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**DAY 5**

**Tuesday February 27, 2001**

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**Iqaluit**

**Speaker: The Hon. Kevin O'Brien, M.L.A.**

# Legislative Assembly of Nunavut

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(Akulliq)

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(Iqaluit Centre)

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**Iqaluit, Nunavut**  
**Tuesday February 27, 2001**

**Members Present:**

Honourable Olayuk Akesuk, Mr. Ovide Alakannuark, Mr. Donald Havioyak, Mr. David Iqaqrialu, Mr. Enoki Irqittuq, Honourable Peter Kattuk, Honourable Peter Kilabuk, Honourable Kelvin Ng, Mr. Jobie Nutarak, Honourable Kevin O'Brien, Honourable Paul Okalik, Honourable Ed Picco, Mr. Uriash Puqiqnak, Honourable Manito Thompson, Mr. Hunter Tootoo, Ms. Rebekah Williams.

**Item 1: Opening Prayer**

**Speaker** (Mr. O'Brien): I would like to ask Mr. Puqiqnak to say the prayer.

>>*Prayer*

**Speaker:** Ullukkut. Good afternoon. Orders of the Day. Item 2. Budget Address. Mr. Ng.

**Item 2: Budget Address**

**Hon. Kelvin Ng:** Thank you, Mr. Speaker.

**Introduction**

It is with a sense of pride and optimism that I present the Government of Nunavut's budget for the 2001-2002 fiscal year. Pride in our collective accomplishments since our territory's birth a brief two years ago. And optimism about our continuing ability to address the many challenges that confront our young territory – challenges that must be overcome if we are to fully realize Nunavut's promise.

Before outlining our strategy for the coming year, I want to first thank my Honourable Colleagues – Premier Okalik, Cabinet, and Members of the Legislative Assembly – for your hard work and determination to make the Nunavut dream a reality. I also want to acknowledge and pay tribute to the dedicated employees of the Government of Nunavut who are delivering our policies and programs, and making meaningful improvements in the daily lives of Nunavummiut.

We have all learned much in our first two years. We have encountered the natural growing pains of any new government, discovering both our strengths and our weaknesses. We have experienced the satisfaction of determining our own destiny. Yet, we also have found out there are tremendous responsibilities that come with this opportunity.

Mr. Speaker, the annual budget process enables government to outline how it intends to deliver its responsibilities. It allows us to gauge our progress and assess our ongoing needs. It establishes a fiscal framework and identifies financial priorities. It also explains

to our constituents how we will use available resources to meet their needs and ensures our actions are in their best interest. As a democratically elected public government, we are accountable to all of the people we serve.

Members of this Legislative Assembly – indeed, all Nunavummiut – have both a right to know, and a need to understand, that we face an important turning point in Nunavut's history. We have made a very good start, but much more needs to be done.

During our first two years we have been fortunate to have a strong fiscal position due largely to savings in salary expenditures. This year's budget represents a more realistic picture of the fiscal situation that we face in the long term.

With this in mind, let me assure Honourable Members that this is a fair and responsible budget – designed to strike the right balance between responding to the needs of people in our communities, and demonstrating Nunavut's capacity to effectively manage our financial resources and govern our own affairs. The development of this budget plan has been guided by priorities identified by Nunavummiut and principles set out in the Bathurst Mandate.

### **Our Fiscal Performance**

Mr. Speaker, before outlining our plans and priorities for the coming year, I will first briefly review our fiscal performance for the 2000-2001 fiscal year.

As a result of lower than anticipated federal transfers, projected total revenues for 2000-2001 have been revised down to \$635.3 million. On the expenditure side, total budgeted requirements have increased to \$667.5 million, or \$28.4 million above what we initially allocated to spend. These additional expenditures were outlined in Supplementary Appropriation Bill Number One, which was approved by this Legislature in October. In addition, the government's fiscal position will be impacted by other expenditure adjustments, including the outcome of the current collective bargaining with the Nunavut Employees Union.

Our budget plan for 2000-2001 utilized part of the government's accumulated operating surplus that was projected at budget time to be \$34.1 million. It now appears that the Government of Nunavut began the year with an accumulated operating surplus of over \$61million. This greater than anticipated operating surplus for the 1999-2000 fiscal year was largely the result of one-time salary savings and increased federal transfers. Additional information on our first year of operation will be provided in our Public Accounts for 1999-2000 that will be tabled this session.

Mr. Speaker taking these changes into account, we now anticipate an operating deficit of \$38.4 million for the 2000-2001 fiscal year. This deficit will reduce the government's accumulated operating surplus to \$22.8 million.

## **Our Prospects and Challenges**

Now let me move to the prospects and challenges facing our government and the people of Nunavut. I'll start by examining our economic situation.

Mr. Speaker, Nunavut has an economy that is unique within Canada. We have a mix of traditional activities as well as significant economic development opportunities. Government is the primary driving force in the territory's economic growth and is likely to remain so for the foreseeable future. The creation of our new territorial government has generated unprecedented economic activity and created a large number of jobs in many communities.

Nunavut's service sector will continue to grow and become a larger part of the economy. More long-term jobs throughout the territory will result in an increased demand for local services. As well, some services currently delivered from outside of the territory may be provided within Nunavut as the required skills and trades are developed locally. As our government matures in the coming years, our challenge is to make sure the benefits of this activity reach as many people in Nunavut as possible. To ensure that happens, the Government of Nunavut remains fully committed to decentralizing our operations to bring jobs to all parts of the territory.

Mr. Speaker, even as this process unfolds our people must be certain they can depend on the land for their livelihood. It is vital that we support and strengthen traditional economic activities, such as harvesting.

Community-based and cultural industries such as arts and crafts continue to play a valuable role in Nunavut's economy. More than 10 percent of Nunavummiut generate some portion of their income by producing arts and crafts. Much of this production is exported to other parts of the country and worldwide. We see continued opportunity for growth in these community-based and cultural industries.

Our tourism sector shows promise of strong growth as well. Through the development of community-based tourism enterprises and hospitality infrastructure we can expand employment opportunities and economic activity in all of Nunavut's communities.

Mr. Speaker, the potential for natural resource development is particularly impressive, although still largely untapped. This potential is recognized worldwide. Each year the mineral exploration industry invests millions of dollars in our economy.

The opportunities created by a single mining development could be considerable. For example, the proposed Meliadine West gold property near Rankin Inlet could generate annual sales in excess of \$100 million and employ hundreds of people. There are many potential development projects within our territory, another example being the proposed Tahera Jericho diamond mine in the Kitikmeot.

Our renewable resources also hold much untapped potential, in particular Nunavut's fisheries prospects. Our government will work hard at developing the opportunities related to our fisheries and other renewable resources.

Mr. Speaker, we are working towards a framework agreement pertaining to the management of non-renewable natural resources and actively seeking a Northern Economic Development Strategy with the federal government. Both of these initiatives could result in significant long-term benefits for our territory. Also, our special needs in areas such as information technology and skills for the knowledge based economy must be addressed.

Mr. Speaker, let me be clear. While we are committed to improving economic opportunities across Nunavut, we will not do this at the expense of our traditional way of life. We strongly believe that we can encourage development and promote our traditions and culture while respecting our land and environment. We will continue to consult with Nunavummiut in planning the development of our economy to be sure that, when it takes place, it is appropriate for our people and our culture.

Mr. Speaker, we intend to work closely with our territorial partners, including Nunavut Tunngavik Incorporated and other Designated Inuit Organizations, as we introduce initiatives to encourage development in Nunavut. Together with our combined knowledge and resources we can produce greater benefits for Nunavummiut.

The finalization of the Nunavut Land Claim also has resulted in new opportunities in Nunavut. We are seeing the emerging role of birthright corporations and the economic spin-offs of claim-based activities and of aboriginal ownership of lands and resources.

Mr. Speaker, the Government of Nunavut has been clear in its desire to participate with claims organizations in all sectors of activity. It has entered into formal protocols to ensure that this cooperative spirit is carried into our daily business. After two years we see concrete evidence of this cooperation. Economic partnerships with Nunavut Tunngavik and other aboriginal organizations support Nunavut's growing knowledge base: there is joint funding of a Nunavut Economic Scan by the Conference Board of Canada, and multi-party funding of household and wildlife surveys are being conducted by the Nunavut Bureau of Statistics. On the program side, there is shared funding of initiatives such as the Hunter Support Fuel Subsidy and the planned Akitsiraq Law School.

Of course, economic development depends, in large part, on our ability to attract investment – both private and public. The Nunavut Land Claims Agreement provides a stable economic environment in which to develop our resource potential. As a result, private investor confidence is strong.

However, investors also are looking for the assurance they will have access to skilled workers who can fill the jobs that will be created. If we are to capitalize on the potential of the resource sector, we will need to work aggressively to help our people develop the



capacity, through training and education, to maximize their opportunities for employment.

Mr. Speaker, our government must deal with a number of unique geographic and social challenges that have a direct impact on government spending.

With regard to Nunavut's geography, the vast distances, relatively small size of our population and communities, as well our short shipping season, make the cost of goods and services very expensive in Nunavut. These same factors make it equally expensive for government to provide essential programs and services.

By Canadian standards, our population is very young – the 1996 Census estimated that nearly one-half of Nunavut's population was under the age of 20. This compares to just over one-quarter for the country as a whole. In addition, Nunavut's population is growing at a rate roughly double the national average. Our population is increasing at about three percent annually. At this rate of growth our total population will double in less than 25 years.

Mr. Speaker, as Members of this Assembly are aware, Nunavut's rapidly growing population and workforce has resulted in a high level of unemployment in the territory – despite the large number of new jobs created in recent years.

It is vital that jobs continue to be created and that Nunavummiut have access to them. To succeed, we need to ensure young adults attain a level of formal education that will help them prepare for the modern working world and their place in Nunavut's new economy. Mr. Speaker, our young and rapidly growing population also puts tremendous pressure on government to deliver needed programs and services – particularly in the health and social sectors. Compounding these challenges, growth in our housing stock has lagged far behind our population growth.

The same factors that result in high costs for goods and services, as well as high costs for essential programs, make housing very expensive.

Most of our residents live in public housing because they cannot afford to own and maintain a home, in a market where housing costs can reach four times the Canadian average. Overcrowding, although unacceptable, has become a fact of everyday life for many people in Nunavut - on average, there are 4.3 persons occupying each dwelling in our territory, compared to a national average of less than 2.7.

Adequate and affordable housing is a priority issue for the Government of Nunavut. The magnitude of this issue, however, means that it likely will take years of concentrated effort to see significant improvements. Mr. Speaker, without significant additional assistance from the federal government, this problem will persist.

I will stress that all levels of government must continue to support partnership initiatives that will enable us to address these serious social issues and will help to develop our economy.

But ultimately, Mr. Speaker, our future social and economic success will depend on the initiatives we design in Nunavut, the skills of our people, and the careful management of both our fiscal and natural resources.

Mr. Speaker, we are committed to creating healthier communities, to supporting families and individuals, and to working to make Nunavut more self-reliant within Canada. We need to simplify our ways of running government, and continue to develop the skills of our young and growing population. These goals, which are consistent with the principles of the Bathurst Mandate, continue to guide the work of this government. This budget represents our ongoing strategic plan to achieve these goals. It demonstrates our determination to respond to the needs of our people, to act in a fiscally responsible manner, and to continue to be publicly accountable.

However, Nunavummiut should understand that government cannot address our territory's challenges alone. Meeting social needs and creating a strong economy will require a commitment not only on the part of government, but the people of Nunavut as well.

### **Our Fiscal Plan**

Mr. Speaker, I will now present our fiscal plan for 2001-2002.

As we did last year, our budget plan will utilize funds from the government's accumulated operating surplus. For the 2001-2002 fiscal year we are projecting an operating deficit of approximately \$34.8 million, including a contingency reserve of \$10 million.

We need to be prepared for the unexpected such as the higher than anticipated fuel prices that we experienced this year. Unfortunately, we cannot shield our population completely from situations like this, which are beyond our control.

We have budgeted expenditures of \$679.5 million for the 2001-2002 fiscal year. This represents an increase of more than 6 percent over last year. We will be allocating more than \$608 million for operations and maintenance expenditures, and over \$71 million for capital projects.

As Members of the Assembly fully recognize, the transition to a new territory did not end on April 1, 1999. Despite the fact there is no additional funding to cover transitional costs, this budget provides over \$30 million for essential one-time initiatives. These will not be part of our long-term expenditure base.

For 2001-2002 our revenues are projected to be \$670 million. This represents a 4.9 percent increase in revenues over the 2000-2001 budget forecast. This increase is due

largely to the continued strength of the Canadian economy, which directly affects our formula financing transfers to Nunavut. However, we should recognize that growth in the national economy is expected to slow down and we cannot count on such growth in future transfers.

We are projecting \$54.6 million in own-source revenues for the coming fiscal year. Our largest source is personal income tax, which we expect to bring in \$10.3 million. Other sources include tobacco, payroll, corporate income, fuel, and property taxes.

Mr. Speaker, as we have done in each of our first two years, I am pleased to announce once again that there will be no new taxes or fees imposed on the people of Nunavut in 2001.

In fact, Nunavummiut will be paying less territorial and federal income tax this year, as a result of recently announced taxation initiatives by the Government of Canada.

For 2001-2002 we are projecting \$615.4 million in federal transfers. Approximately \$563 million of this will be provided through the Formula Financing Agreement.

The Government of Canada provides transfers to all provinces and territories. The Formula Financing Grant is influenced by factors such as growth in provincial government expenditures, growth in the national economy, as well as by factors specific to Nunavut such as our relative population growth and tax revenues.

With our vast area, small population and weak economic base, Nunavut depends on federal transfers for over 90 percent of our total revenues. Without sufficient federal transfers, we will not be able to overcome our significant challenges and become more self-reliant.

Mr. Speaker, given the serious and growing social and economic challenges we face, it is critical that we maximize our benefits from and seek more favourable treatment through the Formula Financing Agreement.

Nunavut will be signing an extension to the current Formula Financing Agreement with the federal government in the near future that will provide transfers through the 2003-2004 fiscal year. This extension places all three territorial governments on the same renewal calendar with their agreements expiring March 31, 2004.

Mr. Speaker, I have asked my federal counterpart - the Honourable Paul Martin - and he has agreed that senior financial officials from our respective departments should review the fiscal capacity and needs of Nunavut. This review would assess Nunavut's fiscal needs and determine if there are any corrective fiscal actions necessary.

In that we are introducing our second deficit budget, I think it is prudent to undertake such a review before longer-term problems surface that could threaten the fiscal and political stability of Nunavut. I am confident that the Governments of Canada and

Nunavut share the commitment to see our territory succeed and that we will work effectively together to ensure that it does.

Our efforts to have additional needs addressed through the Formula Financing Arrangements and other federal transfers will continue. Housing needs in particular must be addressed.

We will also strive to take full advantage of new federal funding dedicated to Aboriginal issues – particularly in the areas of housing, job training and health, announced in the recent Speech from the Throne.

As essential as these efforts are, however, it would be unwise for our government to focus exclusively on improving our revenues. It is not realistic to think we can spend our way out of our problems or to expect others to resolve them for us.

If we are to make a convincing case for additional funding, we have to demonstrate that we are responsible managers, providing the right services in the most cost-effective way. Mr. Speaker, the Government of Nunavut is in the fortunate position of not yet having an accumulated debt. Most governments in Canada have large debt loads that reduce the amount of money they spend on health, education and other important social programs. Borrowing large amounts of money to finance current spending on programs and services would be short sighted. We must avoid the problems of other governments and learn from their mistakes.

Mr. Speaker, consistent with the Bathurst Mandate we will live within our means and we will not spend large amounts of money that we do not have. This means that, like every other government in Canada, we will have to make many difficult choices in how we allocate our limited financial resources.

We will have to do many things differently in future if we are to meet growing pressures. We will need to be realistic and focus our efforts on our priorities. We must determine if we are doing the right things and if we are doing things right. With our limited financial resources, our ability to be innovative and more efficient will be critical. We will have to find ways to be more resourceful and change programs and services to better meet our needs. To assist this process, we will be conducting a major program review exercise over the coming year.

Mr. Speaker, using the knowledge gained over the past two years we plan to do a thorough inventory of the activities of this government, in order to ensure that our efforts and expenditures are consistent with our goals in the Bathurst Mandate and the needs of Nunavummiut.

Choices that we make today will affect the lives of Nunavummiut tomorrow. So we must take the time necessary to be certain any changes we introduce are right for our people. We continue to be mindful of Inuit Qaujimajatuqangit (IQ) in what and how we do things.

**Our Expenditures**

It is this reality that has guided our spending plans and priorities for the coming year. For the 2001-2002 fiscal year our government has allocated over \$679 million to fund programs, services, and capital projects throughout Nunavut. In addition, we have established a contingency reserve of \$10 million to cover unforeseen fiscal requirements.

Mr. Speaker, the Departments of Education and Health and Social Services, along with the Nunavut Housing Corporation, will account for nearly 52 percent of our government's total allocated spending. This spending is consistent with the priorities identified by the people of Nunavut.

I will now review departmental spending and highlight some initiatives for the upcoming fiscal year.

**Education**

Mr. Speaker, all Members of this Legislature recognize that education is the key to a better future for the people of Nunavut. Equipping our citizens with the skills and knowledge they need, at all stages of their lives, is crucial to our territory's success.

For 2001-2002 the Department of Education will have the largest departmental budget at \$174.7 million. This includes planned spending on capital projects of over \$29 million, an increase of over 90 percent compared to last year.

>> *Applause*

Construction will begin or continue on schools or Arctic College facilities in the communities of Clyde River, Grise Fiord, Iqaluit, Pond Inlet, Cambridge Bay, Kugaaruk, Kugluktuk, Arviat, and Baker Lake. In addition, we will continue with the planning and design work for future projects in several communities.

As the result of increased enrolments, our schools will receive an additional \$1.6 million to maintain the current pupil teacher ratio. This will mean approximately 20 new teaching positions across Nunavut. As well, \$1.8 million has been set aside for rising fuel and utility costs in schools.

Recognizing that in today's world, learning must be life long, our government will provide young adults the opportunity to increase their employment skills. The department will spend an additional \$300,000 on trades next year. This is a first step in the development of a Nunavut Trades Education initiative designed to provide individuals access to trade programs that will allow for self-sufficiency and self-reliance.

Mr. Speaker, this will be the first full year of Nunavut's Labour Market Development Agreement, which will bring \$3.3 million from the Government of Canada to Nunavut to assist in adult training and education.

In addition to the funding I have just highlighted, the accumulated surpluses of the former Divisional Education Boards will be invested back into education. This one-time funding will provide resources for a number of projects including the development of Inuktitut curriculum and program support initiatives.

### **Housing**

Housing is another pressing priority for this government. In last year's budget we announced an ambitious plan to construct 100 new public housing units and operate an additional 40 public housing units to be leased from the private market. At that time we acknowledged that the demand for social housing far exceeded these initiatives.

Mr. Speaker, we remain committed to addressing our housing needs in a meaningful, ongoing and efficient manner.

For 2001-2002 the Nunavut Housing Corporation will have a capital budget of \$14 million, which is second only to the Department of Education. In total, the Nunavut Housing Corporation has been allocated \$54.6 million in funding.

This significant capital budget will enable the corporation to continue to deliver homeownership programs, as well as modernize and improve the current housing stock.

In recognition of the ongoing need for low-cost housing, our government remains committed to building additional public housing units throughout the territory. During 2001-2002 the corporation will construct at least 50 new public housing units.

*>>Applause*

Mr. Speaker, early last year the Task Force on Housing made 15 recommendations to improve housing for Nunavummiut. I am pleased to report that, in the coming year, the Nunavut Housing Corporation will initiate actions to address each task force recommendation.

In 2001-2002 the corporation is planning to revise the public housing rent scale, develop new homeownership programs that are responsive to the needs of Nunavummiut, create new and improved housing designs using an IQ approach, and finalize the Housing Needs Study as part of the Nunavut Household Survey. These initiatives demonstrate that our government is committed to making progress in addressing Nunavut's housing needs.

### **Health and Social Services**

Housing challenges are closely linked to our territory's health and social needs. The Department of Health and Social Services will have a total budget of \$123.3 million, including over \$119 million for operations and maintenance, as well as \$4.2 million for capital projects. In addition, we will continue to work towards lease arrangements for the Baffin Hospital and two regional health facilities with the birthright development corporations.

Mr. Speaker, we will continue to focus on the delivery of integrated community-based health and social services. The department's Kugluktuk office will be examining a standardized service delivery model for health and social services across the territory. The department will be consulting elders and seeking their participation in community-based healing programs. Ongoing training and developing local solutions will remain top priorities. As well, we will continue to define and refine a culturally appropriate mental health strategy.

The department remains dedicated to building a strong and stable workforce of health professionals in our territory, including renewed efforts to increase Inuit employment. Strategies for the recruitment and retention of nurses will be a key priority for the department.

Health protection services, such as tuberculosis control and surveillance, will be increased through better tracking mechanisms as well as enhanced public education activities. In addition, children between the ages of two and 19 years, and adults over the age of 49 years, will be vaccinated to help prevent pneumococcal disease.

The department will maintain its public campaigns to promote healthy lifestyles and the negative health consequences of smoking and other addictions.

### **Justice**

For 2001-2002 the Department of Justice has been provided a total budget of \$38.0 million, including half a million dollars for capital projects.

Mr. Speaker, one of the most exciting and innovative items in the budget for the coming year is \$381,000 to fund the Akitsiraq Law School.

>> *Applause*

This four-year program – operated through a partnership between Nunavut Arctic College, the University of Victoria Law School, and the Government of Nunavut – will fill a critical gap that currently exists in our territory. The Inuit lawyers graduating from this program, whether they work for government or in the private sector, will have the tools to instigate change that will positively affect the future of Nunavut.

Funding has been provided for support staff and additional court circuit travel in the Court Services Division, in anticipation of the Government of Canada making the planned appointment of a third judge to the Nunavut Court of Justice. Support of this unique court will insure that its simplified and innovative format is given an opportunity to respond to community need.

### **Culture, Language, Elders and Youth**

Mr. Speaker, the responsibilities of the Department of Culture, Language, Elders and Youth are priority areas for our government. In addition to the budget of over \$7.3 million provided to the department, there are many elements of programs funded in other departments that support Inuit culture and language.

Within the department for the upcoming year, capital funding of \$1 million will be dedicated to a Heritage and Archival Centre Study, Language Centre Study, Youth and Elders Facility Study, and the Kitikmeot Heritage Centre.

In addition to its regular programming, the department will focus on the Inuit Qaujimagatuqanginnut Tunngaviksaliuqtiit Task Force, Elders and Youth Initiatives, community-based grants and contributions, and Inuit employment.

The department will provide over \$2.3 million in grants and contributions to support initiatives, including traditional language promotion and protection, as well as cultural and heritage programs.

### **Sustainable Development**

For 2001-2002 the Department of Sustainable Development will manage a total budget of over \$34.3 million.

The department will continue its work with communities in Nunavut in creating jobs and developing a sustainable economy. Over one third of the department's budget, \$13.7 million dollars, has been allocated to fund programs through grants and contributions to communities and industry organizations. The department will continue its work with hamlets in developing community-based economies by allocating \$2.7 million to the Community Initiatives Program, \$1.9 million will be provided to hamlets to hire Community Economic Development Officers, and Nunavut Tourism will be provided over \$1.3 million to deliver tourism programs on the government's behalf.

Mr. Speaker, we know that our traditional, land-based economy continues to serve as the foundation for economic life in Nunavut. The department will continue its investments in the harvesting economy by funding Hunter's and Trappers Organizations, Regional Wildlife Boards, and support for outpost camps.

The department will also increase its capacity in the wildlife service in non-decentralized communities. Our commitment to a national strategy on climate change will be met through funding our government has accessed under the National Climate Change Action Fund.

Our government will continue efforts to identify investment opportunities in Nunavut's new economy by supporting new business ideas and expansion through the Business Development Fund. As well, the department will invest \$2.8 million in planned capital projects.

Mr. Speaker, the department will place increased emphasis on communities that are not receiving jobs through our decentralization efforts. Initiatives related to this include funding for the Nunavut Development Corporation for investments in non-decentralized communities, the Nunavut Business Credit Corporation Board has been directed to increase their effort at lending into non-decentralized communities, and through the



Nunavut Job Corps we have commenced running pilot projects in Repulse Bay, Chesterfield Inlet, Taloyoak and soon hope to have new projects in Kugaaruk and Arctic Bay.

>> *Applause*

### **Community Government and Transportation**

Mr. Speaker, initiatives of the Department of Community Government and Transportation address many of the priorities of communities. The department will manage a budget of \$78.4 million, including \$65.4 million for operations and maintenance, as well as \$12.9 million for planned capital projects.

The department will oversee \$34.7 million in grants and contributions, including over \$20 million for the Municipal Operating Assistance Program. In all, community funding will be increased by almost \$4 million in 2001-2002, nearly double last year's increase of \$2 million. These increases are a result of the ongoing Municipal Finance Review, which is restructuring the department's funding formula to better meet the fiscal needs of our communities.

The Community Government Branch of the department will spend over \$6.3 million on buildings and works. This amount includes funding for the construction of a new arena in Kimmirut, the water supply system in Kugluktuk, water supply improvements in Grise Fiord, and cost-shared paving of Iqaluit roads. The branch also will invest in essential mobile equipment purchases and upgrades across the territory.

The Transportation Branch will spend over \$2.3 million on buildings and works. This amount includes new monies for the Rankin Inlet Airport apron expansion, Resolute Bay airport improvements, and construction of an airport garage in Cambridge Bay. As well, the branch has allocated funds to acquire equipment such as snow blowers, graders and inspection vehicles.

As in the past two years, the Transportation Branch will dedicate funds this fiscal year to develop a new Transportation Strategy for Nunavut. This strategy will set out our vision and direction for the development of transportation in Nunavut to the year 2021.

### **Public Works and Services**

Mr. Speaker, the Department of Public Works and Services has been allocated a total budget of \$92.5 million. Of that amount, \$86.3 million is budgeted for operations and maintenance as well as \$6.2 million intended for capital projects.

The department will direct \$1.2 million to decentralization-related activities. This would include the purchase of new office furnishings, transporting new and existing office equipment and furnishings, and the installation of new communications systems in communities.

The department is responsible for providing fuel to the communities throughout the territory. This year, \$5.2 million in capital funding has been budgeted for maintenance

and enhancement of bulk fuel storage facilities across Nunavut, including over \$1.9 million for improved facilities in Sanikiluaq.

Recently, the department signed an agreement with the community of Gjoa Haven under the Community Transfer Initiative. This agreement will see the Department of Public Works and Services transfer funds to the community through the Department of Community Government and Transportation to strengthen community capacity building.

### **Human Resources**

Mr. Speaker, implementing the Government of Nunavut's ambitious agenda requires that we equip our employees with the tools they need to do their jobs well. The Department of Human Resources is mandated with this responsibility. Part of this mandate is to ensure the wellness of our government's most valuable assets – our employees. To fulfil this mandate, this year the department is committing \$750,000 to the government-wide Workplace Wellness Program for Government of Nunavut employees and their families.

*>>Applause*

In the coming year the department will be placing greater emphasis on the implementation of our Inuit Employment Plan. This will be accomplished by focusing on training and development, as well as greater coordination of initiatives in all departments. As part of the decentralization initiative, a pre-employment program will be delivered in communities through Arctic College. Funding of \$500,000 has been set aside for this program.

As well, the department will continue to be involved in the delivery of employment orientation, Inuktitut language, specialized training programs and summer students. These initiatives, which complement the training efforts of other departments, will help ensure that the Government of Nunavut has a well-trained and professional public service.

For 2001-2002 the Department of Human Resources has been provided a total budget of nearly \$18.5 million.

### **Finance and Administration**

For 2001-2002 the Department of Finance and Administration will manage a total budget of nearly \$39 million. The increased funding of over \$8 million is required to cover the costs of office building leases in 10 decentralized communities.

The department will continue to provide the electrical power subsidy to ensure that all Nunavut residents continue to have access to reasonable electricity rates. The cost of this very worthwhile subsidy will be over \$4.7 million next year.

### **Executive and Intergovernmental Affairs**

Mr. Speaker, our government's three-year decentralization plan was successfully launched this past year. The focus in our first year was preparing homes and offices for

new employees, and developing procedures to move employees between communities. In the upcoming year the relocation of positions and employees will continue.

In years two and three the Decentralization Secretariat has been directed to focus on the recruitment of staff from decentralized communities and to address their training needs. These efforts are being undertaken in conjunction with Arctic College and the impacted departments.

Mr. Speaker, to effectively implement our government's obligations under the Access to Information Act, the department has been given funding to support and train employees throughout government. This will enable departments to better respond to requests for information.

The Nunavut Law Review is currently scheduled to conclude its work by the end of December. The department has allocated funding to ensure that the mandate of this important initiative is fulfilled.

The Nunavut Power Corporation Implementation Secretariat is also concluding its work. Effective April 1, 2001 the Nunavut Power Corporation will become a stand-alone self-funded entity.

>>*Applause*

No funding has been allocated for the secretariat for the upcoming year and, as a consequence, the department's budget has been substantially reduced.

The department has been provided funding to support the regulatory body charged with overseeing how utility rates are set across our territory. This regulatory function will be designed to provide a public window into the rate setting process. Members of the Legislature will have an opportunity to review the implementing legislation.

For 2001-2002 the total budget for the Department of Executive and Intergovernmental Affairs has been established at \$8.6 million.

### **Concluding Comments**

And you thought it wouldn't come, these are my concluding comments.

Mr. Speaker, this document describes where our government will invest in the coming year. How those dollars are put to use rests with each of us.

As guardians of the public purse, we have a responsibility to make sure our programs and services truly reflect, and respond, to the needs of our constituents. Our duty, as elected representatives of the people, is to ensure these investments are put to optimal use and that they produce the desired results. To accomplish this we will need to use our financial resources wisely and carefully manage our expenditures.

Mr. Speaker, over the past two years we have not only maintained the programs we inherited but enhanced them for the benefit of our people, while being fiscally responsible. In light of growing demands, we must assess whether we can realistically continue on this path without additional support. We have to recognize Mr. Speaker, as well, that financial solutions are not the entire solution to the social and economic issues we face.

There are serious challenges ahead – challenges this budget aggressively tackles head on. Consistent with the priorities identified by the people of Nunavut and the Bathurst Mandate we are putting more resources where they are urgently needed – into education and other social programs.

With the necessary investments in infrastructure and community development, we will help ensure Nunavut's economy continues to develop and grow. And we will continue our efforts to capitalize on our territory's considerable natural resource potential to make sure that benefits for our citizens are maximized.

For this reason, we will actively pursue skills development and employment opportunities for Nunavummiut while supporting our culture, heritage and traditional economic activities. We also will continue to implement our decentralization plan to increase opportunities in communities throughout the territory.

Mr. Speaker, we look forward to working co-operatively and productively with Nunavut Tunngavik Incorporated, Designated Inuit Organizations, and with our federal partners as we strive to realize our territory's promise.

Mr. Speaker, we have worked diligently to identify issues that matter in the daily lives of the people of Nunavut. We have listened carefully to what the people have to say – something we will continue to do as we deliver the programs and services outlined in this budget. We will hold ourselves accountable for our actions.

In the end though Mr. Speaker, of course, this budget belongs to all Nunavummiut. As citizens of our truly amazing new territory, we all have a responsibility to contribute to its growth and well-being. We possess the power to make the Nunavut dream come alive.

Mr. Speaker, The onus is on all of us to ensure our shared dream becomes our children's reality. Thank you, Mr. Speaker.

>>Applause

**Speaker:** Thank you Mr. Ng for that lengthy and detailed budget address. We will break now for fifteen minutes and I would like to invite the members and people in the gallery to attend a reception in the foyer. Sergeant-At-Arms.

>>Assembly recessed at 2.20 and resumed at 2.52 p.m.

**Speaker:** Returning to Orders of the Day. Item 3. Ministers' Statements. Ministers' Statements. Mr. Ng.

### **Item 3: Ministers' Statements**

#### **Minister's Statement 009 - 1(5): Minister Absent from the House**

**Hon. Kelvin Ng:** Mr. Speaker, I wish to advise members that the Honourable Jack Anawak will be absent from the House today to attend a funeral in Coral Harbour. Thank you.

**Speaker:** Thank you, Mr. Ng. Ministers' Statements. Ministers' Statements. Item 4. Members' Statements. Members' Statements. Mr. Alakannuark.

### **Item 4: Members' Statements**

#### **Member's Statement 045 - 1(5): Stone Church at Kugaaruk**

**Mr. Alakannuark** (interpretation): Thank you, Mr. Speaker. Mr. Speaker, in the community of Kugaaruk there is a historic stone church made of stone, mud and seal oil.

It is starting to deteriorate although it was renovated in 1993. In the winter time it cracks up inside the building as well the outside. Mr. Speaker, the Hamlet of Kugaaruk would like to have the old stone church renovated.

Can the government help with the cost of renovation of the old stone church. It is an historical site and we would like to keep it in good shape. By the way, I was married in that church. Thank you, Mr. Speaker.

>> *Applause*

**Speaker:** Thank you. Item 4. Members' Statements. Members' Statements. Mr. Akesuk.

#### **Member's Statement 046 - 1(5): Donation from Harris Gallery**

**Hon. Olayuk Akesuk** (interpretation): Thank you, Mr. Speaker. The Peter Pitseolak School in Cape Dorset is getting assistance from a private individual who owns the Harris Gallery of Toronto.

This person taught in Cape Dorset quite a while ago at Peter Pitseolak School, and now owns a gallery in Toronto, and wants to help the students who make carvings. The students will be receiving financial support from him during this school year.

We would like to thank James Parson for assisting the students financially. They will be receiving funding in the amount of \$500.00 for things like sports team jackets and if the students have to travel from the community.

I would also like to thank Mr. David Harris for this initiative to help the people of Cape Dorset. Thank you, Mr. Speaker.

>>Applause

**Speaker:** Thank you, Mr. Akesuk. Members' Statements. Members' Statements. If we have no other members' statements, we'll move onto Item 5. Returns to Oral Questions. Returns to Oral Questions. Item 6. Recognition of Visitors in the Gallery. Mr. Picco.

### **Item 6: Recognition of Visitors in the Gallery**

**Hon. Ed Picco:** Thank you, Mr. Speaker. Mr. Speaker, I would like to welcome to the gallery today an individual who I haven't seen for quite some time. He's a well known educator, northern educator, who's gone on to become a very successful entrepreneur, a very famous business person who's raking in the dough, as it were.

Mr. Speaker, this guy also in 1988 went on to be my best man at my wedding. Fortunately, as opposed to unfortunately, at that time my wife went into labour and the delivery of our first son Wiley occurred on our supposed wedding day.

That gentlemen I'm going to introduce was the best man who had to turn everyone away from the church here in Iqaluit who had showed up for the wedding, which did not take place.

I've never had a chance to actually thank him for that so it gives me great pleasure to welcome to the assembly the well-known educator, entrepreneur, and a good friend of mine, Mr. Ron Ryan. Thank you, Mr. Speaker.

>>Applause

**Speaker:** Thank you Mr. Picco. Welcome to the gallery. Item 6. Recognition of Visitors in the Gallery. Mr. Ng.

**Hon. Kelvin Ng:** Thank you, Mr. Speaker. I'd like to take this opportunity to welcome the President of the Federation of Nunavut Teachers, Ms. Donna Stephenia, to the gallery. Thank you.

>>Applause

**Speaker:** Welcome to the gallery. Item 6. Recognition of Visitors in the Gallery. Mr. Tootoo.

**Mr. Tootoo:** Thank you, Mr. Speaker. Mr. Speaker, I would like to recognize a couple of people in the gallery today.

Being a gentleman I'll go ladies first and recognize Ms. Eva Onalik, a representative for Canadian North here in Iqaluit, welcome to the gallery.

I hope I didn't offend my younger brother Mr. Victor Tootoo, who's sitting in the gallery over there by not putting him first, I hope he doesn't mind. Victor's here in the gallery today and he's also the Assistant Deputy Minister for the Department of Finance. Thank you, Mr. Speaker.

>>Applause

**Speaker:** Item 6. Recognition of Visitors in the Gallery. Item 7. Oral Questions. Oral Questions. Mr. Nutarak.

### **Item 7: Oral Questions**

#### **Question 033 - 1(3): Timing of Language Week**

**Mr. Nutarak** (interpretation): Yesterday, thank you Mr. Speaker. Yesterday, I asked the Minister of Health and Social Services about Language Week and Anti-Smoking Week.

I would like to ask the Minister of Culture, Language, Elders & Youth, whether they are going to have the Language Week on the same week as the Anti-Smoking Week again, as they did last time. Thank you Mr. Speaker

**Speaker:** Mr. Kattuk

**Hon. Peter Kattuk** (interpretation): Thank you Mr. Speaker. I have not had a question in two days so it has felt like a holiday. The Language Week that was held was organized by NSDC. I would think that they would want to do the same thing next year. Thank you Mr. Speaker.

**Speaker:** Thank you. Supplementary. Mr. Nutarak.

**Mr. Nutarak** (interpretation): Thank you Mr. Speaker. The Anti-Smoking Week and the Language Week were held in the same week. I just wondered whether they are going to be holding it at the same time again. Thank you Mr. Speaker.

**Speaker:** Mr. Kattuk.

**Hon. Peter Kattuk** (interpretation): Thank you Mr. Speaker. When Language Week was held the last time, I was in Kugluktuk on a community tour

They also told me in Kugluktuk that they didn't like the Language Week and the Anti-Smoking Week on the same week and I would tend to agree. Thank you Mr. Speaker.

**Speaker:** Thank you. Oral Questions. There are no other oral questions so we'll move on to Item 8. Written Questions. Item 9. Returns to the Written Questions. Item 10. Replies to Opening Address. Item 11. Replies to Budget Address. Item 12. Petitions. Item 13. Reports of Standing and Special Committees. Item 14. Reports of Committees on the Review of Bills. Item 15. Tabling of Documents. Mr. Alakannuark.

### **Item 15: Tabling of Documents**

#### **Tabled Document 004 - 1(5): Repulse Bay Time Zone Survey**

**Mr. Alakannuark** (interpretation): Thank you Mr. Speaker. I would like to table a document from the Mayor of Repulse Bay, Donut Milortuk. They conducted a survey regarding the time zone issue.

There were 123 people who chose to stay with the same time zone and 53 to change to the Nunavut Time Zone. Thank you, Mr. Speaker.

**Speaker:** Thank you, Mr. Alakannuark. Item 15. Tabling of documents. Tabling of Documents. Item 16. Notices of Motion. Notices of Motion. Item 17. Notices of Motions for First Reading of Bills. Notices of Motions for First Reading of Bills. Item 18. Motions. Item 18. Motions.

Item 19. First Reading of Bills. Mr. Ng.

### **Item 19: First Reading of Bills**

#### **Bill 1 - Appropriation Act 2001-2002 - First Reading**

**Hon. Kelvin Ng:** Thank you, Mr. Speaker. Mr. Speaker, I move seconded by the Honourable Member for Iqaluit West, that Bill 1 - Appropriation Act 2001-2002, be read for the first time. Thank you.

**Speaker:** The motion is in order. All those in favour. All those opposed. Motion is carried. Bill 1 has had first reading. Item 20. Second Reading of Bills. Mr. Ng.

### **Item 20: Second Reading of Bills**

#### **Bill 1 - Appropriation Act 2001-2002 - Second Reading**

**Hon. Kelvin Ng:** Thank you, Mr. Speaker. Mr. Speaker, I move seconded by the Honourable Member for Baffin South, that Bill 1 - Appropriation Act 2001-2002, be read for the second time.

Mr. Speaker, this Bill authorizes the Government of Nunavut to make operations and maintenance expenditures and capital expenditures for the fiscal year ending March 31<sup>st</sup>, 2002. Thank you.



**Speaker:** The motion is in order. All those in favour. All those opposed. Motion is carried. Bill 1 has had second reading and is therefore referred to Committee of the Whole.

Item 21. Consideration in Committee of the Whole of Bills and Other Matters. As per our understanding and agreement, there will be no Committee of the Whole today. Item 22. Report of Committee of the Whole. Item 23. Third Reading of Bills. Third Reading of Bills.

Item 24. Orders of the Day. Mr. Clerk.

### **Item 24: Orders of the Day**

**Clerk** (Mr. Quirke): Thank you, Mr. Speaker.

Orders of the Day for Wednesday, February 28:

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
19. Second Reading of Bills
20. Consideration in Committee of the Whole of Bills and Other Matters
  - Bill 1 - Appropriation Act 2001-2002
21. Report of 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, February 28 at 1:30 p.m. Sergeant-At-Arms.

>>*House adjourned at 3:09 p.m.*

