



LEGISLATIVE ASSEMBLY OF NUNAVUT

4th Session

2nd Assembly

HANSARD

Official Report

DAY 70

Wednesday, September 10, 2008

Pages 4646 – 4716

Iqaluit

Speaker: The Honourable Peter Kilabuk, M.L.A.

Legislative Assembly of Nunavut

Speaker

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(Pangnirtung)

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(Nattilik)
Minister of Health and Social Services

Hon. Olayuk Akesuk
(South Baffin)
Minister of Environment

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(Arviat)

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(Uqqummiut)
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(Tununiq)

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(Quttiktuq)
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Hon. Levinia Brown
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Deputy Premier; Minister of Community and Government Services; Minister responsible for the Status of Women

Tagak Curley
(Rankin Inlet North)

Peter Kattuk
(Hudson Bay)
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Steve Mapsalak
(Akulliq)

Hon. Patterk Netser
(Nanulik)
Minister of Economic Development and Transportation; Minister responsible for the Nunavut Housing Corporation

Hon. Paul Okalik
(Iqaluit West)
Premier; Minister of Justice; Minister of Executive and Intergovernmental Affairs

Keith Peterson
(Cambridge Bay)

Hon. Ed. Picco
(Iqaluit East)
Government House Leader; Minister of Education; Minister of Energy; Minister responsible for Multiculturalism, Homelessness and Immigration

David Simailak
(Baker Lake)

Hon. Louis Tapardjuk
(Amittuq)
Minister of Culture, Language, Elders and Youth; Minister of Finance; Chairman, Financial Management Board

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Iqaluit, Nunavut
Wednesday, September 10, 2008

Members Present:

Honourable Leona Aglukkaq, Honourable Olayuk Akesuk, Mr. James Arreak, Mr. James Arvaluk, Honourable Levi Barnabas, Honourable Levinia Brown, Mr. Tagak Curley, 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. Before we begin, I would like to ask Mr. Netser to say the opening prayer. Mr. Netser.

Hon. Patterk Netser (interpretation): I would also like to say to the Members of the Legislative Assembly, David Alagalak's daughter passed away and he would like to receive some prayers from the members, and we will pray for him. Thank you.

>>*Prayer*

Speaker (interpretation): Thank you. Good afternoon, Mr. Premier, Ministers, Members and Nunavummiut. I say "hello" to the residents of Qikiqtarjuaq. (interpretation ends) Item 2. (interpretation) Ministers' Statements. Mr. Premier.

Item 2: Ministers' Statements

Minister's Statement 204 – 2(4): Devolution Negotiation Protocol Agreement

Hon. Paul Okalik (interpretation): Thank you, Mr. Speaker. (interpretation ends) I rise today to give you and all Nunavummiut good news of recent developments in devolution.

On September 5, 2008, the Honourable Chuck Strahl, Minister of Indian Affairs and Northern Development, Paul Kaludjak, President of Nunavut Tunngavik Incorporated and I signed the Nunavut Devolution Negotiation Protocol.

This protocol is a milestone. It sets the stage for Canada and Nunavut to move forward, providing a foundation upon which to secure a devolution agreement with the Government of Canada and NTI.

Mr. Speaker, the Prime Minister's recent visit to Canada's North, along with the military exercise, Operation Nanook, has once again focused the media's attention on the North. With the increased interest in the north, it is an opportune time to speak about sovereignty in the context of devolution.

Devolution offers the Government of Canada an opportunity to exercise their sovereignty, signalling to the world its absolute confidence in Canada's claim over the Arctic waters.

For millennia, Inuit have continuously lived in the areas claimed as sovereign by Canada. When the Prime Minister said that we need to use it or lose it, the transfer of authority to Nunavut can only strengthen Canada's claim to our sovereignty.

Mr. Speaker, the Government of Canada has said they intend to improve and devolve governance so that northerners have greater control over their destinies. The protocol moves us in that direction.

Minister Strahl has said that, "This Protocol is all about honouring this commitment and working with our partners in Nunavut to place decision-making in the hands of the people of the territory."

Mr. Speaker, the signing of the protocol is a positive and powerful signal. I was honoured to be a part of this momentous occasion as Nunavut took one more step towards greater self-reliance and a prosperous future. (interpretation) Thank you, Mr. Speaker.

>>Applause

Speaker (interpretation): Thank you, Premier. Ministers' Statements. Minister Picco.

Minister's Statement 205 – 2(4): Expansion of the Nunavut Teacher Education Program (Picco)

Hon. Ed. Picco: Thank you, Mr. Speaker. I would like to take this opportunity to inform the House about plans for the expansion of the Nunavut Teacher Education Program, or NTEP.

One of the most important elements in educating bilingual graduates is well-trained and supported teachers in our schools. Working in cooperation with the Nunavut Arctic College (NAC), the Department of Education has increased funding to NTEP by \$2.13 million. This additional funding will provide for the both the expansion of NTEP into additional communities, as well as the delivery of an aboriginal language and cultural certificate program. Mr. Speaker, this will enable experts in Inuit knowledge and traditions to be certified to work in our schools, as well as an enhanced current foundation program in many communities.

Mr. Speaker, these monies will also be used to create base programs for NTEP in Rankin Inlet and Cambridge Bay, ensuring for full delivery of the program in each regional centre. Thereby, Mr. Speaker, allowing students to stay closer to their home communities.

Mr. Speaker, the future of the Inuit languages rests in our ability to produce bilingual graduates. This requires both financial and administrative commitment to produce teachers that are capable at all levels. The restructuring of our NTEP program will provide much needed life into our school system and provide more opportunity for young Nunavummiut.

Mr. Speaker, revitalization of the program continues on the pledges of the proposed *Inuit Language Protection Act* and our *Education Act*. We have promised to provide a

bilingual education, Mr. Speaker, to all students in Nunavut, and we must be able to deliver on that promise. The infusion of funds and renewed enthusiasm for the development of Inuit teachers is an important step in realizing our government's goal of having Inuktitut as our working language.

Mr. Speaker, I would like to thank NAC and the staff at Education for their continued dedication and efforts in this area. (interpretation) Thank you, Mr. Speaker.

>>Applause

Speaker (interpretation): Thank you, Minister. Ministers' Statements. Minister Aglukkaq.

Minister's Statement 206 – 2(4): Electronic Health Records

Hon. Leona Aglukkaq: Thank you, Mr. Speaker. Before I do my statement, I, too, want to offer my condolences to our colleague's, David Alagalak, loss and we are thinking about him today.

Mr. Speaker, I am pleased to announce that the Department of Health and Social Services is moving forward with an electronic health record system. An electronic health record is a secure and private lifetime record of a patient's health care history.

All jurisdictions across Canada currently use electronic health records, to some degree, for faster transfer of patient information, resulting in reduced wait times.

Nunavut's electronic health record project is a five-year initiative from creation to implementation. The total cost of the project is \$11.6 million, \$4.2 million of which will be provided through a combination of federal funds, such as the Patient Wait Times Guarantee Trust Fund, and I am very pleased to announce that Canada Health Infoway will invest \$7.4 million.

Mr. Speaker, Canada Health Infoway is an independent, not-for-profit corporation. Its goal is to put in place the basic elements of a Canada-wide electronic health record system. They work as a strategic investor to accelerate the development of health information and communications technologies on a pan-Canadian basis.

Mr. Speaker, better information equals better care. Reducing wait times means X-ray results that normally take weeks can take 72 hours with an electronic health record system.

Electronic health records are a key building block in establishing a health care system that provides improved access, quality and productivity throughout Nunavut, and connects us to the rest of Canada.

By 2012, the electronic health record system will be integrated and available in all communities. Thank you, Mr. Speaker.

>>Applause

Speaker (interpretation): Thank you, Minister. Ministers' Statements. Minister Netser.

Minister's Statement 207 – 2(4): Fuel Tanks

Hon. Patterk Netser (interpretation): Thank you, Mr. Speaker. I rise today to inform this legislature that officials with the corporation and local housing organizations are proactively taking steps to address problems with outdated fuel tanks.

There have recently been a number of costly oil spills and minor fuel leaks in various communities throughout Nunavut. Those incidents prompted the NHC to undertake inspections of our oil tanks.

Mr. Speaker, officials discovered that a number of those tanks were between 20 and 30 years old; almost as old as I am.

>>*Laughter*

And many were without a manufacturer's label.

The Auditor General had raised concerns about a lack of asset monitoring at the community level. In the course of addressing those concerns about management at the LHO level, the corporation has developed fuel tank maintenance standards to more closely monitor such assets.

Mr. Speaker, the corporation and LHOs have already compiled a Nunavut-wide report resulting from fuel tank inspections. We need to bring all fuel tanks up to acceptable environmental standards, many tanks will be replaced.

The corporation is developing a strategy for the acquisition and replacement of outdated fuel tanks in their public housing stock. Such a replacement strategy will likely involve a five-year action plan.

The corporation has already ordered 260 new fuel tanks that will be distributed to communities on a priority basis. More tanks will be ordered. Thank you, Mr. Speaker.

>>*Applause*

Speaker (interpretation): Thank you. Ministers' Statements. Minister of Finance, Minister Aglukkaq. (interpretation ends) No, I'm sorry. Minister Tapardjuk.

Minister's Statement 208 – 2(4): 2008 Archaeological Field School

Hon. Louis Tapardjuk (interpretation): Thank you, Mr. Speaker. I would like to say "hello" to my constituents, especially the people of Hall Beach.

Mr. Speaker, I raise today to report to my colleagues that the collaborative archaeology field school between Inuit Heritage Trust and Department of Culture, Language, Elders and Youth project in Hall Beach, launched in July 2006, has been completed.

Archaeology training of Nunavummiut is a core area of mutual interest and responsibility that the Department of Culture, Language, Elders and Youth and the Inuit Heritage Trust collaborate on together and share the program delivery costs.

Mr. Speaker, the 2008 field school ran for approximately four weeks commencing June 30 and ending on July 24. Six students participated in the field school - one in Hall Beach, three in Arviat, one in Pond Inlet, and one Repulse Bay.

One of the features excavated this summer was a house in which no less than 500 items were found. The list of items includes several harpoon heads, a comb and three soap stone vessel fragments (which can be put back together) and a large quantity of animal remains. The artefacts are currently in Igloolik being analyzed by our territorial archaeologist and the animal remains have been sent to the University of Toronto.

Mr. Speaker, as Nunavummiut, we have a rich cultural heritage that we should all be proud of and be interested in discovering. This field school has potential awakening that interest in our youth. Thank you, Mr. Speaker.

>>Applause

Speaker (interpretation): Thank you, Minister. Ministers' Statements. Item 3. Members' Statements. Member for Iqaluit West, Mr. Okalik.

Item 3: Members' Statements

Member's Statement 510 – 2(4): 52nd Anniversary of Mike Gardener and Wife

Hon. Paul Okalik (interpretation): Thank you, Mr. Speaker. (interpretation ends) I am very pleased to rise today to acknowledge a very significant and special day for a couple of my constituents. I am talking about a very happy couple, they have been very happy together for 52 years as of today.

>>Applause

As you know, I represent a wonderful couple named Mr. and Mrs. Gardener, and today is their special day. Mr. Gardener tells me of stories of the first time he came to Nunavut when there was no airplane service, no telephones, and it was a real challenge according to his wife, Margaret, at that time. Mr. Gardener was able to work out an arrangement where he could get married in a ship here with the captain on the shores of Frobisher Bay. So that was 52 years ago today that this happy couple tied the knot here in Nunavut.

I want to thank them for sharing their stories and their happy memories and I hope that they will continue to have a very happy future together. (interpretation) Thank you and congratulations. Thank you, Mr. Speaker.

>>Applause

Speaker (interpretation): Thank you. We are proud of them. Members' Statements. Member for Quttiktuq, Mr. Barnabas.

Member's Statement 511 – 2(4): Need for Patient Care in High Arctic for Stroke Patients

Mr. Barnabas (interpretation): Thank you, Mr. Speaker. I also send my condolences to Peter Kilabuk and David Alagalak, and I say “hello” to my constituents.

Mr. Speaker, I rise today to speak about the travel that I made to my constituencies and saw some people who had heart problems. There are no doctors who can look after them. For that reason, some of the people are in very difficult situations.

This individual that has to get care has to travel to Iqaluit for medical attention. Now, the family that he leaves behind has to use a lot of money to go and see the individual who needs continuous care in the hospital. This is a problem that we have in the smaller communities, especially when it comes down to the elders. There must be something that could assist those individuals. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Members' Statements. Member for Baker Lake, Mr. Simailak.

Member's Statement 512 – 2(4): Congratulations to Baker Lake Graduates

Mr. Simailak: Thank you, Mr. Speaker. I rise today to recognize the important achievement of number of very special Baker Lake residents, the 2008 grade 12 graduates.

Mr. Speaker, at a beautiful ceremony held at the Jonah Amitnaaq Secondary School in Baker Lake, eight students celebrated one of the important milestones in their young lives. Graduating from grade 12, Mr. Speaker, is a stepping stone to future opportunities.

Every one of those students and their families and the friends who supported them along the way should be proud of what they have achieved.

Mr. Speaker, I would like to congratulate the following grade 12 graduates:

- Ian Joey Atutuva Amarook;
- Annie Malaiya Amaruq;
- Kevin Aksarniq Iksiktaaryuk;

- Emma Kataujq Kreuger;
- Lillian Aglukkaq Mannik;
- Paula Amy Ikuutak Rumbolt; and
- Lance Millak Singaqt.

And also, Mr. Speaker, I would like to congratulate the honorary grade 12 graduate this year and that was Hugh Tulurialik.

Mr. Speaker, these young people are now role models for students in the community. I ask my colleagues to join me in celebrating their achievement. (interpretation) Thank you, Mr. Speaker.

>> *Applause*

Speaker: Thank you. Members' Statements. Member for Cambridge Bay, Mr. Peterson.

Member's Statement 513 – 2(4): Long-Term Service Awards

Mr. Peterson: Thank you, Mr. Speaker. I rise today to congratulate the many Government of Nunavut employees in my community of Cambridge Bay who received long-term service awards at an event held at the Elders' Palace on August 22, 2008.

Mr. Speaker, we are very fortunate that the Government of Nunavut has many dedicated, loyal, and hard working employees who are committed to the ideals of public service. Without them, the Government of Nunavut would find it very difficult to deliver the many essential programs and services that are needed in our communities across Nunavut.

Mr. Speaker, I am proud to inform the House that 34 Government of Nunavut employees received long-term service awards. They are:

30 years

Brent Boddy

25 years

Mary Gillis
Sandra Peterson

20 years

Darlene Aknavigak
Jessie Lyaal
Eva Ohokak
Patti Greenley

Alice Lafrance
Donna Olsen-Hakongak

15 years

Amaiya Emingak
Nancy Mahagak

10 years

Terry McCallum
Doris Angohiatok
Korinne MacDonald
Roni Ohokannoak
Amy Aknavigak
Bessie Joy
Fiona Buchan-Corey

And finally, Mr. Speaker:

5 years

Eileen Crane
Peter Evalik
Celina Hogaluk
Joan McCallum
Johnny Oyakyoak
Bram Sikma
Terry Aknavigak
Jeffery Avery
Daisy Eyegetok
Sandra Eyegetok
Ann Wingnek
Marlana Hakongak
Harry Etegik
Kitty Taipana
Diana Thompson
Michal Lozowski

Mr. Speaker, I ask the House to join me in recognizing our many long-term service award employees in Cambridge Bay, and elsewhere in the Kitikmeot for their services and contributions to our residents and communities. Thank you, Mr. Speaker.

>>Applause

Speaker: Thank you. (interpretation) Members' Statements. Member for Tununiq, Mr. Arvaluk.

Member's Statement 514 – 2(4): Promised Baseball Diamond for Pond Inlet

Mr. Arvaluk (interpretation): Thank you, Mr. Speaker. I made a statement yesterday about the arena in our community. So I'm going to focus on the baseball diamond today.

>>*Laughter*

When they were building the community hall in Pond Inlet, the community wanted to build a park near the school instead of near the community hall. The hamlet council agreed to that change because that's what they thought the government was going to do. Yet, two summers have passed and we still haven't seen the construction of the baseball diamond.

When Ms. Brown and some of her officials were in our community this summer, we went to go see the site where she wanted to build the park. At that time, I asked her why they hadn't constructed the baseball diamond yet. We were told by the officials that the site that they had wanted to build the park was swampy and that further studies had to be done. Therefore, they decided to defer the project.

There was also some ground movement near the school because it was unstable. We're not going to be building any houses over there; all they have to do is put some sand on it to make it a park. Why did they have to have a study done when they're not going to be building any houses on it?

I will want to know from the minister exactly why they still haven't built the baseball diamond. We don't have an arena for the young people and the baseball diamond should be easy enough to build. So I will be asking questions at the appropriate time on this issue. Thank you, Mr. Speaker.

>>*Applause*

Speaker (interpretation): Thank you. Members' Statements. Ms. Aglukkaq.

Member's Statement 515 – 2(4): Announces Resignation from Cabinet

Hon. Leona Aglukkaq: Thank you, Mr. Speaker. Since 2004, when I was first elected to represent the people of Nattilik in this Assembly, we have accomplished much together. It has been a privilege and an honour to serve with so many dedicated people in this Assembly and in this government who have tried daily to serve the people of our great territory.

Mr. Speaker, I want to thank my constituents, my staff, and my family and friends for their support. I also want to thank my colleagues in this House for electing me to serve in

the Executive Council and to thank Premier Paul Okalik for appointing me to serve first as Finance Minister and currently as your Minister of Health and Social Services.

I have served with great dedication, honour, and humility. It is with mixed emotion today that I announce that I will be resigning from the Executive Council effective end of today. My desire to serve the people of Nunavut will continue as I embark on my campaign to become the Conservative Member of Parliament of Nunavut for Nunavut.

Mr. Speaker, Prime Minister Harper and his Conservative government have made the Arctic and Northern Canada a priority. The Prime Minister's commitment to Canadian sovereignty in the Arctic, to economic development with northern input and control, and to protecting our arctic environment is a welcomed relief.

I wish to be a contributing member of a Conservative federal government that recognizes the importance of Canada's north and its people who have been all but ignored by previous governments.

While I will miss serving in this distinguished Assembly, I am looking forward to continuing to serve our people, Nunavummiut, as your Member of Parliament for Nunavut in Ottawa.

An Hon. Member: Hear, hear.

Thank you, Mr. Speaker.

>>Applause

Speaker (interpretation): Thank you very much, Ms. Aglukkaq. Members' Statements. (interpretation ends) Item 4. Returns to Oral Questions. Item 5. Recognition of Visitors in the Gallery. Ms. Aglukkaq.

Item 5: Recognition of Visitors in the Gallery

Hon. Leona Aglukkaq: Thank you, Mr. Speaker. I would like to recognize in the Assembly today my husband, Robbie MacNeil. I also want to recognize my son, Cooper MacNeil, who was born June 17...

>>Applause

Hon. Leona Aglukkaq: It looks like we have already put him to sleep. I would also like to recognize a friend of mine, Sheila Higdon, who is also in the Gallery with me today. Thank you, Mr. Speaker.

>>Applause

Speaker (interpretation): Thank you. Welcome to the Gallery. Recognition of Visitors in the Gallery. Mr. Arvaluk.

Mr. Arvaluk (interpretation): Thank you, Mr. Speaker. Even if we don't get our baseball diamond, I would like to recognize Ragilee Ootoovak from Pond Inlet and Rhoda Cunningham, who moved back and forth from Pond Inlet to Iqaluit. She has been very, very busy. I would like to recognize these two individuals. Thank you, Mr. Speaker.

>> *Applause*

Speaker (interpretation): Thank you. Welcome to the Gallery. Recognition of Visitors in the Gallery. Mr. Picco.

Hon. Ed. Picco: Thank you, Mr. Speaker. What an exciting time to be in Nunavut and indeed, in North America with the federal election in Canada, the territorial election here, and the great American debate south of the border. In that context, I would like to take this opportunity to welcome to the House a constituent and friend of mine, a guy who is also on the political hustings over the next several weeks, he needs no introduction to this House, and indeed, on behalf of his brother, Mr. Barnabas, we would like to welcome to the Gallery the NDP candidate for Nunavut, Mr. Paul Irngaut.

>> *Applause*

Speaker (interpretation): Welcome to the Gallery. Recognition of Visitors in the Gallery. Mr. Tapardjuk.

Hon. Louis Tapardjuk (interpretation): Thank you, Mr. Speaker. This individual does not even reside in the same community, thusly he also never voted for me since he is not from my constituency, however, I have worked with him for many years in other places and he has fought for the Inuit culture. At one time, he was also the President of the Baffin Inuit Association.

So it gives me great pleasure to recognize this individual who so fortuitously entered the Chamber just now, Mr. Pauloosie Keyootak. Mr. Speaker, I realize that he is from your constituency, but I would like to take the opportunity of recognizing him away from you for the time being. Thank you, Mr. Speaker.

>> *Laughter*

>> *Applause*

Speaker (interpretation): Thank you. Recognition of Visitors in the Gallery. Since the opportunity to recognize one of my constituents was taken from me, I would still like to recognize the individual as it was my original intention to point him out.

He resides in one of the communities that I represent, and the Premier knows him very well as he also worked with him for Inuit rights, and he has been tireless in his advocacy for Inuit. Mr. Pauloosie Keyootak and I believe the child on his left is his son, Adamie. I would like to recognize him as well.

>>Applause

Speaker (interpretation): Recognition of Visitors in the Gallery. Mr. Akesuk.

Hon. Olayuk Akesuk (interpretation): Thank you, Mr. Speaker. First of all, I would like to send my regards to the people of Kimmirut and Cape Dorset.

Although this person is now a resident of Iqaluit, she is originally from my community. She initially went for training at the Arctic College, but due to the length of the program that she attended, she has become a resident here. She is now working at the Nunavut Arctic College, Katauga Saila. I would like to recognize her as she just came back from France where she attended a course as part of her training. Thank you, Mr. Speaker.

>>Applause

Speaker (interpretation): Thank you. Welcome to the Gallery. Recognition of Visitors in the Gallery. If there are no more, (interpretation ends) Item 6. Oral Questions. (interpretation) Member for Iqaluit Centre, Mr. Tootoo.

Item 6: Oral Questions

Question 623 – 2(4): Tax Issues

Mr. Tootoo: Thank you, Mr. Speaker. I would like to direct my question to the Minister of Finance and they concern, especially now, everybody's favourite topic, and it has been an issue that's been talked about here and across the country, and that's taxes.

Mr. Speaker, as the minister will recall from his Budget Address earlier this year, he announced a number of income tax measures, including an increase in the pension income credit. In his Budget Address, he indicated that amendments to the territorial *Income Tax Act* would be made in the fall 2008 session of the Assembly. I would just like to ask the minister if he could update the House today as to the status of the measures that were announced in his Budget Address and confirm when this legislation will be introduced in the House. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. (interpretation ends) Minister of Finance and Chairman of the Financial Management Board, Honourable Louis Tapardjuk.

Hon. Louis Tapardjuk (interpretation): Thank you, Mr. Speaker. I thank the member for the question with regards to taxes. I don't have that information right now, so I will have to get back to the member. I'll take the question as notice, Mr. Speaker.

Speaker (interpretation): Thank you. The minister has heard the question and has taken the question as notice. Oral Questions. (interpretation ends) Member for Cambridge Bay, Mr. Peterson.

Question 624 – 2(4): Sudden Resignation of Cambridge Bay School Principal

Mr. Peterson: Thank you, Mr. Speaker. My question is for the Minister of Education.

Mr. Speaker, the education of our children is extremely important. Programs are critical but good caring principals and teachers are, too.

In particular, our schools require principals who are leaders in their schools to the students and teachers. Three weeks ago on the second day of school, our high school principal resigned on sudden notice. The minister has met the principal and discussed his ideas for the school and there were some very good ideas. The principal's resignation upset the students and the parents.

My question for the minister: will the minister explain to the House why the principal resigned on sudden notice? Thank you, Mr. Speaker.

Speaker: Thank you. Minister of Education, Honourable Ed. Picco.

Hon. Ed. Picco: Thank you, Mr. Speaker. The member is correct, I had an opportunity on two or three occasions in Cambridge Bay to meet with the principal of the high school and indeed, found him to be very concerned and dedicated with the issues not only in the school but in the community of Cambridge Bay.

No, Mr. Speaker, I cannot get into the details and specifics of an employee's resignation in this public forum. Thank you, Mr. Speaker.

Speaker: Thank you. Your first supplementary, Mr. Peterson.

Mr. Peterson: Thank you, Mr. Speaker. That was the answer I anticipated. Mr. Speaker, when the principal departed Cambridge Bay, there were close to 100 of the students at the airport to say goodbye. Many of them hitchhiked, walked, or took a bus to the airport. That's unprecedented in Cambridge Bay for somebody to have that happen. It was a very emotional event and many tears were shed. The students from the Kiilnik High School clearly held the principal in high regard.

My question for the minister: can the minister explain to the House what steps or actions his department is taking to bring the principal back to guide and lead the Kiilnik High School in the 2008-09 school year? Thank you, Mr. Speaker.

Speaker: Thank you. Minister Picco.

Hon. Ed. Picco: Thank you, Mr. Speaker. I think the students of Cambridge Bay should be commended on their support of their principal in the community.

I can say to the member that once I was informed of what had occurred in the community, and indeed, we had our regional office in the Kitikmeot, the KASO office, have senior staff in the community to ascertain what had occurred, and indeed, to look at what opportunities there may be to rectify that situation. I can say that there is ongoing work within that frame at the present time. Thank you, Mr. Speaker.

Speaker: Thank you. Your second supplementary, Mr. Peterson.

Mr. Peterson: Thank you, Mr. Speaker. I appreciate the minister's answer. Mr. Speaker, the principal led a very dedicated group of teachers last year and they had some good ideas and programs planned for the 2008-09 school year.

My question for the minister: can the minister explain to the House what contingency plans his department implemented to reassure students, parents, and teachers that the Kiilinik High School's 2008-09 programs will continue as originally planned? Thank you, Mr. Speaker.

Speaker: Thank you. Minister Picco.

Hon. Ed. Picco: Thank you, Mr. Speaker. In any school in Nunavut, the total program itself, the curriculum, the academia that is involved, and indeed, the whole operation of the school is not dependant or interdependent on just one individual position or person. That is the case in Cambridge Bay.

The plans that were in place that were approved through the local education authority, and indeed, the majority of the returning teachers and so on, those are still in place. We do have somebody who is in the position acting as principal and the principal's role is the leader of the school. That has not changed and that will continue.

So we want to assure the parents, and indeed, the students, and the faculty of the school in Cambridge Bay that we are monitoring the situation, and indeed, that things are progressing as normally as they would under any other normal circumstance. Thank you, Mr. Speaker.

Speaker: Thank you. Your final supplementary, Mr. Peterson.

Mr. Peterson: Thank you, Mr. Speaker. I thank the Minister for that answer. I'm not sure what "normal" means in this context when your principal resigns after two days on the job in the second year. Previous to coming to Cambridge Bay, he was a principal in a very difficult community in Alberta where he did an excellent job.

My question for the minister: can the minister inform the House if the principal's sudden resignation has exposed or has a potential to expose the Government of Nunavut to legal liability? Thank you, Mr. Speaker.

Speaker: Thank you. Minister Picco.

Hon. Ed. Picco: Thank you, Mr. Speaker. Again, this is a human resource issue, a staffing issue within the school and again, within the DEA and the department. I do not want to get into the specifics of this type, on potential conflicts, liabilities, and so on. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you, Minister. Oral Questions. Member for Rankin Inlet North, Mr. Curley.

Question 625 – 2(4): Clarify to Nunavummiut How GN Sets Fuel Prices

Mr. Curley (interpretation): Thank you, Mr. Speaker. My question today is for the Minister responsible for the Petroleum Products Division. When this question was posed yesterday, part of the response was unclear. In order to try and make this clear for the understanding of Nunavummiut and because we require leadership from the Cabinet and the minister responsible in particular, I would like to ask this question.

When fuel prices are adjusted following the changing rates, it becomes impossible to understand why the fuel pump price per litre changes. I believe that the government is aware of the exact price they pay when they purchase the fuel because we buy from the world market.

Due to this reason, Nunavummiut, Mr. Speaker, are getting tired of the haphazard pricing of fuel since it seems to be set with no coherent plan. Due to this reason, Nunavummiut are forced to pay prices, at least according to what I know, artificial prices. The fuel is taxed and people also have to pay for fuel surcharges when they pay for fuel for their vehicles, when they pay their income taxes, when they pay for the fuel delivery, so they have to pay at several points.

Perhaps due to these reasons, with our dependence on the world markets and the rising costs per barrel, can the minister explain to the people of Nunavut, in a succinct manner, how prices are set? Can the minister revamp the pricing controls for fuel to make it more convenient for Nunavummiut? (interpretation ends) Thank you.

Speaker (interpretation): Thank you. Minister of Community and Government Services, Honourable Levinia Brown.

Hon. Levinia Brown: Thank you, Mr. Speaker. How does the GN set fuel prices? I think that's the question I'm hearing in the details of it. To clarify, I could say that the Financial Management Board has the authority to set retail prices in the communities and that is served by PPD. (interpretation) Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Your first supplementary, Mr. Curley.

Mr. Curley: Thank you, Mr. Speaker. I need your help in this area because I was hoping that the Minister of Energy would take the lead role in various pricing arrangements and I also understand that FMB is involved. Can I be given a clear understanding of who I'm directing the various components of the pricing process? Thank you.

Speaker (interpretation): Thank you, Member. In your first question, you asked about petroleum product pricing and you should be directing your question to the Minister responsible for the Petroleum Products Division. Perhaps Minister Brown can respond to your question. Minister Brown.

Hon. Levinia Brown (interpretation): Thank you, Mr. Speaker. (interpretation ends) The retail price of fuel is based on the following components:

- actual product cost itself;
- actual transportation cost;
- commission for local fuel sales;
- dispensing and delivery service;
- operations and maintenance expenses;
- product evaluation;
- shrinkage; and
- tax where it's due

These are the prices that are included in determining the price for the fuel oil. Thank you, Mr. Speaker.

Speaker: Thank you. Your second supplementary, Mr. Curley.

Mr. Curley: I'm not sure whether that's my second supplementary because I was asking for clarification on which minister was responsible for fuel prices.

It was clear in Inuktitut when I said, Mr. Speaker, that the Nunavummiut pay for taxes, what I would call 'hidden taxes,' because the government attempts to recover 100 percent of the cost, if possible, for shipping as well as buying at the world prices, as well as the transportation and storage charges. They pass that cost on, I would say, by taxing Nunavummiut for the price of fuel products that they buy.

The government is the largest consumer of petroleum products. Why do Nunavummiut, even if it's an unemployed guy, there are many of them in Nunavut, have to pay for the consumption of the government when they, in fact, do not even use the facilities that the government is using? Why not make it simple, Mr. Speaker, and establish a price for regular consumers and let the government pay for its own consumption? Thank you.

Speaker (interpretation): Thank you. Minister Brown.

Hon. Levinia Brown: Thank you, Mr. Speaker. The member raises very good points and I alone can't answer that because it is an FMB decision, and I concur with the member's concern.

However, I could also say that the fuel price is changing all the time, up and down, up and down. And the questions that you are raising, I think, they have to be directed to all of us at FMB because we do have to come to an agreement with that. Thank you, Mr. Speaker.

Speaker: Thank you, Minister. (interpretation) I made a mistake when I said it was your second supplementary. It is now your second supplementary, Mr. Curley.

Mr. Curley: Thank you, Mr. Speaker. I sort of got off the track, too. Mr. Speaker, Nunavummiut are experiencing very difficult times because the cost of fuel, as the Minister of Energy indicated yesterday, is very expensive up here. There are various programs but they're really not enough to meet the needs of real consumers that have to purchase at high prices.

Businesses communities and homeowners are also paying for costs the government consumes and I don't consider that to be fair because even if we double the population right now or triple it, we would double or triple the cost of energy at the pumps and charge it to the consumers. So therefore, the pricing is important.

And therefore, will the minister commit that they will actually review the policy and make it fair and simple for Nunavut fuel consumers so that they don't have to subsidize the government at the pumps? Thank you.

An Hon. Member: Hear, hear.

Speaker (interpretation): Thank you. I will have the Premier respond to the question.

Hon. Paul Okalik (interpretation): Thank you, Mr. Speaker. (interpretation ends) I just want to add to my ministerial colleague's comments. We actually save money by buying bulk for the government and our consumers, so we're doing our utmost to make sure that our costs are down. We also have tax programs to benefit our hunters and outfitters.

So we're doing our part to try and help out our constituents that are struggling with the current world prices and we will continue to look for ways to reduce costs. We're always looking for the best price for our consumers and we ask for bids. We even exempt transportation from NNI to keep our costs down for our constituents. So we will continue to look into this matter. (interpretation) Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. (interpretation ends) Your final supplementary, Mr. Curley.

Mr. Curley: Thank you, Mr. Speaker. In my preamble to the question, I indicated that all Nunavummiut pay for the cost of energy consumed by institutions, private sectors, homeowners, and unemployed people. They pay the same price because the government, in itself, cannot afford to pay for the total cost that it consumes.

So what I'm trying to say is that this outdated policy is not good enough. We need new leadership in establishing fuel prices for Nunavut and it should be based on consumption by individuals, business community, homeowners, as well as institutions. So can that be done, Mr. Speaker, and if not, why not? Thank you.

Speaker (interpretation): Thank you. I will have the Premier also respond to that question.

Hon. Paul Okalik (interpretation): Thank you, Mr. Speaker. (interpretation ends) I must say that we're doing our outmost to keep our costs down. I appreciate the questions and I look forward to the coming campaigns so that we can improve it and make it more affordable.

There are other campaigners that are looking to increase the cost of fuel in our territory even further. As I said, I'll campaign to make sure that the issue is addressed where it should be and I'm pleased to see that one of the parties are looking to reduce some of the tax on diesel fuel and home heating fuel.

I must say that I'm puzzled that we're letting unemployed people, those on welfare, pay a set price and we subsidize it. I'm puzzled by that comment and I hope that we can get clarification on that. (interpretation) Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Oral Questions. Member for Akulliq, Mr. Mapsalak.

Question 626 – 2(4): Late Delivery of Fuel to Repulse Bay

Mr. Mapsalak (interpretation): Thank you, Mr. Speaker. I would like to direct my question to the Minister responsible for the Petroleum Products Division.

Mr. Speaker, with regards to the companies that deliver petroleum products to our Nunavut communities, they usually set a shipping schedule for the dates of arrival to the various communities. Mr. Speaker, this was looked into and last year we had problems with the transportation of fuel to Repulse Bay and they put themselves in a difficult situation.

The ice was starting to form because it was late in the fall and they had problems offloading the petroleum products. When we were told that the shipment date was set for October 11, we had a concern. Mr. Speaker, the bay right in front of Repulse Bay will most likely be frozen by then. Is this true then that the fuel carrier ship will arrive at such a late date? Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Minister of Community and Government Services, Honourable Levinia Brown.

Hon. Levinia Brown (interpretation): Thank you, Mr. Speaker. I would also like to thank the member for his question. Last year, due to the lateness of the ice breakup, we had to delay the shipping dates for the barges, or a ship that was transporting the fuel to Repulse Bay. This was understandable as to why it arrived at such a late date since I was informed that this was due to landfast ice not breaking up.

At this time, in reference to the date he listed in October, I am not fully briefed on the exact date for the ship's arrival in his community, although I generally receive a schedule outlining the dates for arrival in each community. These arrival schedules are disseminated to the communities as well as the press, but I will commit to researching that for my colleague and notify him as to whether this date is indeed the correct one so that both of us will have the exact dates for his community. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you, Minister. Your first supplementary, Mr. Mapsalak.

Mr. Mapsalak (interpretation): Thank you, Mr. Speaker. In regard to the ship transporting the fuel, we were informed that it will arrive twice this year on different dates to our community. The first date is listed as September 27 and that will be for the gasoline shipment. That is what we heard in respect to the ship and we did get a schedule of the shipment dates.

With respect to the October 11 shipping date, if this is the case, can the minister commit to checking into whether that is true and if she can exert some pressure on the shippers to move up that date? It may place the ship in a dangerous situation, so it's obvious that the ship may experience more difficulties if it is sent at such a late date. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Minister Brown.

Hon. Levinia Brown (interpretation): Thank you, Mr. Speaker. Yes, I can look into that matter. But the question of whether or not I can influence the shipment date is something I cannot confirm as the shipping companies set their own schedules based on their requirements since it's a business.

However, I can commit to discussing this issue with the companies since we experienced problems last year in Rankin Inlet where the big barges transporting fuel were almost caught in a very dangerous situation. I imagine that most of the members have already reviewed the pictures of that incident where it hit an ice floe and it was in danger of sinking. I will use that incident as an example as to why it is still extremely dangerous in the arctic to try and ship at such a late date. I will commit to passing along those concerns. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Your second supplementary, Mr. Mapsalak.

Mr. Mapsalak (interpretation): Thank you, Mr. Speaker. I would also like to thank the minister. Yes, there was a serious safety issue last year due to the formation of ice and nasty weather conditions. It took a long time for them to offload the products last year. Just prior to my arrival, we still had multi-year ice in Repulse Bay but I imagine they will move out. However, the new ice will already be forming by that date. It will be in a treacherous situation with all that ice forming at that late date.

Can the minister assure me that she will do everything in her power to advance the date and inform my constituents about this issue? It's apparent that if the date isn't changed, the ships will be unable to come into the community and will place themselves in great danger. Can she try to change it? Thank you, Mr. Speaker.

Speaker: Thank you. Minister Brown.

Hon. Levinia Brown (interpretation): Thank you, Mr. Speaker. My colleague has made a convincing statement. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Oral Questions. Member for Hudson Bay, Mr. Kattuk.

Question 627– 2(4): Delivery of Fuel in Sanikiluaq When Fuel Truck Breaks Down

Mr. Kattuk (interpretation): Thank you, Mr. Speaker. This was a question that I posed yesterday to the Minister of Community and Government Services.

Yesterday, the minister indicated in her response that the contractors will be using 45-gallon drums when loading the tanks. What vehicles will they be using - snowmobiles, ATVs, or trucks? What mode of transportation are they going to be using for those 45-gallon drums? Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Minister of Community and Government Services, (interpretation ends) Honourable Levinia Brown.

Hon. Levinia Brown (interpretation): Thank you, Mr. Speaker. What I was trying to say yesterday was that last spring before the snow melted, the fuel truck broke down in Sanikiluaq. What I was trying to say is that we had a dialogue with the contractors and they had to have an alternative plan in case their fuel truck breaks down. In some communities, they only have one fuel truck.

We wanted to have a plan in place because the contractor still has to deliver fuel to the houses. Should the fuel truck break down, we would go to plan B. Plan B would be the contractor would transport the 45-gallon drums either by snowmobile or some other mode of transportation to make sure that there was continuous delivery of fuel to the households. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Your first supplementary, Mr. Kattuk.

Mr. Kattuk (interpretation): Thank you, Mr. Speaker. If that's going to be the case, would the government purchase the snowmobiles, the ATVs, or other mode of transportation in order to ensure that the fuel is delivered? Is the government going to be buying the mode of transportation for the contractors to use? Is that what the minister is saying? Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Minister Brown.

Hon. Levinia Brown: Thank you, Mr. Speaker. What my briefings have stated was that this spring, when there was still snow on the ground, the fuel truck broke down, the back-up truck was not working properly because it needed parts and the parts didn't come on time.

In the meantime, some people's houses needed fuel oil. They were unable to deliver fuel oil at the time. So what the contractor did was he was prepared to deliver fuel oil by using 45-gallon drums and pumping them with a pump. That was the solution that was developed.

However, in the future, what I would like to see is the staff speak to the contractor and prepare on the long-term to make sure that there's a truck that is available in the five-year capital, or whichever way possible, because it's so unsafe what we experienced this spring where some homeowners were delivering their own fuel oil using 45-gallon drums. That was unacceptable and we recognized that.

So there always has to be plan A and plan B. That's what my message is. I was just trying to say and clarify that it is the contractor, or the fuel delivery person, it's his responsibility to make sure that he delivers fuel oil to the homes. Thank you, Mr. Speaker.

Speaker: Thank you, Minister. Your second supplementary, Mr. Kattuk.

Mr. Kattuk (interpretation): Thank you, Minister. I understood something totally different yesterday because it seems like you're giving me a difference response today. You said that you had reviewed this and the contractors who deliver the fuel do not want to see this type of problem again in the future. My question is: are you going to give financial assistance to the contractors to ensure that fuel is delivered? They're going to need something to transport the fuel.

What I understood yesterday is different. Is the government going to provide financial assistance to the contractors to ensure that the fuel is delivered in case the fuel truck breaks down? Is the minister saying that they're going to provide the contractors with an ATV, snowmobile, or another mode of transportation? Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Minister Brown.

Hon. Levinia Brown: Thank you, Mr. Speaker. With the experience that Sanikiluaq had this spring was that the contractor was even prepared to deliver fuel oil using 45-gallon drums because it was his responsibility to deliver fuel oil.

In the future, after reviewing the situation, my staff and I feel that it's very unsafe to be delivering fuel oil using five-gallon jerry cans, and that was happening. In order to stop that, we told the staff to communicate to the fuel contractor to make sure that it stops, and it is the responsibility of the fuel contractor to deliver the fuel to homes.

Furthermore, I will make sure the staff of CGS communicates with the contractor to make sure that it doesn't happen again and that in the event, the staff should go down there and have ongoing checks twice a year or whatever to see how the trucks are running. I think by communication, we can eliminate a lot of problems. Thank you, Mr. Speaker.

Speaker: Thank you. Your final supplementary, Mr. Kattuk.

Mr. Kattuk (interpretation): Thank you, Mr. Speaker. First of all, I would like to say the contractor's truck to deliver fuel was not broken at the time.

The people who own their own homes had no choice but to put fuel in their tanks for heat during the winter because the fuel truck wasn't running due to a storm. So those individual homeowners had to fill up their five-gallon jerry cans and put it into their tank.

There was a mother, a daughter, and a small child who had to go and fill five-gallon cans to fill up their tank. The reason why the fuel delivery contractor could not run the truck was because there was a storm. I think that should be looked at again.

Like you said before, the fuel contractors will be looked at by the Department of Community and Government Services to see whether they're doing their job properly. Do I understand correctly that they will be coming down to Sanikiluaq? Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Minister Brown.

Hon. Levinia Brown (interpretation): Thank you, Mr. Speaker. I thank the member for his notification that the personnel did not arrive in his community. I'm sorry they did not go down to Sanikiluaq, but I have been told that they went down to discuss the issues with the contractor.

I will commit to urge my officials to deal with this in an urgent manner. I will discuss the issue with my staff and I will also commit to writing a memo to that effect requesting a date of the visit and I will inform the member once I hear the news. I will also notify the

member about the dates when the staff will travel to this community. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Oral Questions. Member for Tununiq, Mr. Arvaluk.

Question 628 – 2(4): Tiered Pricing of Fuel in Nunavut

Mr. Arvaluk (interpretation): Thank you, Mr. Speaker. In regard to my cohort's earlier question for which he did not get a complete answer, and in order to try and get the complete answer, I would like to add on to his previous question. Can the Minister responsible for the Petroleum Products Division provide some clarification?

Perhaps I should ask that she look into the matter first because I believe that the FMB was confused in regard to this issue. The entire bulk fuel purchase is not for resale. If the government is trying to resell the fuel, they are not a fuel distributor. However, due to the public needs, the government is dealing with fuel.

If the government were to resell the fuel at cost, it would be too expensive and there would be discrepancies in the fuel costs in the communities. This is a service that they provide to the people. To use an example, the NPC is also in that same category. NPC provides electricity to all residents and companies, and submits the bills to the client and depending on the client, they charge them a per kilowatt-hour rate.

So I would like to ask the minister this: why is it that, when your department has had since July to set the prices, which is springtime and Inuit are caching meat, drying fish, and being out on the land, you included those who cannot afford the increases such as the hunters? Thank you.

Speaker: Thank you. Minister of Community and Government Services, Honourable Levinia Brown.

Hon. Levinia Brown (interpretation): Thank you, Mr. Speaker. The price of the petroleum products shot through the roof during the spring and due to this drastic increase, we had to try to offset the increasing costs. So this is why we raised the price of fuel.

The cost per barrel was getting very expensive and we were apprised that the cost per barrel may reach \$200 per barrel by the time we purchased the fuel. However, at that time, the price per barrel averaged from \$134 to \$139.

We provide fuel to all the communities at the same rate and due to the difference in shipment costs to the communities, some of the fuel is subsidized. The government provides this subsidy as a benefit for our residents. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you, Minister. Your first supplementary, Mr. Arvaluk.

Mr. Arvaluk (interpretation): Thank you, Mr. Speaker. I thank the minister for her response and for providing fuel to the people of Nunavut at the same price. However, I am trying to discuss the hunters and Inuit who spend the summer months on the land to prepare their winter larder. It seems that they were completely out of the picture when the decisions were made.

What I am trying to say... I lost my train of thought. What I'm trying to state, and I will try to make this concise, is that the government could have done the same thing as Qulliq Energy. For example, a person who doesn't have a whole lot of disposable income and is unable to pay the actual costs is given a reduced rate. A person who is 60 years old and the people on income support have different rates than those who can afford it.

The PPD could have instituted the same type of billing, differentiating between income levels and the government could have paid 120 percent while the hunters could have paid up to 80 percent of the costs. The government had an opportunity to offset some of the costs and that is why I was asking the question.

What is the reason why the government did not take this opportunity to change the system? Why did the government make this increase all across the board, irrespective of whether a person is extremely poor or is a hunter? Thank you.

Speaker (interpretation): Thank you. Minister Brown.

Hon. Levinia Brown (interpretation): Thank you, Mr. Speaker. I thank the member for asking the question. The Department of Finance provided benefits or a subsidy for those hunters, and there is a support program available through the Department of Finance. I am aware of that.

Perhaps due to that reason, the Petroleum Products Division has a singular rate for all the people of Nunavut and the PPD always uses their policies which they have to follow. Whenever they fix the price, they take it to the Cabinet for approval, and then it goes to FMB, which has the final decision. That's the way we do it. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you, Minister. Your second supplementary, Mr. Arvaluk.

Mr. Arvaluk (interpretation): Thank you, Mr. Speaker. Yes, I understand that, but I could also say maybe in three months time, it might be about \$300 per barrel. She said that they bought the fuel at about \$140 per barrel. Mr. Peterson told me today that it was \$103 per barrel this morning. The government doesn't know how much a barrel the oil prices will be. The government will be saving money, but the hunters will not be saving money during July and August.

What I'm trying to say is that the government buys the fuel, while the hunter pays for it. If you obtain the remaining 50 percent of the fuel until October and if the prices happened to be much lower and result in savings for the government, will the hunter and the homeowners have those savings passed on to them? Thank you.

Speaker (interpretation): Thank you. Minister Brown.

Hon. Levinia Brown (interpretation): Thank you, Mr. Speaker. Yes, petroleum products are the centre of discussions nowadays. When it was cheap, people used to think it was very expensive, but it's now very expensive today. It was very scary last spring when they said that it would go up by a lot. If we happen to get it cheaper, we have to try to help everyone else. I know that it's not going to be the same price. I think the Department of Finance knows a little bit better than I do.

As the Minister responsible for the Petroleum Products Division, we order the petroleum products and we work with the Department of Finance. They also wait for us, the Department of PPD. We only find out the costs of everything - the transportation and the purchase. I'm trying to do my best to make sure that the people of Nunavut are assisted as much as possible. I have to wait for the Department of Finance because we work together.

I hope that the price of fuel oil will go down. Yesterday, I saw that it was \$102 per barrel, but we had already ordered half of our petroleum products and we have shipped it in. We also don't have any set aside down south, any fuel tanks that we can put a reserve, but the only thing is that we buy from down south, and it's put on a ship and delivered to Nunavut communities right away. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you, Minister. Your final supplementary, Mr. Arvaluk.

Mr. Arvaluk (interpretation): Thank you, Mr. Speaker. In the meantime, can the minister arrange, before the end of this session, because we don't know right now what's happening for not knowing the pricing of petroleum products... I think the minister stated that it was \$102 yesterday per barrel. If that's the case, it's impossible to forecast exactly how much it will cost to buy 50 percent of the bulk fuel purchase.

Can't the government stipulate that the fuel they purchase will be at cost since we will know the cost of purchase and that the price will increase? Let's say it increases by 22 cents per litre, I believe that was the amount stated, the hunters as well as private homeowners ought not to be charged that extra price per litre while the government is researching the actual costs of the fuel and how much the amount of increase will be.

This ought to be implemented when the government purchases the other 50 percent of the fuel, whereby the actual cost is known for the entire fuel purchase. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Minister Brown.

Hon. Levinia Brown (interpretation): Thank you, Mr. Speaker. The member raises a very good question. It seems a worthwhile cause to support this for the benefit of the people of Nunavut.

However, the Petroleum Products Division, under CGS, is in a precarious position today because prior to the finalization of our bulk fuel purchase, should the price of fuel rise, then the government may also be in difficult position depending on the actual price. We also have to carefully manage this situation and therefore, I cannot acquiesce to this request at this time. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Oral Questions. Member for Baker Lake, Mr. Simailak.

Question 629 – 2(4): Community Assistance for Capital Projects

Mr. Simailak (interpretation): Thank you, Mr. Speaker. I also wish to direct my question to the same minister, not intentionally, right?

My question is for the Minister of Community and Government Services with respect to her department and how the government provides support for local governments with regards to capital purchases, if they purchase with their own funds or if they are willing to pay for part of the purchase costs.

My question is: if a hamlet wishes to pursue this option, what kind of support or service will her department provide for communities that wish to purchase capital items via this route? Thank you, Mr. Speaker.

Speaker: Thank you. Minister of Community and Government Services, Honourable Levinia Brown.

Hon. Levinia Brown (interpretation): Thank you, Mr. Speaker. When I heard the question, it certainly has its appeal, especially to hear that some hamlets are willing to purchase their own capital items. That is something I'm glad to hear.

However, as a department, we don't have that much leeway and we sometimes have to operate as a community where we explore options on whether to purchase the item at cost or to finance it. But if it were to break down or something occurred to the item purchased, who covers the replacement cost of the item?

These types of issues will surface when we explore that option, so this is a matter that would require further research. We have to carefully review all of the issues related to this, but I was glad to hear that some communities are exploring this option. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Your first supplementary, Mr. Simailak.

Mr. Simailak (interpretation): Thank you, Mr. Speaker. How many communities have informed the government that they would like to pursue the option of purchasing their own items in past years, in particular these last four years when she has been the minister

for that portfolio? How many communities have identified this as an option that they would like to explore with the Department of Community and Government Services? Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Minister Brown.

Hon. Levinia Brown (interpretation): Thank you, Mr. Speaker. For clarification, I have not been the Minister of Community and Government Services for four years, but for nearly three years.

As far as I know, there's only one community who has notified us that they are interested in buying their own products, with their own funds. I'm only aware of one community in that category. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. (interpretation ends) Your second supplementary, Mr. Simailak.

Mr. Simailak (interpretation): Thank you, Mr. Speaker. (interpretation ends) Thank you, Minister. (interpretation) I have written to the minister on numerous occasions asking for a community hall for the community of Baker Lake. Starting from 2004, the Mayor of Baker Lake came to Iqaluit to meet with the minister responsible for CGS. During that meeting, the parties came to an agreement whereby the government would support the initiative.

Due to this understanding, the hamlet earmarked some money for a portion of the community hall expenses, which they budgeted for their portion of the costs. They also expected assistance from the government. As a matter of fact, they went as far as ordering the material and had it sent by barge to Baker Lake.

However, to date, none of the construction has commenced since they are waiting on the government portion of the project costs to be approved or denied. The project was approved in this House, but the hamlet has yet to be informed as to whether this project will proceed or not since there are no funds to proceed with. I ask that the minister report on the status of the community hall and the funding so that the Hamlet of Baker Lake can be apprised of whether or not they will receive the funding. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Minister Brown.

Hon. Levinia Brown: Thank you, Mr. Speaker. I'm not aware of the agreement that happened in 2004. However, I could say that the Hamlet of Baker Lake engaged with the consultant in 2007 to assist with the development of the existing community hall. Also, in the fall of 2007, the Hamlet of Baker Lake purchased a pre-engineered steel building and had it shipped into Baker Lake.

We did have some meetings. I'm aware of one meeting that I had with the Mayor of Baker Lake and we came to an agreement about that building. They were supposed to be starting their construction this summer. Thank you, Mr. Speaker.

Speaker: Thank you. Your final supplementary, Mr. Simailak.

Mr. Simailak (interpretation): Thank you, Mr. Speaker. When we had a meeting this spring, there was \$400,000 that would be used for the facility in Baker Lake. Could the minister indicate where that \$400,000 earmarked for Baker Lake is now? Is the hamlet going to be selling the materials that they purchased earlier on? I would like the minister to indicate where the \$400,000 is now. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Minister Brown.

Hon. Levinia Brown: Thank you, Mr. Speaker. Yes, the member is correct; the \$400,000 was approved here in the last sitting. The GN will be meeting with the federal government to approve the project of that list starting October 2 of this year. Thank you, Mr. Speaker.

Speaker: Thank you. Oral Questions. Member for Iqaluit Centre, Mr. Tootoo.

Question 630 – 2(4): Lobbying Federal Government to Exempt GST to Nunavummiut

Mr. Tootoo: Thank you, Mr. Speaker. I was going to ask the Minister of Health and Social Services a question, but I don't think it would be appropriate after her announcement here in the House today, so I'll direct the question to the Minister of Finance.

Mr. Speaker, last spring, I asked the Minister of Finance, and again, I still feel kind of awkward asking this question, some questions on how the Government of Nunavut would be joining the NWT and the Yukon to lobby the federal government to remove the GST on home heating fuel and essential products and services for the north. And I know and I think I saw snow out there today, and people are getting kind of worried about their heating bills for the coming months. Can the minister update the House today on what steps he has taken on that issue? Thank you, Mr. Speaker.

Speaker: Thank you. Minister of Finance and Chairman of the Financial Management Board, Honourable Louis Tapardjuk. (interpretation) I will have the Premier respond to the question.

Hon. Paul Okalik (interpretation): Thank you, Mr. Speaker. (interpretation ends) Yes, I thank the member for asking the question. Since we last met, we had a Northern Premiers' Conference in the NWT over the spring and we jointly asked the Government of Canada to exempt northerners from the GST. So this file is continuing to be active and we continue to work with our northern colleagues in trying to make sure that all our

homeowners throughout the north are exempt from this tax and get a break on the high heating fuel costs that are coming. (interpretation) Thank you, Mr. Speaker.

Speaker: Thank you. Your first supplementary, Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Speaker. I would like to thank the Premier for that response and hopefully they see the light on that, and not just that, there are a lot of other areas where there are barriers because of our circumstances here in the north.

Mr. Speaker, I don't know whether it would be the Minister of Finance or the Premier that would answer this question, but I know one of the things that have been discussed over a number of years is dealing with the Northern Residence Deduction. I would like to ask the Minister of Finance if he has had any discussions or plans to lobby the federal government to make changes to that effect. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. I will have the Premier also respond to that question.

Hon. Paul Okalik (interpretation): Thank you, Mr. Speaker. (interpretation ends) I thank the member again for his timely questions. I think we're in the midst of a federal campaign, so it's very timely for these issues to be discussed with the candidates.

I think some parties have come forward with recommendations to increase and tax fuel. Some candidates have asked to reduce fuel. I think the others have also talked about northern deductions. As Northern Premiers, we all recommended that this should be indexed and it should be reviewed more regularly. I think it was just adjusted this spring, but it won't keep up the costs that we have incurred over the past 20 years.

So I appreciate the members raising this question and we continue to lobby the federal government, and I encourage my colleague to raise this with all candidates in the coming federal election. (interpretation) Thank you, Mr. Speaker.

Speaker: Thank you, Mr. Premier. Your second supplementary, Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Speaker. In dealing with our friends in Ottawa at times, one of the other issues I know have been brought up in the past and that's dealing with the Coast Guard marine service fees that are charged to the north, a lot of northerners feel that we don't have a choice, that's the only avenue we have to be able to get our resident services in the north.

Can the Minister of Finance, in his discussions with looking at finding ways to reduce costs for northerners, or the Premier, indicate if that's something that they have raised with them as well? Thank you, Mr. Speaker.

Speaker: Thank you, Mr. Tootoo. Mr. Premier.

Hon. Paul Okalik (interpretation): Thank you, Mr. Speaker. (interpretation ends) I must say this is not a new issue for us. Every time there is a new government in Ottawa, I write the successive minister to review this on our behalf and to allow us to be treated like the rest of the country in terms of not adding costs to our goods and services as we have no other mode of transport for these goods.

So it will be an ongoing issue and again, I encourage my colleague to raise this for all candidates in the coming election and I'll continue to press this matter. (interpretation) Thank you, Mr. Speaker.

Speaker: Thank you. Your final supplementary, Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Speaker. As the Premier indicated, he has written a number of letters on that same issue and apparently, if nothing has been done, it has fallen on deaf ears.

I'm just wondering if he can indeed state whether they have attempted and tried to have that issue addressed by the past federal governments, both of them I would assume, as he had indicated has met with limited success, if he could indicate what the barriers were from the federal government to not addressing that issue and treating Nunavummiut with the same fairness as the rest of Canada? Thank you, Mr. Speaker.

Speaker: Thank you. Mr. Premier.

Hon. Paul Okalik (interpretation): Thank you, Mr. Speaker. (interpretation ends) I wish that I could report progress on this file but it's an issue that we have been struggling with, and we are very supportive of efforts to try and continue to press this matter.

As I said, I look forward to hopefully addressing this with all candidates and look for commitments from all parties to get rid of this unnecessary burden on Nunavummiut. I look forward to working with all my colleagues in making sure this happens. (interpretation) Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Question Period is now over. (interpretation ends) Item 7. Written Questions. Item 8. Returns to Written Questions. Item 9. Replies to Opening Address. Item 10. Petitions. Item 11. Reports of Standing and Special Committees. Item 12. Reports of Committees on the Review of Bills. Item 13. Tabling of Documents. Mr. Premier.

Item 13: Tabled Documents

Tabled Document 276 – 2(4): Lands and Resources Devolution Protocol between the Government of Canada, the Government of Nunavut and Nunavut Tunngavik Incorporated

Hon. Paul Okalik (interpretation): Thank you, Mr. Speaker. (interpretation ends) As I said in my Minister's Statement that we have reached a protocol agreement, I am very pleased to table the Devolution Negotiation Protocol Agreement. (interpretation) Thank you, Mr. Speaker.

>>Applause

Speaker (interpretation): Thank you. Can we have that document brought forward to the table, please.

Tabling of Documents. I have a document to table.

Tabled Document 277 – 2(4): Integrity Commissioner (Acting) – Report to the Speaker re: Mr. David Simailak, MLA, September 8, 2008

Thank you, Members. I wish to table today the *Report of the Acting Integrity Commissioner of Nunavut re. Mr. David Simailak, MLA*. Thank you.

Tabling of Documents. Item 14. Notices of Motions. Item 15. Notices of Motions for First Reading of Bills. Item 16. Motions. Mr. Curley.

Item 16: Motions

Motion 042 – 2(4): Referral of Tabled Document 216 – 2(4) to the Committee of the Whole

Mr. Curley: Thank you, Mr. Speaker.

WHEREAS Tabled Document 216 – 2(4), *Government of Nunavut Requests for Proposals for Standing Offer Agreement for Medical Travel on Scheduled Airlines*, was tabled in the Legislative Assembly on March 12, 2008;

AND WHEREAS a significant portion of the annual budget of the Government of Nunavut's Department of Health and Social Services is allocated for medical travel;

AND WHEREAS Members of the Legislative Assembly continue to raise a number of questions and concerns with respect to the issue of medical travel;

AND WHEREAS the government's actions in this area have a significant impact on air transportation services in Nunavut as a whole;

NOW THEREFORE I MOVE, seconded by the Honourable Member for Baker Lake, that Tabled Document 216 – 2(4), *Government of Nunavut Requests for Proposals for Standing Offer Agreement for Medical Travel on Scheduled Airlines*, be referred to the Committee of the Whole for consideration. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you, Member. The motion is in order. To the motion. Mr. Curley.

Mr. Curley: Thank you, Mr. Speaker. (interpretation) The motion speaks for itself because we discussed that last winter and there were a lot of questions to the Department of Health in regard to medical travel.

The questions that were asked by members, some of them were not responded to by the government. Our constituents want to know about the medical travel contracts by the airlines because we feel that just asking questions is not enough. I would like all members to support my motion so that we can understand what is happening with medical travel in the north. Thank you.

Speaker: Thank you, Mr. Curley. To the motion. Mr. Arvaluk.

Mr. Arvaluk (interpretation): Thank you, Mr. Speaker. I will be in support of the motion because all Nunavummiut will have to know, as well as the government and the members, especially the Inuit of Nunavut.

Not long ago, there was a plane that was coming from Pond Inlet and some patients had to be left behind. When I got on board Canadian North, there were only two of us on the whole airplane. We have to understand those kinds of things and what is wrong with it so that we can fix it. I will be in support of the motion. Thank you, Mr. Speaker.

Speaker: Thank you. To the motion. (interpretation) All in favour of the motion, please raise your hand. (interpretation ends) Thank you. Opposed. The motion is carried. Thank you.

Item 16. Motions. Item 17. First Reading of Bills. (interpretation) Minister of Community and Government Services, Minister Brown.

Item 17: First Reading of Bills

Hon. Levinia Brown: Thank you, Mr. Speaker. I request consent of this Assembly to waive the two-day notice requirement to allow for the first reading of Bill 40, *An Act to Amend the Revolving Funds Act*.

Speaker: Thank you. The minister is seeking consent to waive Rule 62(1) so that Bill 40 can have first reading today. Are there any nays? There are no nays. Please proceed, Minister Brown.

Bill 40 – An Act to Amend the Revolving Funds Act – First Reading

Hon. Levinia Brown: Thank you, Mr. Speaker. I move, seconded by the Honourable Member for Nanulik, that Bill 40, *An Act to Amend the Revolving Funds Act*, be read for the first time. Thank you, Mr. Speaker.

Speaker: Thank you. The motion is in order. Question has been called. All those in favour, raise your hand. Opposed. The motion is carried.

First Reading of Bills. Mr. Premier.

Hon. Paul Okalik (interpretation): Thank you, Mr. Speaker. (interpretation ends) I request consent of this Assembly to waive the two-day notice requirement to allow for the first reading of Bill 22, *Miscellaneous Justice Statutes Amendments Act, 2008*.

Speaker (interpretation): Thank you, Premier. I would like to ask the Premier if it was Bill 42 or 22. Mr. Premier.

Hon. Paul Okalik (interpretation): Thank you, Mr. Speaker. (interpretation ends) Bill 42, four-two.

>>Laughter

Speaker (interpretation): Thank you. (interpretation ends) The minister is seeking consent to waive Rule 62(1) so that Bill 42, four-two, can have first reading today.

>>Laughter

Are there any nays? There are no nays. You may proceed, Mr. Premier.

Bill 42 – Miscellaneous Justice Statutes Amendment Act, 2008 – First Reading

Hon. Paul Okalik (interpretation): Thank you, Mr. Speaker (interpretation ends) and colleagues. I move, seconded by the Honourable Member for Natilik, that Bill 42, four-two, *Miscellaneous Justice Statutes Amendment Act, 2008*, two-zero-zero-eight, be read for the first time. (interpretation) Thank you, Mr. Speaker.

Speaker: Thank you. The motion is in order. All those in favour, raise your hand, please. Opposed. The motion is carried.

First Reading of Bills. Minister Tapardjuk.

Hon. Louis Tapardjuk (interpretation): Thank you, Mr. Speaker. I request consent of this Assembly to waive the two-day notice requirement to allow for first reading of Bill 41, *Forgiveness of Debts Act, 2008-2009*. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you, Mr. Minister. The minister is seeking consent to waive Rule 62(1) so that Bill 41 can have first reading today. Are there any nays? There are no nays. Please proceed, Minister Tapardjuk.

Bill 41 – Forgiveness of Debts Act, 2008-2009 – First Reading

Hon. Louis Tapardjuk (interpretation): Thank you, Mr. Speaker. I move, seconded by the Honourable Member for Iqaluit East, that Bill 41, *Forgiveness of Debts Act, 2008-2009*, be read for the first time. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. The motion is in order. All those in favour. Opposed. The motion is carried.

First Reading of Bills. Minister Tapardjuk.

Hon. Louis Tapardjuk (interpretation): Thank you, Mr. Speaker. I request consent of this Assembly to waive the two-day notice requirement to allow for first reading of Bill 43, *Write-Off of Assets and Debts Act, 2008-2009*. Thank you, Mr. Speaker.

Speaker: Thank you, Minister. The minister is seeking consent to waive Rule 62(1) so that Bill 43 can have first reading today. Are there any nays? There are no nays. Please proceed, Minister Tapardjuk.

Bill 43 – Write-Off of Assets and Debts Act, 2008-2009 – First Reading

Mr. Tapardjuk (interpretation): Thank you, Mr. Speaker. I move, seconded by the Honourable Member for Quttiktuq, that Bill 43, *Write-Off of Assets and Debts Act, 2008-2009*, be read for the first time. Thank you, Mr. Speaker.

Speaker: Thank you, Minister. The motion is in order. All those in favour, raise your hand, please. Opposed. The motion is carried. Bills 40, 41, 42, and 43 have had first reading.

First Reading of Bills. Item 18. Second Reading of Bills. Thank you. Item 19. (interpretation) Consideration in Committee of the Whole of Bills and Other Matters. Bills 36, 37, 38, and Bill 39 with Mr. Kattuk in the Chair. Before we proceed, we will take a 20-minute break.

Sergeant-at-Arms.

>>*House recessed at 15:24 and Committee resumed at 16:08*

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

Chairman (Mr. Kattuk)(interpretation): I would like to call the committee meeting to order. In Committee of the Whole, we have the following items to deal with: Bills 36, 37, 38, 39, and Tabled Document 216 – 2(4). What is the wish of the committee? Mr. Curley.

Mr. Curley: Thank you. Mr. Chairman. We wish to commence our review of the supplementary appropriations, commencing with Bill 36, followed by Bills 37, 38, and 39. Thank you.

Chairman: Thank you, Mr. Curley. Are we in agreement that we first deal with Bill 36?

Some Members: Agreed.

**Bill 36 – Supplementary Appropriation (Capital) Act, No. 4, 2007-2008 –
Consideration in Committee**

Chairman: I would now like to ask Minister Tapardjuk of the Department of Finance to make his opening remarks. Minister Tapardjuk.

Hon. Louis Tapardjuk (interpretation): Thank you, Mr. Chairman. During this sitting of the Legislative Assembly, four supplementary appropriation bills are being brought forward. There are capital and O&M appropriations for each of the previous fiscal year, 2007-08, and for the current fiscal year, 2008-09.

For 2007-08, Bill 36 will address the need to appropriate capital funds for the Arctic Bay Airport in the amount of \$3,837,000.

Mr. Chairman, these funds are all required to ensure that the Government of Nunavut continues to provide essential services and programs to Nunavummiut. I would be pleased to answer any questions that members may have. Thank you, Mr. Speaker.

Chairman (interpretation): Thank you, Minister Tapardjuk. For your information, I am the Chairman, not the Speaker. Minister Tapardjuk, would you like to have your officials with you at the witness table? Minister Tapardjuk.

Hon. Louis Tapardjuk (interpretation): Yes, I would like to have my officials with me at the witness table.

Chairman (interpretation): Sergeant-at-Arms, please escort the witnesses to the witness table... (interpretation ends) Does the committee agree to bring the witnesses to the table?

Some Members: Agreed.

Chairman: Thank you. For the record, minister, please introduce your witnesses.

Hon. Louis Tapardjuk (interpretation): Thank you, Mr. Chairman. With me today is the Deputy Minister of Finance, Peter Ma, on my left, and Diane Moebis, Acting Director of Expenditure Management, Mr. Chairman. Thank you.

Chairman (interpretation): Thank you, Minister Tapardjuk. (interpretation ends) Before we proceed, I would like to remind 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 member wishing to speak has spoken.

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

Mr. Curley (interpretation): Thank you, Mr. Chairman. I would like to ask the minister or his officials some questions concerning the Iqaluit Road Paving Project that is included in this supplementary appropriation under capital supplementary appropriations.

I believe that it's important for the government to ensure that Nunavummiut comprehend what the government activities are and communicate this clearly, and this was reiterated by the Finance Minister last year, the need for clear lines of communication.

While reading the government's own news release dated July 10, 2008, I understood that there would be \$12 million spent on road improvements in the territorial capital, Iqaluit. However, the language creates the impression that the government simply would hand a cheque for \$12 million to the City of Iqaluit.

I have some questions to clarify the matter for Nunavummiut as well as for the benefit of the listening public exactly what this fund involves as well as the assistance that is to be given by our government. Thank you.

Chairman: Thank you, Mr. Curley. General comments. I don't have any more members on my list for general comments. We will now proceed to the page-by-page review of the departmental estimates, starting with page 4. *Supplementary Appropriation (Capital) No. 4, 2007-2008*. Mr. Arvaluk.

Mr. Arvaluk (interpretation): Thank you, Mr. Chairman. I would like some clarification on the Arctic Bay Airport Project. \$3,837,000 will now have to be appropriated on an emergency basis due to the project overruns associated with what they are listing as "issues caused by thawing permafrost."

The reason why I'm posing this question is the typical government practices for capital projects. Generally, when the project is being planned, they do all of the engineering plans for it. I imagine that there were inspections on the property prior to any work being initiated and the funds allocated to the project.

It seems that this is being portrayed as an emerging issue, as something that they have just discovered. It appears as if the lands were not inspected properly and that seems to be the case here. Can I get some clarification as to why the technical assessment seems to

have overlooked this problem prior to the work being undertaken? Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Mr. Arvaluk. Minister Tapardjuk.

Hon. Louis Tapardjuk (interpretation): Thank you, Mr. Chairman. I will have my deputy clarify Mr. Arvaluk's question, Mr. Chairman.

Chairman: Thank you, Minister Tapardjuk. Mr. Ma.

Mr. Ma: Thank you, Mr. Chairman. I believe the department followed their normal procedures in terms of making sure that the project was undertaken in the right way.

During the work, I understand what happened was that when the ground was dug up, it was dug up a bit too deep and that caused some permafrost melt. In order to rectify the problem, then they had to put gravel back into the ground, I don't remember what the amount is but they had to put certain amounts in, and that led to the cost overrun. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Ma. Mr. Arvaluk.

Mr. Arvaluk (interpretation): Thank you, Mr. Chairman. I believe that this is not the government's responsibility; this was due to the contractors' actions. I believe that the contractor dug the land and from what I was told, it may have been too deep. The government didn't cause this problem, so I don't think the government should be at fault. Why does the government have to be responsible for this additional cost? Thank you.

Chairman (interpretation): Thank you, Mr. Arvaluk. Minister Tapardjuk.

Hon. Louis Tapardjuk (interpretation): Thank you, Mr. Chairman. Perhaps the Minister of Community and Government Services is in a better position to answer that question as this project is under their department, Mr. Chairman.

Chairman (interpretation): Thank you, Minister. Minister Brown.

Hon. Levinia Brown (interpretation): Thank you, Mr. Chairman. I can't really answer the question. I will discuss this issue with my staff and try to get more background information. Time is short and your question is relevant as this does seem to be the case here.

We need to determine whether or not the government is liable for those additional costs and resolve it. Was it the contractors that are liable for digging up the permafrost? I cannot really provide any further clarification to the question at this time. Thank you, Mr. Chairman.

Chairman: Thank you, Minister Brown. Mr. Arvaluk.

Mr. Arvaluk (interpretation): Thank you, Mr. Chairman. That puts me in a bind. I imagine that the government agreed to the change, that yes, the area being dug up melted the permafrost because they dug too far down. Did the government want that area dug out?

They had to put more landfill there at a cost of \$3.8 million. The government must have agreed with the contractor and hence, they are requesting extra funding for the airport project in Arctic Bay due to the issues they found. I believe that we have to get complete clarification about this project since we will have to approve the appropriation.

The government requests more funds only if they accept the cost overrun of a project. The government, once apprised of the extra costs, cannot just simply agree and there would be further inspections required as to whether they have to add the extra costs to a project.

At some point, I would like the minister to inform the House as to the exact reasons for the cost overruns and why the government agreed to pay an additional \$3,837,000 for this. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Mr. Arvaluk. Minister Tapardjuk.

Hon. Louis Tapardjuk (interpretation): Thank you, Mr. Chairman. I think the question would be better addressed by the Minister of Community and Government Services because they are responsible for those projects, Mr. Chairman. Thank you.

Chairman (interpretation): Thank you, Minister Tapardjuk. Minister Brown.

Hon. Levinia Brown: Thank you, Mr. Chairman. In the new fiscal year, the contractor submitted the invoice which was then forwarded to headquarters for process as the invoice was in excess of the signing authority of the regional office. On June 24, 2008, upon receiving the invoice, CG&S, the senior managers, notified client departments and the Department of Finance about possible cost overruns on the airport project. Steps were then taken to investigate what happened and what steps were needed to take after the fact.

From thereon, disciplinary actions on staff were involved. CG&S senior managers have taken disciplinary action to staff that were involved in the appropriation action. As this is a sensitive human resource matter, I will not get into the details and it is an ongoing process that has not been completed yet. Thank you, Mr. Chairman.

Chairman: Thank you, Minister Brown. Mr. Arvaluk.

Mr. Arvaluk: Thank you, Mr. Chairman. I appreciate the minister's answer. I am not interested in getting that or asking questions on the human resources' aspects of that. I had no clue whatsoever and this is completely new to me. I was not briefed on that particular issue. However, I'm less interested in that.

There must have been a technical assessment made before the history plan was to be Requests for Proposals or anything like that is issued. Technical assessments must have been done there on how much it would cost. This is a huge oversight on the part of the department, \$4 million...

I mean the Minister of Finance or the Deputy Minister of Finance put down in this budget a supplementary appropriation that is undertaken due to issues caused by thawing permafrost. Was it the whole length of the airstrip that was thawing? How much of it was thawing? Why did it cost almost \$4 million to put the gravel back in? I think we need a better explanation. A substantiation sheet would have been appreciated here if that can be supplied. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Arvaluk. (interpretation) Ms. Brown, would you like to answer that?

Hon. Levinia Brown: Thank you, Mr. Chairman. Originally, when the contract was initiated, CG&S had been managing this airport project since 2006. During August 2007, the contractor reported permafrost difficulties with several sections of the runway.

When the contractor and the engineers noticed, removing the topsoil, the permafrost was deeper and thawing than originally designed, the scope of work was requested to be increased, which included hiring a geotechnical firm to study the ground below, increase in gravel materials, and insert more culverts. This request was received by CG&S project officers, whom reviewed and deemed it necessary to proceed without going through the appropriate approval process. Based on that decision, client department ED&T and senior staff of the departments had been notified before it was approved.

The contractor proceeded with the additional work based on their terms and conditions, and completed the work in November 2007. The contract was requested and notified not to invoice the work until the new fiscal year. This was an inappropriate request by CG&S and the project officer should have immediately requested a contract change order. During this time, monthly meetings between region and headquarters were taken place on all the projects' updates and this project was not raised at any point.

Mr. Chairman, could I ask that my officials come and join me so they could give more information as to this topic? Thank you, Mr. Chairman.

Chairman: Thank you, Minister Brown. (interpretation) Mr. Arvaluk, do you have anything to add? What is the wish of the committee? The minister wishes to invite her staff to respond. Mr. Arvaluk.

Mr. Arvaluk (interpretation): Thank you, Mr. Chairman. That is our wish, to invite her staff, because we need clarification concerning this issue. I would appreciate it if her staff were at the witness table and as soon as this issue is dealt with, they can immediately

leave after we're finished with the Arctic Bay Airport. I would appreciate if her staff were invited to the witness table. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Mr. Arvaluk. I believe Minister Picco wishes to add something to that. Minister Picco.

Hon. Ed. Picco: Thank you, Mr. Chairman. I appreciate the question that the member, Mr. Arvaluk, is raising on the technical aspects of the permafrost and the underlying current within the airstrip in Arctic Bay, I think is the major issue and Mr. Arvaluk made a good request. He asked for a technical briefing document on the stratosphere of the ice and the permafrost in Arctic Bay which caused the overrun on the cost and expense.

So I would say, again to be expeditious, we can provide that technical briefing information for the member because that's what you want and we don't have that level of detail in the Committee of the Whole, but as a government, we can provide that to him and that would allow the other questioning on the other issues to move forward. I appreciate Mr. Curley's support there.

>>*Laughter*

Again, I don't like you waving at me, Mr. Curley. There is accountability. The question by Mr. Arvaluk, and I believe the *Hansard* will correct me if I'm wrong, was that a technical briefing and the background documentation be provided. I'm suggesting to you, as the government, that that's what we can and will do. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Picco. For further comments, Mr. Arvaluk.

Mr. Arvaluk: Thank you, Mr. Chairman. I understand that it's an objection to having the witnesses of CGS here.

An Hon. Member: Shame, shame.

Mr. Arvaluk: If I were to do that for every department, we would be here forever. All I want is for the Department of CGS, with their staff, to be here to do this one item quickly so that they could explain, with my own language, as to why there's a cost overrun. That's all we need to do, we don't need to do the whole plan from the beginning to the end of that airstrip. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Arvaluk. Does the committee agree to bring in Minister Brown and her officials to the witness table?

Some Members: Agreed.

Chairman: We will see you later, Minister Tapardjuk. We will have Minister Brown at the witness table. (interpretation) Sergeant-at-Arms, please escort the witnesses and bring in Minister Brown and her officials to the witness table.

(interpretation ends) Minister Brown, for the record, please introduce your staff. Minister Brown.

Hon. Levinia Brown (interpretation): Thank you, Mr. Chairman. On my right is my Assistant Deputy Minister, Shawn Maley, and on my left is David Akeeagok, my Deputy Minister.

Chairman: Thank you, Minister Brown. You had technical questions, Mr. Arvaluk. Go ahead.

Mr. Arvaluk (interpretation): Thank you, Mr. Chairman. Welcome, Minister, Mr. Maley, and Mr. Akeeagok. Thank you for coming here to the committee because we need clarification on some of the funds included in the supplementary appropriations that are in front of us for review.

This \$3.8 million was a cost overrun of the Arctic Bay Airport Project and it was explained earlier that it was the contractors who made that overrun, not because of the government's engineering plans. We were informed of this fact and that's why I asked whether the government had approved this overrun. Is it because the engineers or the government didn't do a good job at planning the project, or is it because the contractor didn't follow the engineering plans? What is the reason why the government has to pay this additional cost? Thank you, Mr. Chairman.

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

Hon. Levinia Brown (interpretation): Thank you, Mr. Chairman. I thank the members for agreeing to have my officials at the witness table. I'm going to ask Mr. Akeeagok to explain this. Thank you, Mr. Chairman.

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

Mr. Akeeagok (interpretation): Thank you, Mr. Chairman. Our staff, our contractors, and the inspectors of these projects have all the information before the project goes ahead, including the assessment, the budget, and the technical aspects of the project. All contractors have a copy of the engineering plans and they proceed with the construction the way it has been planned.

The engineering plans were completed and this is what the contractor was undertaking: they removed the top layer of the airstrip and they had to dig down to the permafrost. Due to the additional layers, they had to dig deeper to reach the permafrost and that's when they found the problem.

They notified our department and asked for clarification with respect to the engineering plans. They stated that once they had undertaken the work, they had found that they

would have to dig deeper to reach the permafrost and that they would want further inspections of the land. They requested assistance to make the final determination.

Our technical engineers stated, after their assessment, that it would be best to dig further into the permafrost in order to improve the airstrip and properly place the culverts. After that was explained by our technical staff, we had enough evidence to proceed with the changes to the plan and include those changes in the engineering plans.

Due to the changes of both the project and the engineering plans, we had to include these activities as additional work. This is the reason why the project ended up being more costly than we had budgeted. The process of working with the contractor on the engineering plans requires that any changes or recommendations for changes have to be approved by the department prior to any changes being made and this procedure was followed.

With respect to the issue, this was due to the additional work required to complete the project. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Mr. Akeegok. Mr. Arvaluk.

Mr. Arvaluk (interpretation): Thank you, Mr. Chairman. Yes, now I understand. Is Mr. Akeegok saying that the government engineers or geotechnical assessors that did the planning were just guessing?

Perhaps they used 1970s geotechnical data when the permafrost was that much closer. Did they use outdated information when they were conducting an inspection of the lands without doing any drilling or digging as to the extent of the permafrost?

Wasn't there an inspection done or was the mistake found, when the contractor commenced the digging, that the scope of the work would be more expensive than original estimates? Is this what he is stating? Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Mr. Arvaluk. I believe the question is directed to Mr. Akeegok.

Mr. Akeegok (interpretation): Thank you. I cannot recall when the actual date of the geotechnical assessment was. I know that it was done, but I don't have the information at this time on the subsurface data used for the plans. However, even with all of our engineering plans, we can never know exactly what the contractor will find until that land has been dug up and the permafrost reached, and that's when we find out if there are any problems.

Due to this issue, we didn't anticipate any problems but upon revelation of the permafrost and its depth, we had to make changes to the budget. It seems that we have two diverging points since this was only discovered when the technical assessment was made at the site. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Mr. Akeegok. Mr. Arvaluk.

Mr. Arvaluk (interpretation): One last question, Mr. Chairman. With respect to the \$3,837,000 figure, was this amount conjured up by the contractor or was it due to the additional work identified in the government's assessment?

Did the government make the estimation based on the permafrost depth discovered at that project site and the additional work required to complete the project? Is the government saying that this is how much the extra work will cost or was it the contractor that stated that this is how much more it would cost to complete the work? Thank you.

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

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

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

Mr. Akeegok (interpretation): Thank you. For the airport project, our contract stipulates that they have to follow certain airstrip guidelines. The cubic footage of material required to overlay this area due to the extra depth was a lot higher and due to this additional material, \$3,837,000 was required to pay for this additional material.

This extra work at the airport was due to issues with permafrost and culvert placements. The geotechnical assessor also had to do another inspection. So this amount includes all of these additional expenses required to finish the project. Thank you, Mr. Chairman.

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

Mr. Curley (interpretation): Thank you, Minister. I would like to welcome your officials. First of all, I want to state that this is just a cost overrun. Secondly, I would like to state that the project is a good and essential one that we have to complete. In terms of its construction, this is not the cause of the concern. However, the problem that we have is almost \$4 million in cost overrun incurred in this circumstance.

As the Government House Leader alluded, if we don't inform our people in Nunavut about the reasons for these additional costs, such as this project overrun of almost \$4 million, and it's just passed, then I would be apprehensive to deal with this matter without fully explaining how this was arrived at.

Due to this reason, we invited your officials so that they could clarify the situation and explain how it resulted in that overrun. We thank you for allowing the minister to invite her officials, Mr. Chairman.

I am going to ask you this: what is the status of this project? Is it completed or does it require more work next year? (interpretation ends) Thank you.

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

Hon. Levinia Brown (interpretation): Thank you, Mr. Chairman. The airport project in question was completed. Thank you, Mr. Chairman.

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

Mr. Curley (interpretation): Thank you. I would like to ask another question. I'm sure that the project manager did a good job planning the project, but the cost overrun occurred over this summer.

Can the project manager or your officials answer the question on whether there were any recommendations on the requirements to dig all the way to the permafrost? Did the completion of the project made it imperative to expend almost \$4 million? Were there absolutely no options or alternative construction methods available to finish the project? Further, was the contractor's method the only one available?

What I would like to understand is if this additional cost had not been funded, would that have delayed the project? (interpretation ends) Thank you.

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

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

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

Mr. Maley: Thank you, Minister. Thank you, Mr. Chairman and I thank the member for that question. I'm just thinking of a couple of points to hopefully clarify this for you.

These big civil work projects are normally tendered on a unit price basis in order to protect the contractor and protect the client, which is the government in this case, and that's in recognition that, for a \$20 million project like this, the actual quantities of gravel and work required around that are sometimes not exact and you do the best you can in terms of estimating it. If we hadn't gone to a unit price contract, the contractor would have padded his bid anyway to protect himself because there's quite a bit of unknown there in terms of exact quantities that you're going to require.

Runways, different from roads, typically require the organics to be removed and with that comes some melting of the permafrost. There was a geotechnical assessment done which, with our experience, showed us that we did our best to account for that in our estimate. The permafrost, however, melted more than you would normally find and that was what caused the extra amount of work and therefore, the price went up.

To answer the member's question, it would have delayed the project if we had to stop there and sought further funding. Although we don't agree with the process that occurred, certainly, the work was done, it was done adequately and inspected, and the final result is a project that meets all certification and we're happy with it. The fact of the matter though is that it did experience a cost overrun of about 20 percent, which is higher than you would hope but not beyond other projects that have occurred in terms of a percentage. Thank you for your question.

Chairman: Thank you, Mr. Maley. Mr. Curley.

Mr. Curley: Thank you. Mr. Chairman, I appreciate the information and clarification on the number. It also appears to be that CGS had underestimated the price of the project. Am I correct in saying that, that you did not have enough contingencies and that the project funding was really inadequately under budget? Was that part of the information that you just gave me? Thank you.

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

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

Chairman: Thank you, Minister Brown. Mr. Maley.

Mr. Maley: Thank you, Minister. Thank you, Mr. Chairman, and I thank the member for the question. With a contract like this, a unit price contract, there is a risk that if you're not exact on your numbers, you tend to, in some instances, pay more.

However, the alternative was if we had put it forward without a unit price, you would have paid for that anyway. A contractor would have billed that in as his own contingency in his price to protect himself, so it's a normal approach to this kind of work. For a large civil work project like this, normally, you would do unit pricing and you would try to be as accurate as you can with quantities. Sometimes you're not on it.

This is an airport project, it's a big one. It's the first airport built in Nunavut in many years and it's a substantial project. And to answer his question, yes, we did underestimate our quantities. It was a 20 percent cost overrun, which is not unheard of in a project of this size, and we would have hoped that it would have been less but the end result was that it was 20 percent. Thank you for your question.

Chairman: Thank you, Mr. Maley. Mr. Curley.

Mr. Curley: Thank you. Yes, I understand that, I think that helps us quite a bit. I also want to try to get some understanding from the department. It appears that, with the nature of a project like this, the department went under budget with the final estimates, but it also appears that you did not adequately have a contingency funding towards that.

Would I be correct in saying that, that you solely pretty well relied on the bids that were coming in, instead of having an adequate contingency funding for the project? Thank you.

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

Hon. Levinia Brown (interpretation): Thank you, Mr. Chairman. A note was being written but it's not legible to me. It looks like a doctor is writing up a prescription and I cannot read the message. Thank you, Mr. Chairman. I'm going to ask Mr. Maley to respond. Thank you.

Chairman: Thank you, Minister Brown. Mr. Maley.

Mr. Maley: Thank you, Mr. Chairman. CGS is managing this project on behalf of ED&T, and we work with our clients to try and make sure the numbers are where they should be.

To answer his question, in retrospect, yes, I mean obviously our contingency should have been higher. Again, not as a justification but as a point of information, this was a large project, it was the first airport that we have been involved in with the Nunavut government, and in hindsight and certainly in the future, our levels of contingency will be more adequate to compensate that so that we don't have to come forward with the members to try and achieve a supplementary. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Maley. Mr. Curley.

Mr. Curley: Thank you, Mr. Chairman. I thank the minister and her officials, particularly Mr. Maley. Given the fact that nothing is cheap up here in Nunavut when we're building whether it is airports or major infrastructure, everything usually has pretty huge costs that we normally incur.

I think Nunavummiut expect that, by now, we should become pretty well experts in cost estimating in building projects as closely as possible to original budget estimates. So hopefully we have learned from that, that we can build upon the cost estimating to try and adequately reflect the cost that we're asking our taxpayers to pay because to try and get extra funding for that amount is really very complicated and Nunavummiut couldn't even build a smaller project, but when it comes to cost overruns, boy, there appears to be no problem in finding funding for such projects whether or not you have a contingency allocation or not.

So what I'm urging the government to do is that we need to adequately try and reflect not only single costs estimates but number of cost estimates so that we come closely as possible and fair to Nunavummiut when we say exactly how much it's going to cost. Do you think, minister, that we can begin to come close to original cost estimates in completing projects given the fact that we have built a whole lot of infrastructure projects and so on to this date? (interpretation) Thank you.

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

Hon. Levinia Brown: Thank you, Mr. Chairman. Yes, that's a very good comment. I appreciate that. Yes, my answer is yes. Thank you.

Chairman: Thank you, Minister Brown. Questions? Mr. Arvaluk.

Mr. Arvaluk: One last quick question, Mr. Chairman. I think we already know that there is damage to the land already from global warming and I think this is one of the trends that your estimates were probably correct from 20 or 30 years ago when permafrost was closer to the surface. We appreciate that.

In this case, you are probably learning that road construction and steel pilings for housing are going to be looked at differently than what it has been. Are you reviewing different methods now to keep your costs down, other than the traditional method of construction when it comes to involving the soil or digging up the soil to the permafrost?

(interpretation) Thank you, Mr. Chairman.

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

Hon. Levinia Brown (interpretation): Thank you, Mr. Chairman. I would like to thank the member for his question. Yes, we are discovering new challenges and our elders inform us that the land is indeed changing, that our climate is changing. For example, in Pangnirtung, there was a bridge that collapsed, perhaps both of the bridges, due to the changing landscape and conditions.

We are aware that most capital projects are more expensive to construct, as per the member's statement about changes affecting the government. Indeed, these factors will have to be included in the inspections performed for road construction and pilings for housing. The permafrost and the subsurface situation will also have to be included.

I agree with the member's recommendation and we will commit to doing more inspections on whether the permafrost is melting. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Minister Brown. (interpretation ends) Questions? There are no more questions. Does the committee agree that Minister Tapardjuk and his staff return to the witness table?

Some Members: Agreed.

Chairman: Thank you, Minister Brown and your staff. (interpretation) Sergeant-at-Arms, please escort the minister and her officials out. Minister Tapardjuk, you can go back to the witness table.

(interpretation ends) Thank you, Minister Tapardjuk. We're on page 4. Department of Economic Development and Transportation. Capital. Transportation. Not Previously Authorized. Total Transportation. \$3,837,000. Does the committee agree?

Some Members: Agreed.

Chairman: Total Department. \$3,837,000. Agreed?

Some Members: Agreed.

Chairman: Go back to page 2. Schedule 1. Capital. Capital Appropriation. \$3,837,000. Agreed?

Some Members: Agreed.

Chairman: Go back to Bill 36 in your legislation binders. If you can't find your binder, I'll give you one chance. Bill 36, *Supplementary Appropriation (Capital) Act, No. 4, 2007-2008*. Clause 1. Agreed?

Some Members: Agreed.

Chairman: Page 2, clause 2. Agreed?

Some Members: Agreed.

Chairman: Clause 3?

Some Members: Agreed.

Chairman: Go to Schedule on page 2 of Bill 36. Schedule. Supplementary Amounts Appropriated for the Fiscal Year Ending March 31, 2008. Vote 2 Capital. Total Capital. \$3,837,000. Agreed?

Some Members: Agreed.

Chairman: Total Supplementary Appropriation. \$3,837,000. Agreed?

Some Members: Agreed.

Chairman: Go back to page one, clause 4. Agreed?

Some Members: Agreed.

Chairman: Clause 5?

Some Members: Agreed.

Chairman: Clause 6?

Some Members: Agreed.

Chairman: And clause 7?

Some Members: Agreed.

Chairman: Is the committee agreed to Bill 36 as a whole?

Some Members: Agreed.

Chairman: Do members agree that pursuant to Rule 62(2) that Bill 36 can immediately be placed on the Orders of the Day for third reading?

Some Members: Agreed.

Chairman: Thank you. Go to Bill 37, *Supplementary Appropriation (Operations and Maintenance) No. 4, 2007-2008*. I would now like to ask Minister Tapardjuk of the Department of Finance to make his opening remarks. Minister Tapardjuk.

**Bill 37 – Supplementary Appropriation (Operations & Maintenance) Act, No. 4,
2007-2008 – Consideration in Committee**

Hon. Louis Tapardjuk (interpretation): Thank you, Mr. Chairman. Bill 37 will provide the necessary O&M funds to the Department of Health and Social Services to address a deficit of approximately \$1.5 million. This deficit is a result of allocating, for accounting purposes, the cost of the recent NEU Collective Agreement to departments and territorial corporations, as applicable.

It should be noted that the Department of Health and Social Services has a surplus of \$500,000 before the cost of the recent NEU Collective Agreement is allocated. Approximately \$2 million of compensation and benefits was allocated to the Department of Health and Social Services because of the recent NEU Collective Agreement.

As well, Bill 37 also provides an allocation to the Department of Education for contribution to the Nunavut Arctic College as a result of the recent NEU Collective Agreement, Mr. Chairman. Thank you.

Chairman (interpretation): Thank you, Minister Tapardjuk. Mr. Arvaluk.

Mr. Arvaluk (interpretation): Thank you, Mr. Chairman. I don't have any general comments but I will pose several questions at the appropriate time. There are two items in the 2007-08 supplementary appropriation that they want considered.

The government and the Nunavut Employees Union negotiated the collective agreement and after coming to an agreement, we were informed that it would cost an additional \$2 million. Further, with respect to the Nunavut Arctic College, another \$232,000 will cover off the incremental costs of the agreement. This will just be a contingency fund. There are quite a few departments who appear not to have had any incremental costs. Apparently, the contingency fund will cover these additional costs incurred by these departments.

I will be asking questions about Nunavut Arctic College and the Department of Health and Social Services. Perhaps they were the only departments that didn't prepare for the additional costs required by the Nunavut Employees Union Collective Agreement as they didn't plan for any additional costs inside their O&M budgets. I will be asking questions with respect to these two departments at the appropriate time. Thank you.

Chairman: Thank you, Mr. Arvaluk. I think that was your general comment. I will allow the other members to make general comments if they have any, and if not, we will go to page 4. 2007-08 Supplementary Appropriation (Operations and Maintenance) No. 4. Education. Operations and Maintenance. Not Previously Authorized. Adult Learning and Post Secondary Services. Total Adult Learning and Post Secondary Services. \$232,000. Mr. Arvaluk.

Mr. Arvaluk (interpretation): Thank you, Mr. Chairman. I just want to get some clarification. In the minister's opening comments, he stated that the Department of Health had a projected surplus of \$500,000 but as a result of the NEU Collective Agreement, they have to allocate approximately \$2 million. So they're asking for an additional \$1.5 million.

With respect to the Arctic College amount, is this in the same situation? Are we just adding this amount? The Nunavut Arctic College manages their finances as approved by the government, even though they may have enough surplus funds to cover these additional costs after the collective agreement was signed. Thank you.

Chairman (interpretation): Thank you, Mr. Arvaluk. Minister Tapardjuk.

Hon. Louis Tapardjuk (interpretation): Thank you, Mr. Chairman. I will have my Deputy Minister, Mr. Ma, respond to that question. Thank you.

Chairman (interpretation): Thank you, Minister Tapardjuk. Mr. Ma.

Mr. Ma: Thank you, Mr. Chairman. I think I understand the member's question. To get to and also when we get to the appropriate monies, I'm just going to go back a little bit.

When we developed the budgets for 2007-08, we recognized at some point in time that we would settle with the NEU and that we would then have to allocate to each respective department an amount that would be reflective of the new collective agreement. However, because the collective agreement was signed after the year end was already

done for 2007-08, we then had the luxury of actually going back and seeing where every department was in terms of their year end numbers.

So what we did then is, for budget purposes in the House, we of course exclude amortization depreciation with the non-cash items. So once we backed those out, we were then able to see where the department was in terms of lapses and the only department that would have had an over-expenditure because of the allocation of the new collective agreement was the Department of Health and Social Services, so that's why there is an appropriation here for \$1.5 million.

In the case of Nunavut Arctic College, what we did is, like we did for all of the departments, we took the people on staff and calculated the number going back to make sure there was the right amount. So that's what we did with the college as well. They would probably need about \$232,000 to cover the new collective agreement. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Ma. Mr. Arvaluk.

Mr. Arvaluk: Thank you, Mr. Chairman. So even if the Arctic College is an agency of the government, they actually were also reviewed on a need basis, not automatic, whatever the percent increase there is in the collective agreement. (interpretation) Thank you.

Chairman (interpretation): Thank you, Mr. Arvaluk. Minister Tapardjuk.

Hon. Louis Tapardjuk (interpretation): Mr. Ma will respond to that question.

Chairman: Thank you. Mr. Ma.

Mr. Ma: Thank you, Mr. Chairman. I apologize to the member. Yes, that is correct. The revised contribution, if you will, will stipulate that it's for the increase in the new collective agreement. So if it turns up that they actually need a little bit less or a little bit more, we will obviously then adjust it within those parameters, but I would think the number we have is pretty accurate. We spent quite a bit of time, or Diana has spent quite a bit of time working on these numbers and I'm pretty confident in those numbers. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Ma. (interpretation) Are you finished? (interpretation ends) I don't think there are too many questions. 2007-08 Supplementary Appropriation (Operations and Maintenance) No. 4. Education. Operations and Maintenance. Not Previously Authorized. Adult Learning and Post Secondary Services. Total Adult Learning and Post Secondary Services. \$232,000. Agreed?

Some Members: Agreed.

Chairman: Total Department. \$232,000. Agreed?

Some Members: Agreed.

Chairman: Page 5. Health and Social Services. Operations and Maintenance. Not Previously Authorized. Directorate. Total Directorate. \$1.5 million. Agreed?

Some Members: Agreed.

Chairman: Total Department. \$1.5 million. Agreed?

Some Members: Agreed.

Chairman: Go back to page 2. Schedule 1. Operations and Maintenance. Operations and Maintenance Appropriation. \$1,732,000. Agreed?

Some Members: Agreed.

Chairman: Go back to Bill 37 in your legislation binder. Bill 37, *Supplementary Appropriation (Operations and Maintenance) Act, No. 4, 2007-2008*. Clause 1?

Some Members: Agreed.

Chairman: Clause 2?

Some Members: Agreed.

Chairman: Clause 3?

Some Members: Agreed.

Chairman: Go back to page 2 of Bill 37. Schedule. Supplementary Amounts Appropriated for the Fiscal Year Ending March 31, 2008. Vote 1 Operations and Maintenance. Total Operations and Maintenance. \$1,732,000. Agreed?

Some Members: Agreed.

Chairman: Total Supplementary Appropriations. \$1,732,000. Agreed?

Some Members: Agreed.

Chairman: Thank you. Clause 4?

Some Members: Agreed.

Chairman: Clause 5?

Some Members: Agreed.

Chairman: Clause 6?

Some Members: Agreed.

Chairman: Clause 7?

Some Members: Agreed.

Chairman: Is the committee agreed to Bill 37 as a whole?

Some Members: Agreed.

Chairman: Do members agree that pursuant to Rule 62(2) that Bill 37 can immediately be placed on the Orders of the Day for third reading?

Some Members: Agreed.

Chairman: We will go on to Bill 38. I would now like to ask Minister Tapardjuk of Finance to make his opening remarks. Minister Tapardjuk.

**Bill 38 – Supplementary Appropriation (Capital) Act, No. 2, 2008-2009 –
Consideration in Committee**

Hon. Louis Tapardjuk (interpretation): Thank you, Mr. Chairman. For the current fiscal year, 2008-09, Bill 38 will appropriate \$8,786,000 for five capital projects. These capital projects include:

- An increase to the Rankin Inlet Airport Airside Surface Rehabilitation Project;
- Repairs to the Gjoa Haven water line; and
- Construction of a new bridge in Pangnirtung and removal of the old bridges damaged because of the spring flooding.

Mr. Chairman, I would be pleased to answer any questions that members may have. Thank you, Mr. Chairman.

Chairman: Thank you, Minister Tapardjuk. Page 4 of the 2008-09 Supplementary Appropriation (Capital) No. 2. Education. Capital. Not Previously Authorized. Corporate Services. Total Corporate Services. \$300,000. Agreed?

Some Members: Agreed.

Chairman: Total Department. \$300,000. Agreed?

Some Members: Agreed.

Chairman: Page 5. Community and Government Services. Capital. Special Warrants. Not Previously Authorized. Total Capital Planning. Special Warrants. Mr. Curley.

Mr. Curley (interpretation): During my opening comments, I made a comment in regard to Item 4 on page 5 and I would like to ask this question. Is the GN providing new monies to the City of Iqaluit for the road paving project aside from what it already provides through its existing Capital Contribution Agreement? (interpretation ends) Thank you.

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

Hon. Louis Tapardjuk (interpretation): I will have my Deputy Minister, Peter Ma, respond to that question, Mr. Chairman.

Chairman: Thank you. Mr. Ma.

Mr. Ma: Thank you, Mr. Chairman. The short answer to the member's question is no, but it may be worthwhile to talk a bit about the contribution agreement so that it's clear to all members. With respect to the City of Iqaluit, they get \$2.4 million every year for the next five years in what we call sort of a flexible block arrangement. So over the course of the five years, they get \$12 million.

With the paving project that's occurring here in the capital, there is a need to cash flow some of it a little bit sooner than is currently agreed to and that's not unusual. We do that from time to time and we do notify the Chair of the Standing Committee on Government Operations and Accountability.

What's a bit odd here and I'll explain the background of why it looks a bit odd, in order to do the cash flow that I spoke earlier about, we're taking I think it is eight projects from the 2003-04 fiscal year. The Department of CGS at that time incorrectly recorded that as what we call deferred revenue. In actual fact, what should have happened was that money should have been returned because it was voted as Vote 2 or capital money.

In the meantime, in order to do those eight projects, they weren't able to get other funding from other sources such as CIFF and Aarluk, I think it is. So we felt it was most appropriate that we bring it back into the House and revote those monies to help cash flow of the Iqaluit paving project, and that's why you see \$926,000.

We're trying to follow our own procedures and also to be transparent within the House, so that's why it looks a bit odd. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Ma. Mr. Curley.

Mr. Curley: Thank you, Mr. Chairman. I appreciate the explanation. My second question is: the government has had indicated that it is transferring, as the deputy minister also alluded to some rearranging of funds, funds between existing capital projects in order to provide, and I quote, “advance to the city for this paving.” What were the other capital projects that have been dealt with in this way and have any one of them been delayed in order to allow the Iqaluit paving to go ahead? Thank you.

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

Hon. Louis Tapardjuk (interpretation): My deputy minister will answer that question, Mr. Chairman.

Chairman: Thank you. Mr. Ma.

Mr. Ma: Thank you, Mr. Chairman. Yes, two additional projects were re-profiled. There was \$560,000 moved from the Rankin Inlet Water Treatment Plant and \$800,000 from the Repulse Bay Garage. We anticipate that we will replenish those funds in the next fiscal year, 2009-10. It is my understanding from the Department of Community and Government Services that these projects will not be delayed. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Ma. Mr. Curley.

Mr. Curley: Thank you. My next question is: can the minister or his officials clearly state for the public record how other communities can receive assistance in order to pave their roads and establish a healthier community? Thank you.

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

Hon. Louis Tapardjuk (interpretation): My deputy minister will answer that question, Mr. Chairman.

Chairman: Thank you, Minister. Mr. Ma.

Mr. Ma: Thank you, Mr. Chairman. There is a process within government, it's through the Department of Community and Government Services, whereby on an annual basis, I believe it is, they consult with all communities.

After that consultation and that discussion with each community, a list of priorities is done up with respect to capital projects. So like I said, it's a close consultation between the Department of Community and Government Services and the respective communities. That list then comes within government.

Within government, we have another process called ICCP, or Interdepartmental Committee on Capital Projects, that's a group of officials. They make recommendations, that gets carried forward into the capital plan, it goes to the Financial Management Board who of course then makes further decisions, and then it goes to standing committee

where the standing committee has further discussions with the government. So that, Mr. Chairman, is generally the process. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Ma. Mr. Curley.

Mr. Curley: Thank you, Mr. Chairman. I appreciate the response. Mr. Chairman, my second follow-up is really: in view of the fact that there were other communities' projects that were reallocated in order to provide this advance to the Iqaluit Paving Project, did this particular project go through the process that the deputy minister just indicated to the committee? Thank you.

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

Hon. Louis Tapardjuk (interpretation): Mr. Ma will answer that question.

Chairman: Thank you. Mr. Ma.

Mr. Ma: Thank you, Mr. Chairman. As I stated earlier in answering one of the member's questions earlier, in Iqaluit, they have what we call a flexible block funding. So we leave it with the city to determine their own priorities and if their priority is paving, or whatever it is, that's their priority, so yes to his question. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Ma. Mr. Curley.

Mr. Curley: Thank you, Mr. Chairman. I'm not really clear exactly what the answer was. The other communities basically have to go through the territorial-wide kind of approval process, which involves all the departmental or other committees. Did this particular project, in view of the fact that it impacts other capital projects, go through the same process as other communities normally are asked to abide by? Thank you.

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

Hon. Louis Tapardjuk (interpretation): Mr. Ma will answer the question.

Chairman: Thank you. Mr. Ma.

Mr. Ma: Thank you, Mr. Chairman. If I understand the member correctly, I think there are sort of two parts to his question and perhaps that is why my answer is not quite clear. Yes, in terms of the process, but the second is sort of a no, I guess, the city gets to determine their own priorities in terms of how they want to spend within the block funding that we provide them.

I think you also asked sort of in a roundabout way whether the two projects I just mentioned, I think the Rankin Inlet Water Treatment and I can't remember what the other one is... we do have the flexibility with the way it is currently set up to re-cash flow things, and then, like I said, we typically would then notify the Chairperson of the

Standing Committee on Government Operations and Accountability. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Ma. Mr. Curley.

Mr. Curley: Thank you, Mr. Chairman. My next question is: is the GN in discussions at all with the federal government to provide funding for this Iqaluit Paving Project, and if so, when will it receive a final answer from Ottawa? Thank you.

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

Hon. Louis Tapardjuk (interpretation): Mr. Ma will answer the question.

Chairman: Thank you. Mr. Ma.

Mr. Ma: Thank you, Mr. Chairman. That is actually a really good question. We, being the Department of Community and Government Services, have been in discussions with Infrastructure Canada officials. I'm going by memory a little bit, but I think the last discussion we had with them was in May. We brought up this and a number of other projects that could perhaps be funded under the Building Canada Fund. If my memory serves me correctly, at this point in time, the reaction is favourable.

Since that time, Infrastructure Canada has a new assistant deputy minister in that area. If I recall correctly, the Department of Community and Government Services will be meeting with the new ADM I believe on October 2. Recognizing the fact that we're also in the federal election, it may slow some things down, but we're hoping not. At least at the officials' level, we will continue to move the file along as quickly as possible.

With respect to a conclusion date, that was one of the questions the member asked, I'm afraid I can't answer that at this point in time, Mr. Chairman. Thank you.

Chairman: Thank you, Mr. Ma. (interpretation) Are you finished? (interpretation ends) Mr. Arvaluk.

Mr. Arvaluk (interpretation): Thank you, Mr. Chairman. (interpretation ends) To pay for these special warrants and not previously authorized requests, what projects have been cancelled to accommodate this? I haven't got my arena yet. What other projects that you have slated for 2008-09 have been cancelled? (interpretation) Thank you.

Chairman (interpretation): Thank you, Mr. Arvaluk. Minister Tapardjuk.

Hon. Louis Tapardjuk (interpretation): I will have Mr. Ma respond to that question.

Chairman: Thank you. Mr. Ma.

Mr. Ma: Thank you, Mr. Chairman. With respect to the bridge in Pangnirtung, we have not cancelled any projects at this point in time. All told, we're spending \$5 million to rectify the situation in Pangnirtung, \$4.5 million of that was through capital and another \$500,000 was through O&M.

That said though, because this was, if you will, a disaster type of situation, under federal programs, we may be able to recover a portion of that. Our Department of Community and Government Services is working towards recovering as much as we can from the feds in this respect. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Ma. Mr. Arvaluk.

Mr. Arvaluk: Thank you, Mr. Chairman. That's different from Infrastructure Canada, gas tax, and that's a completely different source of funding from the federal government? Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Arvaluk. Minister Tapardjuk.

Hon. Louis Tapardjuk (interpretation): I will have Mr. Ma answer the question.

Chairman: Thank you. Mr. Ma.

Mr. Ma: Thank you, Mr. Chairman. The answer to the member's question is yes. I believe the fund is called the Disaster Relief Fund, I could be wrong and I may stand to be corrected in that respect. So it is different from MRIF and CSIF, and other federal programs such as that. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Ma. (interpretation) Are you finished? Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. Just in relation to the disaster in Pangnirtung, I think that's another good example for our friends south of the boarder of global warming. For the bridge replacement project here, was that for the new bridge or for the old bridge that got washed away? 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. Mr. Ma.

Mr. Ma: Thank you, Mr. Chairman. I'll try my best to answer the member's question. I may have to rely on my colleagues from the Department of Community and Government Services. Initially, when we had the situation in Pangnirtung, we needed to come to some sort of a solution, I guess, to provide services to the community. If I recall, at that point in time, we put up a temporary bridge. So the special warrant was initially done to deal with that situation.

The Department of Community and Government Services also realized that, going forward, we would have to replace that bridge. So there was an order made I think with a firm in London, England. That bridge was brought over to Canada and the initial plan was to bring it up, I think, through Newfoundland and then on up to Pangnirtung. When the bridge actually got here, we recognized that the barge or the ship that was going to be going up there was not available anymore. So we looked at other options and an option was to go from here to Pangnirtung to do that.

So basically that's the plan we're on now to get the bridge replaced in Pangnirtung and we obviously need to get it done as quickly as possible. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Ma. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. I'm just wondering if Mr. Ma could clarify if it was the London Bridge that fell down there...

>>*Laughter*

... or was it the old bridge that was there already that was getting addressed. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Tootoo. Mr. Ma.

Mr. Ma: Thank you, Mr. Chairman. I think he's asking me a 'Humpty Dumpty' question, but no, seriously, just in the way of background, I guess, there were actually two bridges in Pangnirtung - one was an old bridge and the second bridge was a bridge that was in the process of being built. Because of the severity of what happened in Pangnirtung, it ended up, if I recall correctly, that both bridges ended up being washed out.

So I guess the short answer to your question, it would be that both bridges are being replaced now. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Ma. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. I thank Mr. Ma for that response. He had indicated that that one bridge was being built and the new one was being built. Has that bridge been completed and turned over to basically become the property of the GN at that point in time or was it still in the hands of the contractor? 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. Mr. Ma.

Mr. Ma: Thank you, Mr. Chairman. If that bridge had not been commissioned over to the Government of Nunavut at that point of time, it would have still been with the contractor, although I could stand to be corrected and I will verify that for you. Thank you Mr. Chairman.

Chairman: Thank you, Mr. Ma. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. I guess given that it's still not the property at that point of the government and if it hadn't been turned over, would that not be the contractor's asset or responsibility to replace? I'm sure they would have had insurance or something to go after for such events. If it wasn't our asset at that point in time, would it be our responsibility to pay for repairing it? 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. Mr. Ma.

Mr. Ma: Thank you, Mr. Chairman. I actually don't know the answer but I suspect it would be an Act of God and I don't know what the contract had in place. Again, I commit to getting back to the member on that question. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Ma. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. I'm not saying it wasn't an act or whatever, if it wasn't our asset or our property at that point in time, then I'm sure the contractor would have said, "It still belongs to us." So I just want to make sure that we're not really paying for something that wasn't ours and we're not paying for something twice.

If there are other options by the contractor to recoup any losses or whatever through any other avenues, if you could also look in to see if that has been explored as well. Thank you, Mr. Chairman.

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

Hon. Louis Tapardjuk (interpretation): Perhaps Mr. Ma can respond to that question, Mr. Chairman.

Chairman: Thank you. Mr. Ma

Mr. Ma: Thank you, Mr. Chairman. I fully understand what the member is saying to me, so I will look into the matter. Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Ma. (interpretation) Are you finished? (interpretation ends) Questions? We're on page 5. Community and Government Services. Capital. Special Warrants. Not Previously Authorized. Capital Planning. Total Capital Planning. Special Warrants. \$2.5 million. Agreed?

Some Members: Agreed.

Chairman: Not Previously Authorized. \$3,976,000. Does the committee agree?

Some Members: Agreed.

Chairman: Total Department. Special Warrants. \$2.5 million. Agreed?

Some Members: Agreed.

Chairman: Not Previously Authorized. \$3,976,000. Agreed?

Some Members: Agreed.

Chairman: Page 6. Economic Development and Transportation. Capital. Not Previously Authorized. Transportation. Total Transportation. \$2,010,000. Agreed?

Some Members: Agreed.

Chairman: Total Department. \$2,010,000. Agreed?

Some Members: Agreed.

Chairman: Go back to page 2. Schedule 1. Capital. Capital Appropriation. \$8,786,000. Agreed?

Some Members: Agreed.

Chairman: Go to Bill 38 in your legislation binder. *Supplementary Appropriation (Capital) Act, No. 2, 2008-2009*, Bill 38. Clause 1. Agreed?

Some Members: Agreed.

Chairman: Clause 2?

Some Members: Agreed.

Chairman: Clause 3?

Some Members: Agreed.

Chairman: Now go to page 2 of Bill 38. Schedule. Supplementary Amounts Appropriated for the Fiscal Year Ending March 31, 2009. Vote 2. Capital. Total Capital. \$8,786,000. Agreed?

Some Members: Agreed.

Chairman: Total Supplementary Appropriation. \$8,786,000. Agreed?

Some Members: Agreed.

Chairman: Clause 4. Agreed?

Some Members: Agreed.

Chairman: Clause 5?

Some Members: Agreed.

Chairman: Clause 6. Agreed?

Some Members: Agreed.

Chairman: Clause 7. Agreed?

Some Members: Agreed.

Chairman: Do members agree to Bill 38 as a whole?

Some Members: Agreed.

Chairman: Do members agree that pursuant to Rule 62(2) that Bill 38 can immediately be placed on the Orders of the Day for third reading?

Some Members: Agreed.

Chairman: Thank you. We're on Bill 39. I would like to ask Minister Tapardjuk of the Department of Finance to make his opening remarks. Minister Tapardjuk.

**Bill 39 – Supplementary Appropriation (Operations & Maintenance) Act, No. 2,
2008-2009 – Consideration in Committee**

Hon. Louis Tapardjuk (interpretation): Thank you, Mr. Chairman. Bill 39 will provide \$43,005,000 in supplemental O&M funding in 2008-09 for:

- Departments and territorial corporations to deal with the recent fuel price increases;

- Departments and territorial corporations to absorb the cost of the recent NEU Collective Agreement; and
- An increase in the federal contribution to the Non-Insured Health Benefits program.

Mr. Chairman, I would be pleased to answer any questions that members may have. Thank you.

Chairman: Bill 39, *Supplementary Appropriation (Operations and Maintenance) Act, No. 2, 2008-2009*. Page 4. Office of the Legislative Assembly. Operations and Maintenance. Not Previously Authorized. Office of the Clerk. Total Office of the Clerk. \$135,000. Agreed?

Some Members: Agreed.

Chairman: Expenditures on Behalf of Members. Total Expenditures on Behalf of Members. \$249,000. Agreed?

Some Members: Agreed.

Chairman: Office of the Speaker. Total Office of the Speaker. \$5,000. I wish I could have more than that. Agreed?

Some Members: Agreed.

Chairman: We will go to page 5. Office of the Legislative Assembly. Operations and Maintenance. Not Previously Authorized. Office of the Chief Electoral Officer. Total Office of the Chief Electoral Officer. \$15,000. Agreed?

Some Members: Agreed.

Chairman: Offices of Independent Commissioners. Total Offices of Independent Commissioners. \$17,000. Agreed?

Some Members: Agreed.

Chairman: Thank you. Total Department. \$421,000. Agreed?

Some Members: Agreed.

Chairman: Thank you. Page 6. Executive and Intergovernmental Affairs. Operations and Maintenance. Not Previously Authorized. Directorate. Total Directorate. \$177,000. Agreed?

Some Members: Agreed.

Chairman: Statistical Services. Total Statistical Services. \$33,000. Agreed?

Some Members: Agreed.

Chairman: Policy, Planning and Evaluation. Total Policy, Planning and Evaluation. \$93,000. Agreed?

Some Members: Agreed.

Chairman: Thank you. Page 7. Executive and Intergovernmental Affairs. Operations and Maintenance. Not Previously Authorized. Nunavut Cabinet. Total Nunavut Cabinet. \$216,000. Agreed?

Some Members: Agreed.

Chairman: Commissioner of Nunavut. Total Commissioner of Nunavut. \$10,000. Agreed?

Some Members: Agreed.

Chairman: Intergovernmental Affairs. Total Intergovernmental Affairs. \$69,000. Agreed?

Some Members: Agreed.

Chairman: Page 8. Executive and Intergovernmental Affairs. Operations and Maintenance. Not Previously Authorized. Aboriginal and Circumpolar Affairs. Total Aboriginal and Circumpolar Affairs. \$20,000. Agreed?

Some Members: Agreed.

Chairman: Devolution. Total Devolution. \$48,000. Agreed?

Some Members: Agreed.

Chairman: Total Department. \$656,000. Agreed?

Some Members: Agreed.

Chairman: Thank you. Page 9. Finance. Operations and Maintenance. Not Previously Authorized. Directorate. Total Directorate. \$378,000. Agreed?

Some Members: Agreed.

Chairman: Policy and Planning. Total Policy and Planning. \$231,000. Agreed?

Some Members: Agreed.

Chairman: Financial Management. Total Financial Management. \$214,000. Agreed?

Some Members: Agreed.

Chairman: Page 10. Finance. Operations and Maintenance. Not Previously Authorized. Internal Audit Services. Total Internal Audit Services. \$77,000. Agreed?

Some Members: Agreed.

Chairman: Comptrollership. Total Comptrollership. \$907,000. Agreed?

Some Members: Agreed.

Chairman: Centrally Administered Funds. Total Centrally Administered Funds. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. In here, they're providing funding of \$2 million to the Qulliq Energy Corporation for the development of the hydroelectric project. I'm just wondering if the minister or the Minister of Energy could give us a breakdown on what those funds will be used for specifically. Thank you, Mr. Chairman.

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

Hon. Louis Tapardjuk (interpretation): Perhaps Minister Picco can answer that question since he holds that portfolio.

Chairman: Thank you, Minister Tapardjuk. (interpretation) Minister Picco, please respond.

Hon. Ed. Picco: Thank you, Mr. Chairman. I thank the member for the question. \$100,000 of \$2.1 million is used for a desktop study for the Kivalliq region. What that means is basically, from the concerns raised by the Members in the House, there are hydroelectric possibilities outside of this region as an example.

The first step of a hydroelectric study is to do a desktop study and that's where you actually look at cartographic maps, you look at geographic locations, and start looking at potentials. One of the areas that we're looking at is in Coral Harbour as an example. We already have identified previously sites in the Kivalliq region, south of Arviat and indeed, close to Rankin Inlet. Those would be followed up further.

The additional \$2 million also for the Power Corporation is on the Iqaluit project and that's to follow up some of the good work that has been done to date. As the members

know, you can't just go there and start a power plant. Indeed, you have to look at the hydrological studies, the amount of water flow; you have to do geotechnical work to see if the structure of the ground, for example, would be able to hold a dam, what type of fault and underlying strata is in place, and so on. So this money would be to help facilitate that.

However, if the Department of Finance has any more detail on the \$2 million, they could add some, too. Thank you, Mr. Chairman.

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

Mr. Tootoo: Thank you, Mr. Chairman. Mr. Minister, I'm sure the only thing that the Department of Finance might be able to add to that is what the underground strata are over there.

I know that this is something that has been going on for quite some time and I know that there have been some concerns raised at the local level over the site. I believe it was not even a year ago that there was a different location, and I think it was the Armshow Long River site, or it was a site on this side of the bay, that was the preferred site and since then, there has been some changes. So I'm just wondering if the minister could give a little update of the process on how that change came about to be. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Tootoo. This guy is asking questions to Minister Picco. Minister Picco.

Hon. Ed. Picco: Thank you, Mr. Chairman. The member is correct. This has been a process that we have been working on for over five years and the first thing we did a little over five years ago was to look at energy potential. There are all kinds of energy potential, but it really throws me off sometimes when we look at some of the things that are being raised publicly.

First of all, Mr. Chairman, as you know, wind power seems to be some opportunity. We have followed that up and we have actually met with the largest developer of wind power in Toronto this summer, and that's Sky Power. They're moving forward to do some work for us in the Kivalliq region. We think that's a good thing. We have talked to, for example, alternative energy sources, including solar, and we have talked to nuclear people on nuclear power. At the end of the day, it would seem that the biggest bang for our dollar would come from hydroelectric, it's a renewable resource.

So at one point, we had 15 locations, but we didn't have the water flow that a lot of people know about. One of the sites that were looked at, for example, was the Sylvia Grinnell River. It's a major fish river and the idea that you had to put a big dam there, it would be very hard to negate or even mitigate the damage to the fish, and so on, in the river, and also, it runs through a park, so that would be a concern. When we looked at some of the other sites, we started taking them off the list because there wasn't enough

water flow, there weren't enough hydro sites, and so on and so forth, so we narrowed it down to six and then to four sites.

There are four sites on what we would consider the Kinngait side of the Bay, which is the western side of Frobisher Bay and we have two sites on the eastern side of Frobisher Bay; Anna-Marie Port, which would give us between eight and ten megawatts; Cantley Bay, which would give us between 14 to 17 megawatts; James Inlet, which would give us about eight to ten megawatts; and Armshow, which would give us in excess of 15 megawatts.

The total peak capacity in Iqaluit is ten megawatts and that's only at certain times of the year, so you're not always running at ten megawatts. So what you would need to be able to do is put in place logistic, as well as the administrative and the financial package to be able to develop that monies and that package. So it's gone from 15 down to four.

The preferred site that was identified at first was the Armshow and the Armshow flow was considerable but is a very large site. The cost to do that, the preliminary numbers looked at about \$350 million to \$500 million and that was the price tag. However, the James Inlet process would be about \$180 million to \$300 million. When you look at the economies of scale, it would probably be a better site to develop. At the same time, we're still doing the hydrological studies on Cantley Bay and Anna-Marie Port because we haven't ruled those out.

What has to happen now is the pre-feasibility study on the four different sites to see which one would be the best one geologically, meaning the underlying strata, are there faults, are there concerns with the morphology of the rocks underneath when you're constructing a dam and the pens up. You have to look at, number two, is the hydrological water level, and so on; number three, what is the least disruptive to the community and to the animals; and number four, look at other cost contingencies, for example, if it's going to go through a park, if it's on Inuit owned lands, is there an IIBA that needs to be signed, and so on.

So all that is part of the process and that's why, when they originally looked at Armshow, they looked and said that the best site potential for hydro is Armshow, but they didn't put in the other mitigating circumstances, such as costs, the logistics, and the administrative issues, and that's why we're still having four. We have narrowed it down to four sites and of those four sites, two are optimum, being Armshow and James Inlet.

Very briefly, I hope that helped explain the situation regarding the hydro sites. Thank you, Mr. Chairman.

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

Mr. Tootoo: Thank you, Mr. Chairman. I would like to thank the minister for that brief explanation. I think it was earlier this week in Monday's paper, and I'm sure the minister probably is aware, I think it was reported that one site had been chosen. Just from hearing

the minister's comments on it confirmed that the Qulliq Energy Corporation hasn't chosen one site yet. As he indicated, they're looking at four different sites prior to making a final decision. Thank you, Mr. Chairman.

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

Hon. Ed. Picco: Thank you, Mr. Chairman. The member is correct. Again, I think it's important to point out that if you're going to move forward on \$150 million, \$200 million, or \$350 million project, you better make sure that all your ducks, as it were, are lined up and you need to ensure that, as I said earlier, the morphology of the area, and so on, are suitable.

So that pre-feasibility work will continue over the next 18 months. And I would suggest to you that over the next 24 months, we will have most of the data that we need. Again, you can't just go out and build something because the water is flowing, you need to know what amount of water is flowing there, and you need to be able to take that climate data, that hydrology, and that's hydro, we need hydrology studies in water flow and so on.

So the member is correct and again, no decision has been made that we're going to go in one certain place and build. What we have said is that out of the 15 original sites, and then eight and down to four, and now we're looking at mainly two areas, but we haven't discounted the other two. Again, those four sites seem to have the most potential.

But this type of a program, when the amortization cost is over a longer period of time, you want to make sure that you get it right the first time. So I strongly believe that the Power Corporation is doing a good job in ensuring that all the t's are crossed and all the i's are dotted on this area. Thank you, Mr. Chairman.

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

Mr. Tootoo: Thank you, Mr. Chairman. The minister indicated earlier that one of the things that they look at is water flow and I think one of the things that were reported recently was the fact that there was a considerable amount, I think they reported 100 percent more water and the water runoff, and I would assume that's in your spring runoff. But if you look at it, like this year, over the last few years, the amount of snow we've had has been very little and if it keeps getting like that, I'm just wondering if the snow is not there, then the runoff isn't there.

I'm just wondering if that's something that has been looked at as well, down the future, when they're taking a look at their numbers because with the way things are going, we didn't have very much snow last year and in a couple of days, it seemed like it was all gone. It could get worse if the climate keeps going the way it does. So I would just like to get a confirmation from the minister that that's something that they have taken into account when they're looking at the water flow or water runoff. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Tootoo. (interpretation) I believe someone has their hand up. (interpretation ends) Mr. Mapsalak, is there something that you would like to say? Mr. Mapsalak.

Mr. Mapsalak (interpretation): Thank you, Mr. Chairman. I just noted the time and my committee has to meet later on. I would like to report progress because my committee has further matters to attend to and complete. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you. Mr. Mapsalak. (interpretation ends) We have a motion on the floor to report progress and the motion is not debatable so don't debate, okay?

>>*Laughter*

All those in favour of the motion. All those opposed. The motion is carried. I will now rise to report progress. (interpretation) Thank you.

Minister Tapardjuk, thank you. (interpretation ends) Thank you very much Minister Tapardjuk and your staff. Thank you.

Speaker (interpretation): Thank you. Going back to the Orders of the Day. Item 20. Report of the Committee of the Whole. Mr. Kattuk.

Item 20: Report of the Committee of the Whole

Mr. Kattuk: Thank you, Mr. Speaker. Your committee has been considering Bills 36, 37, 38, and 39, and would like to report that Bills 36, 37, and 38 are immediately ready for third reading, and Mr. Speaker, I move that the Report of the Committee of the Whole be agreed to. Thank you, Mr. Speaker.

Speaker: Thank you, Mr. Kattuk. There is a motion on the floor. Is there a seconder? Ms. Aglukkaq.

>>*Applause*

Speaker: The motion is in order. All those in favour, raise your hand. Opposed. The motion is carried.

Item 21. Third Reading of Bills. Item 22. Orders of the Day. Mr. Clerk.

Item 22: Orders of the Day

Clerk (Mr. Quirke): Thank you, Mr. Speaker. A reminder there's a meeting of the Standing Committee *Ajauqtiit* at 6:30 at the Tuktu Room. For tomorrow, there's a meeting of the Standing Committee on Health and Education at nine o'clock in the morning in the Tuktu Room.

Orders of the Day for September 11:

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
 - Bill 40
 - Bill 41
 - Bill 42
 - Bill 43
19. Consideration in Committee of the Whole of Bills and Other Matters
 - Bill 39
 - Tabled Document 216 – 2(4)
20. Report of the Committee of the Whole
21. Third Reading of Bills
 - Bill 36
 - Bill 37

- Bill 38

22. Orders of the Day

Thank you.

Speaker: Thank you. This House stands adjourned until Thursday, September 11, at 1:30 p.m.

(interpretation) Sergeant-at-Arms.

>>*House adjourned at 18:08*

