



Nunavut Canada

LEGISLATIVE ASSEMBLY OF NUNAVUT

2nd Session

3rd Assembly

HANSARD

Official Report

DAY 5

Tuesday, June 9, 2009

Pages 175 – 234

Iqaluit

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

Legislative Assembly of Nunavut

Speaker

Hon. James Arreak
(Uqqummiut)

Hon. Eva Aariak
(Iqaluit East)
Premier; Minister of Executive and Intergovernmental Affairs; Minister responsible for the Status of Women; Minister responsible for Immigration

James Arvaluk
(Tununiq)

Moses Aupaluktuq
(Baker Lake)

Hon. Tagak Curley
(Rankin Inlet North)
Minister of Health and Social Services; Minister responsible for the Workers' Safety and Compensation Commission; Minister responsible for the Utility Rates Review Council

Ron Elliott
(Quttiktuq)

Adamee Komoartok
(Pangnirtung)

Hon. Lorne Kusugak
(Rankin Inlet South – Whale Cove)
Minister of Community and Government Services; Minister of Energy

John Ningark
(Akulliq)

Johnny Ningeongan
(Nanulik)
Deputy Speaker, Chair of the Committee of the Whole

Paul Okalik
(Iqaluit West)
Deputy Chair, Committee of the Whole

Eruk Pauloosie
(Nattilik)
Deputy Chair, Committee of the Whole

Hon. Keith Peterson
(Cambridge Bay)
Minister of Finance, Chair, Financial Management Board; Minister of Justice

Allan Rumbolt
(Hudson Bay)

Fred Schell
(South Baffin)

Hon. Daniel Shewchuk
(Arviat)
Minister of Environment; Minister of Human Resources; Minister responsible for the Nunavut Arctic College

Hon. Louis Tapardjuk
(Amittuq)
Government House Leader; Minister of Education; Minister of Culture, Language, Elders and Youth; Minister of Languages; Minister of Aboriginal Affairs

Hon. Peter Taptuna
(Kugluktuk)
Deputy Premier; Minister of Economic Development and Transportation

Hon. Hunter Tootoo
(Iqaluit Centre)
Minister responsible for the Nunavut Housing Corporation; Minister responsible for the Qulliq Energy Corporation; Minister responsible for Homelessness

Officers

Clerk

John Quirke

Deputy Clerk
Nancy Tupik

Clerk Assistant
Stephen Innuksuk

Law Clerk
Susan Cooper

Sergeant-at-Arms
Simanek Kilabuk

Hansard Production
Innirvik Support Services

Box 1200

Iqaluit, Nunavut, X0A 0H0

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

Website: www.assembly.nu.ca

Table of Contents

Opening Prayer.....	175
Ministers' Statements	175
Members' Statements	177
Returns to Oral Questions	180
Oral Questions	180
Revert to Item 5: Recognition of Visitors in the Gallery	198
Written Questions.....	198
Tabled Documents.....	199
Consideration in Committee of the Whole of Bills and Other Matters	200
Report of the Committee of the Whole	233
Orders of the Day	233

A.

Daily References

Tuesday, June 9, 2009 175

B.

Ministers' Statements

014 – 3(2): Minister Absent From the House (Curley) 175
015 – 3(2): Cold Weather Aerospace Testing – Iqaluit Airport (Taptuna) 175
016 – 3(2): Energy Teacher's Kit (Kusugak) 176
017 – 3(2): Nunavut Participation in Growing Forward from 2009 to 2013 (Taptuna) 176

C.

Members' Statements

023 – 3(2): Baker Lake Graduates of Nunavut Sivuniksavut (Aupaluktuq) 177
024 – 3(2): Operation Nunalivut 2009 (Elliott) 178
025 – 3(2): Whale Cove High School Graduates (Kusugak) 178
026 – 3(2): Pangiirtung Turbot Fishery (Komoartok) 179
027 – 3(2): Resource Development Opportunities in Nunavut (Ningark) 179

D.

Returns to Oral Questions

Return to Oral Question 019 – 3(2): Review of NHC Maintenance Management Programs and
Operations (Tootoo) 180

E.

Oral Questions

032 – 3(2): NHC Acquisition of Telehandlers (Schell) 181
033 – 3(2): Status of GN's Review of Business Development Centres (Aupaluktuq) 182

034 – 3(2): Protecting Arctic Waters from Pollution (Elliott).....	184
035 – 3(2): Government of Nunavut Input into Review of Food Mail Program (Ningeongan)..	187
036 – 3(2): Resource Development Opportunities in Nunavut (Ningark)	188
037 – 3(2): Update on New Power Plant for Cape Dorset (Schell).....	189
038 – 3(2): Housing Maintenance Costs per Unit (Elliott)	191
039 – 3(2): H1N1 Swine Flu Update (Ningark).....	193
040 – 3(2): Project Tendering for Cape Dorset (Schell)	194
041 – 3(2): Arctic Bay Health Centre (Elliott).....	195
042 – 3(2): Update on Arctic Bay Airport (Elliott).....	197

F.

Written Questions

001 – 3(2): Employment of Agency Nurses (Aupaluktuq)	198
--	-----

G.

Tabling of Documents

021 – 3(2): Quotes for Equipment Purchase (Schell).....	199
022 – 3(2): Procurement Activity Report, 2007-2008 (Kusugak).....	199

H.

Bills

Bill 01 – Appropriation (Operations & Maintenance) Act, 2009-2010 – Community and Government Services – Consideration in Committee.....	200
Bill 01 – Appropriation (Operations & Maintenance) Act, 2009-2010 – Finance – Consideration in Committee.....	225

**Iqaluit, Nunavut
Tuesday, June 9, 2009**

Members Present:

Honourable Eva Aariak, Honourable James Arreak, Mr. Moses Aupaluktuq, Honourable Tagak Curley, Mr. Ron Elliott, Mr. Adamee Komoartok, Honourable Lorne Kusugak, Mr. John Ningark, Mr. Johnny Ningeongan, Honourable Keith Peterson, Mr. Allan Rumbolt, Mr. Fred Schell, Honourable Daniel Shewchuk, Honourable Peter Taptuna, Honourable Hunter Tootoo.

Item 1: Opening Prayer

Speaker (Hon. James Arreak) (interpretation): Before we proceed, I would like to ask Mr. Daniel Shewchuk to say the opening prayer. Mr. Shewchuk.

>>*Prayer*

Speaker (interpretation): Thank you. Good afternoon, Premier, Ministers, Members of the Legislative Assembly, Nunavummiut, and residents of Clyde River, especially my grandchildren.

(interpretation ends) Item 2. Ministers' Statements. Mr. Curley.

Item 2: Ministers' Statements

**Minister's Statement 014 – 3(2):
Minister Absent From the House**

Hon. Tagak Curley (interpretation): Thank you, Mr. Speaker. I rise to advise my colleagues that the Hon. Louis Tapardjuk will be absent from the House on June 9 and June 10. Thank you, Mr. Speaker.

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

**Minister's Statement 015 – 3(2): Cold
Weather Aerospace Testing –
Iqaluit Airport**

Hon. Peter Taptuna: Thank you, Mr. Speaker. Most Members of this House are aware that the Iqaluit International Airport has built an international reputation as the world's premiere cold weather aerospace test centre for the European aircraft manufacturing industry.

Since 2005, when cold weather testing began, it is estimated that more than \$3 million has been spent in Iqaluit by six companies, including Airbus and Eurocopter. I believe we can see this sector grow considerably in the next few years. In order to continue this type of activity, it is important to continue to market the Iqaluit International Airport and place the airport solely in the customer's mind and keep it there.

On June 10, Mr. Speaker, I will be leading a delegation from the Department of Economic Development and Transportation to the 48th Paris International Air Show. With nearly 2,000 exhibitors from over 40 countries and 154,000 trade visitors, the show is the world's largest and most important aerospace event.

I will be meeting with prospective aviation clients from the commercial, business, and military aviation sectors, and will be promoting the use of the Iqaluit International Airport for cold weather testing.

We will be pursuing the next phase of the Eurocopter EC- 175 flight test program, as well as the forthcoming Airbus A400M military transport test program, the Boeing 787 Dreamliner, and the Airbus A350XWB. I have meetings scheduled with senior management from each of these aircraft manufacturers.

Cold weather flight testing, Mr. Speaker, reveals another dimension to economic development in Nunavut. The cold weather testing business requires minimal capital investment but yields immediate economic benefits through local provision of services, including accommodations, catering, vehicle rentals, and ground support, including the sales of fuel, clothing, and local arts and crafts. (interpretation) Thank you, Mr. Speaker.

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

**Minister's Statement 016 – 3(2):
Energy Teacher's Kit**

Hon. Lorne Kusugak (interpretation): Thank you, Mr. Speaker. (interpretation ends) I am pleased to announce that an Energy Teacher's Kit will soon be available for schools across Nunavut. The energy kit will provide teachers with easy-to-use teaching resources so that they are able to incorporate energy topics into their learning discussions.

The teacher's kit is tailored for kindergarten to grade 12 students and will be available in English, Inuktitut, Inuinnaqtun, and French. Teaching topics will include renewable and non-renewable energy, energy production,

energy conservation, and energy efficiency.

Mr. Speaker, the energy teaching resources will provide students with opportunities to explore energy use and develop strategies to encourage energy conservation in their schools and communities. The Energy Teacher's Kit will be distributed while we work to develop energy curriculum for all Nunavut schools.

The development of energy curriculum is an important initiative of our Energy Strategy. We recognize that responsible decision-making about energy will require today's students to understand energy and all related issues as tomorrow's leaders.

Mr. Speaker, one of the four main goals of our Energy Strategy is the development of energy-related business and employment opportunities in Nunavut. By introducing energy curriculum, we hope to inspire Nunavut students to pursue employment in the energy field. (interpretation) Thank you, Mr. Speaker.

>> *Applause*

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

**Minister's Statement 017 – 3(2):
Nunavut Participation in Growing
Forward from 2009 to 2013**

Hon. Peter Taptuna: Thank you, Mr. Speaker. Members of the House, we all recognize the economic and cultural significance of the traditional economy in Nunavut. We are proud to support our

harvesters. They provide healthy food for our families, pass cultural knowledge to our children, and are the foundation of our communities.

On March 27, my department signed a bilateral agreement with Agriculture and Agri-Food Canada under the Growing Forward Framework. Under Growing Forward, joint federal-territorial funding will support sustainable and innovative harvesting activities and contribute to community economic development.

Growing Forward funds in Nunavut will support caribou herd management studies, food safety training, and other capacity building initiatives, including commercial harvesting initiatives and market development initiatives.

An Hon. Member: Hear, hear.

Growing Forward programs in Nunavut will also support the advancement of research and demonstration projects relevant to the Nunavut harvesting and value-added industry. In the coming year, the department will undertake studies on innovative community freezer technology, community markets for country food, and community greenhouses.

The department will work with the Department of Environment, the Nunavut Development Corporation, hunters and trappers organizations, harvesters, Inuit organizations, communities, societies, and Nunavut businesses to implement projects and initiatives under Growing Forward. (interpretation) Thank you, Mr. Speaker.

>>Applause

Speaker: Thank you, Minister. Ministers' Statements. Before we proceed, I wish to inform members that the Member for Iqaluit West, Mr. Paul Okalik, will not be in the House but will return on Thursday.

Item 3. Members' Statements. Mr. Aupaluktuq.

Item 3: Members' Statements

Member's Statement 023 – 3(2): Baker Lake Graduates of Nunavut Sivuniksavut

Mr. Aupaluktuq (interpretation): Thank you, Mr. Speaker. I would like to send my regards to the residents of Baker Lake. During the spring, it is the time to make dry meat and I am getting homesick because they are preparing all the country foods, especially for the youth.

Speaking of youth, I wish to mention those who completed the first year of the Nunavut Sivuniksavut Program in Ottawa. They are: Siobhan Iksiktaarjuk, Paula Rumbolt, Kevin Iksitaarjuk, and also one of my nieces, Aqattuaq Kiah Hachey.

I myself have gone through the Nunavut Sivuniksavut Program in 1992-93. They teach you government systems and how the Nunavut territory was created. I would like to acknowledge the students who have completed the Nunavut Sivuniksavut Program. Thank you, Mr. Speaker.

>>Applause

Speaker: Thank you. Members' Statements. Member for Quttiktuq, Mr. Elliott.

**Member's Statement 024 – 3(2):
Operation Nunaliut 2009**

Mr. Elliott: Thank you, Mr. Speaker. I rise today to pay tribute to the participants in this year's Operation Nunaliut. As members will be aware, Operation Nunaliut is one of three major arctic sovereignty operations conducted every year by the Canadian Forces.

This year's operation took place in March and April. I had the honour of joining our Premier and the Commander of Joint Task Force North Brigadier-General David Millar to welcome the return of the Canadian Rangers from their patrol of Ellesmere Island.

Mr. Speaker, during ceremonies to mark the occasion, Grise Fiord Ranger Jarloo Kiguktak presented the Premier with a commemorative item of rangers clothing. I know that she will wear it with pride.

Mr. Speaker, other rangers participating in this exercise from the High Arctic were Master Corporal Donald Ittuksarjuat, Ranger Alex Ammaklak, and Ranger Joelle Qaunaq.

Mr. Speaker, I support close cooperation between federal, territorial, and local governments on issues that impact the High Arctic. The Canadian Forces play a critical role in many areas: sovereignty assertion, search and rescue, and disaster relief.

Mr. Speaker, our Canadian Rangers deserve our full support. I ask all members to join me in paying tribute to this year's participants in Operation Nunaliut. Thank you, Mr. Speaker.

>> *Applause*

Speaker: Thank you, Mr. Elliott. Members' Statements. Member for Rankin Inlet South and Whale Cove, Mr. Kusugak.

**Member's Statement 025 – 3(2):
Whale Cove High School
Graduates**

Hon. Lorne Kusugak (interpretation): Thank you, Mr. Speaker. Good day to the residents of Whale Cove and Rankin Inlet. It is the spring fishing season and many of us are envious.

I rise today to extend my congratulations to two students who graduated from grade 12 in Whale Cove, Iqipirliq Aaruaq and Dodai Qitirliq. I'm extremely proud of their accomplishment and quite happy to see them graduate.

I'm sure their parents are quite proud to see them complete grade 12 as it is always a momentous occasion when our children graduate from school. Although Whale Cove is a small community, they are quite active in many areas which I am pleased to see. They are quite supportive of their children's attendance in school.

These two students, Iqipirliq and Dodai, make very good role models and showcase the fact that if one works hard, one can complete their studies. I, along with my colleagues, would like to

congratulate the graduates on their accomplishment. Thank you, Mr. Speaker.

>>Applause

Speaker (interpretation): Thank you, Mr. Kusugak. Members' Statements. Member for Pangnirtung, Mr. Komoartok.

**Member's Statement 026 – 3(2):
Pangnirtung Turbot Fishery**

Mr. Komoartok (interpretation): Thank you, Mr. Speaker. I wish to inform my colleagues about what has transpired over the course of this year in my constituency. The winter turbot fishing season has just closed for this year and the fishery has also closed.

Last fall, in November, they allocated a further 106 metric tonnes to Pangnirtung and this was to create more jobs in the fish plant in Pangnirtung. They started fishing this allocation in November all the way into January. However, the ice outside of Pangnirtung Fiord finally formed solidly this year and we didn't experience any ice break-up this year, allowing the fishermen to fish continually.

The first turbot landed was on January 22 and the last one landed was on May 15. We had 31 fishermen fishing this quota and most had assistants. The turbot landed outside of Pangnirtung Fiord totalled 230,722 pounds altogether. The fishermen earned over \$250,000 this season, enabling the fish plant to operate continuously.

Mr. Speaker, there are between 35 and 40 people working full-time at the fish

plant during the peak fishing season. These fish plant workers were employed from January to May processing the turbot that is caught and their earnings were close to \$200,000.

Mr. Speaker, this has been very beneficial to the development of fisheries in our community. The fishermen are not just fishing for turbot near Pangnirtung as there are also commercial fishermen who fish for char in the lakes and we have commercial quotas in several lakes.

These turbot fishermen work extremely hard to catch their fish in deep seas, with depths reaching approximately 1,200 feet deep. Sometimes it takes the fishermen a whole hour for the fish lines to reach the sea bed. I would like to thank everyone for all their support. Thank you, Mr. Speaker.

>>Applause

Speaker (interpretation): Thank you, Mr. Komoartok. Members' Statements. Member for Akulliq, Mr. Ningark.

**Member's Statement 027 – 3(2):
Resource Development
Opportunities in Nunavut**

Mr. Ningark (interpretation): Thank you, Mr. Speaker. I would like to make a Member's Statement in regard to mining development in Nunavut. I'm not talking about the negative impacts of mining nor the benefits.

However, when we are initiating economic development or any development on our resources on the land, we have to ask: how will I benefit from this development? What will we

receive in exchange for this development? Will we get assistance from this development?

With regard to this line of thinking, I was approached by a constituent from Repulse Bay who wanted support for a prospecting course in their community. This included a request on a driller's course and whether they could get some assistance, which I received from an elder.

The context is that when our constituents request support, we have to provide whatever assistance we can. Also in Kugaaruk, a youth was interested in prospecting work during the summer months and he wanted assistance in trying to find employment.

I acknowledged the interests of my constituents who are interested in benefiting from economic development adjacent to their community. Mr. Speaker, when a constituent requests assistance from a member, we have to try to assist them in their endeavours. We cannot stop these projects and it seems we cannot initiate them either here in Nunavut.

With respect to people who wish to work for wages or to help themselves benefit from development to assist their families, we must provide them with help when they request it. At the appropriate time, I will be asking the Minister responsible for Mines some questions with regard to this matter. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you, Mr. Ningark. Members' Statements. (interpretation ends) Item 4. Returns to Oral Questions. Mr. Tootoo.

Item 4: Returns to Oral Questions

Return to Oral Question 019 – 3(2): Review of NHC Maintenance Management Programs and Operations

Hon. Hunter Tootoo: Thank you, Mr. Speaker. I would like to add further information to the question asked by the Member for Hudson Bay on Friday in regard to the review of the Housing Corporation on the maintenance management programs and operations in the LHOs.

As I promised him, I would confirm and I am very pleased and relieved to confirm that my memory isn't gone and I did remember correctly that a review of maintenance programs and maintenance operations has been completed in seven communities and those communities are: Kimmirut, Pond Inlet, Cambridge Bay, Rankin Inlet, Baker Lake, Pangnirtung, and Qikiqtarjuaq.

I also want to inform him that the Housing Corporation is committed to conducting reviews of the maintenance programs and maintenance operations in the remaining communities by next winter. Thank you, Mr. Speaker.

Speaker: Thank you, Minister. Returns to Oral Questions. Item 5. Recognition of Visitors in the Gallery. Item 6. Oral Questions. Member for Baffin South, Mr. Schell.

Item 6: Oral Questions

Question 032 – 3(2): NHC Acquisition of Telehandlers

Mr. Schell: Thank you, Mr. Speaker. My question is for the Minister responsible for the Nunavut Housing Corporation.

As the minister is well aware, I have been expressing concerns about the NHC's recent purchase of several hundred thousand dollars worth of telehandler units from the company Weagant Farm Supplies of South Mountain, Ontario.

Mr. Speaker, I didn't know that the NHC had gotten into the agricultural business. I would like to begin by asking the minister to explain exactly why the corporation did not acquire these units through a public tender process. Thank you, Mr. Speaker.

Speaker: Thank you. Minister responsible for the Nunavut Housing Corporation, Hon. Hunter Tootoo.

Hon. Hunter Tootoo: Thank you, Mr. Speaker. We aren't in the agricultural business as the member would refer to, I think he's maybe getting that information from somebody, but we're not in the agricultural business.

Mr. Speaker, the Housing Corporation, in looking at what we needed to deliver this year, is doing five different types of building that are coming up on sealift for different building types and one of them is the two-storey townhouse. We had determined and had the approval from CMHC that these were allowable expenses under the trust program to have that type of equipment necessary to

facilitate the construction of that type of unit.

The corporation, knowing that there is one company in Nunavut that manufactures, well, they don't really manufacture it here, they just get it from another company down south, decided that it was most prudent and the easiest way to do it was to do a request for quotations to four different companies on that and that's how that process was done.

There was a request for quotations requested from four different manufacturers and that's what the corporation did rather than going out to public tender. Thank you, Mr. Speaker.

Speaker: Thank you, Minister. Your first supplementary, Mr. Schell.

Mr. Schell: Thank you, Mr. Speaker. I would like to ask the minister to inform the House as to whether or not any of the NHC's current or former employees, contractors, or consultants who made the decision to acquire these units from Weagant Farm Supplies have or had business or personal ties with the company. Thank you, Mr. Speaker.

Speaker: Thank you. Minister Tootoo.

Hon. Hunter Tootoo: Thank you, Mr. Speaker. The member seems to be referring to some inappropriate actions being taken by corporation staff. I can assure the member, as I assured him in my office, that there are no personal dealings, involvement, or relationship between any of the people who were involved in setting up or doing the request for quotations and the successful proponent. Thank you, Mr. Speaker.

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

Mr. Schell: Thank you, Mr. Speaker. As I mentioned earlier, NHC has apparently decided to acquire units from a company that normally supplies farming equipment to folks in sunny southern Ontario.

It's my understanding that the other company that was asked to provide quotes, Case Toromont, submitted a quote for equipment that is specifically designed to operate in arctic conditions.

Can the minister explain to the House exactly what steps, if any, NHC took to determine that the Weagant Farm Supplies equipment will actually work in Nunavut throughout the year? Thank you, Mr. Speaker.

Speaker: Thank you. Minister Tootoo.

Hon. Hunter Tootoo: Thank you, Mr. Speaker. I would like to just confirm for the member that when the corporation staff indicated and did their request for quotations, they consulted with the manufacturers that made suggestions of things that would be required for operation here in the North and our cold temperatures.

Those things were taken into consideration and were included in requirements to be addressed by both of the proponents that he mentioned. Thank you, Mr. Speaker.

Speaker: Thank you, Minister. Your final supplementary, Mr. Schell.

Mr. Schell: Thank you, Mr. Speaker. It is clear that there are many unanswered

questions surrounding this situation. Will the minister commit to tabling a complete and comprehensive disclosure package in this House of all information concerning the process by which NHC made this purchase, yes or no?

Speaker: Thank you. Minister Tootoo.

Hon. Hunter Tootoo: Thank you, Mr. Speaker. I have no problem providing and tabling information that I have already provided to the member outlining exactly that information. He could table it himself, he's got it. But I would be more than happy to table information that we gave him in regard to that if that's what he's looking for. Thank you, Mr. Speaker.

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

Question 033 – 3(2): Status of GN's Review of Business Development Centres

Mr. Aupaluktuq (interpretation): Thank you, Mr. Speaker. (interpretation ends) My questions are for the Minister of Economic Development and Transportation, Hon. Minister Taptuna.

Last September, a copy of the report *An Evaluation of Business Development Centres in the Kitikmeot, Kivalliq and Qikiqtaaluk Regions* was tabled in the Legislative Assembly. This was of August 2008.

The department's business plan indicates that one of its priorities is to "implement the recommendations" of this assessment. Can the minister update the House today on the status of this work?

(interpretation) Thank you very much, Mr. Speaker.

Speaker: Thank you. Minister of Economic Development and Transportation, Hon. Peter Taptuna.

Hon. Peter Taptuna: Thank you, Mr. Speaker. Thank you for that question. I just need some clarification on exactly which section that you're talking about, the Kitikmeot or the Kivalliq. (interpretation) Thank you.

Speaker: Thank you. Mr. Aupaluktuq.

Mr. Aupaluktuq: Thank you, Mr. Speaker. The question wasn't specific for the whole evaluation of all of Nunavut and the business development centres of the Kitikmeot, Kivalliq, and Qikiqtaaluk, but I'm particularly interested in the Kivalliq. Thank you very much, Mr. Speaker.

Speaker: Thank you. Minister Taptuna.

Hon. Peter Taptuna: Thank you, Mr. Speaker. I'll have to get back to the hon. member on that as I don't have that information at present. Thank you, Mr. Speaker.

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

Mr. Aupaluktuq: Thank you, Mr. Speaker. I also thank the hon. minister for the response and I look forward to a reply as well. The reason why I asked about that was because I know you will get back to me on this later as well.

One of the observations in the assessment of the business development centres was that the Kivalliq Business

Development Centre is "not fully operationally engaged at the present time." Can the minister indicate how this concern is being addressed? This is where my questions were leading up to, Mr. Speaker. (interpretation) Thank you very much.

Speaker (interpretation): Thank you. Minister Taptuna.

Hon. Peter Taptuna: Thank you, Mr. Speaker. The Kivalliq Partners in Development, I'm assuming that you're asking questions on that organization.

As I had mentioned previously, the government is going to be doing an in-depth review throughout the report card process and that's going to be analyzed, evaluated, and once evaluated, the best option to help Nunavummiut and the Kivalliq will be taken. Thank you, Mr. Speaker.

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

Mr. Aupaluktuq (interpretation): Thank you very much, Mr. Speaker. (interpretation ends) I also want to thank the minister as well for the response. The question I was referring to in this sense was the status of the Kivalliq Business Development Centre.

But the supplementary question that I would like to use in the meantime, Mr. Speaker, is as the minister is aware, under the department's Program Partnerships Policy, the Kivalliq Partners in Development Corporation used to deliver business development programs in the region. However, this relationship ended in 2005.

I agree with suggestions that it's time for the government to revisit this issue. Will the minister commit to me that he will review the idea of renewing his department's relationship with the Kivalliq Partners in Development Corporation? Thank you very much, Mr. Speaker.

Speaker: Thank you. Minister Taptuna.

Hon. Peter Taptuna: Thank you, Mr. Speaker. Yes, there's going to be a review done on the whole process and how the economic funding, or contribution agreements, or programs are delivered in the Kivalliq region.

After consulting with the communities and partners that we have in delivering these programs, the evaluation will be done later on in the fall to hopefully find the most efficient and effective way of delivering these programs. Thank you, Mr. Speaker.

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

Mr. Aupaluktuq: Thank you very much, Mr. Speaker. I appreciate the minister's commitment as well. It isn't really so much as a supplementary question, but I also support the best and possible ways that we can best serve Nunavummiut, in particular in the Kivalliq as well. There are a lot of artists and small business owners who would like to have better access to information.

I just want to commend the minister for also sharing the information and willing to share the information, and I look forward to the reply. Thank you very much, Mr. Speaker.

Speaker (interpretation): Thank you. I didn't hear a question but if you would like to respond to the comments, Minister Taptuna.

Hon. Peter Taptuna: Thank you, Mr. Speaker. As a government, we had promised that after the report card reviews of all of the programs, especially in my Department of Economic Development and Transportation, all necessary things that the government can do to make the programs more effective and delivered and administered more effectively will, in the long run, be done with consultations with the communities. Thank you, Mr. Speaker.

Speaker: Thank you, Minister. Oral Questions. Member for Quttiktuq, Mr. Elliott.

Question 034 – 3(2): Protecting Arctic Waters from Pollution

Mr. Elliott: Thank you, Mr. Speaker. My questions are for the Minister of Environment.

Mr. Speaker, in March of this year, I had asked the minister some questions concerning Nunavut's readiness to respond to oil spills or other marine environmental disasters. At that time, the Parliament of Canada was considering Bill C-3, *An Act to Amend the Arctic Waters Pollution Prevention Act*.

Although I recognize that the federal government has jurisdiction for marine areas, I was surprised to learn that the Government of Nunavut had not been consulted by the federal government on this initiative given that it is our residents who live in communities who

are at risk in the event of a major environmental disaster.

Can the minister update the House on how the territorial and federal governments work together in this area? Thank you.

Speaker: Thank you. Minister of Environment, Hon. Daniel Shewchuk.

Hon. Daniel Shewchuk: Thank you, Mr. Speaker. I would like to thank the member for that question and I do recall him asking that previously in the House.

As the member states, we had very limited consultation with the federal government on C-3. However, in reviewing the proposed legislation... and actually, this Bill C-3 has passed the House of Commons and the Senate, it is now awaiting Royal Assent to be made into law. We do agree with a lot of the suggestions and a lot of the implementations that they plan on doing in that

One positive thing for Nunavut now is the amendment made to the *Arctic Water Pollution Prevention Act* that waters will now be extended from 100 nautical miles to 200 nautical miles off the coast of Nunavut and the Canadian coast north of 60, so this is a good thing.

And I would just offer to the member that we are in consultation now on a regular basis with the Coast Guard and the Department of National Defence in regard to this matter. Thank you very much, Mr. Speaker.

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

Mr. Elliott: Thank you, Mr. Speaker. Thank you, Minister, for the answer to that question. In April of this year, the company of Master Marines of Canada, the body that represents the shipping industry, held a meeting in Halifax to discuss planning for emergencies in arctic shipping. Although Nunavut's senator was in attendance at this event, it is my understanding that the Government of Nunavut was not represented.

Can the minister indicate how his department is working with the departments of CGS and ED&T to ensure that the GN takes part in future events of this nature so that we will be fully aware of current developments in emergency planning? Thank you, Mr. Speaker.

Speaker: Thank you. Minister Shewchuk.

Hon. Daniel Shewchuk: Thank you, Mr. Speaker. I would just like to advise the member that we are and our departments are always in consultation in our own government to do what's best for all of Nunavut and Nunavutmiut.

I would like to say that as early as last week, I had met with Brigadier General Millar in regard to arctic pollution and it is ongoing. I do have a commitment from him that they do plan, the Department of National Defence, the Canadian Coast Guard, and the Department of Fisheries and Oceans, that we all partake in a simulation of an arctic fuel spill probably in the Northwest Passage.

These plans are in place right now and we are going to be heavily involved in

them. It's going to include the territorial government, municipal governments, the rangers, and all organizations involved in communities, HTOs, etcetera.

So these talks are ongoing and a commitment was made by the general that he will plan this and keep all of us included and we will take part in an operation simulation to address such an issue. Thank you, Mr. Speaker.

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

Mr. Elliott: Thank you, Mr. Speaker. I thank the minister for that. That's amazing; I was hoping that my questions would actually lead towards something like that.

In my research, I found that I think a lot of scientists are not really aware and not sure what would happen if there was an oil spill. The most recent information I was given was that there is brown algae that grow on the bottom of the ice formations that we have in the High Arctic and that actually feeds the food chain all the way up. If an oil spill was to occur, it would damage that and therefore damage our ecosystem.

So it's nice to hear that all departments are working together. The next question would be: is there a timeline as to when this will be happening? Thank you.

Speaker: Thank you. Minister Shewchuk.

Hon. Daniel Shewchuk: Thank you, Mr. Speaker. I cannot advise the member of an exact timeline right now, but I can tell you the commitment is there by the general and he will keep us up to date

once this is all organized and this moves ahead. I would foresee it being in the near future, I'm not going to give you a timeline, but I can foresee it happening in the next year or two for sure. Thank you, Mr. Speaker.

Speaker: Thank you, Minister. Your final supplementary, Mr. Elliott.

Mr. Elliott: Thank you, Mr. Speaker. The last question that I have is: would the minister commit to allowing that operation to occur in Resolute Bay or in one of the communities that's right on the Northwest Passage and would probably be affected the most by an oil spill if it was to occur? Thank you.

Speaker: Thank you. Minister Shewchuk.

Hon. Daniel Shewchuk: Thank you, Mr. Speaker. Of course, the member knows that the jurisdiction of the coastal waters is under the federal government and they will have a say in the planning of where this does happen.

All indications is that it will happen some place in the Northwest Passage and I believe it's going to be not only one community involved but many communities involved in this whole scenario. Thank you very much, Mr. Speaker

Speaker (interpretation): Thank you. Oral Questions. Member for Nanulik, Mr. Ningeongan.

Question 035 – 3(2): Government of Nunavut Input into Review of Food Mail Program

Mr. Ningeongan (interpretation): Thank you, Mr. Speaker. (interpretation ends) My questions are for Premier Eva Aariak. In April of this year, the Minister of Indian and Northern Affairs released two reports concerning the federal government's review of the Food Mail Program.

During yesterday's proceedings of the Committee of the Whole, members were informed that the GN will be providing the federal government with a formal and comprehensive submission outlining our government's position and concerns.

Can the Premier update us today on the status of her government's submission? Thank you, Mr. Speaker.

Speaker: Thank you. Premier of Nunavut, Hon. Eva Aariak.

Hon. Eva Aariak (interpretation): Thank you, Mr. Speaker. That is an excellent question as this is a common concern for Nunavummiut. I will have to look into this issue and see exactly where it is at in this process prior to being able to provide an answer for the member. That is all I can state for the time being. Thank you.

Speaker (interpretation): Your first supplementary, Mr. Ningeongan.

Mr. Ningeongan (interpretation): Thank you, Mr. Speaker. The reason why I'm asking that question is that the Minister of Indian and Northern Affairs recommended that the Government of Canada should develop a pilot country

foods initiative with regional Inuit organizations. The recommendation stated that this ought to be done in conjunction with these organizations. This would be good for our government to include itself in this initiative and it would be beneficial to find out if this is the case.

The country food that harvesters produce lessens the dependence of our people on store-bought foods, especially since it is very expensive to try and survive solely on imported foods. This was part of the reason I ask if this could be identified by our government.

Can the minister tell me if the GN will be supporting this recommendation in its submission to Ottawa? It would be beneficial to both Nunavummiut as well as to my colleagues in the House. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Madam Premier.

Hon. Eva Aariak (interpretation): Thank you, Mr. Speaker. The mandate for this issue falls under the Department of Health and Social Services. This is a very important issue to Nunavut as many of our residents utilize this program to order foodstuffs from the south.

In regard to the Food Mail Program, the review was conducted by the federal government and they are currently consulting the communities to get the input from the people of Nunavut via a tour. Further, the people of Nunavut expressed an interest to be involved in the comprehensive review of the Food Mail Program.

My colleague, Tagak Curley, will be tabling a report once his department has completed its review. In addition, the Department of CLEY wanted to be included in the consultations and that was during a meeting held on May 21 of this year. Thank you.

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

Mr. Ningeongan (interpretation): Thank you, Mr. Speaker. Due to that reason, I wish to ask the Premier a supplementary question.

When would she be able to provide a copy of the issues identified by our government for submission to this program review? And further, will she table a copy of the GN's submission paper on the Food Mail Program and when? Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Madam Premier.

Hon. Eva Aariak (interpretation): Thank you. It's obvious to me that many residents of Nunavut will be anxious to obtain a copy of the aforementioned report once the consultations have been completed.

Further, I would be quite pleased to table a copy once the review has been completed and a report submitted. Thank you.

Speaker (interpretation): Thank you. Is that all? Oral Questions. Member for Akulliq, Mr. Ningark.

Question 036 – 3(2): Resource Development Opportunities in Nunavut

Mr. Ningark: Thank you, Mr. Speaker. As I made in my Member's Statement, I was going to ask a question for the Minister of Mining.

While in Repulse Bay, I had the pleasure and opportunity to attend a hamlet council meeting and I was asked very interesting questions and very ambitious questions, though they meant well.

Recognizing that there is an economic downturn in the mining industry because of the sustainability and viability of the industry in Nunavut, the question was: can the minister support individuals or groups in Nunavut who want to do some minor drilling in the potential mining area? Thank you, Mr. Speaker.

Speaker: Thank you, Mr. Ningark. Minister responsible for Mines, Hon. Peter Taptuna.

Hon. Peter Taptuna: Thank you, Mr. Speaker. The Prospectors Development Program that we have that exists within our department is to assist local people get some funds to actually go out there and do some prospecting.

For drilling, I'm assuming that you're talking about small community mining, that's a different situation altogether. Again, in order to do that, there's got to be a land tenure that's owned practically by a community or individual residents who do live up here in Nunavut and who have already identified a deposit of whatever it may be, whether it be precious metals, iron ore, base metals, or gold.

There haven't been any small community mining initiatives in the past and I'll leave it at that. Thank you, Mr. Speaker.

Speaker: Thank you, Minister. Your first supplementary, Mr. Ningark.

Mr. Ningark: Thank you, Mr. Speaker. We have had the opportunity in Kugaaruk a few years ago. There was a person who came in from Arviat, according to my recollection, and did training at the local level.

Now, my supplementary question to the hon. minister, Mr. Speaker, is: will the minister direct his officials to have some expert go to Repulse Bay and hold a little workshop on mining? I think there is a very good interest in that community. Thank you, Mr. Speaker.

Speaker: Thank you. Minister Taptuna.

Hon. Peter Taptuna: Thank you, Mr. Speaker. Within the department, there are several workshops that are held throughout the year in geology courses - how to prospect, how to stake claims - and these workshops are ongoing in various communities throughout Nunavut. I'm sure that some of the local people who are interested in prospecting and actually staking claims would benefit greatly from these workshops that are being held throughout Nunavut.

I'll have to get back to the hon. member on the scheduling and the dates within which communities that workshop is going to be held at. But there are workshops held throughout Nunavut throughout the year. Thank you, Mr. Speaker.

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

Mr. Ningark: Thank you, Mr. Speaker. I would like to take this opportunity to officially ask the minister to request a workshop for Repulse Bay. Thank you, Mr. Speaker.

Speaker: Thank you. Minister Taptuna.

Hon. Peter Taptuna: Thank you, Mr. Speaker. The workshop scheduling has already been done for this year, mainly by which communities that they're going to be holding the workshops. Of course, we will look into that; I'll have my officials look into that to see if Repulse Bay can be included. Thank you, Mr. Speaker.

Speaker: Thank you, Minister. Oral Questions. Member for South Baffin, Mr. Schell.

Question 037 – 3(2): Update on New Power Plant for Cape Dorset

Mr. Schell: Thank you, Mr. Speaker. My questions are for the Minister of Qulliq Energy.

A year ago, the Premier and then Minister Ed. Picco made a trip to Cape Dorset and they had a special announcement at the community hall in Cape Dorset that they were getting a new power plant, it was going to be around \$13 million, and there was going to be a windmill built there.

I haven't heard anything since then, so could the minister update me on what's happening with that? Thank you, Mr. Speaker.

Speaker: Thank you, Mr. Schell. Minister responsible for the Qulliq Energy Corporation, Hon. Hunter Tootoo.

Hon. Hunter Tootoo: Thank you, Mr. Speaker. I know that there was a rash of announcements going out throughout the territory at that time. I would just like to inform the member that that issue is still being looked at by the Power Corporation.

My understanding right now is that there is a little bit of a dispute in regard to the land. The building that the site that they're looking at is in question as far as who owns the land and who owns the buildings that are on the land. I'm sure the members are well aware of the issue and we can't really move forward on anything until that issue gets resolved. Thank you, Mr. Speaker.

Speaker: Thank you, Minister. Your first supplementary, Mr. Schell.

Mr. Schell: Thank you, Mr. Speaker. Once the dispute is settled, which I don't think is a major issue there... I think it's the Power Corporation that's thinking they were going to get the property for nothing. In any case, once that gets settled, what is the timeframe?

It's rather embarrassing to come in there and announce that you are going to be building a new power plant, have a big feast there... like there was a feast, it wasn't just like they made the announcement. They had a big feast and made a big deal about it that we're getting a new power plant and now nothing is done about it. Thank you, Mr. Speaker.

Speaker: Thank you, Mr. Schell. Minister Tootoo.

Hon. Hunter Tootoo: Thank you, Mr. Speaker. I can understand the member's frustration. Like I said, there was a rash of announcements made near the end of the Second Assembly exactly like that. This government is, given our fiscal limitations, having to deal with those previous political commitments made by the previous government.

I know that we are looking at that site. There is some work beginning as far as design and what the requirements are. I know that they are also looking at finding a way to design a plant there that could take into account alternative energy sources, including wind and things like that.

So the work is ongoing and things will progress, but like I said, right now, the one main issue that seems to be holding up the process of things going on is the land issue going on in the community of Cape Dorset. Thank you, Mr. Speaker.

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

Mr. Schell: Thank you, Mr. Speaker. Hopefully the minister will be able to at least confirm that Cape Dorset is the next place that gets a new power plant and that you don't sneak another one in there in the meantime. Thank you, Mr. Speaker.

Speaker: Thank you, Mr. Schell. Minister Tootoo.

Hon. Hunter Tootoo: Thank you, Mr. Speaker. I just want to assure the member that it's not me that sneaks

anything in anywhere as far as the Power Corporation goes. The Power Corporation has a board of directors and it's the board of directors that approves the capital budget and the projects that are included in the capital budget for the Power Corporation. It is not me, so he doesn't have to worry about me slipping anything in there.

I have the utmost confidence and faith in the board of directors and the staff at the Power Corporation to make sure that their capital plan is developed based on need and requirements in the community and not based on what I think they should put in there. I would certainly hope that if I did try to do something like that, they would put me in my place very quickly. Thank you, Mr. Speaker.

An Hon. Member: Hear, hear.

Speaker: Thank you, Minister. (interpretation) That's it?

>> *Laughter*

(interpretation ends) Oral Questions.
Member for Quttiktuq, Mr. Elliott.

**Question 038 – 3(2): Housing
Maintenance Costs per Unit**

Mr. Elliott: Thank you, Mr. Speaker. My question is for the Minister responsible for the Nunavut Housing Corporation, the Hon. Minister Tootoo.

My understanding is that there are 4,000 housing units in circulation for the Housing Corporation. With the \$200 million program coming to an end and the announcement yesterday of 750 new units and now the new \$100 million with a possibility of 285 new units, is it

correct that the average cost for maintaining those units is about \$20,000 per unit? Thank you, Mr. Speaker.

Speaker: Thank you. Minister responsible for the Nunavut Housing Corporation, Hon. Hunter Tootoo.

Hon. Hunter Tootoo: Thank you, Mr. Speaker. I must commend the member; he does his homework very well. The average cost for maintaining a public housing unit throughout Nunavut is around \$20,000 a year.

In some communities like in the High Arctic, it may be a little higher than in places like my colleague from Hudson Bay would call the banana belt of Nunavut where the costs are sometimes a little bit cheaper. So the cost varies throughout the territory but on the average, he is correct, the amount is around \$20,000 a year. Thank you, Mr. Speaker.

Speaker: Thank you, Minister. Your first supplementary, Mr. Elliott.

Mr. Elliott: Thank you, Mr. Speaker. My next question is in regard to CMHC's commitment to providing that funding. It's my understanding that by 2038, the funding for that will be totally cut and it's not going to be cut off drastically but it will be sort of gradually let out. Is it correct that by 2038, the funding will no longer be available? Thank you.

Speaker: Thank you. Minister Tootoo.

Hon. Hunter Tootoo: Thank you, Mr. Speaker. I can inform him again, the member is doing his homework very well. In the year 2037-38, the funding

that we do receive from CMHC under the social housing agreement to maintain our public housing inventory will be down to zero. I would say that this is an issue that I remember raising when I was sitting on that side of the House.

Every year, under this new social housing agreement, it actually started in 2003-04, there was a decline in funding from CMHC to the Housing Corporation to maintain those units and it falls down every year. How it works, Mr. Speaker, is as the mortgages for those units come due and are paid off, the operation and maintenance funding for those units also falls off the formula.

This year, Mr. Speaker, for the 2009-2010 year, we are looking at a funding decrease as a result of that. It was a little over \$2.3 million this year, a little over \$3.2 million next year, and a little over \$4.6 million the following year. So this will have an impact on the funding and the resources required to maintain public housing throughout the territory.

As the member knows as well, there were additional resources that the Government of Nunavut had to kick in as a result of that drop in funding from CMHC. Thank you, Mr. Speaker.

Speaker: Thank you, Minister. Your final supplementary, Mr. Elliott.

Mr. Elliott: Thank you, Mr. Speaker. Yes, I figure if I do my homework, hopefully the Nunavut Housing Corporation will do their homework too. I guess my questions are leading up to: where is that money going to come from in the future to maintain those houses if the money is not coming from CMHC? Is there some type of an implementation

plan or some type of strategy in effect? Thank you.

Speaker: Thank you. Minister Tootoo.

Hon. Hunter Tootoo: Thank you, Mr. Speaker. Again, this is something that I have been raising for a number of years to deal with and now I can raise it to myself and carry forward that message.

This is a concern not only for us here in Nunavut but also for the other two territories. I have met with my two territorial counterparts twice in the last six months and this is an issue that we have discussed both times. Our last meeting was in Yellowknife when we signed off the new funding agreement with CMHC. This was an issue that I raised with officials from CMHC as well.

The three territories are trying to find a way to bring this issue to the forefront at the next federal/territorial/provincial meeting that is being held this summer in August to try and get it on the agenda, and then try and find a solution that will help us deal with that declining funding.

It's a serious issue for us here in Nunavut but it's also an issue shared because the social housing agreement that we have with CMHC is the same agreement that every jurisdiction in the country has as well. So it has the same effect on every jurisdiction across the country, but the effects of it are most seriously felt here in Nunavut and the other two territories.

So this is something that we are working to try and address with Minister Finley of CMHC and the federal government to try and find a way that we can help

offset those additional O&M requirements.

With the Housing Trust and this new funding, we're going to be getting an additional 1,000 units roughly on the ground. If you look at 1,000 at \$20,000 a pop annually, that funding has got to come from somewhere. So we're working with CMHC to try and find a way to address that issue. They realize that it is an issue for us as well. Thank you, Mr. Speaker.

Speaker: Thank you, Minister. Oral Questions. Member for Akulliq, Mr. Ningark.

Question 039 – 3(2): H1N1 Swine Flu Update

Mr. Ningark (interpretation): Thank you, Mr. Speaker. I would like to direct my question to the Minister of Health and Social Services.

Yesterday, during Committee of the Whole, Dr. Sobol gave us an outline of the H1N1 swine flu. He indicated that even though there are cases, they are not severe and they didn't have to send anyone out on an emergency basis. That was according to Dr. Sobol and I would like to thank him for that.

My question to the minister is: it's going to be June and July, are you going to be giving a directive out there to the people of Nunavut to stay in their communities instead of visiting the outlying communities?

We have been told that there were no emergency or severe cases, which I'm grateful for, but I would like to ask the minister what kinds of plans they have to

keep this from becoming severe. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Minister of Health and Social Services, (interpretation ends) Hon. Tagak Curley.

Hon. Tagak Curley (interpretation): Thank you, Mr. Speaker. I would also like to thank the member for his question. Dr. Sobol and I had a press conference this morning with our deputy minister. Yesterday, during Committee of the Whole, we were told that there are 25 cases. That has jumped up from two days ago. We gave an update this morning with our press release and we now hear that there are 53 cases in Nunavut.

We have no plans to keep anyone in their communities. We are working very closely with the Canada Health Council. If there is going to be any directive coming from the federal government, we will make sure that it's implemented up here. We hear that the H1N1 is on a number five level, but there is a possibility that they might raise it to the pandemic level.

The people of Nunavut can move or visit any community that they wish. We haven't taken any measures to put a directive out there. We will only entertain such an idea if that's the recommendation of our health officials. Thank you.

Speaker (interpretation): Thank you, Minister. Thank you, Mr. Ningark. (interpretation ends) Oral Questions. Member for South Baffin, Mr. Schell.

**Question 040 – 3(2): Project
Tendering for Cape Dorset**

Mr. Schell: Thank you, Mr. Speaker. I think it's the Minister of the Nunavut Housing Corporation's day today. I see he was stretching out the last answer there hoping I was going to get back to him, but...

In regard to these housing units that are coming in, the individual houses, I noticed for Cape Dorset, there are nine individual houses and they're all prefabricated units. My question to the minister is: was that tendered out or was that sole sourced? Thank you, Mr. Speaker.

Speaker: Thank you. Minister responsible for the Nunavut Housing Corporation, Hon. Hunter Tootoo.

Hon. Hunter Tootoo: Thank you, Mr. Speaker. If the member is referring to the new units that are coming in under this new \$100 million funding that the Government of Nunavut is receiving under the federal budget, I just want to clarify first for the fact that they are not prefabricated houses, they are called structured insulated panels.

The panels come up and they get put together, and there's still a considerable amount of work that's required to complete them. But the main thing with that type of structure is that it's closed in. In a very short time, we're hoping that will allow, in the communities, to get them closed in, get them all closed in, in a hurry and then be able to work throughout the winter on the inside of them.

The tender for this hasn't even gone out yet, but I can assure the member that this is something that we are putting out. The corporation will be developing and issuing a request for proposals on these units, and that should be coming out soon. Thank you, Mr. Speaker.

Speaker: Thank you, Minister. Your first supplementary, Mr. Schell.

Mr. Schell: Thank you, Mr. Speaker. So in other words, any company that can make these panels can tender on this project? Thank you, Mr. Speaker.

Speaker: Thank you, Mr. Schell. Minister Tootoo.

Hon. Hunter Tootoo: Thank you, Mr. Speaker. What the member is indicating is not correct; they won't tender on it, they will submit proposals and that's the difference between a tender and a request for proposals.

The corporation is planning on putting out a request for proposals. So any company that wants to submit a proposal on providing those units will be able to put together a proposal and submit it to the Housing Corporation for evaluation. That's how it's processed.

So it is going to be a publicly-done process so that any company that wishes to provide a proposal on constructing these units will have the opportunity to do so. Thank you, Mr. Speaker.

Speaker: Thank you. Oral Questions. Member for Quttiktuq, Mr. Elliott.

**Question 041 – 3(2): Arctic Bay
Health Centre**

Mr. Elliott: Thank you, Mr. Speaker. I guess since Mr. Okalik is not here today, I get to ask more questions.

My question is going to be directed towards the Minister of Health and Social Services, Mr. Curley. I hope he didn't miss me too much yesterday when I was away at the NTEP graduation. I heard I need to thank Mr. Rumbolt and Mr. Schell for asking questions for me.

My questions are about the Arctic Bay Health Centre. In March, we were doing capital planning and it was as of March 31 that the minister was going to let us know where the design phase of that project was. I was wondering if he could give me an update today as to where the project is at. Thank you, Mr. Speaker.

Speaker: Thank you. Minister of Health and Social Services, Hon. Tagak Curley.

Hon. Tagak Curley (interpretation): Thank you, Mr. Speaker. Yes, we really missed him yesterday when he wasn't here. We finished the session 15 minutes early because he wasn't here.

>>*Laughter*

But I can tell that the time is going faster with him being here today.

In regard to the question, as we stated a couple of months ago, the design phase would be completed, but I can't tell you at this time when that design will be worked on. The designs are near completion, but I can't tell you where they're at right now. During the session, I will give you an update on the design

phase after I look into it further. (interpretation ends) Thank you.

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

Mr. Elliott: Thank you, Mr. Speaker. Thank you for that commitment. It was my understanding that it would have been done as of April 1 because my next question was regarding his comments and commitment to community consultations once the design was done. Is that process still happening, yes or no, and what dates are we looking at? Thank you.

Speaker: Thank you. Minister Curley.

Hon. Tagak Curley (interpretation): Thank you, Mr. Speaker. I will look into it. They had to do community consultations and I'm sure that they did them, but I will look into it further and provide the information to the member. Thank you.

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

Mr. Elliott: Thank you, Mr. Speaker. Thank you to the minister for that answer. I think my problem for the nursing station in Arctic Bay kind of stems from the same problem as Mr. Schell in terms of what Mr. Tootoo was alluding to in terms of commitments from other governments and under budgets that weren't realistic.

So when it comes to something as serious as a nursing station, I really would like to push that issue forward. I know when I had asked the minister to contact the nursing station with all of the hard work, our nurse in charge actually

came down to Iqaluit a number of times to help with the design to make sure the design was right. So it's nice that the government is taking the time to do the design properly and I really hope that the government can commit to pushing the health centre in Arctic Bay forward.

At the time we were discussing the capital and whatnot, the minister mentioned about prioritizing because there are actually three health centres that are in question. Has the government come up with how they are going to prioritize which nursing station comes first? I know that Mr. Schell is going to push for his since his is the oldest, but his doesn't even really have the design phase. Thank you, Mr. Speaker.

Speaker: Thank you. Minister Curley.

Hon. Tagak Curley (interpretation): Thank you, Mr. Speaker. That's a very good question and I understand exactly. There were three health centres that needed to be worked on, but now there are four. But also, my Cabinet colleagues understand that these are very important.

The design phase was not completed last year, but with this new government's Cabinet, we were told that all of the capital projects need good designs so that we will know how much they will cost.

The Minister of Finance had stated that if the design phase is not fixed properly, we don't know how much it would cost. So therefore, we would always underestimate the cost, but I know it takes a bit longer. We haven't forgotten the words coming from that department.

Also, this coming fall, I would like to say that we want to see that many nursing centres to be constructed, but I will have to discuss this matter with my colleagues as to which one is a priority. I can't tell you which community is our highest priority. Thank you.

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

Mr. Elliott: Thank you, Mr. Speaker. Thank you, Minister, for answering that. I know that prioritizing would be hard. Has the minister been in contact with our MP, Leona Aglukkaq, in terms of asking, within her position as Minister of Health, whether there's anything she can do?

I know there was a lot of money allocated to aboriginal communities for infrastructure, but really, there wasn't a lot of money for Inuit communities. I'm wondering if he has been in contact with our federal MP in this regard. Thank you, Mr. Speaker.

Speaker: Thank you. Minister Curley.

Hon. Tagak Curley: Thank you. (interpretation) Mr. Speaker, I can tell the member that we have discussed this matter with her. They are not responsible for health centres, but we've had preliminary discussions if they could be included.

I will work further on it and I would like to discuss this with the minister. I thought I was going to go down to Ottawa this month to discuss items with our MP and I haven't had the opportunity to discuss this with our MP.

As a department, we have stated that we would like to ask if the federal government could provide support in the construction of health centres because our funding sources for our priority work is limited. But we will talk with Minister Leona Aglukkaq. Thank you.

Speaker: Thank you, Minister. Thank you, Mr. Elliott. Oral Questions. I have no more... Member for Quttiktuq, Mr. Elliott.

Question 042 – 3(2): Update on Arctic Bay Airport

Mr. Elliott: Thank you, Mr. Speaker. I don't want to waste two minutes and thirty seconds. My question is directed towards the Minister of Economic Development and Transportation, the Hon. Peter Taptuna.

In terms of the Arctic Bay Airport and the construction that has been going on, I was just up in Arctic Bay yesterday. There's a lot of work being done in regard to the construction of the terminal building and I was talking to different members of people who were working up there. Is that project on schedule?

I have received correspondence from him in the past saying that by 2010, the airport would be open. I was just wondering if he could give me an update on that. Thank you, Mr. Speaker.

Speaker: Thank you, Mr. Elliott. Minister of Economic Development and Transportation, Hon. Peter Taptuna.

Hon. Peter Taptuna: Thank you, Mr. Speaker. The completion date is still 2010. I can assure the hon. member that

it is going to be completed by 2010. Thank you, Mr. Speaker.

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

Mr. Elliott: Thank you, Mr. Speaker. With all of the problems that we had in the past with overspending on that project, is it still within budget? Did he feel comfortable that Transport Canada will approve the design and the work that has been done on the airport? Thank you.

Speaker: Thank you. Minister Taptuna.

Hon. Peter Taptuna: Thank you, Mr. Speaker. In the past, there were some unforeseen or unexpected cost overruns due to permafrost melting and that amounted to \$3.8 million. And yes, the construction is on schedule and will be completed hopefully, as I mentioned, early in 2010. Thank you, Mr. Speaker.

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

Mr. Elliott: Thank you, Mr. Speaker. I think that was partially my fault for asking two questions at the same time, so I'll re-ask the second part of that question. Does he feel comfortable that Transport Canada will approve the runway?

We were actually lucky enough yesterday to land with a charter, so we were able to land on the new airport runway. It's kind of interesting how there's an actual dip in the middle of the runway and we have heard different stories that that will help takeoff and landing, and other people have said,

“Well, that’s crazy. Runways are supposed to be flat.”

He has already mentioned and said that the permafrost issue is done. I’m just wondering if he could confirm if the Government of Nunavut feels comfortable that Transport Canada will actually approve the runway. Thank you.

Speaker: Thank you. Minister Taptuna.

Hon. Peter Taptuna: Thank you, Mr. Speaker. The department has full confidence in having the airstrip certified by Transport Canada. If the risks were too high, I’m sure that the department wouldn’t be building it. There’s such a huge cost for that type of infrastructure and we’re confident that it’s going to be certified by Transport Canada. Thank you, Mr. Speaker.

Speaker: Thank you, Minister. Your final supplementary, Mr. Elliott.

Mr. Elliott: I’m sorry, Mr. Speaker, I think that was my last question. I didn’t know if I had another one. I was wondering if we could go back to Item 5, Recognition of Visitors in the Gallery, if that’s possible. Thank you.

Speaker: You will notice that Question Period is over. The Member for Quttiktuq is seeking consent to return to Item 5 in our Orders of the Day. Are there any nays? There are none. Please proceed, Mr. Elliott.

Revert to Item 5: Recognition of Visitors in the Gallery

Mr. Elliott: Thank you, Mr. Speaker. I just wanted to recognize a group of students from Inuksuk High School here.

They’re a Grade 10 Social Studies class and they’re stuttering...

>>*Laughter*

... studying the Government of Nunavut. Welcome. Thank you.

>>*Applause*

Speaker: Thank you. Welcome to the Gallery. Item 5. Recognition of Visitors in the Gallery. Item 7. Written Questions. Mr. Aupaluktuq.

Item 7: Written Questions

Written Question 001 – 3(2): Employment of Agency Nurses

Mr. Aupaluktuq: Thank you, Mr. Speaker. I have a Written Question for the Minister of Health and Social Services concerning the hiring of agency nurses. The question is lengthy, so I would ask that it be entered into the record as read.

- 1) For each fiscal year from 1999-2000 to 2008-09, how many agency nurses were employed or contracted by the Government of Nunavut?
- 2) For each fiscal year from 1999-2000 to 2008-09, how much money did the Government of Nunavut spend on agency nurses?
- 3) For each fiscal year from 1999-2000 to 2008-09, were bonuses paid by the Government of Nunavut to agency nurses and if so, how were they calculated and what was their total value?

- 4) For each fiscal year from 1999-2000 to 2008-09 and broken down by community, how many full-time nursing positions were vacant?
- 5) How is the Department of Health and Social Services evaluating the success of its Nursing Recruitment and Retention Strategy?
- 6) For each fiscal year from 1999-2000 to 2008-09 and broken down by community, how many physicians were employed or contracted by the Government of Nunavut?
- 7) What physician recruitment and retention efforts are currently being undertaken by the Department of Health and Social Services to employ full-time physicians for Nunavut?
- 8) How does the Department of Health and Social Services determine the staffing requirements for nurses and physicians in Nunavut's communities?

Thank you, Mr. Speaker.

Speaker: Thank you, Mr. Aupaluktuq. Written Questions. Item 8. Returns to Written Questions. Item 9. Replies to Opening Address. Item 10. Replies to Budget Address. Item 11. Petitions. Item 12. Reports of Standing and Special Committees. Item 13. Reports of Committees on the Review of Bills. Item 14. Tabling of Documents. Mr. Schell.

Item 14: Tabled Documents

Tabled Document 021 – 3(2): Quotes for Equipment Purchase

Mr. Schell: With the assistance of the Minister of Housing, I'm going to table this document on the quotes for the farm equipment and Toromont CAT on their estimate on the telehandlers. Thank you, Mr. Speaker.

Speaker: Thank you. Can we have that document brought forward, please?

Tabling of Documents. Mr. Kusugak.

Tabled Document 022 – 3(2): Procurement Activity Report, 2007-2008

Hon. Lorne Kusugak (interpretation): Thank you, Mr. Speaker. (interpretation ends) I am pleased to table the following document:

- Procurement Activity Report 2007-08

Thank you, Mr. Speaker.

Speaker: Thank you, Minister. Tabling of Documents. Item 15. Notices of Motions. Item 16. Notices of Motions for First Reading of Bills. Item 17. Motions. Item 18. First Reading of Bills. Item 19. Second Reading of Bills. Item 20. Consideration in Committee of the Whole of Bill and Others Matters. Bill 1 with Mr. Ningeongan in the Chair.

Before we commence with the Committee of the Whole, we will take a 20-minute break.

(interpretation) Sergeant-at-Arms.

>> *House recessed at 15:04 and
Committee resumed at 15:30*

**Item 20: Consideration in Committee
of the Whole of Bills and Other
Matters**

Chairman (Mr. Ningeongan)
(interpretation): Good afternoon.
(interpretation ends) I would like to call
the committee meeting to order. In
Committee of the Whole, we have the
following item to deal with: Bill 1. What
is the wish of the committee? Mr. Elliott.

Mr. Elliott: Thank you, Mr. Chairman.
We would like to continue with Bill 1
and the review of the Department of
Community and Government Services,
followed by the Department of Finance,
and if time permits, the Department of
Human Resources. Thank you, Mr.
Chairman.

Chairman: Thank you, Mr. Elliott. Are
we in agreement to continue?

Some Members: Agreed.

**Bill 01 – Appropriation (Operations &
Maintenance) Act, 2009-2010 –
Community and Government
Services – Consideration in
Committee**

Chairman: Thank you. Yesterday,
Minister Kusugak gave his opening
remarks. I would like to ask Minister
Kusugak now: do you have witnesses to
bring to the table?

Hon. Lorne Kusugak (interpretation):
Thank you, Mr. Chairman. Yes, I would
like some of my officials with me at the
witness table.

Chairman: Thank you, Minister
Kusugak. Does the committee agree to
bring in the witnesses?

Some Members: Agreed.

Chairman (interpretation): Thank you.
Sergeant-at-Arms, please escort the
witnesses in.

Thank you. (interpretation ends) For the
record, Minister Kusugak, please
introduce your witnesses.

Hon. Lorne Kusugak (interpretation):
Thank you, Mr. Chairman. With me at
the witness table today on my right is
Shawn Maley, my Deputy Minister, and
on my left is the Director of Financial
Services, Mr. Mike Rafter. Thank you,
Mr. Chairman.

Chairman (interpretation): Thank you,
Minister Kusugak. (interpretation ends)
Does the Chair of the Standing
Committee on Community and
Economic Development have opening
comments? Proceed, Mr. Komoartok.

Mr. Komoartok: Thank you, Mr.
Chairman. I am pleased to provide
opening comments on behalf of the
Standing Committee on Community and
Economic Development on its review of
the 2009-2010 Main Estimates and
Business Plan of the Department of
Community and Government Services.

The standing committee notes that the
department's proposed 2009-2010
operations and maintenance budget of
\$170,723,000 has increased by
approximately 57 percent since the
introduction of the department's 2004-05
main estimates. The number of positions
in the department has increased from

330 PYs in 2004-05 to 337 PYs in 2009-2010.

During the minister's recent appearance before the standing committee, members took the opportunity to raise a number of important issues and concerns.

The Department of Community and Government Services is responsible for preparing the Government of Nunavut's annual reports on departmental contracting, procurement and leasing activities. The most recent reports, which were for the 2006-07 fiscal year, were tabled in the Legislative Assembly on November 7, 2007. Members look forward to the tabling of the 2007-08 and 2008-09 annual reports at the earliest opportunity. And I would like to thank the minister at this time for providing us an activity copy of this already. Thank you.

To date, these annual reports have not included information on the procurement, contracting and leasing activities of the government's major Crown corporations and agencies, including the Nunavut Housing Corporation, the Nunavut Development Corporation, and the Nunavut Business Credit Corporation. The standing committee recommends that information concerning these Crown corporations' activities also be tabled in the Legislative Assembly on an annual basis.

The department's 2009-2010 business plan indicates that it has completed a review of the *Conflict of Interest Act* "and prepared a legislative proposal for consideration. The department will seek further direction on this item." The standing committee looks forward to

further clarification on the direction in which the department plans to move with respect to this legislation which applies to municipalities and other bodies.

The department's 2009-2010 business plan indicated that the department's review of the *Consumer Protection Act* had been delayed. The department's 2009-2010 business plan does not discuss this issue. The standing committee encourages the department to continue its work on this initiative.

The department's 2009-2010 business plan indicates that it will "Set up a formal consultation plan with stakeholders to propose delegation of lotteries to all municipalities under the Lotteries Regulations." During the minister's appearance, members were advised that the intent of this initiative is to provide more "ownership and accountability" to municipalities in this area in addition to enhancing their ability to generate revenues.

The department's business plan also indicates that it will "develop a legislative proposal for" a *Nunavut Employee Benefits Service Pension Plan Protection Act*. That's a long title. "The plan is not protected from creditors; potential financial difficulties of one or more members could jeopardize the entire plan."

Members are aware that a bill with this title was passed by the Legislative Assembly of the Northwest Territories in March of 2009. The bill relates to provisions in the existing *Community Employees' Benefits Program Transfer Act*. The standing committee looks

forward to the introduction of a similar bill in this House.

The department's proposed budget for municipal transfer payments is increasing from \$46,568,000 in 2008-09 to \$51,979,000 in 2009-2010.

The standing committee noted with concern that the department's business plan indicates that the "overall financial position of municipalities improved for the fifth year in a row, however, only six communities were responsible for the majority of this increase. Although there are many underlying reasons for a decline in overall position, including needed, budgeted and planned community-based expenditures, there are warning signs emerging in some cases that require close monitoring and ongoing evaluation."

The standing committee supports the department in its efforts to assist municipalities that are engaged in deficit reduction exercises.

The department's 2009-2010 main estimates include \$1.5 million in funding for a new Mobile Equipment Block Funding Program. This program will "Provide annual core funding to assist communities in mobile equipment lifecycle planning, procurement and maintenance." The standing committee encourages the department to provide clear information to municipalities on the process by which they can access this funding.

The department's 2009-2010 main estimates include \$850,000 in contribution funding for the Municipal Insurance Exchange to "offset incremental costs associated with

municipal insurance coverage and to implement loss control program initiatives with focus on such critical areas as fire training and fire prevention." The budget for this item in 2008-09 was \$200,000. The standing committee supports the government's ongoing support of NAMIX until such time as the system can become self-funding.

Mr. Chairman, during the minister's appearance, members posed questions concerning the status of the department's water and sewage pilot projects in Kugaaruk, Chesterfield Inlet, and Pangnirtung.

The department's 2009-2010 business plan indicates that "The three original pilot communities were not satisfied with the block funding terms and conditions implemented by the designated project sponsor; the participating communities decided that they no longer wanted to be involved. As a result of having no participating communities, the pilot project was cancelled."

The standing committee encourages the department to work with municipalities, local housing organizations, and the Nunavut Housing Corporation to review the lessons learned during this experience.

The department's 2009-2010 business plan indicates that one of its priorities is to "Undertake an open-market feasibility study which develops sealift re-supply policy options for Government consideration. To the extent possible, the report will document a community specific and territory-wide impact assessment as well as develop cost

benefit analysis while considering relevant resupply factors.” The standing committee looks forward to reviewing the results of this study.

The department’s main estimates include \$500,000 in annual funding to provide training to search and rescue organizations and assistance with the purchase of equipment. The department’s 2009-2010 main estimates include \$50,000 in additional funding for a new program to “assist communities and qualified organizations through providing emergency search and rescue contribution funding.” The standing committee encourages the department to provide clear information to communities on the process by which they can access this funding.

The department’s 2009-2010 business plan indicates that one of its priorities is for the “Office of the Fire Marshall to complete a review of the Fire Prevention Strategy and make recommendations for the future direction of the strategy.” The standing committee looks forward to the tabling of a new strategy. The standing committee also looks forward to reviewing the 2007 and 2008 annual reports of the Office of the Fire Marshall, which are required by law to be tabled in the Legislative Assembly under the territorial *Fire Prevention Act*.

Mr. Chairman, during the Legislative Assembly’s consideration of the Government of Nunavut’s 2009-2010 capital estimates, it was noted that “While members are supportive of efforts to build capacity in the Department of Community and Government Services in order to strengthen the GN’s capital planning process and address the need for more

reliable and accurate cost estimates, it is essential that Members of this Assembly retain the right to consider, approve, or reject proposed capital projects at the initial stage of their development..”

The department’s 2009-2010 business plan indicates that “The addition of 4 Project Officers and a Quantity Surveyor will serve to improve the GN Capital Project delivery process and address capacity issues within the department.” The business plan also indicates that its priorities include developing a “Historical Cost Database for Nunavut Capital Projects” and a “Capital Project Management policy which sets out principles, authorities, roles, responsibilities, and expectations.”

The standing committee noted that while the proposed budget for the department’s Capital Planning and Technical Services Branch is increasing from \$24,140,000 in 2008-09 to \$27,006,000 in 2009-2010, most of this increase is due to a \$2,508,000 increase in the budget for building maintenance. The standing committee also noted that the total number of positions in the department’s Capital Planning and Technical Services Branch is projected to decrease from 114 PYs in 2008-09 to 109 in 2009-2010.

During the minister’s appearance, members questioned how the department could strengthen its capital planning and project management capacity if it was reducing positions in this branch. Members were advised that a number of the department’s positions have been vacant for a significant period of time and that the department has re-profiled compensation and benefits funding for use in issuing “as and when” service contracts.

Mr. Chairman, the department's 2009-2010 business plan indicates that one of its priorities is to "Deliver community based training for potable water, wastewater and solid waste management in Arviat, Baker Lake, Cambridge Bay and Gjoa Haven with the Municipal Training Organization (MTO). Upon completing these courses, Hamlet employees will be in a better position to meet guidelines established by the regulatory authorities..." The standing committee was advised that this Nunavut-specific, accredited training program will be expanded in time to other communities and will take into account requirements established by the Nunavut Water Board.

The issue of drinking water quality and safety has been raised on a number of occasions in the Legislative Assembly by MLAs. The standing committee applauds the department for taking action in response to these concerns. The standing committee also recommends that the department prepare and table in the Legislative Assembly a comprehensive report on water quality in all of Nunavut's communities.

The department's 2009-2010 main estimates project that the department's Petroleum Products Revolving Fund will have a surplus of \$8,597,000 in the 2009-2010 fiscal year. It is estimated that its deficit for 2008-09 will be about \$9,538,000. The *Revolving Funds Act* was amended on three occasions during the Second Legislative Assembly of Nunavut to reflect the rising world price of oil.

The authorized limit of the Petroleum Products Revolving Fund is currently \$200 million. The authorized limit of the

Petroleum Products Stabilization Fund is currently \$10 million. The standing committee encourages the department to closely monitor these funds.

The department's 2009-2010 business plan indicates that the Petroleum Products Division's priorities include "Implement an advance early procurement and acquisition program for the 2009 bulk fuel re-supply." In March of this year, the Minister of Community and Government Services announced that the department had completed a purchase of approximately sixteen million litres of gasoline "at a reduced price through a pre-purchase program." The standing committee looks forward to the minister reporting to the Legislative Assembly later this year on the success of this initiative.

The department's 2008-09 business plan indicated that the department has been implementing recommendations made by consultants to comply with new federal regulations concerning tank farms. It also indicated that "GN Facilities are compliant except for our resupply pipeline. Given the unique circumstances with our pipelines from the shore manifolds there remains ongoing discussion respecting regulatory compliance."

During the minister's appearance before the standing committee, members asked for an update on the status of the department's efforts to ensure compliance with applicable regulations. Members were advised that this issue remains a "moving target." Members look forward to further clarification on this issue.

The department's 2008-09 business plan also indicated that it planned to work with the Alberta Research Council and major refineries to "seek solutions to the cold weather challenges that impact on fossil fuels" and to work with the Alberta Research Council to assess the gasoline specifications for the eastern and central communities "to determine whether high octane levels specified... are necessary."

Mr. Chairman, while the department's 2009-2010 business plan indicates that "due to staffing challenges at Petroleum Products and [Alberta Research Council], this project has been deferred," members were advised during the minister's appearance that the department intends to undertake this project at a future point in time.

Mr. Chairman, that concludes my opening comments on the 2009-2010 Main Estimates and Business Plan of the Department of Community and Government Services. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Komoartok. Before we proceed, I would like to remind members of the following: according to Rule 77(1), you have 10 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 wherever possible you ask your detailed questions during the page-by-page review of the departmental estimates. Do members have any general comments? Mr. Ningark.

Mr. Ningark (interpretation): Thank you, Mr. Chairman. I would also like to thank the minister and also Mr. Komoartok for his opening comments on behalf of the committee.

In the minister's opening comments on page 5 to page 6, it talks about search and rescue and it being the responsibility of the hamlets to provide search and rescue operations. Yesterday, we heard that the RCMP and the military are going to be working together for search and rescue operations and that there are going to be ongoing challenges.

The federal departments have to follow protocol and sometimes the reaction delay causes loss of life or some danger with the people who are lost out there. The Inuit's first priority is to search and rescue an individual without setting a time before they go out for searches, Mr. Chairman. I'm sure that the Canadian Rangers can help, but I have no idea what kind of procedures they have to follow.

Hamlets such as in Repulse Bay, Kugaaruk, Coral Harbour, or Baker Lake have to get more support because they are the first ones to respond to search and rescue calls. From what I know, it seems like they are given a very limited amount of money for search and rescue operations. They can be provided GPS, but there doesn't seem to be any money that can be used for GPS and other equipment required.

The Canadian Coast Guard is not immediately available when they are needed and they have to follow procedures when a helicopter is required for a search and rescue operation. So it's the responsibility of the hamlets to

provide search and rescue services. They have less equipment than the RCMP or the Canadian Rangers, but they're the first ones to respond to a call for search and rescue.

Under the hamlets, we have search and rescue teams. I would like to thank the minister for trying to improve the response programs available to the public and I'm very glad that they're trying to improve the system.

In the smaller communities, they know exactly what their area is like and it would make a big improvement if the government was willing to give more financial support in that area. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Mr. Ningark. Minister Kusugak, would you like to make a comment on that?

Hon. Lorne Kusugak (interpretation): Thank you, Mr. Chairman. Thank you, Mr. Ningark. In regard to search and rescue, we are making progress. Usually, it's the immediate family that is the first to go on an operation and then the RCMP comes in second, following the required procedures. That's the way it used to be, but there has been an improvement in Nunavut to date.

I think Nunavut has the best response procedure and usually, our response office is the first one to initiate a search, exactly who is going where, all of that is coordinated by our office. If there's a need to include the military and Hercules, and so on, those are already identified. The local search rescue teams are involved and when there's a requirement, the RCMP gets involved in the case of search and rescue operations.

We have a response plan which has been implemented in all of the communities and all communities have been provided with GPS devices, satellite phones, as well as locator beacons. All of those are available in all communities. Just this summer, we will be ordering 10 locator beacons that can be used on land and water.

So there's an improvement in search and rescue operations, and I am glad that the member brought this issue up. Usually, we don't think we're going to get lost, so we never think to go get a satellite phone or a GPS, but they are available in the communities. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Minister Kusugak. I have Mr. Rumbolt on my list. I'm sorry, it's Mr. Ningark.

Mr. Ningark (interpretation): Thank you, Mr. Chairman. I have a very short question and if you respond accurately, then I won't have any further questions.

We usually don't think we're going to get lost when we're out on the land. Is there a number or a toll-free number that is provided by the government which is available 24 hours a day? Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Mr. Ningark. Minister Kusugak.

Hon. Lorne Kusugak (interpretation): Thank you, Mr. Chairman. Thank you for your question. Yes, we have phones in the regions. In the Baffin, the Kivalliq, and the Kitikmeot, there is a number you can call on a 24-hour basis. There is also one here in Iqaluit. You can call those numbers 24 hours a day and if you don't get a response in one

particular region, you can always call the other numbers, Mr. Chairman. Thank you.

Chairman (interpretation): Thank you, Minister Kusugak. Thank you, Mr. Ningark. On my list I have Mr. Rumbolt.

Mr. Rumbolt: Thank you, Mr. Chairman. My question is in regard to page 5 of 6 of your opening comments. You state, "An example of another recent improvement can be found in the bundling and/or unbundling of our transportation and supply activities in the purchasing of fuel products and delivery to communities." Can you please explain bundling and unbundling? Thank you.

Chairman: Thank you, Mr. Rumbolt. Minister Kusugak.

Hon. Lorne Kusugak: Thank you, Mr. Chairman. Thank you for that question, Mr. Rumbolt. We used to tender it out to supply and ship as one package and now it's unbundled and that we ask for a supply contract and then a shipping contract. Thank you, Mr. Chairman.

Chairman: Thank you, Minister Kusugak. Mr. Rumbolt.

Mr. Rumbolt: Thank you, Mr. Chairman. With the bundling and the unbundling, which seems to be more cost-effective? Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Rumbolt. Minister Kusugak.

Hon. Lorne Kusugak: The current system is much more cost-effective by a substantial amount. They can bid on

both, but the current system is quite a bit cheaper, Mr. Chairman. Thank you.

Chairman: Thank you, Minister Kusugak. The next person I have on the list is Mr. Schell.

Mr. Schell: Thank you, Mr. Chairman. Going back to the purchase of fuel and I know I asked the minister this earlier and maybe he doesn't have an answer yet. But my question that I asked him earlier on was: if they would have hedged the fuel back when it was \$37 a barrel, what would it have cost the government considering now that it's \$68 a barrel? I'm wondering what the insurance policy would have cost the government. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Schell. Minister Kusugak.

Hon. Lorne Kusugak: Thank you, Mr. Chairman. Thank you for the question, Mr. Schell. We opted to do the early purchase and then hedge because it's much more definite and there are much more concrete numbers, so we opted for that option. If it comes to hedging, we are not the department that does the hedging, that's done through the Department of Finance. Thank you, Mr. Chairman.

Chairman: Thank you, Minister Kusugak. I do not have anymore... actually, Mr. Aupaluktuq.

Mr. Aupaluktuq (interpretation): Thank you, Mr. Chairman. While the minister and his officials are here, I would like to take this opportunity to thank them.

First of all, I would like to make a supplement about search and rescue to

include the firefighters as they are also part of our local emergency response teams. I was grateful when I heard the minister mention them. The fire departments provide assistance during search and rescue operations and I would like to see them commended for the work that they do.

Some have other jobs while others are hunters, but they are all volunteers and they are an essential team in our community. This is not really a question but more of a comment that I wanted to make as I am very appreciative of the minister's mention of these important local safety components.

I would like to inform the minister that one of the issues facing the local fire departments is the lack of radios or obsolete equipment and I wanted the minister to be aware of the equipment deficiencies. I just wanted to ensure that the minister was aware of this. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Mr. Aupaluktuq. Minister Kusugak, would you like to speak to this question?

Hon. Lorne Kusugak (interpretation): Thank you. I would like to thank Mr. Aupaluktuq for commending our volunteer firefighters. They are essential and they supply an essential service to protect the communities and the people. Please make sure that you recognize the volunteers because they are a first response team and they will respond without thinking of themselves.

The hamlets, the people in the communities, and the people of Nunavut should recognize and acknowledge that

they are volunteers on a more regular basis. Thank you.

Chairman (interpretation): Thank you, Minister Kusugak. I have no other names on my list. We will now proceed to (interpretation ends) the page-by-page review of the departmental estimates starting with page J-4. Branch Summary. Directorate. Total Operations and Maintenance, to be Voted. Mr. Rumbolt.

Mr. Rumbolt: Thank you, Mr. Chairman. I have a question in regard to J-4. Your department's draft 2009-2010 business plan indicates that it will develop a legislative proposal for the *Nunavut Employee Benefits Services Pension Plan Protection Act*.

A bill with this title was passed by the Legislative Assembly of the Northwest Territories in March of 2009. Will you be introducing a similar bill during the upcoming June sitting of the Legislative Assembly? Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Rumbolt. Minister Kusugak.

Hon. Lorne Kusugak: Thank you, Mr. Chairman. Thank you for the question, Mr. Rumbolt. Yes, we have intentions of bringing that forward during this sitting. Thank you, Mr. Chairman.

Chairman: Thank you, Minister Kusugak. Mr. Aupaluktuq.

Mr. Aupaluktuq: Thank you, Mr. Chairman. I just had a question for the minister or his officials as well. Your department's draft 2009-2010 business plan indicates that it has completed a review of the *Conflict of Interest Act* "and prepared a legislative proposal for

consideration. The department will seek further direction on this item.”

What problems has the department identified with this legislation and what changes are you planning to make to it? Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Aupaluktuq. Minister Kusugak.

Hon. Lorne Kusugak: Thank you, Mr. Chairman. Thank you for the question. We are currently reviewing the issue and if I could ask Mr. Maley to elaborate on that a bit. Thank you, Mr. Chairman.

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

Mr. Maley (interpretation): Thank you, Mr. Chairman. (interpretation ends) I thank the member for his question. Currently, what we found as part of the review process is that the *Conflict of Interest Act* and its effect are very widespread and there are many organizations that will be affected by this.

So right now, we are reviewing legislation and preparing a legislative proposal but we are also seeking more input and further direction on this. And as we do our research, we are finding the broad breadth of the issue. So the department will be reporting back some time in the future. Thank you, Mr. Chairman.

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

Mr. Elliott: Thank you, Mr. Chairman. Your department’s 2009-2010 business plan indicates that it will “Set up a

formal consultation plan with the stakeholders to propose delegation of lotteries to all municipalities under the Lottery Regulations.” Why does the department want to move in this direction? Thank you.

Chairman: Thank you, Mr. Elliott. Minister Kusugak.

Hon. Lorne Kusugak: Thank you, Mr. Chairman. Thank you for the question, Mr. Elliott. About half of the municipalities right now in Nunavut run the program. The majority of those that are not running the program have indicated that they would like to run the program, so that’s why we are taking that course of action. Thank you, Mr. Chairman.

Chairman: Thank you, Minister Kusugak. Mr. Schell.

Mr. Schell: Thank you, Mr. Chairman. Your department’s 2008-09 business plan indicated that the review of the *Nunavut Consumer Protection Act* has been delayed. What has caused this delay and when do you plan to review this Act? Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Schell. Minister Kusugak.

Hon. Lorne Kusugak: Thank you, Mr. Chairman. I would like to invite Mr. Rafter to answer that question. Thank you for the question. Thank you.

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

Mr. Rafter: Thank you, Mr. Chairman. I’m not sure if I have the complete answer. I may ask the member to

rephrase it, but the review is taking place over the course of this fiscal year, 2009-2010. If he can just rephrase the question, I can provide some additional information. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Rafter. Mr. Schell.

Mr. Schell: Thank you, Mr. Chairman. The other question I had asked is what has caused this delay. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Schell. Mr. Rafter... Minister Kusugak.

Hon. Lorne Kusugak: We're playing tag over here. We will get Mr. Maley to answer that if he can, Mr. Chairman.

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

Mr. Maley: Thank you, *Iksivautaaq*. I thank the member for his question. The *Consumer Protection Act* is one of the Acts that was grandfathered over from the NWT and in all honesty, it was one of the Acts that was left as other Acts. As you know, much of the legislation we had in the early days of Nunavut, because April 1 was the date, were carried over from the NWT and subsequent to that, we have been able to *Nunavutize* those so that they make sense for us.

The *Consumer Protection Act* has kind of taken more time because we've got such a small consumer affairs section, it's only actually two people, and because consumer protection is ordinarily integrated with the rest of the provinces and territories. Where we are

right now is we're continuing to review it.

We're hoping that this year is the year that we can actually bring forward a revised Act that truly makes sense to Nunavut and also makes sense to the current resources and potential future resources that are going to be required for us to truly engage in consumer protection, which again potentially has a broad breadth as well. So our plan hopefully at the department is to do more work on it this year and bring something forward for discussion later on. Thank you, Mr. Chairman.

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

Mr. Ningark (interpretation): Thank you, Mr. Chairman. With respect to Mr. Aupaluktuq's question earlier, I believe this would be under the Conflict of Interest Policy on J-4. We are told that this is under review.

Currently, we spend a lot of money for trucks and other items. Where are these assets bought from? The government will have to carefully examine where they were bought from for the communities. Who did they award the contracts to in the communities?

Also on job postings, Mr. Chairman, where they require qualifications of grade 11 or 12 to work for the hamlet in the small communities, sometimes they hire people who don't even have grade 10.

When the conflict of interest guidelines are being reviewed, I believe my comments should be taken into account. My question is: are you going to be

conducting a review once this policy is in place? Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Mr. Ningark. Minister Kusugak.

Hon. Lorne Kusugak (interpretation): Thank you. Thank you for that question. Yesterday or the day before, I tabled the government contracts and procurement. We table it at the Legislative Assembly on an annual basis.

Again on this issue, we have to make sure that there is no conflict of interest in the contracting and procurement done by the government. That will be part of the review process that the member mentions. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Mr. Kusugak. Mr. Ningark.

Mr. Ningark (interpretation): Thank you, Mr. Chairman. Thank you, Minister. Trucks, plows, and dump trucks are very expensive heavy equipment. Used water trucks are sometimes bought. I think the government will have to know exactly where they're buying that equipment and it would be up to the government to take the lead so that there are no conflict of interest issues. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Mr. Ningark. Minister Kusugak, would you like to respond to that, please?

Hon. Lorne Kusugak (interpretation): Thank you, Mr. Chairman. That's an excellent question. The hamlets are local governments and they have to make their own decisions based on their own

policies. As a department, we can't direct the hamlets where to buy from.

Again, sometimes the hamlets come to us to see who would be the best person to buy from. We have provided that kind of support. However, the hamlets are their own government and they can order heavy equipment or other items from anywhere they choose. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Minister Kusugak. I have no other names on my list. (interpretation ends) Directorate. Branch Summary. Total Operations and Maintenance. \$8,808,000.

Some Members: Agreed.

Chairman (interpretation): That figure has been approved. (interpretation ends) Branch Summary. Community Support. Total Operations and Maintenance. \$61,414,000. (interpretation) Are there any questions on that? Mr. Rumbolt.

Mr. Rumbolt: Thank you, Mr. Chairman. My question is: your department's draft 2009-2010 main estimates included \$1.5 million in funds for the New Mobile Equipment Block Funding Program. This program will provide communities with annual funding so that communities can determine equipment required and maintained to a high standard.

How will the budget for this program be allocated between communities and what will be the process for communities to access this fund? Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Rumbolt. Minister Kusugak.

Hon. Lorne Kusugak: The way we're working on it right now, Mr. Chairman, and thank you for question, is that the funding will be distributed equitably, Mr. Chairman. Thank you, Mr. Chairman.

Chairman: Thank you, Minister Kusugak. Mr. Rumbolt.

Mr. Rumbolt: Thank you, Mr. Chairman. So if the community sees a need for a new piece of equipment, do they submit some kind of proposal to Community and Government Services or what do they need to do in order to access this funding? Thank you.

Chairman: Thank you, Mr. Rumbolt. Minister Kusugak.

Hon. Lorne Kusugak: Thank you, Mr. Chairman. The money would be given to them through their budget and the municipality could decide if they want to enter into a lease, or purchase, or let the amount grow in their account. That decision will be made by the municipality. Thank you, Mr. Chairman.

Chairman: Thank you, Minister Kusugak. The next person I have is Mr. Ningark.

Mr. Ningark (interpretation): Thank you, Mr. Chairman. On page J-5, we have heard that Kugaaruk's lagoon... there was a pilot project initiated in Kugaaruk and it would be beneficial to the community according to my knowledge.

In your department's 2009-2010 business plan, we have heard that the communities, I believe it's two or three communities with Kugaaruk included, were not pleased. According to my knowledge, this would be beneficial but the communities weren't happy. How come these communities weren't happy? Are you aware of exactly what they were dissatisfied with?

Perhaps you or your officials know the reason why they weren't happy, Mr. Minister. Why aren't they proceeding with the pilot project funding on water and sewer? Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Mr. Ningark. Minister Kusugak.

Hon. Lorne Kusugak (interpretation): Thank you. Thank you for asking that question, Mr. Ningark. The pilot project was going to be started in the communities, but when the pilot project was started during the winter, we ran into problems and it wasn't able to operate smoothly.

Perhaps Mr. Maley will respond to your question, Mr. Chairman.

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

Mr. Maley: Thank you, *Iksivautaaq*. I thank the member for the question. As a result of some issues with the water and sewer program, the department entered into a pilot project in coordination with the Housing Corporation.

We selected three communities of varying sizes to try and work through a new approach to delivering water and sewage services that was a win-win for

the government departments involved, which was primarily the Housing Corporation as well as the municipalities.

What we did first of all was we brought the parties to the table and we had some pillars that we tried to adopt. The first one was that there was a cost associated with delivering the services and those costs needed to be paid for. The primary driver here is government and in most cases, it's the Housing Corporation. So what we did is we proposed, as a department, that we do this as a block fund.

We would give the community an X amount of dollars based on last year's amount and they would deliver the services and just report back to the Housing Corporation on an annual basis. We agreed to do that with a five percent reduction and that is the communities would get their money upfront and proceed.

At the end of the year, the Housing Corporation had issues with the reporting and the communities weren't satisfied that the block funding arrangement was worth the five percent reduction and so we're kind of back to the drawing board now. The upside to this is we do have recognition from both sides of the challenges - municipalities do a great job at this service and the Housing Corporation also has recognition from communities that it's expensive.

Although that pilot project failed, we're hoping now, with a better understanding of the issues, we can come forward with a new proposal that we can look at to try and smooth some of the problems that

are ongoing with the program. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Maley. The next person I have is Mr. Schell on J-5.

Mr. Schell: Thank you, Mr. Chairman. Going right back to the same issue with the water and sewer fund, my understanding from the communities was that yes, there was a five percent reduction in the amount they were receiving.

But the main reason they refused to do it the following year was that, and I don't know if it's true or not and that's why I'm asking the minister, there was going to be an additional five percent reduction the following year and they didn't agree on that. Is that correct or not? Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Schell. Minister Kusugak.

Hon. Lorne Kusugak: Thank you, Mr. Chairman. Thank you, Mr. Schell, for the question. The short answer is no, that's not true. Thank you, Mr. Chairman.

Chairman: Thank you, Minister Kusugak. Mr. Schell.

Mr. Schell: Thank you, Mr. Chairman. Your department's proposed budget for the community transfer initiative is decreasing from \$4,187,000 in 2008-09 to \$3,339,000 in 2009-2010. What accounts for this decrease? Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Schell. Minister Kusugak.

Hon. Lorne Kusugak: Thank you, Mr. Chairman. Thank you for the question, Mr. Schell. The reduction is due to the return of some of the community transfer initiative programs from Kugluktuk, Cambridge Bay, and Cape Dorset Justice, Cape Dorset Health, and so on. It's because they have given back the program. Thank you, Mr. Chairman.

Chairman: Thank you, Minister Kusugak. Mr. Schell.

Mr. Schell: Thank you, Mr. Chairman. The budget for the GN's contribution to the Municipal Insurance Exchange is increasing from \$200,000 in 2008-09 to \$850,000 in 2009-2010. What accounts for the increase? Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Schell. Minister Kusugak.

Hon. Lorne Kusugak: Thank you, Mr. Chairman. If I can, through you Mr. Chairman, have Mr. Maley answer that question. Thank you.

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

Mr. Maley: Thank you, Mr. Chairman. I thank the member for his question. I'll make my response short on a long issue. NAMIX is basically a municipal self-insurance program that requires some government assistance.

The original funding agreement with them was a five-year agreement which sunset a year ago. At the sunset of the agreement, we found we had a successful program. It was more successful than where we were five years ago in terms of government

contributions, but then it couldn't stand on its own. We approached the Financial Management Board with a request for funding and we were directed to do a review, which we have done.

The review shows that it is a very cost-effective program and therefore, we are looking now, as you will see in the new budget, at an ongoing program that will allow communities to continue to run their own insurance program, continue to adopt good risk management practices, and the government remains a minor player on this particular issue. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Maley. I do not have any more names in regard to Community Support. Total Operations. \$61,414,000. J-5. Everybody agree?

Some Members: Agreed.

Chairman: Branch Summary. Government Services. \$67,985,000. On J-6, does anybody have questions? Mr. Aupaluktuq.

Mr. Aupaluktuq: Thank you, Mr. Chairman. Regarding J-6, Government Services, your department's draft 2009-2010 business plan indicates that one of its priorities is to "Undertake an open-market feasibility study which develops sealift re-supply policy options for Government consideration."

What concerns do you have with the government's present approach to sealift and what specific issues will the study look at? Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Aupaluktuq. Minister Kusugak.

Hon. Lorne Kusugak: Thank you, Mr. Chairman. I would like to give an opportunity for Mr. Rafter to answer that question. Thank you, Mr. Chairman.

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

Mr. Rafter: Thank you, Mr. Chairman. There are no particular concerns with the way that we are conducting sealift at this point in time.

There was a comprehensive evaluation of dry goods resupply done in 2004-05. One of the recommendations was to examine the impact and the feasibility of an open market study. At the time, it wasn't explored further; it was beyond the scope of the report, though it was noted as an item of planned business for the department to examine.

One of the concerns is a cost-benefit impact on small remote communities. By going open market, would there be cost advantages for some communities and disadvantages for other communities?

So it's those types of issues that we are examining and will be examining over the course of this year and hope to have a report finished by the end of this fiscal year. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Rafter. Mr. Aupaluktuq.

Mr. Aupaluktuq: Thank you, Mr. Chairman. I look forward to that. I guess, more or less, what happens and comes out in the fall, I will be looking forward to that considering the fact that there are options now in the North for sealift as well as government services, especially in isolated communities.

It's nice to have a variety of sealift options now. The same thing goes for airlines, competition is good. It's nice to have sealift options within the community. Considering Baker Lake, we have been getting a lot of sealift and people are very pleased to know that they have options now. So I look forward to the response in the fall. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Aupaluktuq. Does the minister want to comment on this? Minister Kusugak.

Hon. Lorne Kusugak (interpretation): Thank you, Mr. Chairman. Yes, we are starting to get more and more options within Nunavut on transportation. They are growing in numbers and due to competition, the prices are going down.

So we are going to look at transportation using ships or barges and that review should be completed by February of next year. I will be pleased to table it at that time. Thank you, Mr. Chairman.

Chairman: Thank you, Minister Kusugak. (interpretation) Mr. Aupaluktuq, is that all? Mr. Schell.

Mr. Schell: Thank you, Mr. Chairman. The GN's 2006-07 annual reports from departmental contracting, procurement and leasing activities were tabled in the leg. on November 7, 2007. When will you table the 2007-08 and the 2008-09 annual reports? Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Schell. Minister Kusugak.

Hon. Lorne Kusugak: Thank you, Mr. Chairman. Thank you for the question.

They should be ready by the fall session.
Thank you, Mr. Chairman.

Chairman: Thank you, Minister Kusugak. Mr. Schell.

Mr. Schell: Thank you, Mr. Chairman. These reports have not included information on procurement, contracting and leasing activities of Crown corporations and agencies. The Legislative Assembly tables a separate annual report on these activities.

Will you commit to working with your Cabinet colleagues to ensure that the GN's Crown corporations and agencies table similar annual reports on activities or provide the information to your department for tabling in the Legislative Assembly? Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Schell. Minister Kusugak.

Hon. Lorne Kusugak: Thank you, Mr. Chairman. There's something to be said about bifocals as I change back and forth with my glasses.

Thank you for the question, Mr. Schell. They have not historically been tabled at the same time when we table ours. I don't have a problem discussing that issue with my colleagues. Thank you, Mr. Chairman.

Chairman: Thank you, Minister Kusugak. Mr. Elliott.

Mr. Elliott: Thank you, Mr. Chairman. In the business plan, there's an allocation of \$240,000 under the Informatics Cooperative Training Program. Under J-6, what is that exactly

for? Is that a position, or is that for training or mentoring? Thank you.

Chairman: Thank you, Mr. Elliott. Minister Kusugak.

Hon. Lorne Kusugak: That's to be able to train in the informatics technology profession. Thank you, Mr. Chairman.

Chairman: Thank you, Minister Kusugak. Mr. Elliott.

Mr. Elliott: Thank you, Mr. Chairman. Thanks for that information from the minister. I realize that this is the first year that it might actually have been allocated to that position. So if it's obviously a new position within the GN, are there people lined up to fill these positions? Thank you.

Chairman: Thank you, Mr. Elliott. Minister Kusugak.

Hon. Lorne Kusugak: I understand that the government has been running it for three years and it is being run through the Nunavut Arctic College, Mr. Chairman. Thank you, Mr. Chairman.

Chairman: Thank you, Minister Kusugak. Mr. Elliott.

Mr. Elliott: Thank you, Mr. Chairman. So is this the first year that the money is being allocated to your department? Thank you.

Chairman: Thank you, Mr. Elliott. Minister Kusugak.

Hon. Lorne Kusugak: Mr. Chairman, I'll have Mr. Rafter answer that, please. Thank you, Mr. Chairman.

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

Mr. Rafter: Thank you, Mr. Chairman. The funding previously had been accumulated through vacant PYs and reallocated to Contract Services. So it appears as if it is a new program this current fiscal year. This current fiscal year, it has been consolidated in advance as a contribution to Nunavut Arctic College upfront to provide the funding in advance. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Rafter. Mr. Elliott.

Mr. Elliott: Thank you, Mr. Chairman. So if I have this correct, this is going to be \$240,000 that will be going directly to Nunavut Arctic College under their IT program to provide training for however many students apply. Thank you.

Chairman: Thank you, Mr. Elliott. Minister Kusugak.

Hon. Lorne Kusugak: Thank you, Mr. Chairman. You are correct.

Chairman: Thank you, Minister Kusugak. I have Mr. Rumbolt.

Mr. Rumbolt: Thank you, Mr. Chairman. My question is along the lines of what my colleague, Mr. Aupaluktuq, was talking about with the development of sealift resupply options.

With Sanikiluaq being in its location, we used to have the option of getting barges out of Moosonee, Ontario. Will your department be looking into reintroducing that shipping route? Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Rumbolt. Minister Kusugak.

Hon. Lorne Kusugak: Thank you, Mr. Chairman. Thank you for the question. Not specifically, but we're trying to figure out the best way of shipping goods to and from all communities, and it may or may not encompass that. Thank you, Mr. Chairman.

Chairman: Thank you, Minister Kusugak. Mr. Rumbolt.

Mr. Rumbolt: Thank you, Mr. Chairman. I understand the fact that you're trying to find the best ways to get things in and out of communities. One other factor that you've got to look at is the cost of getting things to communities.

From my memory, the cost of getting goods to Sanikiluaq through Moosonee, Ontario, was substantially cheaper than bringing it around from Montreal by ship. So I think it's a good avenue that your department should be looking into. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Rumbolt. Minister Kusugak.

Hon. Lorne Kusugak: Thank you, Mr. Chairman. Thank you for the question. You have to take in a number of factors. One is that the people who used to supply the transportation service would be willing and/or are still in the business. But it is a good comment and I will ensure that my staff look into that possibility. Thank you, Mr. Chairman.

Chairman: Thank you, Minister Kusugak. I do not have any more names on my list. Government Services. Total

Operations and Maintenance.
\$67,985,000. J-6. Everybody agree?

Some Members: Agreed.

Chairman: Thank you. Branch Summary. Protection Services. J-7. Total Operations and Maintenance. \$5,510,000. Mr. Rumbolt.

Mr. Rumbolt: Thank you, Mr. Chairman. Several months ago in the House, the minister announced the purchase of Avenger vehicles for help in search and rescue in the communities. At the time, he didn't have the details of when and where these vehicles will be delivered. Can the minister bring us up to date? Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Rumbolt. Minister Kusugak.

Hon. Lorne Kusugak: Thank you, Mr. Chairman. Initially, when I talked about it, we talked about funding nine amphibious vehicles. Our department has taken the responsibility of taking the cost of shipping the amphibious vehicles to the communities and thus, we enabled ourselves to buy three more.

We are purchasing 12 units and they will be located in the following communities: Arviat, Cambridge Bay, Igloolik, Pond Inlet, Taloyoak, Rankin Inlet, Sanikiluaq, Pangnirtung, Kugluktuk, Iqaluit, Repulse Bay, and Baker Lake. And I understand that the tender for this has closed and they will be delivered on this summer's sealift. Thank you, Mr. Chairman.

Chairman: Thank you, Minister Kusugak. Mr. Aupaluktuq.

Mr. Aupaluktuq: Thank you, Mr. Chairman. In relation to your opening comments about fire prevention, this is a question I would like to add.

In J-7, under Protection Services, your department's draft 2009-2010 business plan indicates that one of its priorities is for the "Office of the Fire Marshall to complete a review of the Fire Prevention Strategy and make recommendations for the future direction of the strategy." What problems have been identified with the GN's present strategy and/or who would be consulted during this review? Thank you.

Chairman: Thank you, Mr. Aupaluktuq. Minister Kusugak.

Hon. Lorne Kusugak: Thank you, Mr. Chairman. If I could ask Mr. Maley to respond to that very good question. Thank you, Mr. Chairman.

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

Mr. Maley: Thank you, *Iksivautaaq*. I thank the member for his question. The whole area of fire and in conjunction with the fire strategy, it has been an exercise where it was a result of some substantial property losses in the early days of Nunavut and when we started tracking data, we found that there were a number of trends.

One of those happens to be safety with children around the home, vandalism, arson, and those kinds of things. So the fire strategy was developed in order to start mitigating this issue, as broad as it is, on a task-by-task basis.

One of the things we found is that our ability to fight fires, our training, and our equipment has increased, though the number of fires has not necessarily. So what we're finding now is that we will be concentrating more on an education process, where we concentrate more on public awareness and those kinds of things.

This truly is an issue that affects all organizations, it's not just the housing associations, or the municipalities, or even the government, it's everybody and so that is kind of where the fire strategy is heading. Thank you, Mr. Chairman.

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

Mr. Ningark: Thank you, Mr. Chairman. Mr. Minister indicated about purchasing amphibious vehicles. What type are they, warm-blooded, cold-blooded, or hovercraft?

>> *Laughter*

Are they hovercraft? Thank you.

Chairman: Thank you, Mr. Ningark. Minister Kusugak.

Hon. Lorne Kusugak: They are lukewarm-blooded vehicles. These vehicles, Mr. Chairman, can be fitted with a track, float in water, go over snow or any rough terrain, can't fly like Superman but will be fitted with everything, Mr. Chairman. They have eight wheels on them and they will be equipped with GPS, lift jacks, and communications equipment.

Further to your question, there will also be training provided to the

municipalities on how to use this equipment and whatever equipment that is attached to it. Thank you, Mr. Chairman.

Chairman: Thank you, Minister Kusugak. Mr. Rumbolt.

Mr. Rumbolt: Thank you, Mr. Chairman. It might not sound fitting to talk about cell phones under Protection Services, but I'll try. With the use of cell phones becoming more common in Nunavut, has your department considered anything about how they could assist in search and rescues?

I know cell phones don't have a lot of good range in mountainous areas, but a lot of our communities are in low-lying areas. If there was cell phone service in communities, could it possibly aid in search and rescue and in cutting down the costs of searching for people? Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Rumbolt. Minister Kusugak.

Hon. Lorne Kusugak: Thank you, Mr. Chairman. Thank you for the question. In case you're searching for me after nine, I turn my cell phone off.

Any kind of tool we have out there that we can get in order to be able to contact anybody is a very worthwhile tool in terms of search and rescue. Though cell phones have a limited use, depending on transmitters and transformers and stuff like that, they do come in very handy.

In fact, I was in a meeting recently with the head of NorthwTel, the major provider of cell phone service in a growing number of communities in

Nunavut. In our discussions, I brought up the issue of the possibility of expediting cell phone service in all of the communities in Nunavut, regardless of size, because it has potential to save lives, keeping in mind that a majority of the searches that are done in communities could be within a cell phone distance away.

A lot of times, they're just around the hill or they may not necessarily be lost and decided they're going to spend the next few nights fishing or they are broke down and they're within the distance of cell phone capability. So it has real cases where we could be using or providing cell phone service to search and rescue.

I know it's proven itself already in the communities where there are cell phones, so it is one that I and our department are currently talking about at least. Thank you, Mr. Chairman.

Chairman: Thank you, Minister Kusugak. Mr. Rumbolt.

Mr. Rumbolt: Thank you, Mr. Chairman. In your talks with NorthwTel, you asked about implementing it in all communities. Did they give you any kind of timeline and when and if they could do that? Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Rumbolt. Minister Kusugak.

Hon. Lorne Kusugak: Thank you, Mr. Chairman. In our discussions, we just talked mainly about the benefits of having it. One has to realize that it's an expensive venture, but it's also not way out there.

In some communities where their telephone service is providing the equipment, they may need to be upgraded. Some of them could be automatically supplied with the equipment needed for that service. Not being a telephone expert, I don't know the details of it, but we never got into if it will be by this fall or by next year.

But we definitely are talking about it and have given an indication that we will talk about it further to see if there are possibilities of cost sharing and looking for other funding agencies to be able to fund it for the purposes of emergency search and rescues. Thank you, Mr. Chairman.

Chairman: Thank you, Minister Kusugak. Mr. Rumbolt.

Mr. Rumbolt: Thank you, Mr. Chairman. The minister says that it's expensive for the implementation of cell phones. I guess it's just a comment that it's also expensive to send a Hercules airplane from the south to search behind the hill for that person who doesn't have a cell phone, who may be within cell phone range. So I think the venture has merit and it's something that should be looked into. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Rumbolt. Did you want to comment on that, Minister Kusugak?

Hon. Lorne Kusugak: Thank you, Mr. Chairman. It is expensive every time you do a search, but the most expensive thing in life is life. So I don't think it's fair to assume that if we have cell phones, we will do away with Hercules aircraft and so forth, but it is expensive.

But on the other hand, whatever the cost may be for a cell phone service, we have to also keep in mind that it is a private business and therefore, they are a for-profit company and we have to weigh the pros and cons of paying government dollars for them to be able to expand their service.

So we will work through that over the next year or so and try to come up with some kind of a balance in terms of dealing with the cell phone service. Thank you, Mr. Chairman.

Chairman: Thank you, Minister Kusugak. Mr. Aupaluktuq.

Mr. Aupaluktuq: Thank you, Mr. Chairman. In regard to Protection Services on J-7, with the increased shipping lanes and shipping presences... and this may be a federal question, Mr. Chairman, but I wanted to direct this in essence to protection services up here.

The Canadian Coast Guard provides radio frequency services and presence to most southern coastal towns. What are the possibilities or is there a possibility of having Coast Guard presence in Nunavut? Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Aupaluktuq. Minister Kusugak.

Hon. Lorne Kusugak: Thank you, Mr. Chairman. Very good question, Mr. Aupaluktuq, and if I could have Mr. Maley respond to it, Mr. Chairman. Thank you.

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

Mr. Maley (interpretation): Thank you, Mr. Chairman. (interpretation ends) I thank the member for the question. In our emergency management section, the director of protective services has spent a lot of time and effort cultivating the GN's relationship with not only the Coast Guard but also the military.

And honestly, having been with this department for a number of years, I can tell you that the relationship and services that we get now from Trenton and from the Coast Guard are unbelievably improved.

One of the things that are happening this year with the military is, as I think most of the members are aware, Operation Nanook, which is happening here in Iqaluit, which is once again another large military exercise.

These kinds of exercises look at communication and we're hoping that through the military's experiences in the North and by doing these kinds of exercises like the ones we had in Pangnirtung, they are all able to see the merits of your suggestion.

So our response is yes, through continued collaboration, we're hoping that eventually we can receive all of the benefits that other jurisdictions get with things like Coast Guard communications. Thank you, Mr. Chairman.

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

Mr. Elliott: Thank you, Mr. Chairman. I wanted to add something to what Mr. Rumbolt was saying. I was just going to ask: is NorthwTel the only group that

you have been discussing cell phone communications with? Thank you.

Chairman: Thank you, Mr. Elliott. Minister Kusugak.

Hon. Lorne Kusugak: Thank you, Mr. Chairman. Thank you for the question, Mr. Elliott. It wasn't a discussion in terms of how could we do this, it was more of a meet-and-greet kind of a discussion. It was very minor, no details, and it was more of a "Hi, how are you" kind of discussion. And yes, to that extent, at this point, I'm not looking to go beyond that. It was more a meet-and-greet discussion. Thank you, Mr. Chairman.

Chairman: Thank you, Minister Kusugak. Mr. Elliott.

Mr. Elliott: Thank you, Mr. Chairman. I would like to recommend speaking to the Nunavut Broadband Development Corporation. I know they have been working on that as well and I know that the Government of Nunavut, in other sections of O&M, has actually provided funding to that organization, I guess \$250,000.

I know they want to try and expand and it's all local business. Community service providers might be another option if that's the way we're thinking about going in terms of supporting local community businesses. Thank you.

Chairman: Thank you, Mr. Elliott. Minister Kusugak.

Hon. Lorne Kusugak: Thank you, Mr. Chairman. I thank you for the question. I have directed the department to take a serious look at it, aside from the

discussions I had with NorthwesTel. The gentleman, if he's watching, he's saying, "I'm never going to visit his office again."

>> *Laughter*

Aside from the discussion I had with the gentleman, I have directed our department to take a look at the cell phone service and other communications services we have in Nunavut and see where we could go with it.

At the appropriate time, our department will be meeting with the interested parties to discuss the possibilities of cell phone service and I'm sure that will include all of the people interested in tackling the cell phone service in Nunavut. So our department will be looking into it in the coming weeks and/or months, Mr. Chairman. Thank you.

Chairman: Thank you, Minister Kusugak. Mr. Elliott.

Mr. Elliott: Thank you, Mr. Chairman. I thank the minister for that. I'm sure if he sat down and spoke with Minister Taptuna, he would be able to give him some answers on that because I know that he always had an open door and I would go talk to him at any time.

I'm going to change directions in terms of questioning. When we were doing capital estimates, I had sort of asked questions about... I foresaw the possibility of construction slowdown. I know that he's not here right now, but Minister Tootoo wants to make sure that all of the houses get built and whatnot.

At the time, there were some PYs. I noticed that there are 20 PYs in Protection Services, seven under Safety Inspection, and eight under the Fire Marshal's Office. Are those positions filled now? Are we up to capacity on those positions? Thank you.

Chairman: Thank you, Mr. Elliott. Minister Kusugak.

Hon. Lorne Kusugak: Thank you, Mr. Chairman. Just like Minister Taptuna, my door is always open any time you want to come and see me. I've had the pleasure of meeting with you on a few occasions and look forward to further discussions.

If I could have Mr. Rafter respond to that very good question. Thank you, Mr. Chairman.

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

Mr. Rafter: Thank you, Mr. Chairman. According to the most recent information we have for the department, which was tabulated on or about March 31, 2009, there are six vacancies in Protection Services across the territory and that would be in the four locations that we have staff. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Rafter. Mr. Elliott.

Mr. Elliott: Thank you, Mr. Chairman. I know, from following what's been happening in Arctic Bay with some of the construction that's been going on, sometimes the construction gets held up.

It's no fault of the building inspector or electrical inspector because they're overworked and they're travelling so much that they can't get into the community to do inspections so that they could do the next phase in terms of the construction, so sometimes there are delays and whatnot.

I'm just wondering if the minister can assure us that there will be no delays in construction because of positions not being filled. Thank you.

Chairman: Thank you, Mr. Elliott. Minister Kusugak.

Hon. Lorne Kusugak: Thank you, Mr. Chairman. We do the best we can in terms of trying to make sure that there are no construction slowdowns during inspection phases. We will try to ensure again that construction is not slowed down because of lack of inspections to those construction sites. Thank you, Mr. Chairman.

Chairman: Thank you, Minister Kusugak. I have no more names for Protection Services. Total Operations and Maintenance. \$5,510,000. J-7. Agreed?

Some Members: Agreed.

Chairman: Turn to page J-8. Capital Planning and Technical Services. Operations and Maintenance. \$27,006,000. Does anybody have questions? Mr. Schell.

Mr. Schell: Thank you, Mr. Chairman. Your department's proposed budget for building maintenance has increased by over \$2 million from \$16,204,000 in

2008-09 to \$18,712,000 in 2009-2010.
What accounts for this increase?

Chairman: Thank you, Mr. Schell.
Minister Kusugak.

Hon. Lorne Kusugak: Thank you, Mr. Chairman. It is due mostly to Contract Services being increased to improve maintenance. Maybe I could have Mr. Rafter elaborate on that if you would allow him, Mr. Chairman.

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

Mr. Rafter: Thank you, Mr. Chairman. Approximately \$850,000 is due to exclusively either new infrastructure or enhanced maintenance budgets due to forced growth.

Additionally, the minister had mentioned earlier that two communities in the western Arctic had turned back the return functions associated with maintenance that were being conducted at the municipal level and other government services or services provided by other government entities.

It was contributions commonly referred to as CTIs and so this is where you see the money come back into the budget, it had come out of contributions and into Contract Services, where the Kitikmeot regional office will be providing those maintenance services with their own sources as opposed to contributions.
Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Rafter. Mr. Aupaluktuq.

Mr. Aupaluktuq (interpretation): Thank you, Mr. Chairman. (interpretation ends)

Your department's draft 2009-2010 business plan indicates that one its priorities is to "Deliver community based training for potable water, wastewater and solid waste management in Arviat, Baker Lake, Cambridge Bay and Gjoa Haven with the Municipal Training Organization (MTO). Upon completing these courses, Hamlet employees will be in a better position to meet guidelines established by the regulatory authorities..."

How were these specific communities selected to take part in this training? Will it be provided to other communities in future years? Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Aupaluktuq. Minister Kusugak.

Hon. Lorne Kusugak: It's more of a scan, I guess, because there are varying sizes of water supplies when you look at these communities' sizes. Based on community sizes and different needs, it's a pan of those. So we get a blend of it, Mr. Chairman, if that makes sense.
Thank you, Mr. Chairman.

Chairman: Thank you, Minister Kusugak. I have no more names on page J-8. Capital Planning and Technical Services. Total Operations and Maintenance. \$27,006,000. Agreed?

Some Members: Agreed.

Chairman: Go back to page J-3. Department Summary. Detail of Expenditures. Total Operations and Maintenance. \$170,723,000. Agreed?

Some Members: Agreed.

Chairman: Is the committee agreed that the Department Community Government Services is concluded?

Some Members: Agreed.

Chairman: Thank you. I would like to thank the minister and his officials for coming to the committee here. I would like to also ask the minister if he has any closing comments.

Hon. Lorne Kusugak (interpretation): Thank you, Mr. Chairman. I would also like to thank my colleagues for posing questions in regard to our O&M budget and our business plan. Only through working together can we achieve more. If you have any further questions in regard to my department, you know exactly where my office is and the door is open.

I would also like to thank Mr. Rafter and Mr. Maley for making an appearance. While I don't have a deputy minister, Mr. Maley is my acting deputy minister and I would like to thank him as our department has quite a large mandate. I also thank my officials for being able to be here, Mr. Chairman. Thank you.

Chairman (interpretation): Thank you, Minister Kusugak. Perhaps we can take a five-minute break before we review the Department of Finance. Is that okay with you?

Some Members: Agreed.

Chairman (interpretation): Thank you.

>>Committee recessed at 17:09 and resumed at 17:23

Bill 01 – Appropriation (Operations & Maintenance) Act, 2009-2010 – Finance – Consideration in Committee

Chairman: Welcome back, everyone. I would now like to ask the Minister of Finance, Minister Peterson, to make his opening remarks.

Hon. Keith Peterson: Thank you, Mr. Chairman. I thank the members of the standing committee and Committee of the Whole. It is my pleasure to discuss the main estimates and business plan for the Department of Finance for 2009-2010.

The Department of Finance has a number of priorities in 2009-2010 that will impact the future of our government. These priorities include:

- Address the concerns identified in the *Report of the Auditor General of Canada to the Legislative Assembly of Nunavut – 2009: Financial Management Practices – Follow-up on the 2005 Report to the Legislative Assembly of Nunavut*.
- Continue to implement the Building Financial Information Capacity initiative with the assistance of the Department of Community and Government Services.
- Develop an implementation plan for a human resource strategy within the Department of Finance.
- Develop a consultation strategy for the review of the *Liquor Act*.

- Implement Memorandums of Understanding with each territorial corporation.

The majority of these initiatives are aimed at supporting the continued improvement of financial management across the Government of Nunavut. We must improve technical capacity and competency, but we must also increase the number of staff within the Department of Finance and across government. It is not only professional accountants that we need but also economists, policy officials, auditors, and tax specialists.

Other initiatives advance the self-sufficiency of our government and Nunavummiut, such as the report card initiative, a devolution agreement, the review of the *Liquor Act*, and Memorandums of Understanding with our territorial corporations.

In addition, the Department of Finance has the responsibility for a number of ongoing programs that affect Nunavummiut, such as:

- Harvesters Fuel Tax Rebate Program
- Household Allowance
- Nunavut Electricity Subsidy Program
- Harvesters Workers' Safety and Compensation Commission Program
- Employees Medical Travel Program

During 2008-09, the Department of Finance played a role in:

- The conclusion of a new collective agreement with the Nunavut Employees Union, both in terms of negotiation and implementation
- The signing of the Building Canada Fund Agreement with the Government of Canada

The department, in 2008-09, also developed the Household Allowance and P3 Policy. It continued its efforts in strengthening financial management across government, which has led to:

- improvements in tabling the public accounts, both in terms of timing and the quality of the public accounts
- the near completion of the Financial Administration Manual
- the ongoing provision of training to staff across government
- a new signing authorities matrix across government
- the integration of financial processes

The staff complement of the Department of Finance is 209 and encompasses six lines of businesses:

- Advisory and Administrative, with a budget of \$1 million
- Policy and Planning, with a budget of \$3 million

- Financial Management, with a budget of \$2.5 million
- Internal Audit Services, with a budget of \$1 million
- Comptrollership, with a budget of \$14 million
- Centrally Administered Funds, with a budget of \$33 million

The total budget allotment for the Department of Finance is \$54.9 million for 2009-2010. As can be seen above, most of this allotment, or 60 percent, is for Centrally Administered Funds, which is not “controllable” by the Department of Finance.

Of the remaining budget of \$21.7 million, 81 percent, or \$17.6 million, is for compensation and benefits. It should be noted that the department is budgeting compensation and benefits to anticipated actual in this fiscal year.

In summary, Mr. Chairman, the department will continue to play its central agency role in addition to supporting the initiatives of other departments and territorial corporations across government.

Mr. Chairman, this concludes my opening comments. I would be pleased to answer questions. Thank you, Mr. Chairman.

Chairman: Thank you, Minister Peterson. I would now like to ask the Co-Chair of the Standing Committee on Oversight of Government Operations and Public Accounts if he has any comments. Mr. Schell.

Mr. Schell: Thank you, Mr. Chairman. I am pleased to provide opening comments on behalf of the Standing Committee on Oversight of Government Operations and Public Accounts on its review of the 2009-2010 Main Estimates and Business Plan of the Department of Finance.

The standing committee notes that the department’s proposed 2009-2010 operations and maintenance budget of \$54,883,000 has increased by approximately 4.5 percent since the introduction of the department’s 2004-05 main estimates. The number of positions in the department has increased from 154.0 PYs in 2004-05 to 209.0 PYs in 2009-2010.

During the minister’s recent appearance before the standing committee, members took the opportunity to raise a number of important issues and concerns.

In 2003, the Government of Nunavut announced the establishment of a Crown Agency Council to address issues related to the government’s relationship with its major Crown corporations and agencies.

During the Second Legislative Assembly of Nunavut, the government began the practice of providing annual ministerial letters of expectation to Crown corporations and agencies in order to establish priorities and provide direction with respect to their operations and initiatives.

The current government, through its new Public Agency Council, has indicated that it will be undertaking a Memorandum of Understanding-based approach to this process. The standing committee looks forward to the timely

tabling in the Legislative Assembly of priority-setting items that are directed to Crown corporations and agencies.

Members also look forward to the tabling in the Legislative Assembly of the terms of reference for the new Public Agency Council, in addition to the 2009-2010 corporate business plans of the Nunavut Development Corporation, the Qulliq Energy Corporation, and the Nunavut Business Credit Corporation.

Mr. Chairman, as you will recall, the standing committee held hearings last month on the Report of the Auditor General on the Nunavut Housing Corporation. The standing committee recently presented its report on these hearings and made a number of recommendations. The standing committee strongly urges the Public Agency Council to take into account these recommendations in the development of this year's Memorandum of Understanding between the GN and the Nunavut Housing Corporation.

On April 1, 2009, the *Report of the Auditor General of Canada to the Legislative Assembly of Nunavut – 2009: Financial Management Practices – Follow-up on the 2005 Report to the Legislative Assembly of Nunavut*, was tabled in the House.

The Department of Finance's 2009-2010 business plan indicates that one of its priorities is to address the concerns identified in the Auditor General's report "by developing and implementing a concrete action plan..." The standing committee looks forward to holding hearings on the Auditor General's most

recent reports in the fall of 2009 and reviewing the government's action plan.

The department's business plan indicates that the transaction processing functions of the Department of Health and Social Services and the Department of Executive and Intergovernmental Affairs "have now been recentralized to the Department of Finance regional offices located in Iqaluit, Cambridge Bay and Rankin Inlet as part of a shared services model. Further recentralization of transaction processing for other departments is currently being assessed." The standing committee looks forward to the minister reporting to the House on the status of this initiative.

Mr. Chairman, the tabling of the government's annual public accounts continues to be an issue of concern. The public accounts for the 2006-07 fiscal year were not tabled in the Legislative Assembly until September 16, 2008. The Government of Nunavut's interim financial report for the 2007-08 fiscal year was tabled in the Legislative Assembly on January 26, 2009. The public accounts for 2007-08 have not yet been tabled.

The 2007 federal budget provided \$23 million to "Strengthen Financial Management in Nunavut." The Department of Finance has indicated that \$15 million of this funding will be used to "create an efficient and effective business computer network. The remaining \$8 million will be used to strengthen the accountability framework and to facilitate the timely preparation of Nunavut's Public Accounts." The department's 2009-2010 business plan indicates that "the five-year funding arrangement for Strengthening Financial

Management and Network Capacity was signed and funding began to flow in October 2008.”

The standing committee anticipates scrutinizing the government’s progress in this area during its upcoming hearings on the Auditor General’s most recent reports to the Legislative Assembly.

Mr. Chairman, the recently tabled Report of the Auditor General noted that “the underlying cause of the Government’s lack of progress on our previous recommendations is its limited human resource capacity. Simply put, there are not enough qualified financial staff to properly carry out basic financial functions.”

The Department of Finance’s 2009-2010 business plan indicates that one of its goals is to “work with the Department of Human Resources to develop a comprehensive Human Resources Strategy...” The standing committee strongly supports initiatives to enhance education and training opportunities for Inuit to pursue careers in financial management and the accounting profession. Building capacity in this area will strengthen the government and territory as a whole.

Mr. Chairman, an issue with government-wide implications is the growth in the size of the public service since the creation of Nunavut in 1999. According to the Government of Nunavut’s main estimates and departmental business plans for the 2004-05 fiscal year, the total number of positions across the government was approximately 3,040 PYs, not including the Qulliq Energy Corporation’s positions. The number of PYs has

increased to approximately 3,800 in the 2009-2010 fiscal year. This is an increase of 760 positions, or 25 percent, in just five years.

However, this growth is taking place even though the government’s overall vacancy rate remains between 20 and 25 percent. Although the GN’s most recently tabled employment statistics revealed that approximately 900 positions across the government were vacant as of December 31, 2008, departments continue to add new positions to their organizational structures even though it is clear that they continue to face challenges in filling their existing jobs. Mr. Chairman, we must recognize that the bureaucracy cannot grow forever. This is an issue that the Financial Management Board needs to review.

Mr. Chairman, the Department of Finance is responsible for managing the government’s banking services contract. During the minister’s appearance before the standing committee, the issue of Inuit language services provided to the general public by banks operating in Nunavut was raised.

In light of the recent passage of the *Inuit Language Protection Act*, the department was encouraged to use its contract renewal process as an opportunity to obtain commitments from potential banking services providers to enhance their Inuit language services to the public.

Mr. Chairman, during the minister’s appearance before the standing committee, members raised a number of concerns regarding the issue of liquor management, which falls under the

administrative jurisdiction of the Department of Finance. Responsibility for support to the Liquor Licensing Board was transferred to the Department of Justice in the 2007-08 fiscal year.

The Department of Finance's business plan indicates that one of its priorities is to "complete planning for a comprehensive review of the [*Liquor Act*], including a consultation plan."

Members recognize that the issue of access to alcohol is complex and contentious, and that different perspectives exist with respect to the extent to which access to alcohol should be permitted in different communities.

Members are also aware of the concern that in those communities where alcohol possession and consumption is permitted, excessive barriers to the legal importation and purchase of alcohol can increase the potential for illegal sales to occur.

Members also noted the problematic situation facing residents in Rankin Inlet and Iqaluit. Although the government maintains a liquor distribution facility in each community, individual residents are not permitted to order products from the one that is located in the same community in which they live. This situation warrants review.

The standing committee supports efforts to strengthen the working relationship between the Department of Finance and the Royal Canadian Mounted Police with respect to information-sharing initiatives that are intended to combat the illegal sale of alcohol and put bootleggers behind bars.

Members would be supportive of further amendments to the *Liquor Act* to toughen fines and other penalties for bootleggers, especially for offences involving the illegal sale of liquor for profit to minors.

In communities where voters have chosen through plebiscite to establish alcohol education committees, the standing committee supports efforts on the part of the department to provide training and support for these bodies, while recognizing the need to review whether their core mandate should be focused on controlling access to alcohol or providing counselling services that might be more appropriately delivered by other entities.

Members also raised the issue of allocating revenues that are received by the government from fines imposed under the *Liquor Act* to alcohol education and treatment programs.

Mr. Chairman, on June 4, 2008, the Government of Nunavut's annual reports on grants and contributions made by all departments during the 2005-06 and 2006-07 fiscal years were tabled in the Legislative Assembly. The 2006-07 annual report indicated that the GN awarded approximately \$242.9 million in grants and contributions during the fiscal year. A total of 106 grants and 388 contributions were made during the 2006-07 fiscal year.

The GN's annual reports on grants and contributions for the 2007-08 and 2008-09 fiscal years have not yet been tabled in the Legislative Assembly. The standing committee looks forward to these important annual reports being tabled in a timely manner.

The standing committee also recommends that the minister, in his capacity as the Chairperson of the Government of Nunavut's Financial Management Board, consider the establishment of a government-wide framework for measuring and evaluating the results of the government's grants and contributions expenditures. This initiative has the potential to complement the government's ongoing "Report Card" project.

During the fall 2007 sitting of the Legislative Assembly, a formal motion was unanimously passed by the House concerning the federal Northern Residents Deduction. The motion called upon the Government of Canada to increase the residency portion of the Northern Residents Deduction "and ensure that the residency portion be adjusted thereafter on an annual basis to an inflation index that is reflective of the cost of living in Canada's Arctic."

The 2008 federal budget announced a 10 percent increase in the residency component of the deduction. The standing committee encourages the minister to lobby his federal counterpart to introduce further enhancements to the Northern Residents Deduction.

On November 1, 2007, the provisions in the *Qulliq Energy Corporation Act* providing for the creation of an Affordable Energy Fund came into force. Its purpose is to "subsidize the cost of energy or otherwise make energy more affordable."

According to the Government of Nunavut's Energy Strategy, which was tabled in the Legislative Assembly on October 30, 2007, this fund is to be

managed by the Department of Finance. However, the department's 2009-2010 business plan does not make any reference to the Affordable Energy Fund. The standing committee looks forward to the government clarifying its plans in this area.

On September 17, 2008, the Government of Nunavut's new Public-Private Partnership Policy was tabled in the Legislative Assembly. The policy states that the GN "believes that a cooperative approach to building infrastructure through public-private partnerships can be an appropriate, efficient and effective use of Nunavut's resources to deliver services."

However, the Department of Finance's 2009-2010 business plan does not make any reference to the GN's new P3 Policy. During the minister's appearance before the standing committee, members were advised that the government continues to consider the potential of using P3 approaches in its capital planning process.

In June of 2008, the Legislative Assembly passed the *Nunavut Outfitter Liability Protection Fund Act*. In the same month, the Legislative Assembly approved \$4.0 million to establish the Nunavut Outfitter Liability Protection Fund, which has been established as a revolving fund to provide assistance to outfitters who are subject to third party liability claims. \$1.0 million of the funding was provided from the GN and \$3.0 million came from the Government of Canada's Community Development Trust.

The Act came into force on October 1, 2008. However, the department's 2009-

2010 business plan does not make any reference to the fund. During the minister's appearance before the standing committee, members were advised that the Department of Finance will be working with the Department of Economic Development and Transportation to undertake promotion activities in relation to the fund.

Amendments were passed to the territorial *Payroll Tax Act* in 2006 to increase the GN's payroll tax rate to two percent. The tax generated \$8,233,000 in revenue in 2006-07 and \$14,667,000 in 2007-08. The government estimates that it will raise \$14.35 million in 2009-2010 from the payroll tax.

It is not clear what percentage of payroll tax revenues is raised from the government's own employees and what percentage is raised from workers in other levels of government and the private sector. The standing committee recommends that the minister begin the practice of tabling an annual report on the administration of the *Payroll Tax Act* to account for such issues.

The Department of Finance is responsible for administering the territorial *Tobacco Tax Act*. The tax generated \$9,547,000 in revenue in 2006-07 and \$11,662,000 in revenue in 2007-08. The government estimates that it will raise \$11.82 million in 2009-2010 from tobacco taxes.

Nunavut's tobacco taxes are among the highest in the country. However, it is unclear if increases in tobacco taxes have actually had an impact on reducing smoking rates in Nunavut. This is an issue that would benefit from evaluation by the Department of Finance and the

Department of Health and Social Services.

The standing committee is also aware that the potential health benefits of increasing tobacco taxes must be balanced with the risk of creating a black market for illegal tobacco products as a consequence of excessive tax increases.

The GN's new Fuel Tax Rebate Program was announced in the 2006 budget. It provides incentives for mineral exploration and development, and provides for a fuel tax rebate for commercial harvesters and outfitters.

On March 4, 2008, the Minister of Finance tabled in the Legislative Assembly the 2007 annual report on the Fuel Tax Rebate Program. Members look forward to the tabling of the 2008 annual report.

Mr. Chairman, that concludes my opening comments on the 2009-2010 Main Estimates and Business Plan of the Department of Finance. Thank you.

Chairman: Thank you, Mr. Schell. I suggest you drink water from your glass.

>> *Laughter*

Thank you. Mr. Aupaluktuq.

Mr. Aupaluktuq: Thank you, Mr. Chairman. I move to report progress. Thank you very much.

Chairman: We have a motion on the floor to report progress and the motion is not debatable. All those in favour of the motion. Those opposed. The motion is carried. I will now rise to report progress to the Speaker.

Speaker (interpretation): Going back to the Orders of the Day. Item 21. Report of the Committee of the Whole. Mr. Ningeongan.

Item 21: Report of the Committee of the Whole

Mr. Ningeongan: Mr. Speaker, your committee has been considering Bill 1 and the main estimates, and would like to report progress. Also, Mr. Speaker, I move that the Report of the Committee of the Whole be concurred with. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you, Mr. Ningeongan. There is a motion on the floor. Is there a seconder? Mr. Kusugak. The motion is in order. All those in favour of the motion, please raise your hand. All those opposed. The motion is carried.

Item 22. Third Reading of Bills. Item 23. Orders of the Day. (interpretation ends) Mr. Clerk.

Item 23: Orders of the Day

Clerk (Mr. Quirke): Thank you, Mr. Speaker. Just a reminder for tomorrow morning, a meeting of the Regular Members' Caucus at nine o'clock in the Nanuq Boardroom with the Minister of Finance.

Orders of the Day for June 10:

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. Replies to Budget Address
11. Petitions
12. Reports of Standing and Special Committees
13. Reports of Committees on the Review of Bills
14. Tabling of Documents
15. Notices of Motions
16. Notices of Motions for First Reading of Bills
17. Motions
18. First Reading of Bills
 - Bill 2
 - Bill 4
 - Bill 5
19. Second Reading of Bills
20. Consideration in Committee of the Whole of Bills and Other Matters
 - Bill 1
21. Report of the Committee of the Whole
22. Third Reading of Bills
23. Orders of the Day

Thank you.

Speaker: Thank you, Mr. Clerk. This House stands adjourned until Wednesday, June 10, at 1:30 p.m.

Sergeant-at-Arms.

>>*House adjourned at 17:51*

