work for four liquor inspectors. How many liquor outlets are there in Nunavut where a liquor inspector might be required to inspect? Thank you, Mr. Chairman.

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

**Hon. Louis Tapardjuk** (interpretation): Just a moment, we're going to check into that.

At this time, while they're checking, in regard to his question about the liquor inspectors, they are contracted. The liquor inspectors don't work for us but they are contracted to inspect drinking establishments. Just to clarify more on the question, we don't have the figures in front of us, so we will have to get back to him, Mr. Chairman.

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

**Mr. Peterson:** Thank you, Mr. Chairman. I thank the minister and Mr. Ma. I appreciate if they would provide that information. Could you perhaps then expand on the duties and responsibilities of the four or five liquor inspectors that work for the Department of Finance under contract? Thank you, Mr. Chairman.

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

**Hon. Louis Tapardjuk** (interpretation): Mr. D'Arcy will respond to that.

**Chairman:** Thank you, Minister. Mr. D'Arcy.

**Mr. D'Arcy:** Thank you, Mr. Chairman. The liquor inspectors inspect the licensed premises that we have in Iqaluit and also the licensed premise that we have in Rankin Inlet. So they would typically go out during the evenings to ensure that there's not people who have had too much to drink being served, that the laws that the licensees have to follow are in fact being adhered to, that the premises are being kept the way that they're supposed to be, that there is no over pouring, and generally, that people are following along with the regulations that the licensees have to follow. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. D'Arcy. Mr. Peterson.

**Mr. Peterson:** Thank you, Mr. Chairman. I thank the minister and Mr. D'Arcy for that information. It's very interesting. In the last fiscal year or the current fiscal year, how many establishments have been fined by these liquor inspectors? Thank you, Mr. Chairman.

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

**Hon. Louis Tapardjuk** (interpretation): We will have to get back to the member on that, Mr. Chairman.

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

**Mr. Peterson:** Thank you, Mr. Chairman. I thank the minister. Can you indicate when you will provide that information? Thank you, Mr. Chairman.

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

**Hon. Louis Tapardjuk** (interpretation): We will have to work with the Department of Justice. I'm not sure when we will be able to get back to him because we have to get the information from the Department of Justice, Mr. Chairman.

**Chairman:** Thank you, Minister. Thank you, Mr. Peterson. Policy and Planning. Total Operations and Maintenance. Mr. Curley.

**Mr. Curley** (interpretation): Mr. Chairman, I have one question. Can the minister provide direction to the Nunavut Liquor Commission about following a declaration of a state of emergency?

During the state of emergency in Rankin Inlet, the hours of work had to be divided and rotated. Some places were close due to consuming too much power; some were closed in the mornings and some in the afternoon. However, the Nunavut Liquor Commission could not be closed since they are servicing all of Nunavut. This was kind of embarrassing.

Can you direct the commission or draft a policy that during an emergency or if there is a shortage of power, that they should not be open the whole time? Would you be willing to do that? (interpretation ends) Thank you.

**Chairman:** Thank you, Mr. Curley. Minister Tapardjuk.

**Hon. Louis Tapardjuk** (interpretation): Yes, we can definitely look into this suggestion, especially if there are problems that arose during this emergency. Yes, we can definitely deliberate on possible resolutions with the commission, Mr. Chairman.

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

**Mr. Curley:** Thank you. (interpretation) All the other departments' emergency plans were prepared and used to direct the decisions as per the plans for loss of power. There were some residences where their power was off for one hour, but when the schools were opening, some were on for just an afternoon. However, we were told that the Nunavut Liquor Commission, being a service for all of Nunavut, were open from 8:30 until 5:00. They have to be told that they have to abide by the regulations where there's an emergency in the community. Are you willing to do that?

**Chairman:** Thank you, Mr. Curley. Minister Tapardjuk.

**Hon. Louis Tapardjuk** (interpretation): Mr. Ma will elaborate on that.

**Chairman:** Thank you, Minister. Mr. Ma.

**Mr. Ma:** Thank you, Mr. Chairman. I agree with what the member has been saying about the state of emergency with respect to the power in Rankin Inlet. As the deputy responsible for the department, I take full responsibility for that. My staff were directed to conserve power like everybody else after we became aware of the situation.

We agree with the member; it should never have happened and we will take steps to ensure that, if there is ever a power outage in any community, we are not an unnecessary burden to the rest of the community. Thank you, Mr. Chairman.

>>Applause

**Chairman:** Thank you, Mr. Ma. Thank you, Mr. Curley. Policy and Planning. Total Operations and Maintenance, to be Voted. \$3,532,000. Does this committee agree?

**Some Members:** Agreed.

**Chairman:** Thank you very much. Financial Management. Mr. Tootoo.

**Mr. Tootoo:** Thank you, Mr. Chairman. As the minister had promised in questioning earlier during this sitting that this is the area that looks at budget development, and I think the minister at the time indicated that that \$89.1 million contingency, if that \$4.5 million or \$4.6 million surplus took that amount into consideration. He said that they would be able to provide an explanation to all that during the Committee of the Whole, so here's your chance. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Tootoo. Minister Tapardjuk.

**Hon. Louis Tapardjuk** (interpretation): Mr. Ma will elaborate on that, Mr. Chairman.

**Chairman:** Thank you, Minister. Mr. Ma.

**Mr. Ma:** Thank you, Mr. Chairman. I know the contingency was an item of great interest to the members. Basically what happens is in our budget process, and I think it's in the minister's Budget Address actually as well; we have three main components of our budget.

The first part is that we deal with the capital estimates usually in the November sitting and so the 2008-09 capital budget was approved by Members and this House I guess in November of 2007. The second component is what we call the main estimates or the O&M part of our operations and that typically is discussed and voted on in the House at this particular time of the year. We also then have a third component of what we call contingencies and basically contingencies are amounts that we set aside that will later be voted upon in this House by way of a supplementary appropriation, and that's been the practice.

With respect to the 2008-09 contingency amount that I believe was about \$89.1 million, it comprises of a number of items that the minister has advised on earlier. There's an amount in there for unforeseen events, secondly, there's a component in there for our current discussions with the NEU, there's a third component for our discussions with the FNT that's coming up in the next fiscal year, we also have set aside our share of the Building Canada Fund which I believe is around \$25 million for next year, we have also set aside a significant part of our contingency for energy costs, and I believe those are the major components of it.

As I said, as we move forward into the fiscal year and we become aware of what we actually need to move by way of either capital or O&M into a supplementary

appropriation, we then take steps to do that and that is usually, of course, brought into the House to debate. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Ma. Mr. Tootoo.

**Mr. Tootoo:** Thank you, Mr. Chairman. If I understand that correctly, any amount that's drawn down on that contingency isn't included in the budget. Say if we look at the issue with medical travel, if there are extra monies put into that, that that would be a draw down on those contingencies which would reduce the surplus by whatever amount that is drawn down on there. Is that correct? Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Tootoo. Minister Tapardjuk.

**Hon. Louis Tapardjuk** (interpretation): Mr. Ma will respond to that.

**Chairman:** Thank you, Minister. Mr. Ma.

**Mr. Ma:** Thank you, Mr. Chairman. Yes, at this point in time, the manner that we're proposing to deal with the proposed increase in health budget for I think it was medical travel would be to draw upon that contingency.

**Chairman:** Thank you, Mr. Ma. Mr. Tootoo.

**Mr. Tootoo:** Thank you, Mr. Chairman. If that contingency was included in the budget, then basically we would have about a \$93.5 million surplus if you add in the surplus, I think it was \$4.6 was the surplus that was announced, plus the contingency of \$89 million. If it was included in there, there would be a \$90-some-odd million surplus. Would that be correct? Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Tootoo. Minister Tapardjuk.

**Hon. Louis Tapardjuk** (interpretation): Mr. Ma will respond to that.

**Chairman:** Thank you, Minister. Mr. Ma.

**Mr. Ma:** Thank you, Mr. Chairman. I don't believe I explained it very well the first go-around, so let me try to go through it again. The overall budget for the government I think is just over \$1 billion, it's something like \$1.12 billion off the top of my head, and it's comprised of three components. We had already voted on in this House I think \$98.3 million for capital, we're also now voting I think \$970.3 million for O&M, and then we have a contingency of I believe \$89.1 million. Those amounts comprise basically about \$1 billion, so those three components then leave us with a projected surplus of \$4.5 million at this point. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Ma. Thank you, Mr. Tootoo. Financial Management. Total Operations and Maintenance, to be Voted. Mr. Peterson.

**Mr. Peterson:** Thank you, Mr. Chairman. I want to ask the minister for an update on the accounting training initiative that they're implementing with I think it's the Algonquin College. If the minister to update us, please. Thank you.

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

**Hon. Louis Tapardjuk** (interpretation): We are reviewing the training plan, which would be used for training and which is held by the HR Department and Department of Finance for the Accounting Program.

Last month, the Aboriginal Finance Officer Association, which I did not know existed, for Northern Quebec and Northern Ontario was involved with our department in trying to determine how much training could be provided for our government accountants and this is an ongoing process. We are reviewing the Financial Administrative Manual which we use as reference material for our accounting procedures. So it's under review at this time.

Right now, we are now trying to flesh out the training program and that's where it is at this time, Mr. Chairman.

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

**Mr. Peterson:** Thank you, Mr. Chairman. I thank the minister for that information. A couple of years ago I believe we had a meeting with the Auditor General of Canada. I think we did an informal tally; we had 27 accountants in the Government of Nunavut with accounting designations of CMA, CGA or CAs. This training that you're proposing to provide for GN employees, would that be the same type of accounting training that would lead to a designation as a CA, CGA or CMA? Thank you, Mr. Chairman.

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

**Hon. Louis Tapardjuk** (interpretation): Thank you. Some of the training programs for accounting have been set up so that they are certified as chartered accountants and CGA, and other recognized programs for accounting. The trainees will be certified accountants after they complete their training program. This training program that we're setting up, some of it is directed towards getting Inuit to become certified accountants, Mr. Chairman.

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

**Mr. Peterson:** Thank you, Mr. Chairman. I thank the minister for the information. Can the minister tell us currently how many accountants are employed by the Government of Nunavut throughout all the departments and Crown agencies that have accounting designations? Thank you, Mr. Chairman.

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



**Hon. Louis Tapardjuk** (interpretation): At this time, we have 27 chartered accountants. Of those, we have four chartered accountants, 15 certified general accountants, seven certified management accountants, and one certified public accountant. Those are the figures we have, Mr. Chairman.

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

**Mr. Peterson:** Thank you, Mr. Chairman. I thank the minister for revealing that information. I think we probably need some more accountants. I mentioned in my Member's Statement the other day about providing support for an Aboriginal Financial Officers Association that could help to possibly support the accountants or people interested in accounting to get their designation.

A few years ago, there was an Akitsiraq Lawyer Training Program for Inuit. I wonder if you have given any consideration to a similar program for accountants just so they could go to school for three or four years and not have to worry about work, then they would get their designation, and then they would be promised guaranteed work with the Government of Nunavut or other organizations in Nunavut. Is that something that you have considered or looked at? Thank you, Mr. Chairman.

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

**Hon. Louis Tapardjuk** (interpretation): I will have Mr. Ma elaborate on that.

**Chairman:** Thank you, Minister. Mr. Ma.

**Mr. Ma:** Thank you, Mr. Chairman. As part of our ongoing work with our Strengthening Financial Management Initiative, one of the action plan calls was to actually look at the whole human resources side of finance, as well as the other departments within the government that have any sort of accounting/finance functions.

We have retained a consultant called the Hay Group which I'm sure members are familiar with. So I think we're in what we called the third phase of that particular work and certainly, that would be one of the options that we would look at in terms of getting more accountants into the system.

Now, training an accountant is somewhat different from a lawyer because the skills are somewhat different for both professions. So whatever we may end up rolling out may be somewhat different but it's certainly an option that we're looking at at this point in time. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Ma. Mr. Peterson.

**Mr. Peterson:** Thank you, Mr. Chairman. I thank the minister and Mr. Ma. I was going to ask you about the Hay Group; there was a contract awarded to them. It was \$300,000

and we noted that in the Government of Nunavut's 2006-07 Annual Report. Perhaps you could give us an overview of what type work they did and if you think you got good value for your money. Thank you, Mr. Chairman.

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

**Hon. Louis Tapardjuk** (interpretation): I will have Mr. Ma respond to that.

**Chairman:** Thank you, Minister. Mr. Ma.

**Mr. Ma:** Thank you, Mr. Chairman. There were a number of components to the contract that was issued to the Hay Group. The first component entailed basically doing interviews of current staff and staff that have left the government in the finance area. From those interviews, we were then able to ascertain what kinds of things attracted people to work for us or caused them to leave from the government.

Another component of the work that we're doing is actually this whole aspect of not only recruitment but also the retention part of keeping finance professionals within our government. I certainly concur with what the member said earlier about the number of accountants that we need in our system. There's not nearly enough; we obviously need more, and hopefully the work that we're working on with the Hay Group will lead us towards that.

In terms of answering his question of whether we're getting fair value, I would say, at this point in time, yes, because we don't have the resources internally at this point to do this type of work. So it has taken a fair amount of time to do the work and we anticipate, I guess, by early in this calendar year to finally conclude this work and bring something forward that we can move forward on. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Ma. Mr. Peterson.

**Mr. Peterson:** Thank you, Mr. Chairman. I thank the minister and Mr. Ma. I indicated the other day when I was asking the Premier about devolution, I thought that we should start trying to get some money from the federal government now to start training people for jobs in the federal and territorial government.

If I read the devolution report correctly, I think there's a huge need for accountants. In talking to the Auditor General, we're only at like level one or two out of level five to be at where we should be as a government. It's not to say the government doesn't have good financial records and system keeping; I think it does.

I know in my travels to conferences across Canada and talking to our counterparts, in some respects, we're ahead of them in terms of reporting and accountability to the Legislative Assembly. So it seems like we need more accountants and I think we should do whatever we can to obtain resources to start training them in Nunavut. They don't

even have to work for the Government of Nunavut; they could work for other entities as well.

I wanted to ask about the Government of Nunavut's new investment guide as they were tabled in the Legislative Assembly in December of 2006. I'm wondering if the minister could tell the members here how much revenue the Government of Nunavut generated since then through its investment activities. Thank you, Mr. Chairman.

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

**Hon. Louis Tapardjuk** (interpretation) Yes, the Government of Nunavut investments have made a bit of income - \$6.16 million for 2006-07, \$3.62 million is invested in the Nunavut Housing Trust, and the income from that is \$3.62 million and \$9.49 million for February 29, 2008, for 2007-08, \$4.78 million are investments for the Nunavut Housing Trust. That's the income from this investment of \$4.78 million which the government has received through the investment. Thank you, Mr. Chairman.

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

**Mr. Peterson:** Thank you, Mr. Chairman. I thank the minister for that information. I don't think it's any secret that there's a global financial crisis that's effecting most economies around the world. A lot of banks are taking huge losses and it's due to the sub-prime mess in the United States and then the asset-backed paper. We have heard of a number of governments also being hit by the losses.

We're familiar with our colleagues in the Yukon where the Auditor General of Canada indicated in her report to their Legislative Assembly that the Yukon Government had an investment of over \$35 million that was impacted by the global credit market and apparently, their funds are frozen. Can the minister tell the House if the Government of Nunavut has avoided these problems or are we affected by the problems? Thank you, Mr. Chairman.

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

**Hon. Louis Tapardjuk** (interpretation): I'll have Mr. Ma respond to that.

**Chairman:** Thank you, Minister. Mr. Ma.

**Mr. Ma:** Thank you, Mr. Chairman. I think because of the conservative nature of our investment regulations, as the member alluded to earlier, we have avoided the ABCP fiasco, the asset-backed commercial paper fiasco, unlike our counterparts in the Yukon. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Ma. Mr. Peterson.

**Mr. Peterson:** Thank you, Mr. Chairman. I thank the minister and Mr. Ma. When you say “avoided,” did you have any losses at all, or did you actually make some money or break even? Thank you, Mr. Chairman.

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

**Hon. Louis Tapardjuk** (interpretation): I will have Mr. Ma respond to that.

**Chairman:** Thank you, Minister. Mr. Ma.

**Mr. Ma:** Thank you, Mr. Chairman. As one of the co-signers on our investments, I guess I was able to scrutinize what we were investing in. We had zero investments in asset-backed commercial paper. Thank you, Mr. Chairman.

>>*Applause*

**Chairman:** Thank you, Mr. Ma. Mr. Peterson.

**Mr. Peterson:** Thank you, Mr. Chairman. I thank the minister and Mr. Ma. Mr. Ma certainly earned his pay then to help us avoid losses. Are you eligible for a bonus of...

>>*Laughter*

... ten percent of all the money you have saved?

Last year, the Government of Nunavut issued a Request for Proposals for a new banking services contract. During the NBCC Standing Committee, I talked to Mr. Ma a little bit about the commercial banks in Nunavut being more proactive in helping our communities and investing in businesses. I wonder, through the RFP, if you have been able to select a proponent who can provide more help in our smaller communities to the private sector and individuals in the communities. Thank you, Mr. Chairman.

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

**Hon. Louis Tapardjuk** (interpretation): I will have Mr. Ma respond to that.

**Chairman:** Thank you, Minister. Mr. Ma.

**Mr. Ma:** Thank you, Mr. Chairman. The successful proponent of the RFP was our current banker, the Royal Bank of Canada. I just want to put that on the record. I think members are aware of it but I just don't remember for sure.

Some of the criteria we had in our RFP was to have whoever the successful proponent was be able to provide community banking services. Basically, there were two proponents - the CIBC and the Royal Bank – and they're basically the two main banks in Nunavut as everybody knows. We think that the opportunity certainly exists at the Royal

Bank to do some of that community banking and to also have them assist some of our smaller businesses in the communities.

I certainly recall Member Peterson's question during NBCC hearings. At that point, as the Chair of NBCC I think, I can't remember, or maybe as the Deputy of Finance, I did make a commitment to have a discussion with the Royal Bank to discuss with them on providing ongoing assistance and banking services to our businesses. The bank liaison person that I have worked with the Royal Bank is actually going to be here next month, so that will be one of the agenda items I guess on our little lunch or dinner discussion. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Ma. Mr. Peterson.

**Mr. Peterson:** Thank you, Mr. Chairman. I thank Mr. Ma for that information. I wonder if it's possible to invite that person or a group of bankers to our spring session where we can ask them questions about their level of participation in developing Nunavut's economy probably in the larger centres but also in the smaller regional centres. Would that be a possibility? Thank you, Mr. Chairman.

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

**Hon. Louis Tapardjuk** (interpretation): Completely. It would definitely be possible. If members wish to have a dialogue with them, we can make arrangements with the Royal Bank. Thank you, Mr. Chairman.

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

**Mr. Peterson:** Thank you, Mr. Chairman. I thank the minister for that commitment. I don't know if the minister has this information, but does he know the level of investment by the commercial banks in the economy of Nunavut? Thank you, Mr. Chairman.

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

**Hon. Louis Tapardjuk** (interpretation): At this time, we don't have any figures but we can look into it, Mr. Chairman.

**Chairman:** Thank you, Minister. Mr. Peterson, thank you. Financial Management. Total Operations and Maintenance, to be Voted, \$3,177,000. Does this committee agree?

**Some Members:** Agreed.

**Chairman:** Thank you. Page C-7. Mr. Mapsalak.

**Mr. Mapsalak** (interpretation): Thank you, Mr. Chairman. I think we can conclude this department tomorrow, so I would like to move to report progress. Thank you, Mr. Chairman.

**Chairman:** Thank you, Mr. Mapsalak. We have a motion on the floor to report progress and the motion is not debatable. All those in favour of the motion, please raise your hand. All those opposed, raise your hand. The motion is carried. I will now rise to report progress.

Thank you, minister and your staff.

**Speaker** (interpretation): Item 20. Report of the Committee of the Whole. Mr. Evyagotailak.

### **Item 20: Report of the Committee of the Whole**

**Mr. Evyagotailak:** Thank you, Mr. Speaker. Your committee has been considering Bill 23 and the Main Estimates, and would like to report progress. Also, Mr. Speaker, I move that the Report of the Committee of the Whole be concurred with. Thank you, Mr. Speaker.

**Speaker** (interpretation): Thank you, Mr. Evyagotailak. There is a motion on the floor. Is there a seconder? Mr. Alagalak. The motion is in order. All those in favour, please raise your hand. Opposed. The motion is carried.

(interpretation ends) Item 21. (interpretation) Third Reading of Bills. (interpretation ends) Item 22. (interpretation) Orders of the Day. (interpretation ends) Mr. Clerk.

### **Item 22: Orders of the Day**

**Clerk** (Mr. Quirke): Thank you, Mr. Speaker. A reminder of a meeting tomorrow of the Standing Committee *Ajauqtiit* at ten o'clock in the Tuktu Boardroom.

Orders of the Day for March 12:

1. Prayer
2. Ministers' Statements
3. Members' Statements
4. Returns to Oral Questions
5. Recognition of Visitors in 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 in Committee of the Whole of Bills and Other Matters
  - Bill 22
  - Bill 23
  - Bill 24
  - Bill 25
20. Report of the Committee of the Whole
21. Third Reading of Bills
22. Orders of the Day

Thank you.

**Speaker** (interpretation): Thank you. This House stands adjourned until Wednesday, March 12, at 1:30 in the afternoon.

Sergeant-at-Arms.

>>*House adjourned at 20:29*

