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Tuesday June 1, 2004

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Iqaluit

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

Legislative Assembly of Nunavut

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(Akulliq)

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(Hudson Bay)

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(Pangnirtung)

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**Iqaluit, Nunavut
Tuesday, June 1, 2004**

Members Present:

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

Item 1: Opening Prayer

Speaker (interpretation): Mr. Barnabas, would you please say the opening prayer.

>>*Prayer*

Speaker (interpretation): Welcome. Good morning. Orders of the day. Item 2. Ministers' statements. Mr. Picco.

Item 2: Ministers's Statements

Minister's Statements 038 – 2(1): New Book for Schools and Libraries

Hon. Ed Picco: Thank you, Mr. Speaker. Good morning. I am pleased to announce the release of the fourth book in a series intended for Nunavut schools.

On June 10, 2004, the "Common Plants of Nunavut" book will be launched at the Aqsarniit Middle School. This book was produced in collaboration with the Department of Education, Nunavut Wildlife Management Board, Canadian Museum of Nature and received financial support from Sustainable Development, NTI, and the Department of Fisheries and Oceans.

The book features 87 plant species and was produced in Inuktitut and English. A French and an Inuinnaqtun version is planned for the future. In researching and compiling the book, elders' stories of traditional use of plants were incorporated into the work. "Common Plants of Nunavut" will be donated to all Nunavut schools and libraries.

The other books in the series include 'Birds of Nunavut', 'Marine Mammals of Nunavut' and 'Terrestrial Mammals of Nunavut.' I have copies in my office of "Common Plants of Nunavut" available for those members interested. They can visit my office sometime today. With that, thank you, Mr. Speaker.

>>*Applause*

Speaker (interpretation): Thank you. Ministers' statements. Mr. Tapardjuk.

Hon. Louis Tapardjuk (interpretation): Thank you, Mr. Speaker. In regards to culture and tradition, I will make a statement, but while we have guests here, the Inuit Qaujimagatuqangit committee, I would like to recognize them: Marion Aglukkaq; Rynee Audla; Metuq Nowdlak, who is unable to be here, she is a member; Albert Nuveya; Peter Petooloot; Kanaanginaa Pootoogook; George Qulaut; Mary Anne Taptuinnie; and Henry Isuannaq and Jackie Napayok, who are unable to attend the meeting this week. Tomorrow I will be making a statement in regards to them, and I do want to recognize these special individuals. Thank you.

>> *Applause*

Speaker (interpretation): Thank you. Whether you are a minister or an ordinary member, you can recognize these individuals when we go to the recognition of visitors in the gallery. You may recognize anyone.

Ministers' statements. Orders of the day. Item 3. Members' statements. Mr. Peterson.

Item 3: Members' Statements

Member's Statements 134 – 2(1): Children's Advocate

Mr. Peterson: Thank you, Mr. Speaker. I rise today to move forward an issue that our government should consider seriously. I feel very strongly that a children's advocate should be established to address the needs of one of the largest but most voiceless groups in Nunavut.

According to Statistics Canada, nearly 10,400 Nunavut residents were 14 years of age or younger in July of 2003. That represents over 35 percent of our total population. And yet, the members of this large group have little or no opportunity for their concerns to be heard and taken into consideration in the decision-making system that controls their lives.

Often through no fault of their own, many youth in Nunavut end up in care under the Child and Family Services Act. The shortage of housing, limited community services, and the lack of employment opportunities put great stress on families. Our tragically high rate of domestic violence has an impact on everyone, but it is the youngest members of each family who are the most vulnerable. Too many of our young people eventually turn to crime or other self-destructive behaviour before they have had a chance to achieve their full potential.

I am confident that my colleagues will agree with me that children are the future. Saying that we want a better future is meaningless if we are not willing to ensure that the individuals who will inherit that future are not given every opportunity to make the most of it.

An advocate is someone who speaks on behalf of other people when they can't speak for themselves, or someone who provides support when people need help to make themselves heard.

A group has been working on this specific issue for some time now. Children's advocacy positions exist in almost every other Canadian jurisdiction. They work to support the interests of children in many areas from child welfare, to justice, health, and even some aspects of education. In some jurisdictions, such as Saskatchewan, the importance of the children's advocate is such that it reports directly to the Legislative Assembly with recommendations about how legislation or policies could be improved. In Quebec, the advocate actually has the power to issue orders to resolve a situation.

A great amount of groundwork has already been achieved on this issue by officials in the Department of Health and Social Services working with the Nunavut Association of Municipalities. I do not know why this worthy initiative stalled in October 2002.

Nunavut Tunngavik supported the child advocate in their submission to the Standing Committee Ajuaqtiq in March 2003.

I urge the Minister of Health and Social Services to give clear political direction to her department to proceed to the next step. Well over one month ago I raised this issue with the minister and followed up with correspondence. Last week I tabled that letter and additional documentation relating specifically to the establishment of a children's advocate for Nunavut.

At the appropriate time, I will be asking questions on this issue. Thank you, Mr. Speaker.

>>*Applause*

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

Member's Statements 135 – 2(1): Criminal Justice Issues – Victims of Crime

Mr. Netser: Thank you, Mr. Speaker. I am glad that you are back in your seat now. I rise today to talk about the needs of communities and victims of crime.

Yesterday I received a letter from one of my constituents in Coral Harbour. Like so many families in Nunavut this constituent's own family has experienced the harm done by illegal drugs. My constituent wants to see the criminal code strengthened, so that the penalties for serious crimes are treated seriously.

While I know that this issue falls under federal jurisdiction, I support this position. I think that we need to choose our federal representatives carefully and ask them hard questions on where they stand on criminal justice issues before we send them to Ottawa.

I know that some people have the view that our justice system should be focused on the needs of offenders. However, for me and many of my constituents, the focus has got to be on victims and protecting society.

I was pleased to hear the Minister of Justice make a statement in this House about victims. We need more emphasis on this area.

I think that we need to look seriously at whether our rehabilitation programs are working. We need to consider whether they are actually making a difference in reducing the rate at which people re-offend.

We need to put the protection of society first. Thank you, Mr. Speaker.

>>*Applause*

Speaker (interpretation): Thank you. Members' statements. Ms. Brown.

Member's Statements 136 – 2(1): Telehealth

Hon. Lavinia Brown (interpretation): Thank you, Mr. Speaker. I rise today for Rankin Inlet South and Coral Harbour; I send my greetings to you, and I think of you.

Yesterday there was a feast in Baker Lake with the Telehealth group. They demonstrated the use of television for telehealth, and the communities are increasingly in support of their programs. They are becoming more interested in using telehealth; it is really good because you can actually get treated long distance by a doctor.

I am very proud of that; that is why I rise today. I do want to inform the communities that we will be utilizing the telehealth in the future more and more in the communities. Thank you, Mr. Speaker.

>>*Applause*

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

Member's Statements 137 – 2(1): Qikiqtarjuaq Shoreline Erosion

Mr. Arreak: Thank you, Mr. Speaker. I rise today regarding the problem of shoreline erosion in Qikiqtarjuaq.

I believe that in the late 1990s, during the spring break up, the shoreline was damaged and created a very dangerous situation. Since then, the hamlet of Qikiqtarjuaq has been concerned with the erosion of the shoreline, which is especially bad during break up.

An erosion study was done in 2000. That study indicated the action taken by the community at the time was sufficient to address the current erosion activities. Four years have passed since that study was completed and my constituents in Qikiqtarjuaq continue to be concerned. Their homes are being threatened by the erosion of the shoreline. The water is getting closer and closer to their doorsteps. This is especially frightening during high winds at high tide and during spring breakup.

I would like to urge the minister to find a long term solution to this problem rather than working year to year.

I will be asking a question at the appropriate time. Thank you, Mr. Speaker.

>>*Applause*

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

Member's Statements 138 – 2(1): Banquet for Iqaluit Food Bank

Mr. Tootoo: Thank you, Mr. Speaker. I rise today to tell the House about an upcoming community event. The Iqaluit Food Bank does excellent work with very few resources. There are way too many families. The support provided by the food bank can be the difference between a meal and hunger.

It is shameful that in the year 2004, in an age where the privileged among us worry about the speed of our internet connections, we still have children in hunger in our own country.

This Saturday the food bank will be hosting its annual benefit dinner and dance. Proceeds from this event will go towards the work of the food bank. The event starts at 7:00pm at the francophone centre.

Tickets for this event are \$60 and can be bought from well-known Iqaluit volunteer and World War II veteran, Marge Lalonde.

Hunger is among the most fundamental of human situations. Although we should all be striving in this House for a day when we no longer need food banks in our communities, the work they perform today is absolutely vital.

I ask all members to join me in saluting the work performed by the volunteers of the Iqaluit food bank. Thank you, Mr. Speaker.

>>Applause

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

Member's Statements 139 – 2(1): Coral Harbour Volleyball Tournament

Hon. Ed Picco: Thank you, Mr. Speaker. The recent volleyball tournament in Coral Harbour was, by all accounts, very successful. The Iqaluit ladies' team, also known as the Blue Bombers, took first place with ulus and a \$2,000 pot. In the men's category, Iqaluit took first place: \$2,000 and some prizes of snow knives.

By all accounts the teams from Coral Harbour, Repulse Bay, Rankin Inlet, Baker Lake, and Iqaluit were well received by the community and the people of Coral Harbour and enjoyed their hospitality.

The Iqaluit Ladies Blue Bombers team, with players like CBC's own Jeannie Arreak-Kullualik, looks forward to the next tournament, and I want to take this opportunity to congratulate all the participants of the volleyball tournament, and especially the people of Coral Harbour, for a very successful tournament. Thank you, Mr. Speaker.

>>Applause

Speaker (interpretation): Thank you. Members' Statements. Going back to the orders of the day. Item 4. Item 5. Recognition of visitors in the gallery. Mr. Tapardjuk.

Item 5: Recognition of Visitors in the Gallery

Hon. Louis Tapardjuk (interpretation): Thank you, Mr. Speaker. I would like these individuals to be recognized; they are members of the Inuit Qaujimajatuqangit committee. I had forgotten one individual and I apologize. I will name him first: Atima Hadlari. Sitting beside him, George Qulaut and Rynee Audla, Marion Aglukkaq, Mary Anne Taptuinnie, Peter Petooloot, Kanaanginaq Pootoogook, and Albert Nuveya.

The Inuit Qaujimajatuqangit committee, I believe, has met three times and we have high hopes. I hope that the government departments will utilize this committee on Inuit Qaujimajatuqangit. Thank you, Mr. Speaker.

>>Applause

Speaker (interpretation): Recognition of visitors in the gallery. Mr. Kattuk.

Mr. Kattuk (interpretation): Thank you, Mr. Speaker. I don't recognize individuals very often in the House, but there is, right behind the Premier... . We have Rynee Audla from Sanikiluaq. She is the wife of Walter Audla. I am very pleased that she is a part of the Inuit Qaujimajatuqangit committee. Today I feel like I am at home, as there is an individual from Sanikiluaq. Thank you, Mr. Speaker.

>>Applause

Speaker (interpretation): Recognition of visitors in the gallery. Mr. Evyagotailak.

Mr. Evyagotailak: Thank you, Mr. Speaker. I would like to recognize a couple of guys that I have been working with: Andrew Tagak and also Solomon Awa, from the time we were appearing on the appeals committee. (Interpretation.)

I want to recognize a couple of people from when I worked with KIA. I worked with Atiima Hadlari; he was one of our board members while I was in KIA.

When we held a board meeting, Marion Aglukkaq was always giving us assistance, as well as Peter Petooloot from Taloyoak. I want to recognize those individuals from the Kitikmeot region. Thank you, Mr. Speaker.

>>Applause

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

Mr. Peterson: Thank you, Mr. Speaker. I would like to recognize Atiima Hadlari from my community. He is one of my next door neighbors. His two sons and my two sons grew up together, and it is good to see you here in Iqaluit, Atiima.

>>Applause

Speaker (interpretation): Thank you. Recognition of visitors in the gallery. Ms. Aglukkaq.

Hon. Leona Aglukkaq (interpretation): Thank you, Mr. Speaker. I would like to recognize my mother, Miriam Aglukkaq, for being here. I was not able to see her yesterday and just met up with her this morning. I would also like to recognize Peter Petooloot from Taloyoak. Please be welcome, Atiima, Geers, and everyone else, including the individuals who work for the Inuit Qaujimajatuqangit committee, who I also worked with in the past: Aluki and Laura. Thank you, Mr. Speaker.

>>Applause

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

Mr. Curley (interpretation): Thank you, Mr. Speaker. I would also like to recognize the Inuit Qaujimagatuqangit committee. I will just name Kanaanginaq: I am very pleased to see you again. I haven't seen you for many, many years. I first met you when we started the co-op movement, and I'd also like to tell you not to be intimidated by the members of the Legislative Assembly or the officials.

I would also like to recognize Jonah and my sister, Mary Anne Taptuinnie. If you thought that I didn't have any relatives, I have relatives all over Nunavut. For my sister, if there is anybody who is ill or going through a hard time whether they are elders or youth, my sister is extremely helpful, and she does counselling on her own time. I would also like to thank her because she has a very heavy workload and she prays for you everyday. We thank such people like her. Please be welcome to the gallery. We are here and we are representing you. Thank you.

>>Applause

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

Mr. Tootoo: Thank you, Mr. Speaker. I, too, would like to recognize a constituent of mine, that is Solomon Awa, and welcome him to the gallery. Sitting next to him is Andrew Tagak; he has been recognized already, but I just want to inform members that Andrew is the chair of the Iqaluit District Education Authority. He does a lot of good work there, and we are there for you. We will work towards helping you guys out there, even with the Minister of Education.

Also a well-known former broadcaster, he has taken his tools for the trade to work for the government, at the Department of Executive and Intergovernmental Affairs: Mr. Jonah Kelly, I would like to welcome him to the gallery.

Also, I would like to welcome the elders that are here. I wish that... . This Assembly is the only one, as you know, that has designated seats for elders, and I wish that they were full like that more often. Thank you, Mr. Speaker.

>>Applause

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

Hon. Ed Picco: Thank you, Mr. Speaker. I, too, would like to welcome some people to the gallery. I would just like to begin by welcoming Mr. Albert Nuveya from Hall Beach. Mr. Nuveya worked for a long time on the DEW Line. He was a great role model, especially for the younger people in the community in the early 80s when I lived there.

And, I'd like to take this opportunity to welcome to the gallery, and also Mr. Tootoo mentioned him, and we have him sitting in just directly behind me: Mr. Jonah Kelly,

well-known voice of CBC, retired now, but working industriously, as Hunter pointed out, for the Government of Nunavut.

I'd also like to welcome to the gallery Mr. Andrew Tagak, who is, as Mr. Tootoo pointed out, the chair of the education council. Several years ago we were the first members, myself and Mr. Tagak, of Nunavut Arbitration Board under the land claims, actually one of the first boards that was set up. Andrew was the chair of that board and, indeed, we had to go through the whole final agreement on arbitral issues with several other people, and we did that at Whale Cove. Andrew, last summer, spent a considerable amount of time with me at my cabin. Out boating, we were seal hunting one day, and we were coming back up and got stuck in ice for about seven or eight hours. I was quite nervous, and Andrew told me to just relax and have about 25 cigarettes with him, so I did. But Andrew had, I think, about 20.

Anyway Mr. Speaker, I would like to take this opportunity to welcome Andrew, less his cigarettes, to the gallery.

>>Applause

Speaker (interpretation): Thank you. Recognition of visitors in the gallery. Ms. Brown.

Hon. Levinia Brown (interpretation): Thank you, Mr. Speaker. I would like to take this opportunity, as a lot of members of the Legislative Assembly are recognizing individuals.

Again, as I have the opportunity, I would like to recognize Jonah Kelly. In the 1970s, we used to be broadcasters, and we peeped stories, and they were sent out to the communities. It was so much fun when we were young.

Sitting right beside him: Andrew Tagak, who has been extremely helpful here in Iqaluit. We went to school together in the Sivuliuqti program. And Solomon Awa, who I've known for a long time. I would like to welcome him to the gallery, and again this morning, I feel very strong because we have the Inuit Qaujimatjuqangit committee here.

I have known Inuaraq a long time. She makes very delicious traditional recipes, and sitting beside her is Kanaanginnaaq. I know a Kanaaq but not Kanaanginnaaq. There is a little bit of a similarity in their names and I will try to make sure that I pronounce your name properly.

And also, I would like to recognize Marion Aglukkaq, one of my colleagues' mother. Thank you.

>>Applause

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

Hon. Olayuk Akasuk (interpretation): Thank you, Mr. Speaker. Please don't forget me. I have been sitting in the House with you for five years and I guess you forgot me because you are getting a little old.

I would like to take this opportunity to recognize an individual from Cape Dorset: Kanaanginnaaq Putuguq. When we were looking for individuals to sit on the IQ committee, his name came into my mind instantly. I would like to take this opportunity to thank him for accepting to be a member of the Inuit Qaujimajatuqangit committee.

Mr. Kilabuk was the minister at that time who appointed one of my recommendations. He knows what is happening in the community of Cape Dorset, and I would like to recognize Mr. Kanaanginnaaq Putuguq. Thank you, Mr. Speaker.

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

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Speaker. I would like to welcome the members of the Inuit Qaujimajatuqangit committee. I worked with them for a brief time. And, all of the other individuals sitting beside him, I would like to welcome them all to the House. Thank you.

>> *Applause*

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

Item 6: Oral Questions

Question 157 – 2(1): Power Rate Rider

Mr. Curley (interpretation): Thank you, Mr. Speaker. I would like to ask the minister for Power Corporation or energy... .

The prices of oil and gas are getting very expensive. We have read in the Auditor General's report that after March 31 there were \$4 million for the rate rider and also \$10 million right now, up to \$14 million dollars. The Auditor General stated that up to March 31 that they will be \$14 million in debt.

For that matter, I am sure that the power rates are going to go up in price, especially for businesses and homeowners. The \$10 million, is it a fuel subsidy, or is it a power fuel rate rider?

Speaker (interpretation): Minister of Energy. Mr. Simailak.

Hon. David Simailak: “Qujannamiik, Uqaqti.” I could say subsidy in lieu of a rider. “Ma’na, Uqaqti.”

Speaker (interpretation): Supplementary. Mr. Curley.

Mr. Curley (interpretation): Thank you. The Auditor General knows this. The first rate rider was cancelled, and also the \$4 million before the power was paid off... . This is a debt, a surplus, and it is not a subsidy. It has to return. We are the only ones that can pay for this. If this is a subsidy, what policy is it under? When did the cabinet approve this, under which guideline?

Speaker (interpretation): Simailak.

Hon. David Simailak (interpretation): I cannot answer that question. I will take that as notice, and I will get a better understanding, and I will come back to you. Thank you, Mr. Speaker.

Speaker (interpretation): Second supplementary. Mr. Curley.

Mr. Curley (interpretation): I will rephrase my question. If it is a power subsidy, then it would have to go through a policy. My question is, the \$10 million, which is a subsidy for the rate rider or fuel stabilizer... . Then we know that it is not a loan to the Nunavut Power Corporation. For that matter, my question is: if this is a subsidy, for how many years would it be used for subsidy?

Speaker (interpretation): Mr. Simailak.

Hon. David Simailak (interpretation): Thank you, Mr. Speaker. Yes, this is a subsidy, and when it reaches \$10 million it will end. Thank you, Mr. Speaker.

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

Question 158 – 2(1): Utility Rate Review Council Application Request

Mr. Tootoo: Thank you, Mr. Speaker. My question is also for the minister responsible for the Power Corporation.

Yesterday the minister indicated that he was told the government would not have to seek the advice of the utility review council in relation to the latest fuel rider. The Utility Rate Review Council Act is very clear. It says that any designated utility that desires to impose a rate or tariff shall request in writing the approval of the minister, and it also states that within 15 days of receiving the request, the responsible minister shall seek the request the advice of the Utility Rate Review Council. It also states the minister shall give reasonable

notice of the request for advice to the mayors and the members of the Legislative Assembly.

We know that the government sought the advice of the Utility Rate Review Council in relation to the 2003 fuel rider application. My question for the minister is, on what basis has the government decided that they can approve this fuel rider without first seeking the advice of the council? Thank you, Mr. Speaker.

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

Hon. David Simailak: Thank you, Mr. Speaker. We were advised by the chairman of the Utility Rate Review Council that there was no need to go back to the URRC before approval, since this was for the same amount as was adopted last year. Thank you, Mr. Speaker.

Speaker (interpretation): Supplementary, Mr. Tootoo.

Mr. Tootoo: Mr. Chairman, I can acknowledge that, but the Act is very clear. The last rider that was requested was for a higher amount; the thing was 9.5 and they came back with 7.5, and it was a term balanced by the government.

This is a new rider that they are putting in place. When the Act is very clear, I wonder why do we have... I ask the minister, why do we have a Utility Rate Review Council if the government feels free to ignore the laws that we have and go ahead and approve something like this without going through the required legal requirements to do so? Thank you, Mr. Speaker.

Speaker (interpretation): Mr. Simailak.

Hon. David Simailak: Thank you, Mr. Speaker. The Utilities Rate Review Council was not ignored in this matter. Understand that we consulted with them. As I said on this, I said it was for the same amount, 7.5 cents. The Chairman thought that there was no need at this point to go back to the council. Thank you, Mr. Speaker.

Speaker (interpretation): Second supplementary, Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Speaker. I can recognize that the law, the Act, still requires of the responsible minister that if the utility is requesting to impose a rate or tariff, which the fuel rider is, they are required, in writing, to request that from the URRC. And, also, to inform the elected members from this Assembly and the municipalities to do so.

Even if it is a formality, "Yeah, go ahead do it, we know that it's required," it's still a requirement to do so. I'd like to ask the minister if they will meet their legal obligations and do that. Thank you, Mr. Speaker.

Speaker (interpretation): Mr. Simailak.

Hon. David Simailak: Thank you, Mr. Speaker. (Interpretation.) Yes, I will meet with the chairman of the utility review council and get more information. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Last supplementary, Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Speaker. Again, the Act states that the designated utility seeking the rate or tariff has to request it in writing to the minister. When did the minister receive this request? Thank you, Mr. Speaker.

Speaker (interpretation): Mr. Simailak.

Hon. David Simailak: Thank you, Mr. Speaker. I am sorry, I will have to take that question as notice. "Ma'na, Uqaqti."

Speaker (interpretation): Thank you. He has taken this as notice. Oral questions. Mr. Arreak.

Question 159 – 2(1): Update on Qikiqtarjuaq Shoreline Erosion

Mr. Arreak (interpretation): Thank you, Mr. Speaker. I am directing my question to the minister responsible for the environment and government services. I would like to ask the minister: have you been looking at the shoreline or the ocean in Broughton Island?

Speaker (interpretation): Mr. Kilabuk.

Hon. Peter Kilabuk (interpretation): Mr. Speaker, I would like to know who are you directing your question to?

Speaker (interpretation): Mr. Arreak.

Mr. Arreak (interpretation): Thank you. I am talking about the Broughton Island shoreline. I know that this was studied in the year 2000. I would like to know when you will be looking at this again in Broughton Island. Thank you.

Speaker (interpretation): Minister Kilabuk.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Speaker. We worked on this with the department of transportation, and I will be speaking with my colleague and will take this as a notice. Thank you.

Speaker (interpretation): The Minister has taken the question as notice. Oral questions. Mr. Peterson.

Question 160 – 2(1): Update on Children’s Advocate Considerations

Mr. Peterson: Thank you, Mr. Speaker. My question is for the minister of health. Mr. Speaker, last week I tabled a letter that I wrote to the minister about child advocates, and I tabled some information.

I am wondering if the minister could update the House on what considerations she has given to the issue to establish a children’s advocate for Nunavut. Thank you, Mr. Speaker.

Speaker (interpretation): Ms. Brown.

Hon. Levinia Brown: “Qujannamiik, Uqaqti.” Thank you, for bringing up that children’s advocate issue. The children and the youth are very lucky to have you as their advocate raising this issue.

I have spoken with my deputy minister and I have directed him to take the information you provided to me to Nunavut’s Promise to Children and Youth Committee, which includes the Department of Health and Social Services, Department of Education, Department of Culture, Language, Elders and Youth, and Justice, where they could give it some consideration. Thank you.

Speaker (interpretation): Supplementary. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Speaker. I thank the minister for that answer. I am wondering if the minister could update us on the activities of that committee. I have here the deputy minister’s committee Nunavut’s Promise to Children and Youth. Does it advocate for the rights of children and youth in Nunavut? Could the minister update us on that, please? Thank you.

Speaker (interpretation): Ms. Brown.

Hon. Levinia Brown (interpretation): Thank you, Mr. Speaker. I am still working on this, and I will take this as notice, and I will come back to you. Thank you.

Speaker (interpretation): Thank you. Second supplementary. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Speaker. During the recent government restructuring, the advocacy office was transferred from the Department of Culture, Language, Elders and Youth to Health and Social Services. Does this office specifically address the needs of children and youth? Thank you, Mr. Speaker.

Speaker (interpretation): Ms. Brown.

Hon. Levinia Brown (interpretation): Thank you, Mr. Speaker. I will take that question as notice and return to you. Thank you.

Speaker (interpretation): Thank you. The minister will take that as notice. She will come back to you. Oral questions. Mr. Kattuk.

Question 161 – 2(1): Update on Gun Legislation

Mr. Kattuk. (interpretation): Thank you, Mr. Speaker. I will be directing my question to the Premier. We have not heard of gun control lately, so what is the status of that right now?

Speaker (interpretation): Mr. Premier.

Hon. Paul Okalik (interpretation): Thank you, Mr. Speaker. This is still in the courts, and we are jointly working with NTI. Last year we went through the courts so that it will not be used against Inuit. We are still in the process in court. This would have to go through court before we know what will happen. We are still negotiating with the federal government. That is where we are up to today. This is still in court. Thank you, Mr. Speaker.

Speaker (interpretation): Supplementary question. Mr. Kattuk.

Mr. Kattuk. (interpretation): Thank you, Mr. Speaker. When will they complete the court process? And when will they start implementing it?

Speaker (interpretation): Mr. Premier.

Hon. Paul Okalik (interpretation): Thank you, Mr. Speaker. Courts run on their own. If we are going through the court... . Usually, with the court system, it is usually long, I am therefore unable to respond to you.

Right after the court case is concluded, I will be able to provide you with more information. I do agree with you that this should be done as soon as possible, but everything has to be done carefully and accordingly through the courts. Thank you.

Speaker (interpretation): Second supplementary. Mr. Kattuk.

Mr. Kattuk. (interpretation): Thank you, Mr. Speaker. Thank you, Mr. Premier for your response. I have just not been updated in regards to this, that is why I have been asking this question.

Since this is going through the courts, are we still using the current gun legislation whereby we need firearms certificates in order to purchase firearms? Is that what we are still using and implementing today? Thank you.

Speaker (interpretation): Mr. Premier.

Hon. Paul Okalik (interpretation): Thank you, Mr. Speaker. According to my knowledge, no, it does not apply to Inuit today. It was announced last year through the supreme court that this gun legislation is contradicting the land claims agreement. After the supreme court has concluded its review, then we will know whether the gun legislation or the Nunavut Land Claims Agreement prevails. So, it does not apply to Inuit in the meantime. Thank you.

Speaker (interpretation): Oral questions. Mr. Netser.

Question 162 – 2(1): Boarding Home Facility in the Kivalliq Region

Mr. Netser (interpretation): Thank you, Mr. Speaker. I would like to direct my question to the Minister of Health and Social Services. In the Kivalliq region, in Rankin Inlet, we will be getting a hospital. We're very pleased to get our regional hospital and it shows the government is really good to us.

But, within the five-year capital plan there is no boarding home for the patients and the elders. I know for sure some elders will be going on their own because Rankin Inlet is going to be closer to the communities. I'm sure that the elders will be going to Rankin Inlet for medical reasons without any interpreters and yet, there is no boarding home available there, and unilingual patients will be arriving there.

Does the government have any plans to set up or establish a boarding home for the Keewatin patients? Thank you, Mr. Speaker.

Speaker (interpretation): Minister of Health and Social Services, Ms. Brown.

Hon. Levinia Brown (interpretation): Thank you, Mr. Speaker. And thank you for asking this question. Our staff are now working on the plans. I believe that the plans are going to be a bit late for the patient boarding home in Rankin Inlet, but we're utilizing the bed and breakfast, and patients can now stay at the hotel. And, if some patients want to be billeted out, they will be able to be billeted out.

Speaker (interpretation): Supplementary question, Mr. Netser.

Mr. Netser (interpretation): Thank you, Mr. Speaker. We definitely need a patient boarding home in the Keewatin region; are you going to put it in the five-year capital plan once you start dealing with this issue? Thank you, Mr. Speaker.

Speaker (interpretation): Ms. Brown.

Hon. Levinia Brown (interpretation): Thank you, Mr. Speaker. Yes, we are in the planning stages, but it is not within the five-year capital plans currently. During our cabinet meeting we'll talk about it through there. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Oral Questions. Mr. Alagalak.

Question 163 – 2(1): Plans on Stabilizing Gas and Fuel Prices in the Future

Mr. Alagalak (interpretation): Thank you, Mr. Speaker. At times, I make the mistake of calling you chairman instead of Mr. Speaker. So, I apologize. Thank you, Mr. Speaker.

I would like to direct my question to Government Services' Peter Kilabuk.

Yesterday, through the media, we heard the Maritimes fisheries fuel price went up by 4.2 cents a litre. It is becoming evident that this will hit us this coming fall.

As we ask questions during question period, I would to direct my question to the minister. Gasoline prices are cheaper for businesses in Nunavut; when they purchase for outboard motors, the businesses pay 13.5 cents for the gasoline. The private businesses who use gasoline... . It seems like they don't pay taxes if they're not a commercial venture. However, once the fuel prices go up, and I know that the fuel prices are going to go up, and there is no subsidy program for small private businesses... .

During the winter when the government was first established it was not included in the estimates because we did not know if the price of fuel was going to go up, and once the fuel price was set you put in a bid, and when unexpected costs came up they could end up not making a profit.

I would like to ask the Minister of Community Government and Services how our Nunavut Government... . What kinds of plans do they have for that? Also, is there any subsidy program just in case there was some assistance required? Thank you, Mr. Speaker.

Speaker (interpretation): Community government and services minister, Mr. Kilabuk.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Speaker. To date, for the past three months, especially with the fuel and diesel price going up, we've been managing the fuel prices. We also would like to include looking at ways it would be cheaper for the users.

And, during our review if there needs to be an amendment, I would give it to the cabinet to be considered. At this time, the plans we have to tackle this issue are to make sure that the fuel prices for gas and oil, to make sure that the funding we have is adequate for all the communities in Nunavut.

Since we purchase bulk fuel ahead of time... . The way we do things up here is a little bit different than our southern counterparts because our southern counterparts can purchase fuel from their own sources continuously, although we do monitor this closely. Thank you, Mr. Chairman.

Speaker (interpretation): Thank you. Supplementary. Mr. Alagalak.

Mr. Alagalak (interpretation): Thank you, Mr. Speaker. Since it's in the condition, I would like to ask the minister if the fuel for vehicles is going to remain the same, or is the fuel price frozen? Thank you.

Speaker (interpretation): Mr. Kilabuk.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Speaker. Currently we have not made a decision in regards to that. The fuel price of gasoline and diesel, especially for the Kitikmeot region, for Baffin, Kivalliq, is incomplete as yet.

We will be able to table information once we complete it, once we know how much the expenditures will be. Thank you, Mr. Speaker.

Speaker (interpretation): Second supplementary. Mr. Alagalak.

Mr. Alagalak (interpretation): Thank you, Mr. Speaker. The issue that I'm talking about I feel is very important. Within the Nunavut government, we've already gone through half of the year already for the fuel, and I know that nothing has been set up. When nothing is set up, a lot of unexpected things come up in a few short days.

I know that it would be a lot, but in various communities in Nunavut, each have different promises for each communities. At times they can only get fuel from one pump, and some people deliver fuel to other individuals, therefore the favours are different. Some individuals can't even go get one litre.

So, these policies, I believe, should be standardized for the coming fall distribution, because when we go to a different community, the communities can purchase fuel for their homes or their diesel fuel, whether is it for motor vehicles. I believe that the policies should be standardized. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Please try and keep your questions as clear as possible so that the other members can ask questions. Mr. Kilabuk.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Speaker. What my colleague is stating is true, because it varies in each community. Some communities can deliver 45 gallons of diesel, and if it is after hours, then they have to pay the extra fee. I will have my officials look into that. I will provide my colleague with the information once it is provided to me. Thank you.

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

Question 164 – 2(1): Clarity on Fuel Subsidy Increase

Mr. Curley (interpretation): Thank you, Mr. Speaker. I would like to direct my question to the Minister of Finance. I think many of us are confused in Nunavut. My first question is in regards to the fuel subsidy program. I would like to ask her why there would have to be an increase. We will start off with that first.

Speaker (interpretation): The Minister of Finance, Ms. Aglukkaq.

Hon. Leona Aglukkaq: Thank you, Mr. Speaker. The QEC put forth a request to the Financial Management Board for \$10 million. There are a number of issues around the response that Mr. Simailak had provided in the \$million. The \$10 million increase is in lieu of the fuel rider, as he indicated. There was no increase in the fuel rates to address their shortfalls. Thank you.

Speaker (interpretation): Supplementary. Mr. Curley.

Mr. Curley (interpretation): Thank you, Mr. Speaker. That is the understanding we got. The understanding we got is that this \$10 million is called the rate rider, but it is to offset the debt that NPC has.

My question is in regards to the fuel subsidy program and the fuel stabilization rider, because there is a difference between the two. Is there?

Speaker (interpretation): Ms. Aglukkaq.

Hon. Leona Aglukkaq: Thank you, Mr. Speaker, in actual fact, the Financial Management Board has no clear role in the practice of setting rates. The minister responsible for the QEC must order or request the QEC to propose the fuel rider. Thank you, Mr. Speaker.

Speaker (interpretation): Second supplementary. Mr. Curley.

Mr. Curley (interpretation): That was not the question that I asked. I asked you whether there was a difference between the home fuel subsidization and the fuel stabilization rider. For example, you have to make a request to Finance, and there is a subsidy for the fuel riders concerned. That is different from NPC. This is totally different. This is a difference between the fuel subsidy program and the stabilization rider.

Speaker (interpretation): Ms. Aglukkaq.

Hon. Leona Aglukkaq: Thank you, Mr. Speaker. I am not clear on the question that he is proposing. It's a subsidy; there are some subsidies available for fuel for homeowners under the income support program. I am not clear what his actual question is. He is

linking the fuel subsidy to the fuel stabilization rate, so perhaps he could clarify which program he is actually referring to, whether it is the program under Education, or the rates, or the stabilization fund. Thank you, Mr. Speaker.

Speaker (interpretation): Would you clarify your question please, Mr. Curley.

Mr. Curley (interpretation): I am sure the departments know what types of programs that they have available. There is the power subsidy program. My question to the minister: is there a difference between that and the fuel stabilization rider.? When we ask questions of the ministers and the ministers respond, it seems that like there is a seam between all these programs that apply. Please give us the differentiations. Thank you.

Speaker (interpretation): Mrs. Aglugark.

Hon. Leona Aglukkaq: Thank you, Mr. Speaker. And thank you for clarifying that. There is a power subsidy in place, and it's based, I believe, on the first 700 kilowatt hours, and businesses can apply for that subsidy. And there are two differences. Thank you, Mr. Speaker.,

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

Mr. Curley (interpretation): Then if that is the case my question will be, why is it that the Department of Finance gave \$10 million to Nunavut Power Corporation and they call it a fuel subsidy program? Are you going to be supporting this? I would think that it will have to go through the Utility Rate Review Council. Would that be the case?

Speaker (interpretation): Mrs. Aglugark.

Hon. Leona Aglukkaq: Thank you, Mr. Speaker. There are two separate issues, and I think you are mixing the two. The power subsidy program is intended to reduce the cost of electrical energy to personal consumers, who pay their own electricity bills. Consumers receive their subsidy directly on their monthly power bill. The program is set at the first 700 kilowatt hours, and that process is at subsidized rate of 15 cents.

The other information that he's alluding to relates to the process of rate review. The Minister responsible for the Qudliq Energy Corporation puts forth a request that a rate review be considered, which is not part of this process, and a separate issue. They are all linked, but as it relates to your question on the fuel power subsidy, there is a separation there. Thank you, Mr. Speaker.

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

Question 165 – 2(1): Harbour and Port for Iqaluit and Apex

Mr. Tootoo: Thank you, Mr. Speaker. My question is for the minister responsible for transportation.

Yesterday the minister will recall us asking the minister responsible for fisheries questions about looking at a feasibility study for fishing-related opportunities here in Iqaluit.

I know, in conjunction with the department of transportation that is responsible for harbours and ports... I'd like to ask the minister if he would, in conjunction with the minister of fisheries, commit to initiating harbour and port studies for Iqaluit and Apex. Thank you, Mr. Speaker.

Speaker (interpretation): Minister of Economic Development and Transportation, Mr. Simailak.

Hon. David Simailak: Thank you, Mr. Speaker. Yes, I heard that discussion yesterday with interest and I will commit to trying to find the money to commission such a study. Thank you, Mr. Speaker.

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

Question 166 – 2(1): Update on Wind Energy

Mr. Peterson: Thank you, Mr. Speaker. My question is for the minister responsible for the Power Corporation. It's concerning the alternate energy division.

A couple years ago, a group of us from Cambridge Bay went to Kotzebue, Alaska. It's on the same latitude as Cambridge Bay. We saw that they had 14-16 wind turbines in the community. We learned that all the technology comes from Canada, from Atlantic Canada. So, I'm wondering if the minister could update the House on the work that the Alternate Energy Division does for Nunavut, given that fossil fuel prices continue to increase. I think this year that it's going to be maybe \$140 million out of our total budget. Thank you, Mr. Speaker.

Speaker (interpretation): Minister responsible for Nunavut Power Corporation. Mr. Simailak.

Hon. David Simailak: Yes, we are actively looking at wind energy on an ongoing basis and we are trying to look at opportunities to expand the wind energy program in Nunavut and reduce dependence on imported oil by doing that. So, alternate energy, wind energy specifically, is an overhead priority within our organization. "Ma'na, Uqaqti."

Speaker (interpretation): Supplementary. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Speaker. I think last fall the government completed a wind map study in Nunavut. In Cambridge Bay, we always thought we had a very windy place. The study will probably confirm that.

Could the minister tell the House if the study was completed and what communities have been identified as potential sites for the wind turbine farms. Thank you, Mr. Speaker.

Speaker (interpretation): Mr. Simailak.

Hon. David Simailak: I understand that Environment Canada is supporting our efforts by preparing territorial wind resource maps that will compile historical climate data and also by assisting the identification of potential wind project locations. And that is all of the information I have on these studies at the moment. “Ma’na, Uqaqti.”

Speaker (interpretation): Your second supplementary. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Speaker. Over the years, Cambridge Bay had wind farms. I think my colleague from Kugluktuk could tell us that his communities did too, so we have a lot of experience with wind turbine. I am wondering if the minister could tell us if the energy division is also looking into micro-hydro technology, micro turbines, and solar energy as alternate sources of energy for Nunavut. Thank you, Mr. Speaker.

Speaker (interpretation): Mr. Simailak.

Hon. David Simailak: Thank you, Mr. Speaker. Yes, that division is actually looking at all types of alternate energy. “Ma’na, Uqaqti.”

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

Mr. Peterson: Thank you, Mr. Speaker. A company in Cambridge Bay, Dutch Industries, was experimenting with energy over the years, and they were trying to get funding to expand their operations. They ran into a situation where the Power Corporation had signed franchise agreements with the municipality. This basically prevented or required them to sell the energy back to the Power Corporation and prevented any competition from opening up in the community.

I am wondering if the minister would be willing to tear up those franchise agreements to permit competition to develop in the communities with respect to wind energy. Thank you, Mr. Speaker.

Speaker (interpretation): Mr. Simailak.

Hon. David Simailak: Thank you, Mr. Speaker. Yes, I can certainly look at having my department take a look at that idea. We will certainly look at it. “Ma’na, Uqaqti.”

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

Question 167 – 2(1): Plans on Implementing a Fuel Rider

Mr. Tootoo: Thank you, Mr. Speaker. My question is for the Minister of Finance. Earlier she indicated to my colleague that the \$10 million that was in our budget for the stabilization rider subsidy... . In the budget, it clearly indicates that it is a power subsidy specific to the implementation of a fuel rider.

So, I guess, from that point, Mr. Speaker, I would like to ask that the implementation of a fuel rider be considered from the government's perspective as a rate or tariff that is going to be showing up on our power bills in the next year or near future. Thank you, Mr. Speaker.

Speaker (interpretation): Minister of Finance. Aglukkaq.

Hon. Leona Aglukkaq: Thank you, Mr. Speaker. In terms of the question related to the fuel rider, or the rider itself, but directed to Qulliq Energy Corporation... . That response, related to the \$10 million... . The minister responded the \$10 million subsidy is in lieu of the fuel rider. Thank you, Mr. Speaker.

Speaker (interpretation): Supplementary. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. I recall the minister stating that in the budget document, in the main estimates, it clearly states specific to the implementation of the fuel rider... . So, that indicates that there will be a fuel rider implemented, and the minister had indicated that Qulliq Energy Corporation had gone to FMB with the request for the \$10 million to cover that off.

My question to the minister is, when did Qulliq Energy Corporation go to FMB with that request? Thank you, Mr. Speaker.

Speaker (interpretation): Minister of Finance.

Hon. Leona Aglukkaq: Thank you, Mr. Speaker. March 18, 2004.

Speaker (interpretation): Second supplementary, Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Speaker. As the Minister of Finance, then the chair of the FMB, they became aware that the utility Qulliq Energy Corporation was planning on bringing forward this request for a rider to go in place and the subsidy to cover it off in March... . The Act is pretty clear that within 15 days of receiving that request, the minister has to seek advice from the utility review council. Did not the minister realize that? And, I would like to invite the minister responsible to follow the legal route that it is required to. Thank you, Mr. Speaker.

Speaker (interpretation): Minister Aglukkaq.

Hon. Leona Aglukkaq: Thank you, Mr. Speaker. On this file, there are so many issues that happened or many things that happened leading up to March 18, but it is up to the Minister responsible for Qulliq Energy Corporation to proceed with that. Thank you, Mr. Speaker.

Speaker (interpretation): Last supplementary, Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Speaker. As a chair for FMB, that deals with all the financial matters of the government, I would like to ask the minister who oversees direction of the different ministers to ensure that they comply with the legal requirements as far as looking for funds and proposing different things. Like, is there someone from the FMB, the Department of Finance, that is looking at ensuring that things happen as they should? Or, is it just basically something that is ignored? Thank you, Mr. Speaker.

Speaker (interpretation): Minister Aglukkaq.

Hon. Leona Aglukkaq: Thank you, Mr. Speaker. I don't think it is correct to state that legislations are ignored. It is up to each minister to ensure that they comply with legislations that are in place.

What is the point of having legislation, is what you said, and it is up to each minister to be accountable to ensure they comply with legislation, and I don't think it is appropriate to imply that we didn't follow legislation. Thank you, Mr. Speaker.

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

Question 168 – 2(1): Policies on Energy Developments

Mr. Kattuk (interpretation): Thank you, Mr. Speaker. I am directing this question to the minister of Nunavut Power. I recall that when we were still with Northwest Territories that when we were dealing with the power plant in my home community, we were told by the Northwest Territories government that we were not to look for any alternatives for power, such as wind, and I would like to know if this is a legislation that we should not look for alternatives.

Speaker (interpretation): The Minister of Energy. Mr. Simailak.

Hon. David Simailak (interpretation): Thank you, Mr. Speaker. Can you repeat the question, please?

Speaker (interpretation): Mr. Kattuk.

Mr. Kattuk (interpretation): Thank you, Mr. Speaker. When we were still with the Northwest Territories we only used generators in the community, yet we could not look for alternatives for energy. Is this still the legislation of the Nunavut government? Thank you, Mr. Speaker.

Speaker (interpretation): Minister Simailak.

Hon. David Simailak (interpretation): Thank you, Mr. Speaker. We are looking for alternatives power sources. as we stated, such as using the wind. Thank you, Mr. Speaker.

Speaker (interpretation): Supplementary. Mr. Kattuk.

Mr. Kattuk. (interpretation): Thank you, Mr. Speaker. Do I understand that the communities are able to look for alternatives for power? Is that correct? Thank you, Mr. Speaker.

Speaker (interpretation): Mr. Simailak.

Hon. David Simailak (interpretation): Thank you, Mr. Speaker. At the Qulliq Energy Corporation, yes, we are looking for alternatives for energy. Thank you, Mr. Speaker.

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

Question 169 – 2(1): Utility Rate Review Council Application

Mr. Curley (interpretation): I would like to address the Minister of Justice, Mr. Premier, since you are responsible for Justice and also the URRRC. This past winter, the chairman was waiting for the application to raise the price of fuel. I would like to ask why this did not go ahead. Thank you.

Speaker (interpretation): The minister responsible for the Utility Rate Review Council. Mr. Okalik.

Hon. Paul Okalik (interpretation): Thank you, Mr. Speaker. We have been dealing with this issue for a while now. We have been looking at different things. This has been looked at by the Auditor General. We know at the council... . We put some money aside for the coming year.

We are not looking at this right now. We will be revisiting this and we will be looking at putting up the price of energy next year. Thank you.

Speaker (interpretation): Supplementary. Mr. Curley.

Mr. Curley (interpretation): My supplementary is, following legislation for energy, if we just receive this from the government, if it is not a loan of \$14 million to NPC right now, how is this going to be returned?

Speaker (interpretation): Mr. Premier.

Hon. Paul Okalik (interpretation): Thank you, Mr. Speaker. We agreed with the \$4 million, but the \$10 million has not been approved yet. I cannot speak on that issue before it has been accepted. We know that if we do not help them it could go down. It would not be appropriate for the public consumers. We have looked at the Auditor General's report and we would like to help them one time only this year. It will change next year. Thank you, Mr. Speaker.

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

Mr. Curley (interpretation): Thank you, Mr. Speaker. To my understanding, the \$4 million... . That rates rider was a fuel subsidy or a fuel stabilization rider and following that legislation, the price has to go up and right now this has been put to a halt. I would like to know about the \$4 million: how is this going to be returned? That is my question.

Speaker (interpretation): Mr. Premier.

Hon. Paul Okalik (interpretation): Thank you, Mr. Speaker. It was done once and we were going to... . We looked at this again, and last year this was not available and we had this for one year only. From that, we learned this winter how this is going to be, and we helped them out with another \$10 million. This is our own interest, and it is used by the public, because if it is not there, we would not be able move. We would not have any light or electricity.

We would like to see this one on its own, but up to today we have been providing assistance. For the next year, we will be setting the appropriate price so that we will not have to go back to them next year. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Last supplementary. Mr. Curley.

Mr. Curley (interpretation): The last question that I have: in your own thinking, if the \$10 million is approved, it would be \$14 million? Also, in your thinking, we would not go up in price, is that correct?

Speaker (interpretation): Mr. Premier.

Hon. Paul Okalik (interpretation): Thank you, Mr. Speaker. Yes, they owe money. Right now we are looking for alternatives and we will be having regular meetings on this issue. Thank you, Mr. Speaker.

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

Question 170 – 2(1): Air Transportation Regulations

Mr. Netser (interpretation): Thank you, Mr. Speaker. I am asking the minister of transportation: when I got elected last fall, I got some concerns about Kivalliq Air; I was told by the deputy minister at that time that aircraft has to be a Twin Otter and it would be travelling for over two hours. They need toilet facilities. I would like to know if this is under regulation. Thank you.

Speaker (interpretation): Minister responsible for transportation. Mr. Simailak.

Hon. David Simailak (interpretation): I apologize. I have not seen the legislation. I will take this as notice, Mr. Speaker.

Speaker (interpretation): Supplementary. Mr. Netser.

Mr. Netser (interpretation): Thank you, Mr. Speaker. The aircraft that fly in Kivalliq, Skyward Calm Air and Kivalliq Air, they use them for medivacs. If this is true, will they follow that legislatio? Thank you, Mr. Speaker.

Speaker (interpretation): Mr. Simailak.

Hon. David Simailak (interpretation): Yes, I will look into this, I will ask my staff to look into this and let my colleague know as soon as I know about this. Thank you, Mr. Speaker.

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

Question 171 – 2(1): Clarity on Fuel Rider or Rate Tariff

Mr. Tootoo: Thank you, Mr. Speaker. My question is for the minister responsible for the Utility Rate Review Council. I just want to try and clarify some of the issues around here.

When you referred to, in the Department of Finance's budget, a \$10 million subsidy in there, it indicates that it is specific to a fuel rider. As the minister responsible for the Utility Rate Review Council, would a fuel rider be considered a rate or tariff under the Act? Thank you, Mr. Speaker.

Speaker (interpretation): Mr. Premier.

Hon. Paul Okalik: "Qujannamiik, Uqaqti." As my colleagues have mentioned before, we know that the Power Corporation was in some difficulty financially and if we failed to act, they were going to be in worse shape.

So, we have said that the finances built into that for the time being, that we should absorb some of the financial difficulties as a government and in response to the Auditor General's findings. That is what we did, assist the Power Corporation and not raise the rates for our customers. So, our customers are not going to be affected; their power bills will not go up. For the time being, we are assisting them, and they will be going through a regulatory process for this coming year.

So, in this instance, we felt that in the interest of the public and in the interest of making sure the Power Corporation is operational we should assist them. That is what we did. We subsidized the operations of the corporation and will not increase any rates for our customers at this time. "Qujannamiik, Uqaqti."

Speaker (interpretation): Supplementary question. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Speaker. I do not think anyone here would argue that that is a necessary requirement to do that, and no one here is arguing that they would like to see their power bills go up, although they have already by \$18 thanks to a mistake by the Corporation for a while.

I would like to ask again the same question. Would a fuel rider be considered a rate or tariff by the Utility Rate Review Council? Thank you, Mr. Speaker.

Speaker (interpretation): Mr. Premier.

Hon. Paul Okalik: "Qujannamiik, Uqaqti." Under the legislation, rate means a rate that we charge to a customer. So, the rate that we will be charging the customer is not going up. We are absorbing those added costs so the customer, at the end of the day, will not be affected by this \$10 million decision that we put forward.

The member is somehow confused with the rate issue, which will be taking place this year with the Power Corporation and the Utility Rate Review Council, that is required by legislation. "Qujannamiik, Uqaqti."

Speaker (interpretation): Second supplementary. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Speaker. I know I am not confused and I know that the government is planning, the utility is planning on bringing forward a general rate application. That is a rate, but a rate or tariff... . Would a fuel... . Was the last time... . During the last Assembly, last year, a fuel rider was requested by the utility and was determined to be a rate or tariff and was required to go to the Utility Rate Review Council.

In this case, the same thing is being done except the government has decided, apparently last March, to subsidize its consumers, which is a good thing. I am not saying it is a bad thing, but there is still the legal requirement. If a rate or tariff was going to be put in

place, whether or not it is going to be subsidized 100 percent by the government or not, it is still required to go through that process.

I will ask the minister, why that did not happen if it was required? It happened before, why was it not done again? Why did they ignore the legislation? Thank you, Mr. Speaker.

Speaker (interpretation): Mr. Premier.

Hon. Paul Okalik: Thank you, Mr. Speaker. We increased assistance to the Power Corporation by \$4 million last year, yet there were no hearings. We absorbed those costs. We are doing the same thing this year; we are not increasing any rates for our customers.

None of our constituents will see any increase on the rates charge, so it will be redundant to hold hearings at this time. The Power Corporation, according to the Auditor General, needs financial help. That is exactly what we have done here: assess the Power Corporation as per the requirement under the Auditor General's report.

So, to try and do both procedures, to hold up the money when the Power Corporation needs assistance, would be redundant at this point. What we are doing is assisting the Power Corporation. Hopefully this Legislature will approve the budget so that they can move on, and none of our customers will see any increase for this year, until a hearing has taken place for a general rate application. Thank you, Mr. Speaker.

Speaker (interpretation): Last supplementary, Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Speaker. I'm not arguing the fact. I think it's a good thing that the government is subsidizing the Corporation, as they subsidized them last year. In my understanding, this \$10 million is going to show up on people's power bills as a rider, and there is going to be an offsetting on the bill as a subsidy provided by the government on that. So, in effect it is a rider being put in place, whether or not it's being 100 percent subsidized or not.

There is a legal requirement for the government to do that. Just as the Minister of Finance indicated last March, the FMB received that request; within the 15 days, if the minister would have written to the URRC, it may have determined that it wasn't necessary to have public hearings and just to go ahead and impose that tariff. Then the government's legal obligations would have been met. It's not a matter of delaying things or anything like that, I'm just saying if we have legislation there, why are we not following it? Thank you, Mr. Speaker.

Speaker (interpretation): Mr. Premier.

Hon. Paul Okalik: Thank you, Mr. Speaker. Again, I remind you that this is a subsidy in lieu of a rider. None of the rates of our customers is going up. Let me be clear, if that is going to happen, it has to go to URRC, and that will happen; that's required by legislation.

None of our customers will pay any extra because of this subsidy. That's why we had to approve it, so that our customers will not see an increase in their power rates. I look forward to the hearings that will be taking place, perhaps this year, for the general rate application as required by legislation. We received advice before we went this way. Of course, we had to follow legislation. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Back to the orders of the day. Item 7. Item 8. Returns to written questions. Mr. Clerk.

Item 8: Returns to Written Questions

Clerk: Thank you, Mr. Speaker. I wish to advise the members that I am tabling returns to Written Question 002 – 2(1) and Written Question 007 – 2(1) on behalf of the Minister of Finance. Thank you.

Return to Written Question 002 – 2(1): Nunavut Payroll Tax

Asked By: Keith Peterson on May 12, 2004

To the Honourable Leona Aglukkaq, Minister of Finance

Question 1: For each of the following fiscal years, how much revenue was collected by the Government of Nunavut pursuant to the Payroll Tax Act, 1993 (Nunavut)?

1999-2000
2000-2001
2001-2002
2002-2003
2003-2004

Response:

(\$000)

| | |
|------------------|----------------|
| <u>1999-2000</u> | <u>\$3,591</u> |
| <u>2000-2001</u> | <u>\$5,057</u> |
| <u>2001-2002</u> | <u>\$5,125</u> |
| <u>2002-2003</u> | <u>\$5,715</u> |
| <u>2003-2004</u> | <u>\$5,733</u> |

Question 2: For each of the following fiscal years, approximately how many individuals paid an amount to the Nunavut Consolidated Revenue Fund pursuant to the Payroll Tax Act, 1993 (Nunavut)?

1999-2000
2000-2001
2001-2002
2002-2003
2003-2004

Response: The following is an absolute count of the number of employees listed by employers on the returns filed to comply with the payroll tax.

| | |
|------------------|---------------|
| <u>1999-2000</u> | <u>19,584</u> |
| <u>2000-2001</u> | <u>21,183</u> |
| <u>2001-2002</u> | <u>21,084</u> |
| <u>2002-2003</u> | <u>21,089</u> |
| <u>2003-2004</u> | <u>22,210</u> |

Question 3: With respect to the individuals who paid Nunavut Payroll Tax in each of the following fiscal years, how many were deemed to be residents of Nunavut for federal income tax purposes and how many were not residents of Nunavut?

1999-2000
2000-2001
2001-2002
2002-2003
2003-2004

Response: There is no administrative link between the payroll tax and the Nunavut personal income tax. The payroll tax is administered locally by the Department of Finance and the Nunavut personal income tax is administered on behalf of the Government of Nunavut by the Canada Revenue Agency under the terms of the Nunavut-Canada Tax Collection Agreement with the federal Department of Finance.

It is not possible to do a direct comparison of individuals who are liable for the Payroll Tax Act, 1993 (Nunavut) with individuals who are assessed under the Nunavut personal income tax as residents of Nunavut.

Question 4: Are residents of Nunavut who receive remuneration from the Government of Nunavut, its boards and/or agencies and/or crown [sic] corporations on a contractual or consultancy basis liable to pay an amount under the Payroll Tax Act, 1993 (Nunavut)?

Response: Yes, if residents are employees of the Government of Nunavut, its boards and/or agencies and/or Crown corporations, they are liable to pay the payroll tax. Self-employed individuals that may perform contractual or consulting work for the Government of Nunavut, its boards and/or agencies and/or Crown corporations are not liable to pay the payroll tax.

Question 5: Are non-residents of Nunavut who receive remuneration from the Government of Nunavut, its boards and/or agencies and/or crown [sic] corporations on a contractual or consultancy basis liable to pay an amount under the Payroll Tax Act, 1993 (Nunavut)?

Response: Yes, if non-residents are employees of the Government of Nunavut, its boards and/or agencies and/or Crown corporations, they are liable to pay the payroll tax. Self-employed individuals that may perform contractual or consulting work for the Government of Nunavut, its boards and/or agencies and/or Crown corporations are not liable to pay the payroll tax.

Question 6: Is the Government of Nunavut's 1% Payroll Tax applied to monies paid to persons who receive settlement payments from the Government of Nunavut subsequent to the termination of their employment as members of the public service?

Response: The payroll tax is applicable to the remuneration of an employee. Remuneration includes all payments and the value of all benefits and allowances received or deemed to be received by an individual that, by reason of subsection 5(1) or section 6 or 7 of the Income Tax Act (Canada), are required to be included in the income of the individual for the purposes of that Act.

All amounts received as damage payments in respect of a termination are considered fully taxable under Income Tax Act (Canada) under subsection 5(1) or section 6, whichever may be applicable.

Question 7: What is the approximate annual cost to the Government of Nunavut for the administration of the Nunavut Payroll Tax?

Response: The payroll tax is administered within the Taxation and Risk Management division of the Department of Finance. The proposed budget of this division is approximately \$1.076 million for fiscal year 2004-05. It is estimated that about 15% - 18% of the division's budget would be used to administer the payroll tax.

Question 8: What is the average annual cost to a private sector employer for complying with the provisions of the Payroll Tax Act, 1993 (Nunavut)?

Response: There is no provision in Payroll Tax Act, 1993 (Nunavut) for employers to report the costs associated with complying the law. The information required by an employer to fulfil the reporting requirements of the Act is information gathered in the process of maintaining a payroll system. As well, the Act provides a varied filing schedule for employers which is linked to the size of the payroll. Small employers, with small payrolls, are required to file less frequently than those employers with large payrolls.

Question 9: In what circumstances can a resident of Nunavut receive a rebate pursuant to the Payroll Tax Act, 1993 (Nunavut)?

Response: An employer or employee may apply to the Minister of Finance for the refund of any overpayment of the tax.

Return to Written Question 007 – 2(1): Nunavut Payroll Tax

Asked By: Keith Peterson on May 13, 2004

To the Honourable Leona Aglukkaq, Minister of Finance

Question: Are Nunavut residents who are paid the minimum rate of wages, pursuant to section 12 of the Labour Standards Act, required to pay the 1% payroll tax, pursuant to the Payroll Tax Act, 1993 (Nunavut)?

Response: Yes, Nunavut residents who are paid the minimum wage are subject to the Payroll Tax Act, 1993 (Nunavut).

The payroll tax is applicable to remuneration earned in the territory and every employee is liable to pay to the tax, regardless of the rate of pay.

The exceptions to this general rule are where an employee normally works outside of Nunavut for a Nunavut employer and where remuneration paid to the employee does not exceed \$5000 for a year.

Speaker (interpretation): Item 9. Item 10. Item 11. Item 12. Item 13. Tabling of Documents.

Item 13: Tabling of Documents

Tabled Document 028 – 2(1): Report of the Integrity Commissioner, 2003-04

Speaker (interpretation): Pursuant to Section 57 of the Integrity Act, I wish to table the integrity commissioner's report for the year ending March 31, 2004.

Item 13. Item 14. Item 15. Notices of Motions for the First Reading of Bills. Minister Kilabuk.

Item 15: Notices of Motions for First Reading of Bills

Bill 5 – An Act to Amend the Revolving Funds Act – Notice

Hon. Peter Kilabuk: Thank you, Mr. Speaker. I give notice that on June 3, 2004, I shall move that Bill 5 – An Act to Amend the Revolving Funds Act be read for the first time. At the appropriate time, I will seek consent to deal with my motion today. Thank you, Mr. Speaker.

Speaker (interpretation): Item 16. Item 17. First Reading of Bills. Minister Kilabuk.

Item 17: First Reading of Bills

Bill 5 – An Act to Amend the Revolving Funds Act – First Reading

Hon. Peter Kilabuk: Thank you, Mr. Speaker. I request the consent of this Assembly to waive the two-day notice requirements for the first reading of Bill 5, An Act to Amend the Revolving Funds Act. Thank you, Mr. Speaker.

Speaker (interpretation): The minister is seeking consent to waive the two day notice requirements for the first reading of bills for today. Are there any nays? There are no nays. The motion is carried. Yes, Mr. Kilabuk.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Speaker. I move, seconded by the Hon. Member for Natilik, that Bill 5, An Act to Amend the Revolving Funds Act be read for the first time. Thank you, Mr. Speaker.

Speaker (interpretation): The motion is in order. Opposed? The motion is carried. Bill 5 has been read for the first time.

Item 18. Second reading of bills. Mr. Kilabuk.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Speaker. I request the consent of this Assembly to waive the one-day requirement for the second reading of Bill 5, An Act to Amend the Revolving Funds Act. Thank you, Mr. Speaker.

Speaker (interpretation): The minister is requesting the consent of this Assembly to waive the one-day requirement for the second reading of Bill 5, An Act to Amend the Revolving Funds Act. Any nays?

With this request for the consent, if there are two nays then we cannot go ahead with the second reading. Mr. Kilabuk.

Item 18: Second Reading of Bills

Bill 5 – An Act to Amend the Revolving Fund Act – Second Reading

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Speaker. I would like to thank the members. The Hon. Member for Rankin Inlet South and Whale Cove and I move that Bill 5, An Act to Amend the Revolving Funds Act be read for the second time, to increase the maximum amount of the fund to \$110,000,000. Thank you, Mr. Speaker.

Speaker (interpretation): Question being called. All in favour? To the motion. Mr. Curley.

Mr. Curley (interpretation): Thank you, Mr. Speaker. I would like to speak on the principle of the bill. At this moment, the revolving fund has \$75 million that would be used for the purchase of bulk fuel. There are \$5 million in there, there was an increase by \$50 million, I believe, when it was moved to Nunavut.

After that move, we now have \$35 million that will be used for the purchase of bulk fuel. That was increased by the government. Last year they used \$85 million for the purchase of bulk fuel and were short by \$400,000.

With the new Corporation... . These monies are going to be loaned to that Corporation, and now we are requesting \$110 million. Only if there is an increase can we put back the money into that pot.

I think that \$110 million is too much, and I would like to have it go through the Utility Rate Review Council before it is increased. The government is saying that they do not know whether there is going to be an increase in the prices, and that is my concern.

Speaker (interpretation): Thank you. To the motion. There are no other comments. All in favour? Opposed? The motion is carried. Mr. Curley.

Point of Order

Mr. Curley (interpretation): My point, Mr. Speaker, is I believe the people who are abstaining should be counted also.

Speaker (interpretation): I apologize. There were nine nays, opposed, abstentions; one abstainer.

Bill 5 has been read for the second time and will be referred to the standing committee.

Item 19. Consideration in Committee of the Whole of Bills and Other Matters, with Mr. Netser as the Chair. Bill 2 – Appropriations (O&M) Act, 2004-05. In accordance with the authority provided to me by Motion 11-2(1), the Committee of the Whole will stay in session until it reports itself out.

Before we proceed with the Committee of the Whole, we will take a one-and-a-half hour break and return at 1:30.

Sergeant-at-arms.

>>*House recessed at 11:50 and resumed at 13:24*

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

Chairman (interpretation): Good afternoon. I would like to thank you for coming back to the meeting. (Interpretation ends.) The committee will come to order. We have Bill 2 to deal with in the committee today. Does the committee agree that we review the main estimates for the Department of Justice? Thank you.

Minister Okalik, you may begin your opening comments, please.

Hon. Paul Okalik (interpretation): Thank you, Mr. Chairman. I am pleased to appear before the committee to present the Department of Justice 2004-2005 main estimates.

The department has been allocated a total operating budget of \$48,993,000. This represents an increase of \$2,886,000, which is 4.4 percent. The new money in the department's budget will contribute to help us enhance our programs to reflect the priorities of the Bathurst Mandate.

Corrections and Community Justice

The largest allocation of new funding, \$1,500,000, is for the Kugluktuk healing facility, which will serve offenders from the Kitikmeot area of Nunavut. This new funding has allowed for the planned opening of a facility that would eventually be able to take in between 15 to 20 territorial minimum and medium security inmates. The inmates are currently housed either in the overcrowded Baffin Correctional Facility in Iqaluit or are being held in facilities outside of Nunavut. This new facility will allow the department to offer inmates community-based healing programs that will help them reintegrate into the community.

Human Rights Tribunal

The new Human Rights Tribunal has been legislated to be in place by November 2004. The balance of the increased funding for 2004-2005, \$6000,000, is to establish the tribunal. Before implementation of the Nunavut Human Rights Act, public information will be provided to ensure that Nunavummiut have a good understanding of the rights and protections that this act offers. This information will also provide Nunavummiut with information on how to access the tribunal.

Inuit Qaujimajatuqangit and Inuit Employment

The Department of Justice takes its responsibilities with regard to Inuit Qaujimajatuqangit and Inuit employment very seriously. Consequently, the management of three major Department of Justice facilities will soon be staffed by Inuit.

The department has recently hired an Inuk to manage the new healing centre in Kugluktuk, which is expected to open this fall. The healing centre itself will provide employment for 12 new staff, most of whom we expect to be local Inuit as well.

The department is also moving toward having the young offenders' facility in Iqaluit managed by an Inuk, who will be starting as a trainee this summer and who should take over full management responsibilities in the coming months. Furthermore, employment ads for other positions at the young offenders facility are now posted with Inuktitut as a requirement.

Finally, management of the Utaqqivik half-way house in Iqaluit has recently been taken over by an Inuk who just successfully completed training for the position.

In addition, last week the department successfully direct-appointed an elder to the new full-time position of elder advisor. This elder contributes to the department's policy and legislation development and plays a major role in instructing the Akitsiraq law students in Inuktitut and Inuit Qaujimajatuqangit. His name is Lucien Ukaliannuk, and he has made a huge contribution to our department.

This increase in Inuit employment, especially at the management level, will contribute to programs and services for inmates that more clearly reflect their culture and language. Mr. Chairman, although we are now moving in the right direction, we recognize that there is still much to do.

Closing Comments

I want to reassure my colleagues that we are working hard at making the Department of Justice, its programs and services, more representative of Nunavummiut.

Those are my comments and I will be pleased to respond to any questions that members of the committee may have. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Mr. Minister. (Interpretation ends.) Will you need your departmental officials? Sergeant-at-arms.

I would like to welcome you. Please introduce your officials.

Hon. Paul Okalik (interpretation): Thank you, Mr. Chairman. We have Anthony Saez, who is our acting deputy minister, and our financial comptroller, Pierre Chartrand, welcome.

Chairman: Does the Chair of the standing committee have any comments? Mr. Mapsalak.

Mr. Mapsalak: Thank you, Mr. Chairman. I am pleased to be able to give the committee's opening remarks as we begin debate on the 2004-05 main estimates for the

Department of Justice. Later on, members will have an opportunity to ask questions regarding these estimates.

The Standing Committee Ajauqtiit has had the opportunity to meet with the minister and his staff. The minister was able to give an update on his department's proposed expenditures.

Members were pleased to hear that the department is in the process of reviewing the Wills Act and is consulting with communities on amendments to the act. Many Nunavummiut are not aware of wills or the purpose of wills, and families often encounter difficulties. This becomes increasingly important especially if there are disputes between family members over assets.

Members also expressed great concern regarding drugs entering their communities and are pleased that the RCMP now has a narcotics-detection dog to use in the fight against drugs. It is all too common that we hear our youth are abusing drugs and alcohol and not focusing on the more important things in life. Members urge the department to work wherever possible with law enforcement on this issue.

Members look forward to the opening of the new Kugluktuk men's healing facility. This will enable this government to repatriate some of our inmates to Nunavut and possibly decrease costs for housing our inmates outside of Nunavut. The committee would like to see the facility focus on healing using Inuit Qaujimaqtuqangit.

Another concern is the lack of space in communities during court circuits. Some victims have to face the accused in the same room, and confidential conversations between lawyers and clients can often be heard by the public. This makes it very uncomfortable for victims.

Members were concerned about departmental overexpenditures in the area of the Legal Services Board due to the greater number of caseloads.

Members are pleased that work is underway on developing appropriate protocols between the RCMP, the Government of Nunavut, and the Legislative Assembly on the reporting of matters concerning members. The government must always be transparent to the public it serves.

This concludes my opening remarks. Members were generally satisfied overall with the department's progress, and I anticipate that individual members will raise their own comments and concerns on the department's 2004-2005 main estimates. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Mapsalak. Before we proceed, I would like to remind the members of the following: according to rule 77(1), you have ten minutes to say your general comments. According to rule 77(2), subject to the discussion of the Chair, the

member may speak more than once to a matter of discussion but not until every member willing to speak has spoken.

The floor is open to general comments. Any comments? We will start at page E-5, the justice branch summary. "Directorate, total operations." Mr. Curley.

Mr. Curley (interpretation): Thank you, Mr. Chairman. I would like to thank the minister and his officials for making an appearance before the Committee of the Whole.

To get to my comments: in regards to the former Speaker of the Legislative Assembly being charged for bringing alcohol to a prohibited community... . The deputy minister resigned, and this House does not know the reasons for the resignation. Apparently, it was for the way the deputy minister was handling the case.

So, it became obvious that possibly yourself and the deputy minister had a communication gap. Are you going to be able to have discussions now with your current deputy minister?

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

Hon. Paul Okalik (interpretation): Thank you, Mr. Speaker. To me, this was extremely important because I was concerned about the people of Nunavut; we did not want to see a repeat of what had happened with the former Speaker.

When we are dealing with such situations, we have to take it seriously. Of course, I'll have to work very closely with my deputy minister, and we have to know what's happening within our department. This case is over, but we were only concerned, and we do not want to see a repeat of the same situation. Thank you, Mr. Chairman.

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

Mr. Curley (interpretation): Thank you. Well, when you are looking from the outside, it seems that the inister didn't have regular communication with the deputy minister. The minister is responsible for his department, and if you didn't know about what was happening in your own department, I would think it wasn't only the deputy minister's fault. If I say it in English, it's: (interpretation ends) so, where does the buck stop in the Department of Justice?

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

Hon. Paul Okalik (interpretation): Thank you, Mr. Chairman. Well, I know that I have to be responsible for my department, and if I don't know or have a response to your question, then I will not be able to respond. The situation where I was at is that I had to stop it right there in order to not see a repeat of it happening again. Thank you, Mr. Chairman.

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

Mr. Curley (interpretation): Thank you, Mr. Chairman. I have another question. Could you tell Nunavut and this House: if a similar circumstance appears, could you assure the House and the people of Nunavut that there has been a restructuring in your department?

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

Hon. Paul Okalik (interpretation): I made a statement when we went through this situation. I wrote a letter to the Member Services Board and the RCMP to make sure that if any member of the House is charged that the Clerk of the House be notified immediately so that we can deal with the situation. Thank you, Mr. Chairman.

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

Mr. Curley (interpretation): Thank you. I am sure that would help us a lot. The Member Services Board will be informed because, of course, everything has to go through the board before any action is taken. I would like to thank you and your department for taking this type of action.

Just to reiterate my first question regarding law enforcement and how the members of the Legislative Assembly cannot take on that role... I think that they took the correct option, but apparently the deputy minister was not aware of the situation. I just wanted to clarify the point. From the kind of action that you took, it is obvious that you took the option, and that corrective measures have been put in place. Thank you.

Chairman (interpretation): Thank you. Minister Okalik.

Hon. Paul Okalik (interpretation): Thank you, Mr. Chairman. After that situation we took corrective action in order to not see a similar circumstance happen.

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

Mr. Kattuk (interpretation): Thank you, Mr. Chairman. Last year in Sanikiluaq we had an incident. This individual was scaring everyone in the community, and he ran away out to the land. We had to have the law enforcement come in from Ottawa. This was an incident that we did not think would occur in the community. This could happen to anyone. At that time, we had many uniformed police coming into the community. This individual thought that he was going to be killed and we could not find him for a number of days.

As a community, it would be better if the Inuit could look after this situation instead. At that time he thought that the law enforcers were coming get him, or even to kill him.

After that situation, we felt that we could do it better than is done right now with the Department of Justice. There has got to be an alternative on how we could do this better, as in the incident that happened in Sanikiluaq last year. Thank you, Mr. Chairman.

Chairman (interpretation): Mr. Minister.

Hon. Paul Okalik (interpretation): Thank you, Mr. Chairman. We do not know what the staff did with this. At that time, after a policeman was murdered, we had to be very careful so we could protect the officers.

If there is an emergency case, such as has what happened in Sanikiluaq... I really don't know the status of this today. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Mr. Okalik. Mr. Kattuk.

Mr. Kattuk (interpretation): Thank you, Mr. Chairman. That incident that happened in Sanikiluaq... Before something like this happens again, I feel that we could use the Inuktitut way of doing things. Even though this Inuk had done something wrong... It is very scary when you do know what is going to happen, and we were told not to go look for him when he took off from the community.

The officers that were there do not know the land; they are coming from down south. We know our landscape, our environment, but we were told that we could not look for this individual who was accused of doing wrong. I feel that Inuit traditions should be used when something like this happens again. We should think about the alternative way of doing things.

Chairman (interpretation): Thank you, Mr. Kattuk. Just a comment. I do not have any more names left. We are in E-5. The directorate. \$2,686,000. Do you agree?

Some Members: Agreed.

Chairman: Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. There's an increase in compensation and benefits there, and I'm just wondering... I know this from the business plan, they're showing an additional two PYs there.

I was wondering. how much of that increase is the result of the increased PYs, and how much of it is the result of collective bargaining? Thank you, Mr. Chairman.

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

Hon. Paul Okalik (interpretation): Thank you, Mr. Chairman. We like to have the additional PYs. We hired an elder for a new position. A full time position. The rest are absorbed as higher salary costs.

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

Mr. Tootoo: Thank you, Mr. Chairman. I guess it is good to be able to hire elders for that advice.

But just on the business plan, last year it shows 21 PYs, and this year they're showing 23. I'm just wondering why that discrepancy there, because there is only one additional PY. Thank you, Mr. Chairman.

Chairman (interpretation): Mr. Minister.

Hon. Paul Okalik: Thank you, Mr. Chairman. That is all there is, just one additional PY for this year. Thank you, Mr. Chairman.

Chairman (interpretation): Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. I'm just trying to... I understand that. But then, is it a typo in the business plan, that it is showing an increase of two PYs? Thank you, Mr. Chairman.

Chairman (interpretation): Mr. Okalik.

Hon. Paul Okalik (interpretation): Thank you, Mr. Chairman. That is all the additional PY under the director. Thank you, Mr. Chairman.

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

Mr. Tootoo: Thank you, Mr. Chairman. I'm referring to page E-34, the business plan; it has a financial summary and lists of PYs, and under "Directorate" it says there is an increase of two. Like I said, I was just wondering why it is different like that; is it only one, if it was a mistake or not? Thank you, Mr. Chairman.

Chairman: "Qujannamiik." Mr. Okalik.

Hon. Paul Okalik: Yes, that is how we are. Probably it was a typo. We will look into it and fix it. "Qujannamiik, Itsivautaq."

Chairman: "Qujannamiik." We are on E-5. "Total, operations and maintenance:" \$2,686,000. (Interpretation.) Agreed?

Some Members: Agreed.

Chairman: Going on to page E-7. Justice branch summary, law enforcement. "Total, operations and maintenance." Mr. Curley.

Mr. Curley (interpretation): Yes, I have a question on E-7. Can you elaborate on the Inuit community policing program? Is it the RCMP, do they go to Regina? And also, the second one, the Nunavut community constable program: how popular is it, and how many communities are benefiting from this? I would like to hear more.

Chairman: "Qujannamiik," Mr. Curley. Mr. Minister.

Hon. Paul Okalik (interpretation): Thank you, Mr. Chairman. I thought you were not going to ask another question. Yes, we are trying to get more Inuit police through the RCMP. They go down for training to become constables. We do have more Inuit constables in Nunavut. We are trying very hard to make sure that we get more interest. There are a number of people that would like to become policemen. There are too few from the community policing in the communities.

We get funding from the federal and territorial police, through agreements.

Chairman (interpretation): Mr. Curley.

Mr. Curley (interpretation): This is not going to be my last question. It states that do they... . Cost sharing with the RCMP and the federal government... . We are very thankful to the RCMP and Nunavut government that they are jointly working together and we are getting more Inuit police constables. Are we getting more interest, or is it slowing down?

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

Hon. Paul Okalik (interpretation): Thank you, Mr. Speaker. When we first started, it was extremely popular, but now it has slowed. Right now, I can say that today 18 police have graduated.

We are still trying to get more Inuit interested in policing; we will continue to teach Inuit to become police.

Chairman (interpretation): Mr. Curley.

Mr. Curley (interpretation): Thank you. A second question: the NCC program, Nunavut constable program, do they work in their own home community before they go to school?

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

Hon. Paul Okalik (interpretation): Yes, we have had one or two that have taken this, the Nunavut community policing constable program. It is a bit different from the other one. We make sure that they have work experience before they go for training. Most of the Nunavut constable programs constables have successfully completed that. This is right now.

Chairman (interpretation): Thank you. (Interpretation ends.) We are on E-7. Justice branch summary, law enforcement. "Total, operations." Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. This is an area where we have our contract with the RCMP to provide policing services throughout Nunavut. I note that contract amount has decreased since last year a little bit, not a whole heck of a lot.

But I'm just wondering if the Minister of Finance had indicated in their fiscal overview that they are expecting shortfalls on that contract. I'm just wondering if the minister has any of an idea how much of a shortfall we can expect over the next year. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Mr. Tootoo. Mr. Okalik.

Hon. Paul Okalik: Thank you, Mr. Chairman. Like anything, the cost of operations will likely go up, we don't know how much. The fuel the RCMP requires for the vehicles or detachments may go up. So those things we can't predict as to how much. The RCMP are going through the collective bargaining process as well. I would like to finalize it this year. That will likely increase salary costs for the RCMP. So, I don't think that we'll likely increase costs for policing. We don't know exactly how much at this point. Thank you, Mr. Chairman.

Chairman: Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. Due to an incident that happened in Nunavut here a few years ago, there are some changes in staffing requirements in communities for RCMP members: that there wouldn't be, at any time, one member in a given community.

Given that, I ask why there is a reduction in the amount there; it was something that they were able to negotiate with the RCMP in the contract amount? Or, could we get an explanation? Thank you, Mr. Chairman.

Chairman: Mr. Okalik.

Hon. Paul Okalik: Thank you, Mr. Chairman. Over the last few years there's been substantial increases in the RCMP budget. We have to be able to afford their services. We went through an exercise where we looked at our overall funding for all our

operations, and this one here is where we thought that we could absorb some costs when we had to prioritize areas. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. The minister is indicating the cut is a result of fiscal restraints on the government as a whole. Does that mean that with the reduction in the contract amount that we are paying that are we receiving any less service by the RCMP as a result of that? Thank you, Mr. Chairman.

Chairman: Mr. Minister.

Hon. Paul Okalik: No. Thank you, Mr. Chairman.

Chairman: Thank you. We are on page E-7. Mr. Curley.

Mr. Curley (interpretation): If no one wants to talk, let me ask again. I would like to ask the minister about acting upon my questions. I'm sure that they will help to respond to evening calls. I'm not asking questions in regards to that, but in regards to RCMP officers having to work in very difficult situations. Please make them aware that as a member of the Legislative Assembly I am supporting the RCMP.

When I speak to municipal councils I ask them to support the RCMP. At times we think that we are giving support to the RCMP by giving advice. But, I do want to say that the RCMP, when they approach the schools, the children, the students are very happy to see RCMP. They eventually become role models. Since I was a child, there is a lot more substance abuse; alcohol and drugs were never around. Personally, myself, I don't know anything about those. I've never touched any of those substances. But when they teach the students about these things... .

I would advise the minister to encourage the RCMP. Some of us as members, we have to tell our young people to try and stay away from substances. If they are experimenting with substances, I personally take them aside and talk with them.

I do encourage all members of the Legislature to encourage and give positive advice. That way, it can really help the students. Therefore, Mr. Minister, I would encourage you to encourage the RCMP officers to go schools and to talk to the students. That way they can receive more support and assistance in the future. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you. That was just a general comment. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. I just wanted to follow up on my colleague's comments. In Cambridge Bay, there is an excellent example of RCMP working with the community. We have RCMP officers that go into the schools and teach the DARE program, the BRAIN program. There are drugs. There is bullying.

They are involved in community, with a coach of minor hockey, floor hockey, all kinds of events, so they have a really good relationship.

They report to the hamlet council every month with a monthly report involving our Department of Health and Social Services wellness committee. More recently the RCMP recruited a staff sergeant, that will be based in Cambridge Bay, to be a liaison with the RCMP in the Kitikmeot and Kivalliq region. They connect the Kitikmeot to the headquarters here in Iqaluit. So, I have a better relationship and understanding of what is happening out in the Kitikmeot.

That is an example of what we can do. We've been lobbying with the RCMP, as mayors, over the years. The police in our communities get the folks more involved, and I very highly respect that, for the community.

So, I think that it is possible, in every community, to get the encouragement from the hamlet councils and the people in the communities. So, I just want to make those comments. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Mr. Peterson. That would be a very good member's statement for some time too. Thank you.

We are on law enforcement. I have no more names on my list.

"Total, operations and maintenance:" \$15,975,000. Do you agree?

Some Members: Agreed.

Chairman: Thank you. E-8. Justice branch summary, Legal Services Board. "Total, operations and maintenance:" \$4,032,000. Do you agree?

Some Members: Agreed.

Chairman: Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. When I was the chair of the Kitikmeot Law Centre, our board would seek conditional funding for the Kitikmeot Law Centre to put Legal Aid workers in every community.

And then we discovered, you know these things as soon as you get on these boards, that the lawyers that work for the board at the law centre don't actually fall under our direct supervision. They report to Nunavut Legal Services Board. They actually recruit the lawyers and then send them to Cambridge Bay and the Kitikmeot.

Our board doesn't have direct control over them, and we were wondering how that works. That is just a comment here. The Nunavut Legal Services Board operates at arm's length with Government of Nunavut and I can understand that, but then you would think

that the Kitikmeot Law Centre should have direct control and influence over the lawyers that work for them. Thank you, Mr. Chairman.

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

Hon. Paul Okalik (interpretation): Thank you, Mr. Chairman. The board is an independent body. We do appointments for Nunavut to make sure that Nunavut's geography is reflected on the board. The board makes decisions on legal aid applications or contracts for waiving legal counsel, for all of Nunavut.

So that is how the board operates right now. We do provide the money, but it is an arm's length relationship with the board. Thank you, Mr. Chairman.

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

Mr. Peterson: Thank you, Mr. Chairman. When we completed our budget one year, it was for \$270,000. We developed our budget based on what we thought we required to provide Legal Aid in the Kitikmeot and to provide timely legal aid for the people who are seeking it. We were just simply told that of the \$270,000 dollars that was requested, here is what you get: \$200,000; live with it.

In my mind, everybody is entitled to good legal representation and timely legal advice when and if they require it. I am just wondering how then, if we try to provide that and we don't have the resources to do it, are the people getting solid representation in the communities. Thank you, Mr. Chairman.

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

Hon. Paul Okalik: Thank you, Mr. Chairman. This is why the budget has increased quite a bit over the last little while. There has been a lot more people that have required legal services as required by the Charter of Rights. Any person that may be charged is entitled to legal counsel. We have to provide that. So, there is always an increase or decrease in any given year.

So, it is a very difficult part of our budget because it is a moving target. We don't know how many will be charged or would require Legal Aid assistance. So, it is something that we try and manage, but it is something that is an ongoing challenge. Thank you, Mr. Chairman.

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

Mr. Peterson: Thank you, Mr. Chairman. Could the minister explain what he means when he says it is responsible for ensuring that all eligible persons receive legal services. What would be an ineligible person in Nunavut?

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

Hon. Paul Okalik: Thank you, Mr. Chairman. If someone is making \$100,000, let's say, they will likely be ineligible for Legal Aid. It is for people who cannot afford legal services, when they are facing charges. It is also there for people that may be seeking child support. So, it is application driven, and it is based on the income that the applicant may have. The Legal Aid Board is the final decision maker on these matters. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Mr. Okalik. Thank you, Mr. Peterson. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. On here it says the division is responsible for the provision of public legal education and information throughout Nunavut. I am going to take that as what the department is looking at doing, on working on the world that is part of making people aware of what rights they have in writing wills and that.

I would like to just ask the minister what plans that department has. If he could update us on community consultations and amendments that they plan on making to the rules. Thank you, Mr. Chairman.

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

Hon. Paul Okalik: Thank you, Mr. Chairman. Currently the system that we operate under is an inherited system that is quite legalistic, and a lot of times it does not reflect the wishes of the family. So, we would like to examine this closer. That will require some discussion. I do not want to proceed just too quickly to the point where they go too fast. So, I'd like to take my time; perhaps this fall start discussions on the Wealth Act. Thank you, Mr. Chairman.

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

Mr. Tootoo: Thank you, Mr. Chairman. Does the department plan on then doing community consultations in the fall, to get some input from Nunavummiut on how they feel about it? Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Minister.

Hon. Paul Okalik: Thank you, Mr. Chairman. Most likely, but our goal is to get the new legislation in place before our term is up, because we feel that the current system needs some rethinking. We would like to make sure that there are additional safeguards in place for families that may require it. Thank you, Mr. Chairman.

Chairman: Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. I can concur with the minister that I would like to see changes made to make things easier for Nunavummiut. I am sure that the community consultations on it will be a good step in the process.

He had indicated that he would like to see it done before our term is up, that is, five years from now. Is it going to be five years before we see any amendments come forward, or does he expect that in the next fiscal year? When can we expect to see those? Thank you, Mr. Chairman.

Chairman: Mr. Okalik.

Hon. Paul Okalik: Thank you, Mr. Chairman. I would like for it to be done soon, but I will see how the consultations proceed. If there are complex issues that our constituents want us to look at, then we will take a little bit of time. But this issue, yes, we will deal with it. I want to be open to ideas from our constituents, and if you require a substantial amount of work, then we need to take the time to do it properly. So, that is why I am trying to give some flexibility as to the time. As I said, our goal is to have it in place before our next election comes around. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you. I have no other names on my list. We are on page E-8. Justice branch summary. "Legal services:" \$4,032,000. Do you agree?

Some Members: Agreed.

Chairman: Thank you. Moving on to E-10. Justice branch summary. Lawyer support services. Total, operations and maintenance is \$2,074,000. Do you agree?

Some Members: Agreed.

Chairman: Thank you. E-11. Justice branch summary. Registries and court services. Total, operations and maintenance is \$5,789,000. Do you agree?

Some Members: Agreed.

Chairman: Thank you. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. Here again there is an increase of three PYs; actually, 3.5 PYs on there. I just want to confirm what those positions are and if it is indeed 3.5 positions. Thank you, Mr. Chairman.

Chairman (interpretation): Mr. Minister.

Hon. Paul Okalik: Thank you, Mr. Chairman. This is to reflect the concerns raised throughout that we had to increase the PYs for this division.

The family maintenance assistant is to assist single parents in collecting their child support. There is also a family maintenance counsellor to assist families that may be in a difficult situation and need some counselling. Hopefully they can work out their differences.

So, that is an added position. We have also added assistance for Justice, a secretary and a half-time position for the Labour Standards Board. Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. Under contract services, that is more than cut in half from the revised amount last year.

I would just like to ask the minister why that is and what those contract services are for. Thank you, Mr. Chairman.

Chairman: Mr. Minister.

Hon. Paul Okalik: Thank you, Mr. Chairman. That is reflective of the additional PYs that we have put in place. So, there are some adjustments where the contractors were before, perhaps, and there is also a reduction in costs associated with the courts. Thank you, Mr. Chairman.

Chairman: That's it? Page E-11. Total, operations and maintenance is \$5,789,000. Agreed?

Some Members: Agreed.

Chairman: Thank you. E-12. Justice branch summary. Corrections and community justice. Total, operations and maintenance is \$15,854,000. Agreed?

Some Members: Agreed.

Chairman: Mr. Evyagotailak.

Mr. Evyagotailak: Thank you, Mr. Chairman. You mentioned that there's a manager that will be hired and will be taking training, and the issue of how to recruit staff from the new Kugluktuk men's healing facility.

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

Hon. Paul Okalik: Thank you, Mr. Chairman. As I said in my opening comments, when we hired the manager for this facility... We are currently classifying the positions that will be put into Kugluktuk. Once that is completed, then we will advertise. The goal is to have the facility open this fall, and over the course of the summer we will be training the applicants that will work in the facility. Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Evyagotailak.

Mr. Evyagotailak: Thank you, Mr. Chairman. Once this facility is on the go, you'll probably be hiring, I'm not sure how many. But in Kugluktuk, maybe they can be hired for this facility so that hardship is not factored.

Chairman: Thank you. Mr. Minister.

Hon. Paul Okalik: Thank you, Mr. Chairman. Hopefully, they will all be from Kugluktuk so it can bring up Inuit employment numbers. Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Evyagotailak.

Mr. Evyagotailak: Thank you, Mr. Chairman. The reason why I asked is that if you are planning on hiring professional people from down south for the healing facility... I think it would be best to hire local Inuit and elders who can do a lot better to talk to people who need healing. A lot of times when we will need healing, we'll be more comfortable with an Inuk person rather than a person from down south.

I'm not against people from down south coming to work in Nunavut. But, in order to fulfill the needs of people who will be working up there... People will also be more comfortable sitting across the table from the person who is looking after them for doing something wrong. That's just my comment. Thank you, Mr. Chairman.

Chairman: Thank you for your comment. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. I'd like to ask the minister if his department has ever done any calculations for what it costs to house an inmate in BCC against sending a person, to, say, Alberta; I think the correctional centre down there is the Bowden Institution. Have there been any calculations as to what it costs Nunavut? What's the difference? Thank you.

Chairman: Thank you. Mr. Minister.

Hon. Paul Okalik: Thank you, Mr. Chairman. Yes, we have costed out how much it costs. Bowden is a federal facility, so we usually send them to Yellowknife to the correctional facility there, and also to Ottawa, that I'm aware of. But I'm not aware of territorial inmates going to a federal facility. But, yes, we have looked at the costs. I don't have them with me at this moment, but I can give them to the member. Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Peterson.

Mr. Peterson: I think that information will be useful for future discussions. I was wondering, Mr. Chair, talking about development programs such as diversion and quality education...

One of the big issues in Cambridge Bay, and has been one for several years, is elder abuse. The RCMP has worked with the hamlet and worked with the elders. I am wondering if the minister could comment on the development of elder abuse and public education materials. I think that is something the department should take the initiative on. Thank you, Mr. Chairman.

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

Hon. Paul Okalik (interpretation): Thank you, Mr. Chairman. I know that we do have programs in place for when an individual is in our care, when they are in our facilities. But, in terms of the general public, we have not done that yet. I'm sure we could work out a way that the minister responsible for elders... Perhaps work on that for people that have not been charged or convicted. Thank you, Mr. Chairman.

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

Mr. Peterson: Thank you, Mr. Chairman. I think that it will be worthwhile initiative. While I was campaigning in my riding, it came up a number of times. Elders were telling me that they need help. Their pension funds are being affected. Things like that. They are not getting enough food.

I don't know how big an issue it is across Nunavut, but it is something that has been discussed extensively in our community. The hamlet council talks with the RCMP and groups around there and with the elders involved. It might be good if the Minister of Culture, Language, Elders and Youth or yourself were to talk to those folks. That was my last comment, Mr. Chair. Thank you.

Chairman (interpretation): Thank you. That was more of a comment. Mr. Alagalak.

Mr. Alagalak (interpretation): Thank you, Mr. Chairman. I would like to touch on this stage in E-13. We are well aware that the hamlets get monies that would be used to fund justice committees, about \$680,000.

My question to the minister... We see a lot of the larger communities take on programs. When I was a mayor I thought that this was very important, and the justice committee would have a meeting every week. They'd be paid \$25, and they'd have a meeting of one to five hours' duration, and then a volunteer would write up the minutes of the meeting. Mr. Minister, I believe that we can talk about this issue for many, many hours.

But, at this point I would like to know from the minister if there is a way to increase the funding that is allotted for the justice committees. Is it possible to increase the amount for the larger communities and to possibly access other pots of money and put it into this pot? Thank you, Mr. Chairman.

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

Hon. Paul Okalik (interpretation): Thank you, Mr. Chairman. Well, I was shocked when I heard that they were being paid \$25 for their services. I increased it immediately when I become minister. They do get a larger amount because, of course, they are a valuable part of the community and they contribute a lot. Thank you, Mr. Chairman.

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

Mr. Alagalak (interpretation): Thank you, Mr. Chairman. I wasn't overly concerned about the honorarium that they receive. What this justice committee does is take care of the young offenders once they've been handed over the RCMP. Is it possible to include funding for their operations with the many, many youth out there who are going through the alternative justice system? The amount of money that they receive does not amount to the large responsibilities that they are given. They make huge contributions, and they make the operations smoother.

Mr. Minister, is it possible for your department to consider increasing the amount for this committee and for their added responsibilities?

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

Hon. Paul Okalik (interpretation): Thank you, Mr. Chairman. The justice committees, of course, we're very thankful to them. We have excellent committees in some communities, and I would like to get them together so that they will find out what is in particular communities and what can be adapted to suit other communities.

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

Mr. Tootoo: Thank you, Mr. Chairman. Just a question on this. The minister had indicated earlier in the directorate that they hired an elder. My question here is in regards to both the Baffin Correctional Centre and also the young offenders' facility. Do people there have the opportunities... . Is there a program in place to allow them to talk to elders while they are incarcerated? Thank you, Mr. Chairman.

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

Hon. Paul Okalik (interpretation): Thank you, Mr. Chairman. (Interpretation ends.) Yes.

Chairman: Thank you. (Interpretation.) You got the answer, Mr. Tootoo.

Mr. Tootoo: I did not hear his answer, Mr. Chairman, sorry.

Chairman: Mr. Minister.

Hon. Paul Okalik: Thank you. I said yes.

Chairman: Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. I am just wondering, are those elders on a full-time basis or as-and-when-needed basis or casual basis, that they... . How does the system work with the young offenders and inmates that are incarcerated, in order to able to take advantage of the opportunity for them? Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Minister.

Hon. Paul Okalik: Thank you. There is an elder working in each facility, and usually there are the land programs that we have for most facilities. Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. I guess a statistic could be a tell-tale sign of crime prevention and the work that is going on in the correctional centre for inmates to rehabilitate themselves. But is it the department or the correctional centre that keeps track of what the re-offending rates are for both the young offenders and people that are incarcerated at the Baffin Correctional Centre? Thank you, Mr. Chairman.

Chairman: Mr. Minister.

Hon. Paul Okalik: Thank you, Mr. Chairman. Yes, they track who has been in and who has been out, and they track all the names of these individuals. Thank you, Mr. Chairman.

Chairman: Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. I would just like to ask, if that tracking is done, does the minister have any idea of what the re-offending rate is for both of those facilities? Thank you, Mr. Chairman.

Chairman: Mr. Minister.

Hon. Paul Okalik: Thank you, Mr. Chairman. I am sure we can get the numbers. I do not have them at my disposal at this time, but I guarantee to provide the numbers and see how it is going. Thank you, Mr. Chairman.

Chairman: Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. I could see that could be a useful tool in measuring the success of crime prevention and rehabilitation. Does your department have any other ways or means that it is using to measure the success of the crime prevention programs offered throughout the department? Thank you, Mr. Chairman.

Chairman: Mr. Minister.

Hon. Paul Okalik: Thank you, Mr. Speaker. I'm not current on that. We could look into it, but I know that the outpost camp program has been very successful for young offenders, and I would love to see more of those. That's the only one that I'm aware of, that has been quite successful. As I said, I will have to get back to the member on the rates and on what other measures we can put in place. Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. Another thing here is there's an increase of ten PYs from last year. Are those additional positions that are required at the correctional facilities, here at the young offenders' facility and BCC? Are they elsewhere as well? Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Minister.

Hon. Paul Okalik: Thank you, Mr. Chairman. As I mentioned in my opening comments, there will be 12 new positions for Kugluktuk. So, that's where the increase is. Thank you, Mr. Chairman.

Chairman: Thank you. Any more Mr. Tootoo?

Mr. Tootoo: Thank you, Mr. Chairman. It's a math problem again. There's only an increase of ten on there, so you must be taking a couple from somewhere else. I'm just wondering if they are going to be transferring two PYs from somewhere else within the department. Thank you, Mr. Chairman.

Chairman: Mr. Minister.

Hon. Paul Okalik: Thank you, Mr. Chairman. We're not trying to skew numbers. There are 12 that could be created for Kugluktuk; that's all and nothing else. Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. I understand what the minister is saying, but on page E-34, it's showing 120 last year and 130 this year: it's only an increase of 10. I'm showing that should be 12, or there's a couple of positions that were already based in that community that are being moved to that facility. Can we just get an explanation on that? Thank you, Mr. Chairman.

Chairman: Thank you, maybe you can add to that number, Mr. Minister.

Hon. Paul Okalik: Yes, okay, the member outlined that there was an increase in the directorate. What happened, what we just found out, was that there were two positions that we moved from corrections to the directorate section of the department. That's why it looks like there are only 10 positions coming from corrections. Actually, two positions have been moved to a directorate position. Thank you, Mr. Chairman.

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

Mr. Tootoo: Thank you, Mr. Chairman. Yet another unsolved mystery solved. Great deductive work by the minister.

Out of the staff that are working at the correctional centre here... . I know that the Inuit employment numbers are low there because for one thing, it's an environment that not a lot of people want to have to work in. I can recognize that, as I used to work in a correctional centre myself in the south.

On this I know that there is a lot of use of casuals. I'd just like to ask the minister how many of the positions that they have there are indeterminate full-time staff, and how much staff constitute their use at the two facilities here in Iqaluit. Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Minister.

Hon. Paul Okalik: Thank you, Mr. Chairman. Currently there are 55 full-time correctional workers that could be hired at BCC and 18 full-time positions that can be hired for the young offenders' facility.

As you know, it is difficult job, so we always have a hard time filling a lot of those positions. A few of them are casual, so we want to hire more Inuit. Actually, in the young offenders' facility, we are advertising for positions where Inuktitut is a requirement for those that want to be employed in the facility. Thank you, Mr. Chairman.

Chairman: Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. Does the minister have an indication of how much casual usage is taking place at those two facilities? If he does, is he going to let us know the numbers? Thank you, Mr. Chairman.

Chairman: Mr. Minister.

Hon. Paul Okalik: Thank you, Mr. Chairman I am advised that there is about a 40 percent casual rate at this time. Thank you, Mr. Chairman

Chairman: Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. A high number, and I can acknowledge the rationale for this: people don't want to have to work shift work and at nights, and they are not always in the most happy environment.

Given that, is there a plan that when you hire someone on casual, that they move into an indeterminate position, or is it kind of, someone just left so we need to... . Is there a high turnover in the casuals? Are they moving into indeterminate positions? Or, are they not being hired because they want to have... . They perhaps are non-beneficiaries. The minister indicated that they want to hire beneficiaries.

I am just wondering if that is a contributing factor to that high rate of casual usage. Thank you, Mr. Chairman.

Chairman: Mr. Minister.

Hon. Paul Okalik (interpretation): Thank you, Mr. Chairman The facility has to have guards 24-7. If an employee is sick for a given day, we have to find a replacement. That is where casuals come into play. They have a role to play and we appreciate that service. For casual Inuit that want to become full time employees, we have directly appointed them for those positions.

This is difficult work and night shifts are involved. So, those create barriers that are not always attractive to a lot of people. Thank you, Mr. Chairman.

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

Mr. Tootoo: Thank you, Mr. Chairman. I could certainly acknowledge that fact. I wish the minister and the department all the best in trying to improve those numbers. He had indicated that there are 55 positions at BBC and 18 at Young Offenders. What is the vacancy rate right now on the indeterminate full-time positions there? Thank you, Mr. Chairman.

Chairman: Mr. Minister.

Hon. Paul Okalik (interpretation): Thank you. We don't have those numbers. They are changing quite regularly, so it is difficult for us to answer right now. As I said, about 40 percent are casual. So, that gives you an idea; I think 60 percent, perhaps, are filled. Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. Another question. I was talking to a constituent that used to work out there and was informed that upon completion of their term, it was a term position, that it wouldn't be renewed, as it had to go out to a... . They were instructed that a beneficiary had to be hired for that position.

I am just wondering, in how many cases did they do this? Is this something that has happened quite a bit, or is it just something that is hit-and-miss, a once-in-a-while opportunity or chances that that takes place? In the event where something like that does happen, are there options given to the employee for other areas of work within either the department or the government? Thank you, Mr. Chairman.

Chairman: Mr. Minister.

Hon. Paul Okalik (interpretation): Thank you. I will not get into the specifics of a given individual, but I will say that when a person agrees to a term position, that is the end of the choice. When the term ends then that is when it is completed. No individual is barred from applying for positions, but our policy is to try and get as many Inuit in the correctional facilities; there are not enough. We try to make sure that whatever we do does not hinder that. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you. Mr. Tootoo. We are on page E-12. Justice branch summary. Corrections and community justice. "Total, operations and maintenance:" \$15,854,000. Do you agree?

Some Members: Agreed.

Chairman: Thank you. Justice branch summary. Human Rights Tribunal. Total, operations and maintenance is \$583,000. Do you agree?

Some Members: Agreed.

Chairman: Thank you. Pages E-15, 16, 17 and 18 are information items. We go back to E-4. Justice department summary. Detail of expenditures. Total, operations and maintenance is \$48,993,000. Do you agree?

Some Members: Agreed.

Chairman: Are you agreed that the Department of Justice is concluded?

Some Members: Agreed.

Chairman: Good. Thank you. Mr. Tootoo.

Mr. Tootoo: I think I missed the Human Rights Tribunal. I wanted to ask a couple of questions on that.

I was just wondering... . We were glad to see that the Human Rights Act that we passed last year and led to the tribunal... . I was just wondering if there are any indications from the minister as to how many people are going to be involved in the tribunal and where it is going to be located. Thank you, Mr. Chairman.

Chairman (interpretation): Mr. Minister.

Hon. Paul Okalik (interpretation): Thank you, Mr. Chairman. There will be three PYs. As to their location, we are awaiting the approval of the budget from that, and we will start finalizing the location. So, I will be exploring options with members as to the location of the office. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you. We were on E-4. The Department of Justice is concluded?

Some Members: Agreed.

Chairman: I would like to thank the minister and his officials, Mr. Chartrand and Mr. Saez for being over there. Do members agree that we proceed with the next department?

Some Members: Agreed.

Chairman: Thank you. Coffee break, 15 minutes.

>>Committee recessed at 14:43 and resumed at 15:08

Chairman: Thank you for coming back. The Minister of Finance, Ms. Aglukkaq, will make her opening remarks.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. I'm pleased to appear before the Committee of the Whole to discuss the 2004-05 main estimates for the Department of Finance as well as the 2004-05 business plan.

I will begin with a brief overview of the department's budget. For 2004-05 the Department of Finance has allocated \$52.5 million in the operations and maintenance expenditure as compared to \$43.4 million from 2003-04 main estimates.

The major components of the department's budget are: \$16.2 million for compensation and benefits; \$34.6 million to the centrally administrative programs and costs, including

\$7.1 million for government-wide employee benefits such as dental premiums, workers compensation premiums, and employee medical travel; \$10.2 million for the lease cost of the Legislative Assembly building and other office buildings constructed by the Nunavut Construction Corporation prior to April 1, 1999; \$5 million for the regular Power Support Subsidy Program; \$10 million for a special fuel subsidy; \$2.3 million for Government of Nunavut insurance premiums; and \$1.7 million for other operations and maintenance costs.

The increase over the 2003-04 main estimates is a result of the introduction of a subsidy offsetting the Qulliq Energy Corporation. Finance has six branches: Directorate; Fiscal Management; Internal Audits; Financial Operations; Centrally Administered Funds; and the Liquor Revolving Fund.

The department currently has a cost estimate of 147 person years composed of 106 in headquarters, 15 in Qikiqtarjuaq, 14 in the Kivalliq, and 12 in the Kitikmeot. In addition, there are 7 positions funded under the Liquor Licensing Board and the Liquor Revolving Fund.

The department's focus for 2004-05 will be to continue to provide central agency services in areas that include the support for the Financial Management Board, to manage the government's overall fiscal position, and to oversee the financial framework and accounting processes. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Ms. Aglukkaq. (Interpretation ends.) Do you have any witnesses that you would like to bring the table?

Hon. Leona Aglukkaq: Yes, I do.

Chairman: Please take them. Does the committee agree to bring in the witnesses? Thank you. Agreed. Sergeant-at-Arms, please escort the witnesses. Thank you.

Ms. Minister, please introduce your witnesses.

Hon. Leona Aglukkaq: To my right is Robert Vardy, Deputy Minister of Finance, and to my left is Paul Reddy, Director of Expenditures Management. Thank you, Mr. Chairman.

Chairman (interpretation): Welcome Mr. Vardy and Mr. Reddy.

Does the chair of the standing committee have any comments? Please proceed, Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman and my colleagues. Mr. Chairman, I am pleased to provide you with the committee's comments on the 2004-05 main estimates and business plan of the Department of Finance.

The committee notes that the department's proposed budget of \$52,513,000 has increased by over 90 percent since the department's initial allocation of \$27,548,000 in 1999-2000.

Members recognize that a significant proportion of the department's budget is allocated for such government-wide functions as employee benefits, commercial leases, insurance coverage, and power subsidies.

Members also note that the department's budget increase from 2003-04 is primarily due to a new \$10 million subsidy initiative associated with the Qulliq Energy Corporation's proposed fuel stabilization rider.

Members recognize the role that the department plays as a central agency. One of the most important functions that the department performs is co-ordinating the government's budget process and preparing the annual estimates documentation and the public accounts.

Over the past several years, members of the Legislative Assembly have consistently called on the department to enhance the transparency and accountability of government operations through such measures as ensuring that the government's financial statements are tabled within the timelines established by law, and expanding the level of detail contained in the main estimates, including information on prior years' actual expenditures. As the minister indicated, we hope to see this in next year's estimates.

In her most recent report to the Legislative Assembly, the Auditor General notes a number of ongoing issues in these areas. Although members are aware of the government's responses to these concerns, it is apparent that more work needs to be done.

For example, members have noted that the government has offered excuses for its consistently late tabling of the public accounts, by referring to the fact that Nunavut Arctic College's financial year-end occurs on June 30 as opposed to March 31. If this situation is such a significant impediment to timely tabling, then members would recommend that the government proceed to amend the relevant legislation to change the financial year-end of the college to bring it in line with other Government of Nunavut entities.

Members have also noted with surprise that the department's budget for internal audit services is projected to decrease in 2004-05, despite the clear need for a strong internal audit function within the government.

The committee would also wish to see the government's annual consolidated financial statements include comprehensive information on its lending and borrowing activities under section 27 of the Nunavut Act, and that such information include a clear picture of the government's available borrowing room.

It is alarming to members that the Auditor General's report indicates that further work needs to be done to achieve a clear picture of exactly how much we owe.

Members were pleased to finally receive a copy of the territorial business case on fiscal issues that the GN, in co-operation with its territorial partners, submitted to the federal government. While members recognize that some improvements to the level of support provided to Nunavut and the North were announced in the recent federal budget, the committee is concerned that there has been no announcement regarding the signing of a new formula financing agreement, despite the fact that the former agreement expired earlier this year. This concern is amplified by the uncertainty currently being experienced as a result of the federal election campaign.

As I mentioned earlier, a significant portion of the department's budget has been allocated for paying commercial leases for the GN in 2004-05. Over \$10 million has been allocated for this purpose. Serious concerns have been expressed in the past about issues of transparency related to the government's leasing practices, and the committee urges the department, as a central agency, to ensure greater disclosure in this area. It remains unclear, for example, as to whether the government will lease or buy the three new multi-million dollar health facilities in Iqaluit, Rankin Inlet, and Cambridge Bay.

Leasing is another area in which the Auditor General has identified significant concerns regarding the government's performance in achieving value for public money. The government's continued refusal to table a comprehensive list of its leased properties, including the value of the leases, is unacceptable and disturbing, considering that every penny of these leases is paid for with public money.

The committee sincerely hopes that the new Minister of Finance will demonstrate leadership in changing the way the department does business and moves towards greater transparency in government.

The committee urges the government to honour its commitment to provide its new leasing policy to members. This commitment was made in 2003 but has not yet been honoured. The existence of this new policy was first revealed during 2003 hearings on the Auditor General's report.

The committee would also wish to see the government honour its past commitments to make available the Nunavut Development Corporation's investment and divestment guidelines, and to prepare annual inventories of RFP and tender awards. There can be no justification for keeping such information secret.

Members were pleased that the new Minister of Finance acted quickly to provide a copy of the terms of reference for the GN's new Crown Agency Council. Members look forward to this entity achieving progress in addressing the numerous issues that have been identified with respect to Crown corporation governance in Nunavut. Members expect the minister to keep the House fully informed of its work.

However, members are not pleased with the government's attitude concerning the disclosure and tabling of ministerial directives made to crown corporations. Although the

government went on the public record last year as stating that no such directives had been issued since April 1, 1999, the report of the Auditor General and the Business Credit Corporation's own annual report prove otherwise. These directives should not be considered secrets. Members of the Legislative Assembly and the constituents whom we represent have a right to know what instructions ministers are issuing to Nunavut's publicly-owned Crown corporations.

The committee is very concerned about the proposed \$10 million item in the department's budget for subsidies related to the Qulliq Energy Corporation's fuel rider. This single item, which receives a mere 17 words' worth of explanation and justification in the main estimates, is itself larger than the entire budget of the Department of Executive and Intergovernmental Affairs.

Members remain unclear, for example, as to whether or not the government is fully in compliance with the law governing the role of the Utility Rate Review Council in making recommendations concerning the imposition of such rates or tariffs as a fuel rider.

Members recognize that managing the government's revenues is a critical function. Members are aware of the significant tax cuts that were considered and passed by the Legislative Assembly in 2002 and urge the department to closely monitor, and subsequently report on, their actual success in achieving such policy goals as attracting more businesses to establish operations in Nunavut.

Members also remain curious about the department's success in determining whether the revenue collected from the Government of Nunavut's one-percent payroll tax, which was inherited from the government of the Northwest Territories, is raised primarily from permanent residents of Nunavut or from transient workers.

Members note with interest that the department's business plan indicates that proposals to revise the Government of Nunavut's capital planning process have apparently been developed and that recommendations to the Financial Management Board will be made. Given the importance of capital planning to our communities, members would wish to see the government clarify what changes are being made in this area.

In the past, members have noted with concern the apparently uncontrollable growth of information technology expenditures across government. Members note with interest the transfer of certain functions in this area to the Department of Community and Government Services.

Members also noted with concern a 320 percent increase from 2003-04 in the Department of Finance's budget for applications support for its financial systems.

Members are aware that the activities of the Nunavut Liquor Commission fall under the responsibility of the department, and members look forward to being made aware of the timetable for the repatriation to Nunavut of the commission's functions, which members understand to be moving to Rankin Inlet.

Members also note with interest the relatively static projections for revenue from liquor import permits, despite changes made in 2001 to reduce their cost. Members would be interested to learn if the department has been able to identify, in co-operation with law enforcement authorities, whether these changes have had an impact on reducing the incidence of illegal bootlegging, as a result of making legal importation less expensive for consumers.

The committee would also note with concern that although the residents of Chesterfield Inlet voted in a plebiscite, held over two years ago on January 28, 2002, to establish an alcohol education committee, the regulations to establish this body have not yet been published in the *Nunavut Gazette*.

That concludes my opening comments. I am sure individual members may raise their own questions or comments on the issues as we proceed. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Mr. Tootoo. I am sure you are aware that you have ten minutes for general comments. Are there general comments? Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. Just a comment from the minister's opening comments. I do not know if it was a slip or an intentional miss, but when she was reading her opening comments, she mentioned the \$10 million special fuel subsidy in the handout that we got. The minister's comments says "...special fuel rider subsidies..." I am just wondering if it is actually a fuel rider subsidy or a fuel subsidy. Thank you, Mr. Chairman.

Chairman: Ms. Minister.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. It's as presented. Thank you.

Chairman: Thank you. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. Verbally or written? Thank you, Mr. Chairman.

Chairman: It seems to be written; could you confirm it, Ms. Minister.

Hon. Leona Aglukkaq: Written.

Chairman: Thank you. Are you finished? We're on page C-5, Finance grant summary. Directorate. Total, operations and maintenance is \$2,797,000. Agreed?

Some Members: Agreed.

Chairman: Thank you. We're on page C-6. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. I just asked... Under the directorate here, it indicates that the deputy minister here serves as a secretary of the Financial Management Board and as the comptroller for the Government of Nunavut. I'm just wondering, if a request comes to the Financial Management Board for something, are there any mechanisms or things that are in place to ensure that the request has gone through the proper channels or not? Thank you, Mr. Chairman.

Chairman: Thank you. Madam Minister.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. Any request that is made by any department goes through proper channels of the department, and the department reviews any submission and completes an analysis before it goes forward to the Financial Management Board. Thank you, Mr. Chairman.

Chairman: Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. I'd just like to ask who's responsible for making sure that all the i's are dotted and t's crossed on any request. Thank you, Mr. Chairman.

Chairman: Ms. Minister.

Hon. Leona Aglukkaq: That's the idea, yes.

Chairman: Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. My question was who is responsible to do it, not, is that the idea. Who is responsible to do it: is it the deputy minister or the minister-comptroller whose task is actually doing that and making sure that it is done right. Thank you, Mr. Chairman.

Chairman: Madam Aglukkaq.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. I was responding to the earlier part of his comment. Secretary to the Financial Management Board and the Director of Expenditure Management. Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Tootoo. Mr. Curley.

Mr. Curley (interpretation): I was concerned about the same issue. I wanted to ask a question in regards to the requests that are made from your department. My question was, who does the managing before it goes to the Financial Management Board.

When we were on the Qudliq Energy Corporation there was the fuel stabilization rider, the whole time we were reviewing it.

We have questions on the issue. The president of Nunavut Power Corporation was there and we asked, how are you going to go about it. We were told that it would eventually be paid off by the consumers, in the amounts that were being paid by the consumers.

So, which policy or program is used? We want to get the proper information out there so that confusion is not created. We were getting a little confused here earlier on. Technically speaking, if it is a fuel rider, a power rider, if it is a fuel stabilization rider, and there is a request made to your department, it would have to go through the Utility Rate Review Council.

With that, we are not the ones who are confused about all of the information. It is the Department of Finance and Financial Management Board who are creating the confusion because of the way that they approve the whole thing.

We are going to be approving your budget. Is it possible for you to give us the accurate information? If you will be going through the regular or the usual process, I think we would not be confused. I would like to ask the minister if improvements will be made on this.

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

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. The last question is if we are going to look into that. There are a number of things that he said in his statement.

One thing I would like to follow up on is the item that he is referring to under Section C-10. I think it has caused some confusion. It makes up into a QEC fuel stabilization rider, when it's a bunch of subsidies, where I think that is the confusion. But, these are good questions; I am not sure he wants me to interrupt him with his last question. It is a question to his statement, he wants. I want to ask if he can clarify that.

Chairman: Mr. Curley.

Mr. Curley: I am not sure whether or not the information that was regularly provided to the Financial Management Board secretariat... . When asking for \$10 million, was it a fuel stabilization rider? Maybe that will give the deputy minister of Finance some spark in his mind.

Chairman: Ms. Minister.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. The information that went to the Financial Management Board in regards to the \$10 million, it was not a fuel stabilization rider. Thank you, Mr. Chairman.

Chairman: Mr. Curley.

Mr. Curley: My second question would be then: if it was not a fuel stabilization rider as presented in your business plan and the main estimates, what was it then?

Chairman: Ms. Minister.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. In the main estimates, as presented, the definition is correct. The heading, "Qulliq Energy Corporation Stabilization Rider," I think, is where the confusion is. It is a domestic and commercial power subsidy to consumers of electricity, specific to the implementation of a fuel rider. Thank you, Mr. Chairman.

Chairman: Mr. Curley.

Mr. Curley (interpretation): I will ask my question when we reach that page.

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

Mr. Peterson: Thank you, Mr. Chairman. And welcome, Minister of Finance, Paul Reddy, and Mr. Vardy. The Formula Finance Agreement seems to be a key instrument for flowing funds to the North. We have all heard about it over the years and many of us lobbied the federal government to change it and improve it. I remember talking to the Minister of Finance one time in Ottawa, and he told me that Nunavut's unique circumstances are being met by the Formula Financing Agreement. I disagree, as did many of the mayors of Nunavut.

I am wondering if the minister could update us on the efforts they are making to convince the government in Ottawa that the Formula Financing Agreement, as it is written, is not meeting Nunavut's unique circumstances. Thank you, Mr. Chairman.

Chairman: Ms. Minister.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. I think we all agree in this room that the current funding we receive under the formula is not meeting Nunavut's needs. We argue on the basis that per capita is not sufficient in addressing the shortfalls in formula funding for Nunavut. We are in need of additional finances to address the immediate infrastructure development requirements of the territory, which I also stated in my budget address. Generally speaking, those concerns, I think, are shared around this table.

In terms of negotiations, the member made reference to in his opening comments. Yes, we haven't renewed an agreement at this point. But as it is now, we can continue to operate under that agreement until such time as we agree to a formula financing agreement.

In terms of what actually took place prior to me being appointed to this portfolio, I will ask the deputy minister to update the members on what negotiations took place prior to this year's elections. I will pass it on to Mr. Vardy.

Chairman: Mr. Vardy.

Mr. Vardy: Thank you, Mr. Chairman. The Formula Financing Agreement that's in place in Nunavut is the same as is in place for the other two territories. It was designed to allow Nunavut to continue with the same package of programs that existed previously when it was part of the Northwest Territories.

We've made the case on many occasions that we needed money for catch-up and start-up for all the activities required in starting up a government and also in starting up a new territory, including the building of all the infrastructure, like hospitals and transportation infrastructure that's needed, the housing.

We've had some success over the course of the last five years in getting some extra dollars, but it hasn't been enough to meet all the requirements of the territory. We'll continue to push for that recognition. The federal government decides what money is transferred to each territory. It's a tough process in making headway there, but we'll continue pushing, as well, I am sure, as all other parties that are representing Nunavut interests. Thank you.

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

Mr. Peterson: Thank you, Mr. Chairman. I remember reading somewhere recently that we've been fortunate that we've been getting annual increases from the Formula Financing Agreement, and despite that, we're incurring deficits. If the formula were to work another way, in other words, give us less money every year in future years, how would that affect our finances in Nunavut? Thank you, Mr. Chairman.

Chairman: Ms. Minister.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. It's a good question, but it's a difficult question to answer. It's a bit hypothetical in that I can't answer it based on what's in place now. Thank you, Mr. Chairman.

Chairman: Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. I know that it's a bit hypothetical. It's a complicated formula, and it depends on a lot of variables across Canada, provincial and territorial and national variables. But, there's always that possibility that we could, in future years, receive less money under the Formula Financing Agreement than we're accustomed to getting; in other words, annual increases, we could get less money. That's what we have to keep in mind, and that we have to lobby very hard in Ottawa with the Minister of Finance down there.

On a related subject, the per capita formula doesn't work if we're looking for funding for infrastructure and health. The small population base in Nunavut and across the entire

North is working against us. I'm wondering if you could update us on your meetings; how did they go with the federal Minister of Finance in terms of convincing him that per capita doesn't work for Nunavut? Thank you.

Chairman: Thank you. Ms. Minister.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. The per capita is not working, we all know that. A dollar down south could be negative two dollars in the north in delivering a program, just as an example.

Yesterday, or this week sometime, I believe, our Premier demonstrated the efforts and the extent to which premiers in the Northwest Territories, Yukon, and Nunavut have gone in trying to lobby, educate, the federal bureaucracy that it does not work. Using the health files as an example, the Premier walked out of the premier's conference on health. This did result in some additional funding for the North.

Unfortunately, that was one file. Currently under the formula, as it is, it is now per capita. So, we have to continue to try and convince the federal system, along with the two other territorial ministers, that it does not work. Thank you, Mr. Chairman.

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

Mr. Peterson: Thank you, Mr. Chairman. I remember meeting the federal member of parliament, Paul Martin, in Whitehorse last year. He seemed rather surprised when I told him that it costs \$227 per square foot to build a house in Nunavut. And the house didn't have a basement. It was much cheaper in the south. I pointed out a few other cost factors up here that he seemed not to be aware of.

These are the kinds of numbers that these folks in Ottawa have to be aware of. A dollar in Ottawa or a dollar in Edmonton is not the same as a dollar in Iqaluit or Cambridge Bay. That is a fact of life; there is nothing we can do about that.

I am wondering if the minister could comment on when her department officials will be providing prior years' actuals when they prepare the main estimates, so that the MLAs can compare how we did in the previous year to a projected year. Thank you, Mr. Chairman.

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

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. Just in terms of the comments and reference to Mr. Martin: the previous minister has met with Minister Martin, when he was finance minister, on many occasions on the issues around the funding. Mr. Martin was also in Iqaluit to meet with the cabinet members. Also, I believe he is well aware of some of these issues that we bring forward on a regular basis.

To answer your question, next year's main estimate will include that information. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Ms. Minister. Anything else, Mr. Peterson?

Mr. Peterson: On public accounts, I appreciate that you got them to us this session. The requirement says that they have to be tabled by December 31. I am wondering if the minister can commit that in future the public accounts will be tabled by December 31, as required by law that we created here in the Legislative Assembly. Thank you, Mr. Chairman.

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

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. Sorry about that. I think it was in yesterday's question period, I made reference to that issue, and it is reflected in the members' comments today. On his opening remarks, in that, we may have to look at the December deadline.

In the Auditor General's report, on page 18, we have consistently tabled the report in May. It has been very difficult for us to meet the December deadline, so we need to look at that. As much as possible, we have tried to meet the December deadline, but since 1999 we have not been able to.

So, I think that is one area that we need to look into. Perhaps it is not a realistic deadline date. Thank you, Mr. Chairman.

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

Mr. Peterson: Thank you, Mr. Chairman. I recall the minister mentioning in the regular members caucus, when she talked to us, that there are some departments or some agencies that are rather slow in getting their financial information to the Department of Finance. We suggested that the Department of Finance should exercise your authority and demand that this does get in, because we are getting information that is fairly late, a year later. It is very late information and it doesn't help us in our planning for future years.

So, I would encourage you to, if it is very hard to get that information to us by December 31. Thank you, Mr. Chairman.

Chairman: Was that a comment or is that a question? Comment, okay. Thank you. We are on page C-5. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. It is something I raised in my opening comments, and that was the Crown Agency Council. I would assume that would fall under the Directorate division of the department.

I am just wondering why in a pretty thorough business plan by the department there is next to nothing on the Crown Agency Council in any detail. I am just wondering if I could get information as to why there is nothing in there about it. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Tootoo. Ms. Aglukkaq.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. The Crown Agency Council does exist. We tabled the terms of reference to all the members. The Crown Agency Council consists of ministers.

So, in terms of departments providing support to that committee, that is an ongoing initiative and task, but it is not reflected in the Department of Finance Directorate or department. But, the committee does exist and consists of three ministers. Thank you.

Chairman: Thank you. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. What does the committee do? Thank you, Mr. Chairman.

Chairman: Thank you. Ms. Minister.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. The Crown Agency Council provides advice to cabinet and the Financial Management Board. It provides recommendations to all of the ministers responsible regarding matters including statutory requirements, budget impacts, financial management, human resources, policies, legislation initiatives. It also provides support and enhances the government's capacity of board members of Crown agencies in Nunavut to carry out the Government of Nunavut mandate and policies, and to make access to support available and affordable to Crown agencies. Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. Would the request buy a utility, the Power Corporation, to put forth a stabilization rider on their thing... . Would that request go to the Crown Agency Council? Thank you, Mr. Chairman.

Chairman: Thank you. Minister.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. The answer to his question is, no. Any information related to required policy decision goes to cabinet. Any information that has financial implications goes to the Financial Management Board. This body is an advisory body to the Financial Management Board and to cabinet on Crown agencies. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Ms. Minister. Any more, Mr. Tootoo?

Mr. Tootoo: Thank you, Mr. Chairman. Just for the record, can the minister indicate what specific decisions the Crown Agency Council has taken to date and what it has accomplished. Thank you, Mr. Chairman.

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

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. The committee has been established for six months. It was established to address a number of issues, but in particular, the committee had met on several occasions to start addressing the concerns that are raised with the Qulliq Energy Corporation, outlined in the Auditor General's report.

That committee will be looking to oversee that those issues are addressed to the Crown Agency Council. It has only been in place for six months and it is a means to address these concerns that have been raised. Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. Have there been any directives for this, that have come out of the Crown Agency Council to the minister responsible for the Corporation, and if so, what were they? Thank you, Mr. Chairman.

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

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. There have been no directives issued to any Crown agency. There have been meetings, but no directives. Thank you, Mr. Chairman.

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

Mr. Tootoo: Thank you, Mr. Chairman. Have there been any policy decisions made on the policy directions or decisions that have affected Crown agencies? Thank you, Mr. Chairman.

Chairman (interpretation): Ms. Minister.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. Yes, there have been some decisions. Minister Simailak announced in the House some of these policies, administrative procedures that the QEC would be following. That was a result of decisions made through the Crown Agency Council, and they were announced in the House for members' information. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you. Mr. Tootoo. Mr. Curley.

Mr. Curley: I also would like to ask a question. I will ask it in English. Number one: I would like to know who the board members are. How many members are there in the Crown agencies?

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

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. As is in the terms of reference distributed, the Crown Agency Council consists of my staff, I chair that committee, and the Premier, the Minister of Justice, and the Minister of Human Resources. Thank you, Mr. Chairman.

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

Mr. Curley: Okay. Financial viability: is that one of the factors that the Crown Agency Council normally handles when dealing with these newly founded Crown agencies?

Chairman (interpretation): Ms. Minister.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. The information related to finance for any Crown agency goes through the normal process of FMB. What the Crown Agency Council provides is to review ongoing issues and to work with the corporations. As an example, to try to address the information covered in the Auditor General's report and to provide further detailed analysis of those for FMB or cabinet consideration. Thank you, Mr. Chairman.

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

Mr. Curley: When you are dealing with an independent Crown agency, you would think that they are responsible enough to really make the Crown corporation financially viable. You also have a minister and his staff that would have a direct advisory role to provide direction to the Crown agency. Now you have the Crown Agency Council, which is more or less, in my view, another cabinet committee.

Why in the world do you need all these different layers of agencies to micro-manage the management of these Crown agencies?

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

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. A Crown Agency Council is a cabinet committee, and I have stated that in the House. It provides support to cabinet or to the Crown agencies in strengthening corporate governance reporting, accountability.

One example I can share is that of getting information, like you say, to produce the public accounts. The delays... . A number of agencies are behind. The Auditor General's report indicates a number of concerns of corporations. This was an avenue for us to address

those concerns. It was needed at the time and I believe it's still needed at this point, until such time as the issues related to the Auditor General's report are addressed.

Not having a form of committee to specifically focus its energies in addressing concerns of Crown agencies, I think, would be irresponsible. Here we're trying to be proactive in addressing concerns raised about Crown agencies. Thank you, Mr. Chairman.

Chairman: Thank you. Are you finished? Thank you. We are on page C-5, under Directorate. Total, operations and maintenance is \$2,797,000. Do you agree? Thank you.

Fiscal management, in the finance branch summary. "Total, operations... ." Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. Under this... I imagine any tax stuff that's being looked at by the government is done here. One thing that I'm quite interested in today is in a response to a written question that was on the payroll tax.

One knows that since the creation of Nunavut, Nunavut has basically been a haven for consultants and contractors doing work for the government. It was quite surprising to see that they are not affected by the payroll tax.

Has there been any thought in there about including these consultants that are self-employed, working as consultants, on contract with the government? Where even the written response to the question today indicated that they didn't pay the payroll tax.

So, is there any way that we can look at capturing that in the tax? They take a lot of money out of here. Thank you, Mr. Chairman.

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

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. In terms of that written question that was tabled in the House today, the information he is referring to is correct. Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Tootoo.

Mr. Tootoo: I know it's correct. It was tabled today. I was just referring to it. Is there any thought of looking at making some amendments or something to the payroll tax so that we can capture those guys? Everyone else is paying the one percent payroll tax, but these guys that are making upwards of \$500 a day are paying nothing into that.

So, could there be a commitment to look at a way to try and capture those individuals within the payroll tax system so that they pay their fair share too, just like everyone else? Thank you, Mr. Chairman.

Chairman: Mrs. Minister.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. That's an excellent suggestion and we will look into it. Thank you.

Chairman: Thank you. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. Considering that they've gotten away all this time, I'd look at making theirs two percent or something like that. Thank you, Mr. Chairman.

Chairman: Just a comment. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. I'll ask the reverse of that. That tax was set in place many years ago to tax fly-in fly-out mining folks from down south. It was set in place by Northwest Territories to try and capture some taxes. We all got caught. They'd throw a big net and tax us all so we are all paying payroll taxes, despite the fact that all of us are living up here with a very high cost of living.

I'm wondering if the minister would consider lifting the payroll tax on the people that are being paid the minimum wage. That would certainly go a long way to help them pay the high cost of food and utilities that we have in place here in Nunavut. Thank you, Mr. Chairman.

Chairman: Ms. Minister.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. We can look into that as well. Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. I am glad to hear the minister say she will look into it. Could I add some ammunition to the argument that they should look into it seriously: last week, we heard there is \$23 million for income support to help people purchase food, basic living necessities in Nunavut. Then we have heard discussions on food banks.

There is a desperate need for the people making minimum wage or less to get support from our government to meet their daily basic needs. Thank you, Mr. Chairman.

Chairman: That sounds like a comment, unless you want to answer it, Ms. Minister.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. There is actually a tax credit for individuals at a certain pay level. So, I will let the member be aware, I will seriously look into it as I stated earlier. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you. Mr. Peterson. Thank you. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. In the last Assembly, we made some changes to our corporate tax rate structure that, now, I believe we are... . At the time we were tied for low tax rates for corporate businesses in Canada.

With the Northwest Territories, I think they followed in line with us on that. I note that the government is anticipating correcting to move all of those into a low corporate income tax this year.

I am just wondering if that is the direct result of more businesses setting up and operating in Nunavut, relocating to be here to take advantage of those low tax levels. Thank you, Mr. Chairman.

Chairman: Thank you. Ms. Minister.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. Just for members' information as well, there is a two-year delay before we can actually get the information related to those taxes filed, to really get a feel for how and what impact that has had in Nunavut. The reporting takes some time. Thank you, Mr. Chairman.

Chairman: Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. Is the government going to announce to corporate taxpayers that if they have properly paid taxes here in Nunavut, that they are now going to be receiving an additional break with the cut of the education tax on there? Will that have an impact on the number, the corporate tax collection? Will that impact the number as a result of that education tax cut, because corporate businesses throughout the territory pay a considerable amount of that.

So, I am just wondering if that \$2 million, or the money that they are collecting on certain income taxes, would be affected by that latest additional break to them? Thank you, Mr. Chairman.

Chairman: Ms. Minister.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. In terms of the reduction, we are sitting down with them now to deal with these education components. That was announced through a budget address, with information in terms of how members paying into that are informed. That will be normal process. So, I will check to see if people are receiving information by letter or through the newspaper or whatever.

In terms of corporate tax: corporations, as they grow and develop, will also pay more into the corporate tax, if that makes any sense. Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. I guess the minister is saying that it will not have an impact on the tax collection. Thank you, Mr. Chairman.

Chairman: Ms. Minister.

Hon. Leona Aglukkaq: To start with, probably, very minimal. Thank you, Mr. Chairman.

Chairman: Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. Another thing I am sure would fall under Directorate is something that I mentioned in my opening comments as well: the government was looking at making some changes to its capital planning process. I would like to ask the minister what specific changes... I know we are going to be looking at the capital budgets in the fall; I would just like to ask what changes have been made to that process they are looking at. Thank you, Mr. Chairman.

Chairman: Ms. Minister.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. We are looking at a new capital planning process, but that is still in the works. We would like to have more of an opportunity to consult with members of the House on the process. At the same time, we

need to also get input from the municipalities as to how they will contribute as well to that process.

So, that is still in the works; it is not finalized. We are looking at probably not this year, but next year, to have that new process in place, but are recognizing that we need to consult further, just on that process alone, before finalizing it. Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. I just want to confirm: the minister has indicated that they will be seeking input from the regular members and also from the municipalities. I think the last process that we had there had very limited input from regular members and none from the municipalities, the last time around.

So, it would be, I am sure, very well received by everyone involved to go back to the old method of consulting with the communities and the members in the development of the capital budgeting process and of their priorities. Just a comment. Thank you, Mr. Chairman.

Chairman: That was just a comment. Do you want to add to that?

Hon. Leona Aglukkaq: Thank you, Mr. Chairman I think it is just as an information item, an important one in that it is important to get the input from the municipalities: I believe the Minister of Housing and of Community and Government Services had also stated that there is a need to consult the communities. We will do that, as well as the with regular members, on that process. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you. I have no more names on my list. (Interpretation ends.) We are under fiscal management. Financial branch summary. Total, operations and maintenance is \$3,250,000. Do you agree?

Some Members: Agreed.

Chairman: Thank you. C-7. Financial branch summary. "Internal audit services:" \$888,000. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. Does the department have an internal audit policy that it goes by? If it does, could the minister provide that? I don't need it right now, but would she be willing to provide that to members? And as Mr. Picco would say, expeditiously. Thank you, Mr. Chairman.

Chairman: Ms. Minister.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. We have that and we will have it translated and tabled in the House. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you. Mr. Tootoo, do you have any further questions?

Mr. Tootoo: Thank you, Mr. Chairman. I understand that there are about 36 audits that took place in 2003-04. I'd just like to ask the minister what specific problem areas were found and what's been done to try and address some of those areas of concern. Given that in the context of the Internal Audit Division, basically the role there is to help departments stay in line before they get too far out and run into problems when the real auditors come along. Thank you, Mr. Chairman.

Chairman: Is that a comment or a question? Question. Please, Ms. Minister.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. I'm going to ask the deputy minister to outline some of the internal findings and the Internal Audit Services branch. Thank you, Mr. Chairman.

Chairman: Go ahead, Mr. Vardy.

Mr. Vardy: Thank you, Mr. Chairman. As the member pointed out there were 36 audits done across Government of Nunavut departments last year. Some of the audits were focused on financial controls in departments. Something like, cash handling procedures, making sure that the proper signing authorities were in place and being followed.

Some of the audits were broader, dealing with safety concerns. We audit not only on the financial side but anything to safeguard the government assets. Some of the work that we did was to assist the departments in their management activities. There is a big service component to audit.

Some of the weaknesses that were found are reflected in the Auditor General's report. The nature of Internal Audit is that the external auditors pay close attention to what goes on there; they get copies of all of our audit reports. If we do an audit and find out that there is misuse of overtime in a particular area, that report gets picked up by the external auditors, and they tend to carry a bit more clout when they table their reports at the Legislature.

Overall, there's improvement of financial controls in the system but there are still some weaknesses. There are some inconsistencies in the interpretation of rules across departments. Sometimes there are inconsistencies with regions, so we're working now with the Corporate Services Division in all departments. We are also starting to work with our regional finance offices to get a bigger presence in the regions.

Member Hunter Tootoo pointed out earlier that the budget for Internal Audits was going down. That's not exactly the case: what we've done is move two positions, two senior accounting positions from government accounting into audit, but those positions get reflected in the reinstated numbers for last year, so we adjusted last year's base to reflect the transfer of positions.

There is a lot of work we have to do in Internal Audit, One of the areas we have to move into is Internal Audit assisting the Crown corporations, because they don't have internal audit capacity as pointed out by the OAG. We've already started working with the Business Credit Corporation, and we are talking to the Power Corporation about that. We have an internal audit committee that is comprised of five deputy ministers, including myself, and we have the president of Qulliq Energy on as one of the audit members. Thank you.

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

Mr. Tootoo: Thank you, Mr. Chairman. I'm just wondering if... I know they used be called corporate control officers, a very exciting job that I used to do. I can tell you that it was very exciting. I lasted about a year on it; it was a long year.

One of the things that was looked at, something that I hear today, this year, now, from suppliers and contractors to the government, is according to the Financial Administration Act they were required to be paid in a certain amount of time. That used to be one of the things that was looked at.

Is that still something that is looked at? If so, has it been identified as a problem, because it seems to me like a lot of people that I talk to keep waiting and waiting, waiting to get paid from the government for services or supplies. I'm just wondering if that is something that is still looked at, and has it been identified as a problem area. Thank you, Mr. Chairman.

Chairman (interpretation): I'm sure it has been a problem area. Mr. Vardy is going to answer that.

Mr. Vardy: Thank you, Mr. Chairman. Yes, it is an area of concern, but not as big as a concern as it was in our early years. Right now most departments are very responsible for the payment of their own invoices. It doesn't come to the attention of Finance as frequently as in the past. But, it is a legitimate target area for internal audit, and I note your concerns. Thank you, Mr. Chairman.

Chairman (interpretation): Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. One of the other things that I recall is the authority, under the Financial Administration Act, that allows the department's Internal Audit Division to go into any of the government departments. But, there is restrictive accessibility or authority for places like Nunavut Arctic College. I know because I tried to go in there once and they kicked me out.

Like I say, they weren't required to have that under the legislation. So, are they looking at making changes to the legislation to be able to better authorize that division? Are they able to go into places like the college and the Crown corporations to do reviews? Thank you, Mr. Chairman.

Chairman (interpretation): Mr. Vardy or Ms. Aglukkaq.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. Through the Crown Agency Council we are also looking at providing support. In light of the concerns that have been raised, there is an informal arrangement in place to provide the support to, let's say, the Power Corporation on a regular basis.

We do have to continue to respect the fact that these agencies operate under a separate legislation and report to a board, but to be proactive in light of some of the concerns that have been placed with the Crown Agency Council and direction of the Department of Finance. That is informal relationship that provides the board of Power Corporation... . Thank you, Mr. Chairman.

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

Mr. Peterson: Thank you, Mr. Chairman. Could the minister confirm if there are 7 PYs working in the Internal Audit Service? 7 PYs. I'm wondering, are they all in Iqaluit or are they distributed throughout the three regions? Thank you, Mr. Chairman.

Chairman (interpretation): Ms. Minister.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. There are 7 PYs in that division and they are all located here. Thank you, Mr. Chairman.

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

Mr. Peterson: Could the minister explain how they are assigned work in the regions. How would they be called out to do work? Is there a regular rotation to go through the other two regions, or do they just audit departments here in Iqaluit? Thank you, Mr. Chairman.

Chairman (interpretation): Ms. Minister.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. The audits are done on rotation, not just in the regions. We have decentralized communities as well so, it is based on that. In the last little while a lot has been focused on Iqaluit where the headquarters' operations are. Thank you, Mr. Chairman.

Chairman (interpretation): Mr. Peterson.

Mr. Peterson: Mr. Vardy mentioned what the internal auditors do. It seems fairly comprehensive. Do they also audit year-end spending by departments, in other words, the last month? Sometimes you see a lot of heavy spending in the last month of a fiscal year. I am just wondering if the auditors audit departments for any significant increases in spending in that month. Thank you, Mr. Chairman.

Chairman: Ms. Minister.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. I am going to ask the deputy minister to respond to that. Thank you.

Chairman: Go ahead, Mr. Vardy.

Mr. Vardy: Thank you, Mr. Chairman. The responsibility for monitoring expenditures in departments rests with the Expenditure Management Division. We monitor expenditures at the end of the year, and often, backed up by the Financial Management Board, we try to manage expenditures at the end of the year so there are not too many big spending sprees. Thank you.

Chairman: Thank you. We are on C-7. Finance branch summary. Internal Audit Services. Total, operations and maintenance is \$888,000. (Interpretation.) Agreed?

Some Members: Agreed.

Chairman: Thank you. Moving on to C-8. Finance branch summary. Financial operations. Total, operations and maintenance, is \$10,992,000. (Interpretation.) Agreed?

Some Members: Agreed.

Chairman: Thank you. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. On this, is the budget for applications included in this area? I just want to get a confirmation on that. Thank you, Mr. Chairman.

Chairman: Ms. Minister.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. Yes, they are the same.

Chairman: I am sorry. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. I just want to get an explanation on why that budget for application for support is increased 320 percent, I am just wondering if that is a one-time thing or get an explanation for that. Thank you, Mr. Chairman.

Chairman: Please, explain.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. I will read out the explanation for that because it is quite lengthy. I will ask the deputy to respond to that. Thank you, Mr. Chairman.

Chairman: You see the lengthy... . There it is. Could you ask that privately? Please, Mr. Vardy.

Mr. Vardy: Thank you, Mr. Chairman. I will give a shorter response. That section covers all of the financial systems in the financial management area, including the free-balance system, which is our main system, and also our payroll and human resources systems; Personality 2000 is the name of that system.

What we are trying to do is to have a fully automated system that is more user-friendly for departments to use and will provide better quality reports for users. Thank you, Mr. Chairman.

Chairman: Thank you for that lengthy response. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. It is good to see that human resources has got personality. On that note, that is one thing, that human resources program that we have been talking about. Is this one going to work? The last one, the last couple of tries, our human resources payroll system kind of went down the tube. So, I am just wondering if we are sure this one is going to work. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Tootoo. Maybe you should go to school for personality. Mr. Vardy.

Mr. Vardy: Thank you, Mr. Chairman. We are confident this system will work. The system that the member was referring to is Peoplesoft. When we initially set up the government, the system was a bit too large and too expensive for our needs. Then, we contracted out payroll service for the last five years. Now, we want to have our full automated system in Nunavut. We are confident it will work. Thank you.

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

Mr. Tootoo: Thank you, Mr. Chairman. I've got 2.2 million, I guess, a little over 2.2 million... . How much of that is for the actual software licences and how much of that is basically consultants or contractors that come up? I've sat on the plane with people before that are coming up here working on IT stuff that are technical people, and they are contracted under the licence or the program or something like that.

Does the minister have any indication of how much of it is out and how much of that is for the actual software and how much of that is going out to contracts or consulting fees to go along with the programs? Thank you, Mr. Chairman.

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

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. In terms of the details of the separation on that, I don't have that information here in front of us. I can commit to providing that to the member. Thank you, Mr. Chairman.

Chairman: Thank you. That's it? I don't have any more names. Mr. Evyagotailak? We're on C-8. Financial branch summary. Financial operations. Total, operations and maintenance, is \$10,992,000. Agreed?

Some Members: Agreed.

Chairman: Thank you. Moving on to C-9. Centrally administered funds from the Finance branch summary. Mr. Curley.

Mr. Curley (interpretation): Thank you, Mr. Chairman. I would like more clarification. I will introduce my question. The questions that we asked about the fuel and power subsidy... . Which one does it fall under? We would like to get a better understanding. Without its fuel rider... . When it's said, even though it seems to be a fuel rider, if we are going to have a vote on this we have to have a good understanding of the meaning. It seems that we have two different understandings here.

We have to understand equally exactly what it is in the business plan. When we see it, under page C-22, under the business plan, under the estimates: "Grants and contributions," it should be a million. Is a power subsidy in the business p? Is that what it is, Ms. Minister?

Chairman: Minister.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. I agree with the member in that this has been a bit confusing. Even trying to address some of the questions during question period has been a bit confusing because there's a lot of linkages to other departments, such as the fuel subsidy. But, the word that's missing under C-10 is the word subsidy. So, in terms of what's outlined in the business plan on C-22, that's more of an accurate explanation of that, generally. Thank you, Mr. Chairman.

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

Mr. Curley (interpretation): So, the power subsidy by the consumers that is administered by the Department of Finance: \$4.750 million last year. It is going to be \$15 million if we agree with the power subsidy. They have to be applied to for the annual spending by the government through the Department of Finance.

So, it has gone up to more than \$10 million? It is going to be \$15 million according to the business plans.

Chairman: Minister.

Hon. Leona Aglukkaq: I am just cross-referencing between the two documents. In the main estimates, section C-10 provides a power subsidy and that is available per domestic and commercial power subsidies to consumers.

I tried to address that this morning amongst the other questions related to this subject. The power subsidy sets the rate to be charged on the first 700 kilowatt hours of electrical consumption per month and is subsidized at 15.22 percent, and that is from the \$10 million. Thank you.

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

Mr. Curley (interpretation): There are two in the main estimates. That first one, the Qulliq Energy Corporation Fuel Stabilization Rider, and the other one, is domestic and commercial power subsidies. It is also \$4 million and it is with Qulliq Energy Corporation; it took the place of that certain funding.

The fuel subsidy will be in the amount of \$10 million. As the Auditor General stated, March 31... . It is going to have losses of \$15 million and it seems that it is still going to be short \$11 million.

Under C-10, Qulliq Energy Corporation, who are we going to be receiving the extra \$11 million from, on the report on page 33; who is going to cover this?

Chairman: Ms. Minister.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. I just need to take a moment to look for the \$11 million that he references in the Auditor General's report. Could the member please explain from which page in the Auditor General's report he references the \$11 million? Thank you, Mr. Chairman.

Chairman: Mr. Curley.

Mr. Curley (interpretation): It is on page 33, item 136, the bottom one.

Chairman: Ms. Minister.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. Item 136 on page 33 does not make reference to \$11 million. Thank you, Mr. Chairman.

Chairman: Mr. Curley.

Mr. Curley: I will try help you out a bit. The Auditor General indicated in that report that Qulliq Energy Corporation, or Power Corporation... . The total loss it will likely reach is \$14 million as of March 31, 2004.

When you read the presentation in the budget allocation estimates, it appears Finance is trying to cover the losses, if you total the figures. But if that is not the case, then I would wonder, then, where is the rest of the losses that NPC will incur or have incurred. How will they be covered, because you have now converted at least that additional \$10 million for fuel subsidies.

I believe that it is separate from an allocation to cover the losses. So, that is where we get confused. They appear to be addressing the losses at the same time they are calling it a subsidy.

So, we need, I believe, before we vote on this item, much more clearer information presented so that we are not confused about whether or not the losses that have been incurred as of March 31 have been addressed in total. Or, whether the power subsidies for consumers have been increased, or whether the expected losses for the coming year are somewhat offset as well, in these allocations.

It is not clear at all in my view.

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

Hon. Leona Aglukkaq: Mr. Chairman, I agree that it is somewhat confusing. The word subsidy is not there. The \$10 million is being proposed in lieu of the fuel rider.

The Premier had mentioned earlier in the House that the cost will go to QEC; there will be no change in the rates to the consumers for this fiscal year. Thank you, Mr. Chairman.

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

Mr. Curley (interpretation): I'm going back to the business plan on page C-22 to be very clear: power subsidy. I believe that is the one that we inherited from the federal government and the Northwest Territories government.

And while the roots are documented, I take it at face value that the previous \$4,750,000 Power Subsidy Program is now increased by at least almost \$11,000,000. It is now raised to \$15,000,000, according to the business plan.

So, could the minister clarify whether or not the item on the business plan on page G-22 is accurate or wrong.

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

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. The G-22 page that describes the power subsidy... . There is a figure there: the figure \$15 million includes both the power subsidy outlined on G-10, and it also includes the Qulliq Energy Corporation fuel stabilization rider subsidy that is also identified under C-10.

In the business plan, they are just combined as an explanation of that funding, but the \$5 million subsidy remains at \$5 million, and last year it was \$4,750,000. So, the \$10 million is separate from that. Thank you, Mr. Chairman.

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

Mr. Curley (interpretation): But that is not on page C-22 of the document. I don't know which document she is reading now, because it changed. However the question is raised. I'm going to read the particular statement outlined in the description of the power subsidy. It clearly states here, the "power subsidy provides equitable power rates throughout Nunavut to private residential customers to encourage private home ownership, and to small commercial enterprises to support the development of northern businesses."

For the total of \$15 million. So, we've got to be honest with your Nunavut listeners. Is that an accurate description of a \$15 million item on business?

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

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. I had responded to that question earlier. The C-22 power subsidy described on that page is the two items that are outlined in the main estimates before the House under C-10: power subsidies for \$5 million and the QEC stabilization rider subsidy of \$10 million. The information is accurate as presented. Thank you, Mr. Chairman.

Chairman: Mr. Curley.

Mr. Curley: Thank you. I appreciate the minister's attempt to try and clarify the question. But on page C-10 of the main estimates, the fuel stabilization rider, if it is a rider, has not gone through the proper process. Because, I don't believe the Assembly can approve the stabilization, whether it is a fuel or power rider, without having gone through the Utilities Rate Review Council. They are the only ones, with finality, that can recommend it to the minister. Unless it has gone through that cycle, it cannot and should not be called a stabilization rider.

In that respect, I believe the minister's wrong when she says, on page C-10, the item for \$10 million that she's asking us to approve is not in fact a fuel stabilization rider. Am I correct?

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

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. I had stated earlier when we were dealing with the Directorate that yes, that has confused members. The QEC stabilization rider should have one more word added: subsidy. Within the text in that statement it states "...domestic and commercial power subsidies to consumers of electricity, specific to the implementation of the fuel rider."

So, for the heading itself, it just says rider. You can't read that in isolation from the explanation that is presented on C-10. Thank you, Mr. Chairman.

Chairman: Mr. Curley. Are you finished? Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. I agree with the minister: you can't read the title without reading the text. The text clearly states that there's going to be an implementation of a fuel rider, which is something that the minister and the government are saying isn't going to happen.

I was saying, no, we're not going to have a stabilization rider in place, but it says right here that there is going to be one, and that the \$10 million is going to offset it. If that \$10 million for the subsidy wasn't there, would the consumer see the rider show up on their fuel bills, and would their bills go up as a result? If the government didn't have the \$10 million to put in the subsidy, then would the consumer's bills go up to make up that rider? Thank you, Mr. Chairman.

Chairman: Ms. Minister.

Hon. Leona Aglukkaq: For the interest of other members, I think we need to be clear what a fuel rider is. A fuel rider allows an additional charge that is added to the power on consumers' electrical bills to make up for the higher cost of oil prices. It's based on just using, as an example, a set benchmark of fuel prices by each community. The benchmark is a percentage or cent per litre, and the way the fuel goes up, the excess cost is recovered from the consumers through the fuel rider.

So, the \$10 million that is being introduced in this document is in lieu of a fuel rider. If, hypothetically, you ask the question, would consumers see an increase in their bills for the \$10 million? The Minister responsible for Qulliq Energy Corporation would have to direct the Power Corporation to the Utilities Rate Review Council to proceed with a rate review for recommendations to the minister.

If the recommendations are presented, then the rate rider is set. This is not a rate rider, this is a subsidy. Thank you, Mr. Chairman.

Chairman: Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. I'm not arguing the fact that it's a subsidy. I think the fact that you have to have a subsidy to subsidize the rider is saying that there is a rider that is going to be put in place.

It's not a rate increase; it's a tariff that's put on, added, as the minister clearly indicated, on to your power bill to make up for the increased cost of fuel. My point in all this is: it is something that would get passed onto the consumer, if the government didn't have the \$10 million to put into the subsidy. Then it is a rider. It is a tariff going onto the power bills, which is something that should go, as the minister clearly stated, to the Utility Rate Review Council. That's something that hasn't been done in this case, and that's not for this minister to answer to.

My question is, then... . If and again where you are saying it is confusing to do it this way... . Basically what it boils down to is: this is a \$10 million bail-out to the Corporation. Why wasn't a simple supplementary appropriation bill done for that purpose instead of putting it through, like we did for Health and Social Services before and for other projects that go over budget? Why wasn't something much simpler and straightforward like that done to offset those costs to the Power Corporation? Thank you, Mr. Chairman.

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

Hon. Leona Aglukkaq: I think that in hindsight, there are always ways, different ways, we could have approached this. In this situation, prior to my time being here, I don't know what took place; I can't speak to that.

I'm dealing with situations and decisions that have been developed in the past. I'm working with that and have gone forward with this \$10 million subsidy.

In terms of having to go to the Utility Rate Review Council, there is no requirement to go forward to that body for a subsidy, so we are basically subsidizing the fuel deficit by the \$10 million. Thank you, Mr. Chairman.

Chairman: That would have saved a lot of headaches. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. My final. Why didn't it just go... . I appreciate that the minister is new, but I think her staff has been around. I think Mr. Vardy, probably one of the longest serving deputies and the only deputy minister of finance that we have had, could explain why this was chosen, over just a straight sup, to offset the operating deficit as a result of the higher cost of fuel instead of putting a rider in and subsidizing it. Thank you, Mr. Chairman.

Chairman: Thank you Mr. Tootoo. Ms. Minister.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. The \$10 million is an additional appropriation. Thank you, Mr. Chairman.

Chairman: Thank you Ms. Minister. We spent half an hour on this page and it's upsetting. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. It is upsetting I know. When we are in committee meetings we seem to get different answers than we do now.

My understanding is that there were reasons why this route was chosen over a straight sup. Maybe I could ask the minister or her staff if they could explain exactly what those reasons are. Thank you, Mr. Chairman.

Chairman: Thank you Mr. Tootoo. Ms. Minister.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. We get criticized for submitting supplementary appropriation and now we get criticized for going through the process ...

Chairman: You never win.

Hon. Leona Aglukkaq: I am trying to explain the \$10 million; I think I have tried to cover that, but I am going to ask the deputy minister to respond to his earlier comment on this. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Ms. Minister. (Interpretation ends.) Mr. Vardy.

Mr. Vardy: Thank you, Mr. Chairman. As the member pointed out and as was pointed out in the standing committee, the fuel rider is just a basis of calculation in order to enter into the contribution agreement with the Qulliq Energy Corporation.

There will be a contribution agreement from the Department of Finance and the Qulliq Energy Corporation to give them this money, and whether you refer to it as a bail-out or whatever, it is a direct assistance to that utility.

Back to Member Curley's comments about the \$14 million in the Auditor General's report: the \$10 million that we are proposing right now, plus the \$4 million that was approved in March, would cover off that \$14 million. So, the member was correct. Those two amounts add up, and we will put that utility on a stronger financial footing. Whether it needs other assistance, that will come out as part of the general rate-application process.

We could have just given them a straight \$14 million when we were dealing with them last March. At that time, we did not have the detailed financial statements from the utility, and we were waiting to get those audited statements before we gave them the other \$10 million.

We have that information now. We think they need the \$10 million right now and that will get them up to a certain period. But the utility has in place a lot of expenses that are

beyond their control, including the high energy cost, the high petroleum-product prices. There is a 50 percent increase since last year, and we need to monitor that utility.

The way that we thought we would get the best cooperation from the utility is by structuring the arrangement in this particular format. As the fuel stabilization rider was in effect and... . They have a lot of reporting to do on a regular basis to the Department of Finance. We want to make sure that we were shored up by the Crown Agency Council, that we start reigning in Crown agencies and treating them very much like government departments.

So, it is part of the overall effort to increase financial management, financial accountability, and assist them. It was our recommendation in Finance to structure it this way. There is nothing unusual with that; it is an appropriation, just a mechanism for getting increased reporting from the utility, nothing else. Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. Wouldn't it have been a lot easier just to give them the money and say... ? Or, tie it so they have to provide us with monthly financial statements or recordings or something like that?

There is a subsidy, but there isn't. There is a rider, but there isn't a rider. Well, there is. It says right here in the main estimates, implementation, specific to the implementation of a fuel rider. It says right there, right in the main estimates, under the \$10 million, and then between that and the comments, that it is in lieu of a rider.

So, there isn't a rider, but there is a rider; it is really confusing. I do not know if, as the deputy has indicated, it is going to be tied to reports by the Corporation to the Department of Finance.

Is he, then, indicating that once this is approved and the power bills are issued, on the power bill there is going to be a line item that says, fuel stabilization rider, \$100, for example, and then right underneath it another line saying, fuel stabilization rider subsidy, \$100, so that it balances out to zero?

Was that the plan that the Department of Finance had of showing that, in order to get the Power Corporation to have some more accurate billing information for the Department of Finance? Thank you, Mr. Chairman.

Chairman (interpretation): Ms. Minister.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. In terms of how they appear, it can go either way; they are administrative details. I don't know how they have their system and that all set up. I can't speak to that. I don't know what the format looks like, what the system looks like, or how it will appear.

I don't know if that answers the question. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Ms. Minister. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. Just to the deputy or the minister: if this \$10 million isn't approved, will it show up on people's bills as an increase? I just want to get some clarification. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Mr. Tootoo. Ms. Minister.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. If that is not approved then we have to go back to the Financial Management Board in terms of how we are going to deal with Power Corporation issues.

In terms of the earlier question, why does this not go directly to the corporation concerned... The other concern, particular information in light of the outline in the Auditor General's report... It's an accountability issue as well. On a monthly basis, the Corporation would provide information to substantiate requesting the \$10 million, before the dollars are issued. So, there are a number of issues. It is not as straightforward as it should be. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Ms. Minister. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. I would like to ask: are any issues around the rationale for going this way for the Corporation, at some point, to be able to show and justify that expense? At some point, if necessary, if the subsidy levels weren't for the Corporation to be able to pass some of those costs on to the consumer.

I'm just wondering if that was one of the factors taken into consideration and why this method was used, as opposed to just a straight-up and just give them the money. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Mr. Tootoo. Ms. Minister.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. This method was used to allow for more financial accountability. I think members all know the concerns that are raised in the Auditor General's report.

We need to get a handle on that. There are a number of issues around the Power Corporation that are outlined, aside from this particular subsidy. It just allows more of an accountability for them to get the dollars on a monthly basis, provided it is substantiated. Thank you, Mr. Chairman.

Chairman (interpretation): Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. Just for the record, the minister is indicating that no, those were not factors taken into consideration when choosing this method? Thank you, Mr. Chairman.

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

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. I don't understand Mr. Tootoo's question. Thank you, Mr. Chairman.

Chairman (interpretation): Please make it simpler, Mr. Tootoo.

Mr. Tootoo: I'm trying Mr. Chairman. That is a very complex issue. Was one of the factors or a couple of factors taken into account when choosing this structural method of infusing their money into the Corporation? The fact that if it was done at this straight up and given the money, they wouldn't be able to at some point... . Like through a stabilization rider, they can show that expense for what it actually is. Then, at some point, have the ability, if necessary, to pass some of those costs on to the consumer as a result of showing it that way, as opposed to just handing them a check for \$10 million.

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

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. I'm going to ask the deputy minister to respond to that. Thank you.

Chairman: Mr. Vardy.

Mr. Vardy: There's a \$14 million problem in the Power Corporation identified in the AG report; it's linked to... . Petroleum was one of the major causes. The utility had requested the Financial Management Board, on various occasions, to introduce a fuel rider. A fuel rider is intended to bring the fuel stabilization reserve back to an acceptable balance, which for Nunavut is deemed to be \$2 million.

It was up around \$14 million, so this particular mechanism... . There was some value. So, the answer to your question is, yes, there is some logic in going to this particular method, from the utility's perspective, because they can demonstrate what the situation would have been if they had been allowed to introduce a fuel rider, which is what the legislation guiding that Corporation allows to happen.

What we were doing was going through that mechanism by giving them a subsidy to offset the impact on consumers. And so, for people out there, whether they are residential consumers, there is no additional rate impact from this measure. There is no stabilization rider that will actually be charged to consumers.

So, the minister in charge of energy, from my vantage point, has no need to go the URRC to see if that mechanism is supported. Also, that same question was asked directly by Power Corporation people to the URRC, the Chair, and the answer back was, if you wanted to go that particular route, even without a subsidy, there's no need to come forward with the request.

But to answer your question, there is logic from Finance's perspective, there's logic from Power Corporation's perspective, to deal with the way we are doing it. I think there are other ways, simpler... . It could have taken a lot less time in the Legislature if we had just given them the \$10 million like we gave the \$4 million in March. But, for financial management accountability reasons and from the utility's interest, as well as in their dealings with the Auditor General, we recommended that we go this route, and that's what the Financial Management Board approved. Thank you, Mr. Chairman.

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

Mr. Tootoo: Thank you, Mr. Chairman. I guess I'm saying there's a virtual rider in place; he did indicate they are going this route of putting in the rider and subsidizing it. So, there is, but there isn't: a sort of catch-22 situation. I'll still have to wait to deal with the appropriate minister on the actual rider itself. But, virtually, I think I've exhausted... . I'm a little more confused than when I started asking questions. I'll quit for now. Thank you, Mr. Chairman.

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

Mr. Peterson: Thank you, Mr. Chairman. I want to switch the subject for a few minutes, to ask about the Government of Nunavut leasing policy. Last week, we asked the minister if she would table a copy of the Government of Nunavut leasing policy for us to review. I'm wondering if she could give get us an update on the status for that leasing policy. Thank you, Mr. Chairman.

Chairman: Thank you for the breather, Mr. Peterson. Ms. Minister. A point of order has been raised. She apologizes. Ms. Minister.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. Am I responding to Mr. Peterson's question? Has that been settled?

Chairman: Thank you, Ms. Minister. Could you please repeat the question, Mr. Peterson.

Mr. Peterson: Well thanks, Mr. Chairman. That's the second time I've had a point of order. Last week, we asked the minister if she could table a copy of the Government of Nunavut's leasing policy and she indicated she would. Could she update us on where that policy is. Will we be getting it soon? Thank you, Mr. Chairman.

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

Hon. Leona Aglukkaq: Yes, thank you, Mr. Chairman. Yes, I agreed to table that policy. I hope to have it tomorrow.

There have been some delays in the translation and I apologize to the member for that. As soon as I have it, I will forward it. The department, again, this morning, followed up with Culture, Language, Elders and Youth's translation bureau as to where that was. I hope to have it tomorrow. Thank you, Mr. Chairman.

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

Mr. Peterson: Thank you, Mr. Chairman. That's good to hear, because we will probably be finished by the end of this week. I would like to have the policy.

The budget for commercial leases has increased by almost \$900,000 over the last year. Could the minister indicate why that budget is increasing? Thank you, Mr. Chairman.

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

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. From what I understand, that has been the result of inflation. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you. Anything else, Mr. Peterson?

Mr. Peterson: I read, on the business plan page, C-22, the projected increase is \$869,000. Can the minister give us clarification on what she means by inflation clauses. Thank you, Mr. Chairman.

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

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. It's built into the agreement, I believe with NCC, but I'll get the deputy to explain what is in that agreement. Thank you, Mr. Chairman.

Chairman: Mr. Vardy.

Mr. Vardy: Thank you, Mr. Chairman. As the minister said, there is inflation built into the long-term leasing arrangements with NCC for the commercial buildings that were built by NCC, including the Legislature building. There's also... . That arrangement was developed prior to the Government of Nunavut being established. The federal

government has committed, through the forum of our formula financing agreement, to offset, at 100 percent, the cost of those leases. So, there's no net impact on the Government of Nunavut. Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Peterson.

Mr. Peterson: That's good to know. For the three regional health facilities... I'm wondering if a decision has been made to purchase or lease the three facilities.

I understand that last fall a decision had not been made. There are at least one or two getting close to completion, and I'm wondering if a decision has been made. Thank you, Mr. Chairman.

Chairman: Thank you. Ms. Minister.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. The response to the question overall is, no; but, the Rankin Inlet one, we are constructing ourselves. Thank you, Mr. Chairman.

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

Mr. Peterson: Thank you, Mr. Chairman. So, your plan is to lease it, the one in Cambridge Bay; you are not going to purchase. Is that my understanding? Thank you, Mr. Chairman.

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

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. We have that option. No decisions have been made at this point. Thank you, Mr. Chairman.

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

Mr. Peterson: Thank you, Mr. Chairman. You must be paying some money for the building lease if you aren't purchasing it. Is that correct?

Chairman: Ms. Minister.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. We'll do one or the other when the project is completed. Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. It'll probably be completed by the end of August, so we're only a few months away. I think it will be finished within a few months, so I think a decision is going to have to be made fairly soon, within this current fiscal year. Thank you, Mr. Chairman.

Chairman: Thank you. Ms. Minister.

Hon. Leona Aglukkaq: I agree with the member. Thank you, Mr. Chairman.

Chairman: Anything else, Mr. Peterson? Just a minute. Mr. Peterson.

Mr. Peterson: If we're not going to purchase it but we're going to lease it, then we should be budgeting or something. Purchased or leased, I don't know if that's occurring in this budget. Are we going to set aside funds to deal with the eventual ownership or lease of the health centre? Thank you, Mr. Chairman.

Chairman: Thank you. Ms. Minister.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. Yes, I do agree with the member on that. We have that option through our capital. Thank you, Mr. Chairman.

Chairman: Thank you. That is it. Mr. Curley.

Mr. Curley: Thank you, Mr. Chairman. I probably agree with her, that we have some concern with the way in which these Crown corporation are operated. So, I want to thank the deputy minister, really, for getting quite close to what my view was about the other two items on C-10: one for \$10 million and the second one for \$4 million.

I believe these two reflect the concerns of the Auditor General. By March 31 the total losses at NPC will probably total \$14 million. Having said that, if that is the case, if the two items, even though they are itemized differently... . Are we to offset the single fuel escalation losses at NPC? They are not and will not be subsidizing fuel for 2004-05. Am I right in that, Minister?

Chairman: Ms. Minister.

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. Yes, he is correct.

Chairman: Mr. Curley.

Mr. Curley: I think that would have been much more simpler: to provide information accurately, correctly, openly, and transparently to the people of Nunavut. I think that if we do that we would have gone by the item probably a little bit quicker, because even the Auditor General is really quite serious, I think, looking at the viability of these Crown corporations.

If they are to operate independently, they must make revenue. I believe these two items, in total \$14 million, are revenues that will offset, in short, the losses that were incurred through the previous year, not for the coming year. Right?

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

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. I apologize for confusing the members. We did try and present the information as accurately as we can. It is a complex issue and process. In response to these questions, yes.

Chairman: Thank you. Mr. Curley.

Mr. Curley (interpretation): Yes, my last point is that it would be somewhat misleading to vote on the item that is not really what it says it will do; \$10 million for two subsidized fuel and power rates, or whatever, for the coming year, because when you look at it, you have \$10 million for the fiscal year 2004-05.

I think the ministers, or any one of them, should state tomorrow that that particular item is to cover the losses of the previous year, not for the coming year. If we did that, then we would be a lot less confused.

I want to add one more point. The Auditor General, understanding that the stabilization of the power rates rider is normally to cover a certain period of time to raise some money... . For that reason, Madam Minister, you and your officials should be very careful that we do not label that bail-out package as a rider, because that is not what it is. It may achieve the same goal, but from my point of view, it is a complete bail-out package for the previous year's expenses, not for the coming year's.

I believe if you were to make a statement tomorrow, Finance Minister, confusing us and the public, that this item will be buried once and for all. Thank you.

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

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. I believe it is all in the wording, and I apologize to the House and to the members for confusing them in regards to this.

Believe me, I had to get my own head around how it pulls in history and on all that has occurred and how we got here. It is a complex issue and it involves not just Finance, but Qulliq Energy Corporation and a number of other departments.

So, it is a bit of a confusing matter, and I can issue a statement in the House to clarify that to the members as well as to the public. Thank you, Mr. Chairman.

Chairman: Thank you, that is good. Thank you. Do you have any more questions on page C-9? So, we are going to get information tomorrow on the fuel stabilization rider, and expect that tomorrow morning. Thank you.

Finance branch summary. Central administered funds. Total, operations and maintenance, is \$34,586,000. "Angiqpisiuk?"

Some Members: Agreed.

Chairman (interpretation): All agreed? Thank you. (Interpretation ends.) C-11 and C-12 are information items. So, we go back to C-11: are there any questions regarding the Liquor Revolving Fund? Okalik says no. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. How much is it costing us to establish the liquor operation in Rankin Inlet? Thank you, Mr. Chairman.

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

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. At this moment, we do not have that detailed breakdown, until about September. This is still being handled through the Hay River office.

We are looking at transferring that full responsibility to Nunavut. Yesterday, I believe, I mentioned or responded to a question that the operations will be in Rankin Inlet, and some in Iqaluit, to manage the liquor warehouse. Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. I am wondering if I could ask the minister if she could bring that information to the House tomorrow and provide it to us, if possible. Thank you, Mr. Chairman.

Chairman: Can you provide that tomorrow morning?

Hon. Leona Aglukkaq: If I ever get out of here, maybe I can look into it. Mr. Chairman, I'm prepared to put the information forward once I have it. I have to contact the Hay River office as well, so bear in mind that it's two different jurisdictions. But, I will try and provide the information for tomorrow or in the next couple of days. Thank you, Mr. Chairman.

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

Mr. Peterson: Thank you, Mr. Chairman. Tomorrow or Thursday would be good. We always hear rumours, but I've heard rumours of \$4 million, so I'd like to see the rumours put to rest. So, if we could do that on Wednesday or Thursday, that would be good. Thank you.

Chairman: Is that a comment or a request, or could you respond?

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. The \$4 million figure is not correct, but I'll get the details, Thank you.

Chairman: You happy? Thank you. We'll go back to page C-4, Finance department summary. Detail of expenditures. Total, operations and maintenance, is \$52,513,000. Agreed?

Some Members: Agreed.

Chairman: Thank you. Is the committee agreed? Department of Finance is concluded? Good. I would like to thank the minister and her officials for being at the podium. Do you have any comments?

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. No, except I want to thank the staff for being here with me today. Thank you.

Chairman: Thank you. The Minister of Economic Development and Transportation, Mr. Simailak. Your opening remarks, Mr. Simailak.

Hon. David Simailak: Thank you, Mr. Chairman. I am pleased to be here today to present my new department's main estimates for 2004-05 fiscal year. The budget I am presenting represents the recent integration of economic development and transportation functions.

For the 2004-05 fiscal year, the departmental operations and maintenance budget in review today is \$37,389,000. Some of the major priorities for the upcoming year are the following:

- develop northern innovation and develop it in key sectors of the economy through the Nunavut Economic Development Strategy;
- focus on community and regional business development and entrepreneurial skills, particularly in non-decentralized communities;
- support locally-produced products through branding, marketing, supply, and distribution;
- finalize and implement the Nunavut Mining Strategy with INAC, NTI, industry, and Nunavummiut;
- implement the Nunavut Transportation Strategy including the Nunavut-Manitoba road project and the Bathurst Inlet port and road project;
- work in partnership with the Northern Air Transportation Association to implement recommendations from the *Nunavut Air Services Study*;

- finalize negotiations with Nav Canada, with assistance from the Nunavut Association of Municipalities on the CARS funding;
- secure funding from the Department of Fisheries and Oceans to implement the marine investment strategy, *Safe Harbours- Healthy Communities*, which includes breakwaters and docking facilities; and
- implement recommendations of the airport investment strategy, *Airports for Nunavummiut and their Economy*, in cooperation with Transport Canada.

Mr. Chairman, my department will be proactive, effective, and efficient in the implementation of our mandate through our operations and the delivery of government services and programs. I look forward to hearing your comments and answering your questions. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Simailak. Mr. Curley, you have a comment? We are going to go for a break right after your comment, so after the break, the minister can go to the table. We're ready for your comment, please proceed, Mr. Curley.

Mr. Curley (interpretation): Thank you, Mr. Chairman. Minister we are proud of you and we are in support of you. I am pleased to provide you with my comments as the Chair of the Standing Committee on Infrastructure, Housing and Economic Development.

The committee has reviewed the 2004-05 main estimates and business plan of the Department of Economic Development and Transportation and had the opportunity to meet with the minister in April.

The 2004 report of the Auditor General details many concerns with respect to Crown corporations. Members note that both the Nunavut Development Corporation and the Nunavut Business Credit Corporation fall under the responsibility of this department. Members were pleased that the Development Corporation was not singled out in this year's report.

Members are concerned, however, by the weaknesses of the Nunavut Business Credit Corporation that were detailed in the report. Members have serious concerns regarding the corporation and look forward to reviewing the minister's response to the findings.

Following the passage of amendments to the Nunavut Business Credit Corporation Act in 2003, the regional business development centres are able to borrow money from the Credit Corporation. Members look forward to greater transparency. Members strongly urge the minister to ensure that appropriate reporting and administrative controls are in place in this area.

Members are concerned regarding the current state of marine infrastructure in the territory. Many communities do not have adequate marine facilities, including breakwaters. This means losses for hunters due to damage to boats during high winds.

Members urge the minister to focus on marine infrastructure in communities to limit losses. Members further urge the minister to continue negotiations for adequate federal funding under the Safe Harbours strategy.

Members remain concerned regarding the state of airport facilities in the territory. The size of airplanes that can be landed in many communities is limited by the length and composition of runways. Nunavummiut are dependent on air transportation, and an increase in the length of airstrips and improvements to airport infrastructure in general could decrease the landed cost of goods.

Members are concerned that airport safety issues are not being addressed because of a lack of funding. Members noted that the main estimates do not contain information regarding the airports capital assistance program as work performed on behalf of third parties. Members urge the minister to continue lobbying his federal counterparts for funding for essential airport infrastructure.

Members are concerned that funding is so insufficient for Community Aerodrome Radio Stations. Insufficient funding combined with shift work and stress make it difficult for hamlets to retain qualified Community Aerodrome Radio Stations operators. Members urge the minister to continue negotiating with Nav Canada for increased funding for Community Aerodrome Radio Stations.

Members were pleased to note that the department is moving forward with large infrastructure projects such as the Bathurst Inlet port and road project and the Kivalliq-Manitoba road. Members look forward to reviewing documents related to the Kivalliq-Manitoba road study.

Members were concerned to note that the department's business plan indicates that the launch of the carving stone supply program was deferred. Access to carving stone is essential for all communities. Carving is a way of life for many people and many soapstone quarries are difficult to reach and some are not safe. Members urge the minister to move forward with this important program.

The Nunavut Economic Development Strategy identifies three sectors with potential for large-scale economic growth. These sectors are minerals, tourism, and fishing.

Members support the minister's efforts to pursue an economic development agreement with the federal government. Committee members are of the view that an economic development agreement is an essential tool to strengthen development in the Nunavut territory.

However, Mr. Chairman, members also believe that devolution of responsibility for natural resources is equally important. Greater control over our resources and increased royalties are key to economic development in Nunavut.

Committee members are well aware of the number of mining operations awaiting federal approval to begin operations. Members urge the minister to continue lobbying for movement in this area.

Committee members noted that more than two million dollars are budgeted for core funding for the Nunavut Tourism Association. Members are concerned that some tourism operators are not receiving adequate support from the organization. Members urge the minister to consider having his department directly provide some of the services that are currently provided by the Nunavut Tourism Association. This would provide greater support to the association's current membership: local tourism operators.

The third sector mentioned in the economic development strategy is fishing. Members encourage the minister to work closely with the Minister of Environment to ensure that the development of fisheries, especially test fisheries in non-decentralized communities, continues in Nunavut.

Members are supportive of the cabinet's decision to focus on economic development in non-decentralized communities. Members look forward to seeing concrete short- and long-term plans with respect to development opportunities in these communities.

That concludes my opening comments. Individual members may have their own concerns and comments as we proceed. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you. That is evident. We'll take a 45-minute break and we'll be back here by 6:30 p.m.

>>Committee recessed at 17:38 and resumed at 18:28

Chairman (interpretation): Thank you, Mr Minister. If you would introduce your officials.

Hon. David Simailak: With me, on my left, is my deputy minister, Alex Campbell; on my right, Assistant Deputy Minister in charge of Transportation, Reverend Methuselah Kunuk.

Chairman (interpretation): Thank you, Mr. Minister. Welcome. Each of the members has 10 minutes for general comments. If there are no general comments we'll move directly to questions. I don't see any hands. (Interpretation ends.) We'll go to Mr. Barnabas.

Mr. Barnabas (interpretation): Thank you, Mr. Chairman. Very briefly: in regards to the communities that I represent, there is not much employment. It is essential that they get support from Economic Development and Transportation.

We lost a lot of jobs when the Nanisivik Mine closed. I would like to address this department about setting up a development corporation and private businesses. My

communities definitely need help from economic development in order to start small businesses and private corporations. The only way that the people up there can make income is by selling their seal pelts.

Also, we have the carvers who have to keep in mind that there has to be marketing. They use resources from the land and because of the MMPA, they're not able to utilize the by-products from the animals that they harvest. I would like to urge this minister to address the Marine Mammal Protection Act so that we can sell our carvings to the United States and other parts of the country.

We also generate revenue by taking out sports hunters; that is the only way that they can get some form of income. We have very limited employment in our three communities. There are a lot of challenges and there is a need to make changes to the legislation in order to generate more economic development. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Mr. Barnabas. I have no other names on my list. Mr. Curley.

Mr. Curley (interpretation): Thank you, Mr. Chairman. I would first of all like to make some comments on the opening remarks and as the chairman of the Standing Committee on Infrastructure, Housing and Economic Development. With Crown corporations, there are too many agencies... . The Nunavut Business Credit Corporation and so on... .

Especially, the Auditor General had a few concerns about the department and the Crown corporation that were created by the government. I'm sure that the officials or deputy minister have read the report that was produced by the Auditor General.

With that in mind, are you going to be doing anything to alleviate the concerns that were identified by the Auditor General? In regards to the financial concerns regarding to the Crown corporations I would like to get a response from your department, because we have way too many concerns, especially with the Crown corporations.

Are we in general comments?

Chairman (interpretation): We were in general comments. Mr. Peterson, are you going to make general comments? We are still in general comments. Or, did you have a question?

Mr. Curley (interpretation): Those were my general comments.

Chairman (interpretation): That was a general comment. And questions pending. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. I welcome the minister and his witnesses, Methusalah and Alex. My comments will be brief.

I think the Department of Economic Development and Transportation will be one of the most important departments for the next four to five years of our mandate.

Currently, I think there is too heavy a dependence on the government to create all the employment in every community. I've coined a phrase: we have an artificial economy; 90-92 percent of the funds that we have in Nunavut come up from the federal government in some form or manner.

Just about every business in the North depends on those funds. As we all know in government, when governments cut back it hurts us more in the end. Airlines have to cut services, people can't buy food, businesses don't have those construction contracts, and the funds support other businesses in the communities.

We really have to work hard on developing our economy, and I think the three levels of government have to play a role. Not just the territorial government, but the federal government and the municipal governments all have a key role in helping turn our economy around, in developing our economy. Organizations like chambers of commerce, regional Inuit associations, NTI, all the dev corps: everybody has a role to play, and we need the tools to develop the economy.

I'm talking about things like the economic development agreement that we've talked about in this House. We need a regional development agency that every other jurisdiction in Canada has and the North doesn't seem to have. We need those kinds of tools to develop our economy and give our folks a chance to build a better future.

Of course, we also need, as we heard the Premier mention, a devolution agreement. That will help us out as well.

On the municipal side, our airports are in serious need of help. I mentioned in the House airline safety and transportation a couple weeks ago. I think we really have to push the Nav Canada folks to give us a bit more help out there to develop our airports. Give us more funding to develop a safe, reliable air service in Nunavut, because we're 100 percent dependent on getting around by airplane. Our economy is linked to our airplanes, transporting people for personal travel and business.

Those are some of my general comments, Mr. Chairman. I think this is a very important department for our government. Thank you.

Chairman: Thank you, Mr. Peterson. Any more comments on this page? I am sorry. Mr. Kattuk.

Mr. Kattuk (interpretation): Thank you, Mr. Chairman. I will make it as brief as possible. With the creation of the Department of the Economic Development and Transportation, we now have an opportunity to look for new ventures or economic development programs that could generate more revenue for the people in the communities. You see a lot of people who cannot make ends meet and who are living

hand-to-mouth. We are aware that there are people with very limited income, or no income at all, who are relying on the government. With that, there are a lot of people who can barely put food on the table, and I think that we should keep those people in mind and create economic development especially for those communities or for those have-not communities. They work extremely hard just for their daily existence.

When we are trying to go to Sanikiluaq from here, it's extremely hard because you have to go through Montreal in order to go to Sanikiluaq or to come up here. There are individuals who are unilingual, and they have to go through Montreal in order to come up here to attend meetings and so on. Some people are usually reluctant to take that roundabout way to come over here because of these challenges they have to go through.

I have made this statement many, many times because we have to include Sanikiluaq as a part of Nunavut. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Mr. Kattuk. I have no more names on my list. We will then go onto K-5. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. I would just like to make a quick general comment. I think that the government acknowledged the importance that economic development is going to play in our territory and the future of it. I think that your department, Mr. Minister, over these next four years, will have to play a crucial role in developing the foundation to make that become a reality.

I think that it is very important for a lot of the reasons that the other members have stated, including resource royalties; as you know, the mining industry is getting set to take off up here. We have unknown natural resources that are out there. Today, they are starting to look here more, and we have to be ready to be able to capitalize on it as much as possible when they do come.

They can still get some of those resources cheaper somewhere else. But, they are non-renewable resources, and sooner or later they are going to run out in those other areas of the world, and they are going to have to come and look here. I think it is crucial that we are ready and prepared to make sure that we capitalize as much as possible on that and reap the rewards of it.

Another area that I think is very important as a renewable resource is our tourism industry. How many Inuit up north would just love to go out and get paid to go hunting? If they do the things that they love to do, then get paid just to bring someone along to watch... .

I think that there needs to be a serious look at trying to find ways to better accommodate that industry throughout the territory. I have been to every community in Nunavut and each and every one of them has something unique and special and nice about it that is marketable. So, coming up with some type of a plan for how to sell ourselves, whether it be to naturalists, adventurers, or there are extremists, there are rock climbers, and things like that. We have to try and find ways to make Nunavut more attractive to them.

I mean, we are trying to find... . The biggest cost inhibitors up here are the costs. It will be crucial that we try to find ways to help reduce our transportation costs, develop service industries throughout the territory. If people are paying that amount of money to come and do something, they expect to be treated well and have good service and have the amenities there that they are used to.

I think that we should try and come up with a strategy to try to identify those and then be able to start a process. I am not saying that it is going to happen in the next four years, maybe over the next ten years or something, to try and bring ourselves up to a level where we can accommodate that quite easily.

I think the tourism area is something that should be looked at very closely. I guess that it is non-renewable resources that will always be there. Also, it is something that can be tapped into. That is the strength of Nunavut, of the people: their ability to go out and exercise their traditional rights of going hunting and fishing and camping, and that strength of roughly 85 percent of the population... . We can find a way to build on that strength; that is going to help people all over the territory.

So, I think that is going to be something to look at helping the department push, to achieve over the next few years. Also, with the fishing areas that I have mentioned... . Members are aware that you committed earlier today to look into a port study. That is another area of economic development, in conjunction with the minister responsible for fisheries, that we have got to look at and try and find ways to capitalize on. We need to find ways to generate our own source of revenue.

So, I think those are some other crucial areas that we are going to have to do. We are going to have to all work together to make sure that we come up with the best possible solutions so that we can to try and deal with that and capitalize on it.

I look forward to working with the minister and his department, over the next four years, to try and help accomplish that. That is it for my general comments. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Tootoo. (Interpretation.) I do not have any more names. Mr. Evyagotailak.

Mr. Evyagotailak (interpretation): Thank you, Mr. Chairman. I just want to make a short comment, as well, that was relayed to me by my constituents earlier on in regards to

tourism in our communities. And, I would like to thank the minister and his officials for sitting there.

They do not have booking agents in Nunavut for the tourism industry in our area. When people retire, or some officials retire, the funding goes down south. There is this one individual in Kugluktuk who would like to start up a booking agency in our community. Also, he wants to represent the Hunters and Trappers Organization, maybe have an office in the Hunters and Trappers Organization to be a booking agent for tourism.

I feel that if we have a booking agent in our region, in the Kitikmeot region, this way the big-game hunters that want to come up here can book through local Hunters and Trappers Organizations. This way some sort of income would stay in the communities, and this would give local people a chance to make a little bit of income as well.

That is the comment I want to make. I also want to support the people that do not have an income to try and find ways to make some income. That is about all I have to say. Mr. Chairman, thank you.

Chairman (interpretation): Mr. Mapsalak.

Mr. Mapsalak (interpretation): Thank you, Mr. Chairman. I, too, have a short comment to make for the non-decentralized communities: they do not have employment in some of these communities that are not decentralized. The communities that I represent both have potential with mining and also with cleaning up DEW Line sites in that area.

In Repulse Bay, there is also mining. They go in, and when they are finished that we will not see these mining companies again. We have to think about this for the future, for the non-decentralized communities. We would like to see something that will keep growing. These are more my concerns because it is difficult in the communities that do not have employment or jobs.

I would like to see ongoing employment in these two communities. These are the comments that I wanted to make. Especially the smaller communities should not be having any more cuts; they should give them more funding. That is all I have to say. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Mr. Mapsalak. I do not have anymore names written down. We are under K-5. Mr. Curley.

Mr. Curley (interpretation): Thank you, Mr. Chairman. My concerns were on the Auditor General's... . There are four of them in the Auditor General's report, on page 53. It states that the Nunavut Business Credit Corporation that... . What is the updated status in the 2001-02... . The report was a bit late last year.

There have been a number of loans that were approved; some were even approved by e-

mail. They were not signed, and these were the concerns of the Auditor General. What is your status on that today?

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

Hon. David Simailak (interpretation): Thank you, Mr. Chairman. Yes, we are making sure that the Nunavut Development Corporation board of directors knew about the Auditor General's report. So, everything is starting to fall into place.

There are committees that have been set up to look after this and also that we are addressing the policies that the Auditor General was concerned about (Interpretation ends.) and introducing a computerized accounting system which encourages the separation of duties.

Also, on financial issues, and this has been brought up to date, they are now introducing thorough financial reports for the board, introducing formal monitoring mechanisms, undertaking formal board training, training staff and board on governance issues, and inviting the Auditor General to attend board meetings and meetings with finance and audit committees.

(Interpretation begins.) Yes, these are updated, up to today, by the board of directors and the staff. Thank you, Mr. Chairman.

Chairman (interpretation): Mr. Curley.

Mr. Curley (interpretation): I would like thank you, Mr. Minister. Especially, there was a concern raised that the policy was not properly in place, and the corporation has to make revenues in order to run properly.

Also, when we had a standing committee meeting, that the tourism industry... Right now, there is a potential for movement in tourism and a lot of communities would like to see this. The smaller communities do have concerns.

I was at a meeting last winter, right before we were first sitting, and the Kitkmeot and the Keewatin regions had their economic development conference, too, and they were very concerned. There was a lot of concern because the tourism industry is contracted right now. I would like to know if this has been brought up to date, because it could benefit a lot of communities, especially in the summertime and of course, in the wintertime. That is my first question. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Minister.

Hon. David Simailak (interpretation): Yes, these are our concerns, as well that the communities would like to run their own affairs on these. Right now, through Nunavut Tourism, we are negotiating on how we could help the people in the communities to start

up their own tourism in their community. We are jointly working with Nunavut Tourism. Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Curley.

Mr. Curley (interpretation): Thank you. I know that this needs to be discussed because we need to promote them and we need to give them assistance. One issue that I was very pleased with, one issue that you raised, is to provide information to the communities in regards to businesses.

For some time now, I am sure that the communities have been expecting that kind of information, especially the smaller communities; they want to see that. Once the program has been set up... . We will be expecting it, and I am sure that communities will be expecting it.

So, I am encouraging you. I know that small businesses get small contracts, and as they grow they get bigger contracts. The training is very important.

If you do not understand clearly, and if you do not get adequate finance controllers, the business will go down instantly. It is impossible to get assistance from the government, if you are not Nunavut Power Corporation. For that reason, I would encourage you to promote this when it becomes a program.

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

Hon. David Simailak (interpretation): Thank you, Mr. Chairman. Yes, we are concerned about those, especially in the smaller communities. The community economic development officers... . We do have CEDOs at the municipality and the city level. As the economic development department, we give support on the training aspect and provide training. Yes, the communities' private businesses need to be given more support and assistance. I, myself, was a private business person and my business went bankrupt. So, I have experienced that myself, so I know how heavy it is. I know what you have to go through with; I went through it myself.

The community economic development officers will be given more training and assistance so that they can provide more assistance and support to private businesses. Thank you, Mr. Chairman.

Chairman: Thank you. Any further questions? Mr. Curley.

Mr. Curley (interpretation): Mr. Chairman, I would like to ask another question in regards to sports-hunt booking agents.

Do you have the responsibility or jurisdiction over the big-game sports hunt? Or, does the other department have the responsibility for that?

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

Hon. David Simailak: That's not within our responsibilities; it is in the Department of Environment's wildlife division.

Chairman (interpretation): Thank you. Mr. Curley. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. Under this area of corporate management: one of the things it says here is that the division is responsible for overseeing the management operations of the department, basically overall leadership, setting policy, and things like that.

If one of the other divisions that have a program have something that they want to try and implement... The final say on whether that would go ahead or not, would that flow through this division here? Thank you, Mr. Chairman.

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

Hon. David Simailak: Mr. Campbell will answer that question.

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

Mr. Campbell: Thank you, Mr. Chairman. The way we have the department structured is the corporate units report directly to my office. It through this office that we provide recommendations on policies and recommendations on programs, through the minister. Corporate Management is the coordinating body for the department itself. Thank you, Mr. Chairman.

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

Mr. Tootoo: Thank you, Mr. Chairman. I wanted to ask this question here, now that I've noticed in the business plan, on K-11 the number of priorities from last year. There were a couple of things that were deferred: one was the launching of the carving stone and supplies program; and changes to the Nunavut Development Corporation. Maybe this final decision went through this division.

What rationale did they look at for deferring that? Also, it is not even listed as a priority in this year's priorities. So, I was wondering why, and when we can expect to see these things that have been deferred come forward again. Thank you, Mr. Chairman.

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

Hon. David Simailak (interpretation): Thank you, Mr. Chairman. Alex Campbell will respond to that question.

Chairman: Mr. Campbell.

Mr. Campbell: Thank you, Mr. Chairman. There has been a lot of research done already on doing this initiative. One of the things that we discussed in the department, as recently as today, is that we would be proceeding with developing the strategy around this and providing some recommendations to the minister to recommend the carving stone strategy itself. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Mr. Campbell. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. I think that it was a very important program. As you know, there are even members that carve. Certainly not me, I'll be the first to admit. But, there are members that carve, and there is a great deal of people out there who depend on carving for putting food on their table. The more access to the raw materials they have, the better and easier it is for them to be able to produce those carvings. Not only just here, all of the communities. I know that you can look at a carving, and someone who knows can turn around and determine which community it came from; there are a lot of different and unique stones from all over the place.

Would you think of looking at having a... . In some places, maybe it is more feasible to get carving stones from another area instead of spending a whole bunch of money in a place where it may be very difficult to get the stone in community: transfer and trade to other communities. As part of that program at least everyone would have an opportunity to get some. There is none. They are all in the communities. Thank you, Mr. Chairman.

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

Hon. David Simailak (interpretation): Thank you, Mr. Chairman. I know that a couple of communities have already asked about getting a supply of soapstone from other communities. From discussions with a couple of the members of the Legislative Assembly, we are now starting to look at possibly setting that up as a business for other individuals, for the arts community in those communities.

So, yes, that's a strategy that's being looked at very seriously, in terms of accessing soapstone from other communities. Thank you, Mr. Chairman.

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

Mr. Tootoo: Thank you, Mr. Chairman. I'm sure that everyone's happy to hear that and I'm looking forward to that coming out from the department.

One of the other things that was deferred was changes to the Nunavut Development Corporation Act. I'm just wondering if the minister or if his officials could elaborate on what changes they are looking at and why they were deferred. Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Minister.

Hon. David Simailak (interpretation): Thank you, Mr. Chairman. I will have my deputy minister to respond to that question.

Chairman: Go ahead, Mr. Campbell.

Mr. Campbell: There are a number of initiatives and other legislation that we would be looking at providing recommendations for, for revision, or Nunavutizing, as I like to put it. Currently we are working on the previous Northwest Territories government acts, the Nunavut Development Corporation Act and the Nunavut Business Credit Corporation Act.

Right now we don't have the resources and the capacity to fully implement some of the changes we wanted to do in the department. So, we put those not to the bottom of the list, but it's something that we will continue to monitor and see what progress, first, we can make within the policies that we have in the department.

We will propose legislative amendments or propose new acts of the government. Thank you.

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

Mr. Alagalak (interpretation): Thank you, Mr. Chairman. Although I don't have too many questions, I do want to ask a question.

Perhaps a short preamble. During the full caucus meeting last April, we were informed of this \$120,000 funding for soapstone quarries, but the communities will have to apply for this funding. I know about that.

The comment that I want to make is in regards to the Nunavut Arts and Crafts Association. It is provided some funds, and it is really good and it is very helpful and very beneficial. We need to give support; that funding does not go as far as the other arts, such as singing arts.

Many Nunavummiut are now starting to get into singing. There are many songwriters in Nunavut, but there is not enough funding for them, even though they apply. The funding for contributions or grants is so low. There are many opportunities out there. I'm sure that Ed Picco would be able to complete his CD if there was such an assistance program.

But, I do want to ask what your position is in regards to this. Perhaps through partners development they can apply, but it is not really defined and I'm not happy with that. So, I would like to ask you, Mr. Minister, to defend that for me. Thank you, Mr. Chairman.

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

Hon. David Simailak (interpretation): Yes, there is funding available for the communities, called the community initiatives program. The economic development officer knows about this community initiative program. I'm sure we could provide assistance through the program. The economic development officers could look into it because they know what the community initiatives program is. They could be provided some assistance through this program. Your community could look into that. Thank you, Mr. Chairman.

Chairman (interpretation): Mr. Alagalak.

Mr. Alagalak (interpretation): Thank you, Mr. Chairman. We have been utilizing the community initiative program at the hamlet level, although at times this is a small surplus. But, this community initiative program is mainly for associations.

I am talking about individual applicants so that these individuals can be supported. I am talking about individuals, songwriters, so that they could at least sell their songs, like the carvers who sell their artwork, to make a small bit of money.

For the songwriters, I was thinking more along the lines of providing some funding program to the songwriters. I was wondering if you could find some funding for individuals to apply. I am sure that this community initiative program is insufficiently reaching all of the songwriters.

Perhaps the minister can look into finding new funds just as a pilot project for the songwriters; I would really appreciate it. Thank you.

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

Hon. David Simailak (interpretation): The song writers, the Arviat singers, the Arviat Choir; there are many choirs... . You are talking about choirs. If they are going to run it as a business, again, the CEDO can assist them. There are contribution funds from business development.

They can apply through their program; the CEDO knows where the other pots of funds are to give assistance, and the CEDO knows where the loans can be found. If it is going to be run as a business, then they could be provided some assistance through these programs. Thank you, Mr. Chairman.

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

Mr. Alagalak (interpretation): Thank you, Mr. Chairman. Just to elaborate further to the members, I am not talking about the Arviat Choir, whether it be through the association or through the school choir. I am talking about individual people of Nunavut.

There are many good singers now in Nunavut. Although they apply for funding, they are unable to obtain some funding from this program because the program does not provide sufficient funds.

I was thinking more along the lines of individual singers, just to elaborate further to the minister and clarify that. Thank you.

Chairman: That was just a comment. We are on page K-5. Mr. Peterson.

Mr. Peterson: Sorry, I thought we were on K-6.

Chairman: Thank you for correcting me, Mr. Peterson. We are on K-6. No, you have not approved K-5; they have not approved K-5 yet. You are ahead of me. Okay. You are on K-6; maybe we will have a replay. Okay.

Economic development and transportation branch summary. Corporate management, \$2,872,000. Do you agree?

Some Members: Agreed.

Chairman: Thank you. K-6. The information is on K-7, K-8, K-9, K-10, and K-11. (Interpretation.) There are some information items. (Interpretation ends.) Mr. Curley.

Mr. Curley (interpretation): Thank you. Mainly two issues and I am sure that I could ask them anytime. Although I mentioned this previously in the standing committee, I do want to state it again. After the development officers get their programs, they would like to have other funding agencies such the community Brighter Futures program, Nunavut Business Credit Corporation... . I think they are in Cape Dorset.

Because they are so segregated in the Keewatin region, we get confused with the small businesses trying to apply. They go through hardship and they face challenges, especially the ones who have received the lowest and are about to go to the court. Or, they could be assisted through re-financing or give them some advice or counselling; perhaps you can try and slow this down.

They should be helping them instead of just putting or threatening... . Some of the Kivalliq partners have been stating that there was no cooperation.

I believe the department should look into this. They can only be given direction from your department because the economic development... . I'm sure the credit corporation should be looked into and dealt with again.

Chairman (interpretation): Mr. Simailak.

Hon. David Simailak: Thank you, Mr. Chairman. Yes, many people have spoken to me about this, about being threatened; they go through hard times.

This coming week, maybe next week, I will meet with the senior managers in Baker Lake and discuss this further, because they have to provide more assistance.

The staff should provide more support and be receptive. I will ask them to rectify the situation when we have the meeting. Thank you, Mr. Chairman.

Chairman (interpretation): Mr. Curley.

Mr. Curley (interpretation): Yes. Thank you. I met with your superintendent and I want to thank you for making him available, although I did not discuss this matter. I want you to know that I want to discuss this with you and your deputy minister and your assistant deputy minister.

The last question that I want to ask you is, since now there is a commission, there were some applications to take pictures of the whole Keewatin region's residents... They were requesting support and because the program guidelines were not set, they were not able to be given assistance. Has this been rectified? Thank you, Mr. Chairman.

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

Hon. David Simailak (interpretation): Thank you, Mr. Chairman. The policies have been set already for the Nunavut Film Commission. Thank you.

Chairman (interpretation): Mr. Curley.

Mr. Curley (interpretation): Yes. Thank you. Since the guidelines have been set for the program, I'm sure that you'll provide us with information about the eligibility and provide that information to the regional offices. I will have you provide that information to the communities. I will conclude my questions.

Chairman (interpretation): Mr. Minister.

Hon. David Simailak (interpretation): Thank you, Mr. Chairman. Yes, they have already been set. We will provide the information to the communities and to the public. If it didn't already start, then we'll start again. Thank you, Mr. Chairman.

Chairman: Thank you. No more names. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. I have a few questions on this provision, mainly dealing with some of the grants and contributions that are out there.

As I indicated, I believe that tourism is an untapped industry within Nunavut. I'm just noticing that there is a \$200,000 decrease in that. I'm just wondering if it was a direct result of fiscal restraints on the department or if it is just that we don't need that \$200,000 and we'll take \$200,000 less this year. Thank you, Mr. Chairman.

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

Hon. David Simailak: Thank you, Mr. Chairman. It was strictly for fiscal reasons that there was that decrease. "Qujannamiik, Itsivautaq."

Chairman: Thank you. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. Do you know if there are any plans or directions given to Nunavut Tourism on looking at developing that industry? Any plans in conjunction with the department for Nunavut Tourism to find ways to develop and market the industry nationally and internally? Thank you, Mr. Chairman.

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

Hon. David Simailak (interpretation): Yes, I will have my deputy minister respond.

Chairman (interpretation): Go ahead, Mr. Campbell.

Mr. Campbell: Thank you, Mr. Chairman. We have been working with Nunavut Tourism in the past three month to try and get the agreement that we have with them revitalized, rejuvenated, or whatever word we want to use.

My staff is presently meeting with them this week to try and map out exactly their priorities in tourism. It is going to result in an MOU being signed off with them. We'll clearly expect some of our priorities as a department and some of the reporting requirements that we will be asking him to fulfil to be part of the agreement.

As a department what we've done, as well, is in order to assist the industry we've created two new positions in the headquarters, positions based out of Pangnirtung to support the industry itself. Until this year we didn't have a person dedicated to support the industry.

In addition to that, we are also proposing three regional positions that will be located in each of the regional offices, again, to assist the industry. That was proposed right now. But, we're still sort of looking at things right now to support the tourism industry. Thank you, Mr. Chairman.

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

Mr. Tootoo: Thank you, Mr. Chairman. In the past I remember going through the Rankin Inlet airport. They had a little office there; there was someone working and there and that was a regional person. I understand that actually worked for Nunavut Tourism and for the government.

I am just wondering if this is a roll-back. Instead of having these people work directly for Nunavut Tourism, having them work for the department to assist Nunavut Tourism. Thank you, Mr. Chairman.

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

Mr. Campbell: Thank you, Mr. Chairman. The position that the Nunavut Tourism did have in the region is still there. The positions that we were proposing in those offices are additional to that, to provide the service. We're here. In the industry to let the communities, when they are asking us to provide more support for the facility operators out in the communities as well... . So, we're trying to address that issue. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you. Mr. Tootoo. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. I'd like to ask the minister a few questions about their programs. In the community initiative program, you're budgeting \$2.9 million. There doesn't seem to be any increase from last year.

But, do you have breakdowns by communities or regions for those funds? Do you have a report to show the results of that \$2.9 million? Do they generate \$10 million of economic activity to create X number of dollars in the communities? Do you have that kind of information? Thank you, Mr. Chairman.

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

Mr. Campbell: Thank you, Mr. Chairman. The CIP program is strictly... . Each community is eligible to access up to \$100,000 of that program funding. Each community is eligible for that amount.

If they access the full amount is another matter, but the budget that we have included in here could include up to \$100,000 for each of the communities. In addition to that, we also fund each community through the municipalities, \$90,000 for their seal funding, as well.

In total, the communities could be eligible for \$190,000 of economic development funding through our department. Thank you, Mr. Chairman.

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

Mr. Peterson: Thank you, Mr. Chairman. It is good to give money to hamlets, but do they have a way to show the results of money that you provide to the hamlets? You've funded the economic development officers, presumably to help people get into business, to use the community initiative program and other programs.

Do they provide you with reports to show that yes, we created this many jobs, we helped this many people, we result in this many revenues coming to the community; that is what it represents? Do you have a method to show that money resulted from activities? Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Campbell.

Mr. Campbell: Thank you, Mr. Chairman. We do have contribution agreements with the municipalities, and they are supposed to be reporting back on the results of the funding that we provide. I have to admit this is an area that would require some improvement over the next few years, as we concentrate on economic development in the territory.

We do have to work on the reporting back of the monies spent, so that we know what we are spending for our economic development fund. Thank you.

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

Mr. Peterson: Thank you, Mr. Chairman. The minister and I talk about not making it too bureaucratic. I remember, at the hamlet of Cambridge Bay, for a \$90,000 contribution, the government paid it out in five payments. That just resulted in too much paperwork for us, too much for the government and everybody else involved. So, it relates to some part of it, I guess. The contribution program is being used now, but then again, we want to see that the money is going to good use and is resulting in economic activity.

I want to ask about Nunavut Tourism. Do you have any numbers that indicate the amount of tourism revenues, on an annual basis, that are generated Nunavut-wide; \$50 million or \$100 million that could be identified as tourism revenues? Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Campbell.

Mr. Campbell: Thank you, Mr. Chairman. Yes, we do have that information, it is just not in front of us right now. Mr. Chairman, thank you.

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

Mr. Peterson: Thank you, Mr. Chairman. I remember, a few years ago when I was a spectator in the gallery, some of the questions asked by a former member, Glenn McLean. At the time, Nunavut Tourism generated \$50 million in tourism revenues. Nunavut Tourism was given \$1.1 million. So, he was saying, why not just double it, and then they could generate \$100 million?

I do not know if that is how it works, but we have a lot of potential. We should really look at that sector. It is not all about mining and mineral resources and fisheries.

Our region has a lot of potential there. You may recall discussions over the years about Community Futures Development Corporations. I read, on page K-8, your total contributions made to three regionally based not-for-profit Community Futures organizations. I do not think we have a Community Futures in the Kitikmeot.

I am wondering if you could update us on the plans to create a Community Futures in the Kitikmeot. Thank you.

Chairman: Thank you. Mr. Minister.

Hon. David Simailak: Thank you, Mr. Chairman. Yes, on those, presently, there is the Kitikmeot. . . . But, discussions are under way with the regional inuit organization and the business community, aimed at re-establishing the Community Futures program in the Kitikmeot. So, those discussions are under way. Thank you, Mr. Chairman.

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

Mr. Peterson: That is good to hear. We had the Community Futures in the Kitikmeot several years ago, and then it went out of business; we are not sure why. But, Community Futures are important. They are able to give smaller loans to clients.

The Nunavut Business Credit Corporation, I think they have loans of \$75,000 or higher, and you have got that Atuqtuarvik Corporation that has large loans as well. But, Community Futures would be very important in our region, if you can get that going. Thank you, Mr. Chairman. It was just a comment.

Chairman: Thank you. That is a comment. I have got no more names on my list. So, we are on "K." Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. I was just going to go to the Nunavut Development Corporation. Under that, it says that its mandate. . . . Basically it is there to support community-based businesses and employment creation and economic diversification and looking at developing new economic opportunities.

I'm just wondering... . There have been a number of subsidiaries, if you want to call them that, of the corporation that have been around for a while, and it seems it's pretty stagnant.

I'm looking at new opportunities. I'm just wondering if there are any thoughts of them looking at new opportunities, to venture into creating employment and economic opportunities in other communities. Thank you, Mr. Chairman.

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

Hon. David Simailak (interpretation): My deputy minister will respond. Thank you.

Chairman (interpretation): Mr. Campbell.

Mr. Campbell: Thank you, Mr. Chairman. Yes, we are presently looking at diversifying one of the subsidiaries, and are checking that with the board of directors of Nunavut Development Corporation.

One of the things that we have to make clear for some of these is that we do provide a subsidy to these subsidiaries. If we diversify and get them to majority ownership, that would mean our subsidies would have to decrease on a sliding scale, eventually. So, they will be losing some of that subsidy we would be providing.

But, on the other hand, they would be eligible for other funding through the federal government, so they might be able to gain Inuit business status as well. So, in that sense, it will be a plus. Then, it would give us an opportunity to move on to another file so that money could be redirected from that subsidiary. Thank you, Mr. Chairman.

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

Mr. Tootoo: Thank you, Mr. Chairman. In the minister's opening comments, and the chairman's, and what come out of the last cabinet retreat, focusing on economic opportunities for all the communities... . Trying to focus more on some of the non-decentralized communities... .

Other than existing subsidiaries diversifying, are there any new opportunities in other communities that are being looked at? Or, is there an area in the corporation that looks at that, that tries to identify new opportunities? Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Mr. Tootoo. Mr. Campbell.

Mr. Campbell: Thank you, Mr. Chairman. The answer is, yes, we are, and we are working with Nunavut Development Corporation to identify other possible opportunities in the smaller communities. Again, I don't want to start giving anything right now because of the negotiations that are going on. Nunavut Development Corporation is

having initial discussions with the one of the communities in that respect. Thank you, Mr. Chairman.

Chairman (interpretation): Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. That's good. I can understand not wanting to raise that: your bargaining power goes down a lot, once the cat's out of the bag.

One thing my father mentioned to me in his... . Something that people like all over, Inuit like all over Nunavut, is eggs, whether it be goose eggs or duck eggs. I know that there are some communities that have more of an abundance than others.

Has there ever been any thought of looking at any type of inter-community trade or being able to market... . I don't even know if that's something that we can do, because people can go out and pick them; they can do that.

I'm just wondering if that's something. There are a lot of eggs out there. In one community that I know of, that they were actually hiring people to go out and kill geese because there's too many of them. So, instead of hiring someone to go out and shoot geese, why don't they just go out and pick the eggs; it makes more sense. Thank you, Mr. Chairman.

Chairman (interpretation): Is that a comment and a question at the same time?

Mr. Tootoo: Yes.

Chairman (interpretation): Okay. Mr. Minister.

Hon. David Simailak: Thank you, Mr. Chairman. No, we have never looked at that. "Mat'na."

Chairman (interpretation): Thank you. Is that all, Mr. Tootoo?

Mr. Tootoo: No, that was just a minister wondering if something can't be done with the migratory birds. I guess that is something that they can look at in the intergovernmental agreement, in the land claim agreement, where you can get an exemption. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you. I have no further questions. Mr. Curley.

Mr. Curley (interpretation): Thank you, Mr. Chairman. My last question. It seems like you don't have enough Inuit employed in the Keewatin in your department. I think it would be a good idea to set up some training programs in order increase the number of Inuit hired.

We've been talking about the people who are in hardship, and some of these people who were in the training programs did not know who to turn to. I think it would be extremely successful if you reinstated the training program at the community level. Thank you, Mr. Chairman.

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

Hon. David Simailak (interpretation): We think that it is extremely important to train Inuit and in Rankin Inlet we have 33 percent Inuit employment. They are currently in a training program. We have one trainee in the Keewatin. Training Inuit is extremely important in our department. Thank you, Mr. Chairman.

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

Mr. Alagalak (interpretation): Thank you, Mr. Chairman. In regards to the Nunavut Development Corporation, I think it is based in Rankin Inlet... . There has been a decrease this year. There are a lot of us rookie MLAs here; when they were a Crown corporation... .

As government, we have to give them some type of support. Sometime in the near future, we should consider that. This is more of a comment than a question. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you, Mr. Alagalak. That was a comment. K-6. Economic development. Total, operations and maintenance, is \$18,623,000. Do you agree?

Some Members: Agreed.

Chairman (interpretation): K-12. Transportation. Total, operations and maintenance, is \$15,894,000. Mr. Curley.

Mr. Curley (interpretation): Thank you, Mr. Chairman. I think when are talking about transportation, we are including the fisheries. In regards to transportation, there is the Manitoba-Keewatin road.

It was also included in the budget address, and I think it was more like a promotional item instead of doing actual work. They stated that it would be a party of this government, so I would like to ask the minister... . Even though there is going to be a study done, we also have to keep in mind that there have to be roads built between communities in Nunavut, because, of course, it is getting extremely expensive to just go by air.

If we look at the future, we have to look alternative modes of transportation and not just rely on airplanes. Some of the communities are close together. There has to be some type of strategy where we can connect communities by road. There are people who get lost in

between communities.

It's something that we have to make a strategy on, and if we invest in it yearly... It's not even in the departmental plans to build interconnecting roads.

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

Mr. Kunuk (interpretation): Thank you, Mr. Chairman. In regards to building roads, it's not in the departmental plans; the only plans that we have are with the Manitoba Trading Commission.

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

Mr. Curley (interpretation): Thank you, Mr. Chairman. I think we definitely have to start thinking about those types of plans and, also, of the possibility of partnering with private businesses and other entities. I'm sure that we can put aside a pot of money on a yearly basis and have a target: in so many years, we'll build a road.

Hall Beach and Igloolik are close together; those are the types of communities I'm talking about. Hall Beach and Igloolik are pretty flat. It's a possibility. There's Rankin Inlet and Whale Cove that are close together. We could even think about building bridges.

We have to start thinking about that. The high cost of living, the high cost of transportation, and so on. We have heard about how building infrastructure is extremely expensive. When we look at the transportation costs, we have to seriously consider making long-range plans to connect the communities, the possibility of building a winter road. I would like to urge the minister to consider putting a strategy together and to set up a long-term plan on these issues. Thank you, Mr. Chairman.

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

Hon. David Simailak (interpretation): Thank you, Mr. Chairman. We will be looking into this, along with our staff, during the next few years coming, about whether we are able to get funding through the Strategic Infrastructure program from the federal government. Yes, we will be looking into this, to have access roads within the communities. Thank you, Mr. Chairman.

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

Mr. Curley (interpretation): Thank you, Mr. Chairman. Thank you for your answer. I'm not saying that they should start building them now, but we have to start planning. For Kugaaruk, there could be an access road to Repulse Bay. Every year that we have to deliver oil, they have to bring it by aircraft.

We shouldn't have to wait for too long. We should start planning to build access roads between communities. This is just a comment.

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

Mr. Alagalak (interpretation): Thank you, Mr. Chairman. I do have another question that I would like to ask. It's under K-13. The past three years, for minor works, we did receive funding from the federal government, when the Government of Nunavut first started. They are available from year to year and it seems that this year, it was a bit different for the funding that we received from the federal government.

For example, we don't have breakwaters or wharves in the communities. It seems you are responsible for transportation. Sometimes it is very difficult within the communities to... . We cannot reach the shore; it is very difficult and when it is windy, your boat has no place to be moored.

Also, a lot of times the boats have to be pulled ashore just in case they might be blown away. If there is something like this, such as a wharf, we would have to go through government services. I feel that since the summers are very short we have to start thinking about this. This is just a comment.

Chairman (interpretation): K-12. Department of Economic Development and Transportation. Branch summary. Transportation. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. A couple of areas of questions here. Transportation: this area is responsible for airports. I asked earlier on in the session, of the minister, about the airport facility here in Iqaluit.

I'm just wondering if any regulatory changes are going to be made at the federal level, by Transport Canada, that are going to force us to make changes to our airports here in Nunavut. Thank you, Mr. Chairman.

Chairman (interpretation): Mr. Kunuk.

Mr. Kunuk (interpretation): Thank you, Mr. Chairman. Yes, this is what we are doing right now. In Iqaluit, for the airport, we use federal government legislation. For safety measures, we do have that as well. They will be doing that this summer. We have started this.

Chairman (interpretation): Thank you, Mr. Kunuk. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. I'm just wondering... . On these projects like that, changes are required as a result of regulatory changes. The funding for projects such as this, does the majority of it come from the federal government through the ACAP program, or is there a cost-sharing agreement in place for it?

I was wondering how those are handled. Because, basically, we've had facilities that are built to code, and then they change the ranks and we have to make changes as a result of their changes. Are we stuck having to eat the costs on those changes, or do we get some assistance from the federal government? Thank you, Mr. Chairman.

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

Hon. David Simailak: The Iqaluit airport has a regulatory obligation to enhance security to meet Canadian Air Transport Security Authority Class II regulations. This necessitates the construction of an extension to the current building, the terminal building, but this would be entirely funded by the Canadian Air Transport Security Authority.

All of that is currently in design-review stage, and construction is scheduled to begin this summer. As CATSA's schedule dictates, the work must be completed by December 31, 2005. So, it is entirely funded by the Canadian Air Transport Authority. Thank you, Mr. Chairman.

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

Mr. Tootoo: Thank you, Mr. Chairman. The type of doors that you have to go in and out, is that something that is a code requirement too? Maybe we can get them to fund the change and get them fixed.

My other question on that... There was a report done a while ago that indicated that there were some safety concerns and stuff like that with the size of the apron and that here. Are those things regulatory changes. I remember one year where we had a 747 come in and the wing clipped the fuel line there and caused an incident out there that could have potentially a disastrous. I am just wondering if that too is something that is funded through this program and if and when that work will take place. Thank you, Mr. Chairman.

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

Mr. Kunuk (interpretation): Thank you, Mr. Chairman. This is correct. Right now they are called Car 308. The Terminal is too small for the apron and this will be renovated under the Airport Strategy through the Federal Government. This is part of that. Thank you.

Chairman (interpretation): Thank you, Mr. Kunuk. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. Just a quick question. I know when you talk about building roads and the Minister indicated that there is Strategic Highway Infrastructure Program in place. Whenever you do any construction like that there is lots of training opportunities. I am just wondering if there was a Strategic Highway Infrastructure Training funding that was available as well. Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Minister.

Hon. David Simailak: No, from what I am told, there is not training money in that program. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you. Any more, Mr. Tootoo.

Mr. Tootoo: I am going to move to something a little lighter now. I know earlier today I asked the Minister and he committed to taking a look at trying to conduct a feasibility study, or not a feasibility study, but a Harbour and Port Study for Iqaluit and Apex.

I know Mr. Kunuk, that is here with him, are well aware of some of the problems and situations that is faced by people that are using the boats they and ships, I used with one of the Shipping Companies, we know some of the challenges there.

I am just wondering if we can an idea when we can expect to see something like that materialize and be initiated. If it can be done this fall, or this summer, or something like that. Thank you, Mr. Chairman.

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

Hon. David Simailak: Thank you, Mr. Chairman Yes, I committed this morning to try and find the money to do such a study. We will look very hard for the money. As soon as we find the money we will get the study started. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you. Anything else, Mr. Tootoo. Is that it. Mr. Arreak.

Mr. Arreak (interpretation): Thank you, Mr. Chairman. Under K-13, Coast Guard Arctic Auxiliary. They started out very well and we use this in the summertime when someone is lost. The memorandum of understanding ended on March 31st, 2004. Are we going to get this back. Thank you.

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

Hon. David Simailak (interpretation): Perhaps Mr. Kunuk can respond to the question. Thank you.

Chairman: Go ahead, Mr. Kunuk.

Mr. Kunuk (interpretation): Thank you, Mr. Chairman. Although we are not dealing with this issue, although we do not have the jurisdiction, but we do provide the funding for Search and Rescue and I will look into that and provide the answer on a later date.

Chairman (interpretation): He will be providing the answer on a later date after he looks into it. Are there any further questions. Mr. Curley.

Mr. Curley (interpretation): Yes, I do not know if this was asked, but I was out of the Chamber for a little bit on J-14, in regards to Community Aerodrome Radio Stations and they mentioned that in the Committee report that they do not provide sufficient funding and the Agreement expired March 31st 2004. Do you have any information as to what is going to be happening to this.

Chairman (interpretation): Mr. Kunuk.

Mr. Kunuk (interpretation): Thank you, Mr. Chairman. Yes, the contract is expired March 31st, but we do have a new agreement called *Bridging Agreement* and it is up to July 31st and it is an interim agreement.

We are still negotiating as we speak with NavCanada. It is starting to become evident that in the first year that it is going to be very difficult to get an agreement, but perhaps if it is impossible to get an agreement, we will probably need an interim agreement because they lack funding also.

Prior to that, we are making plans and strategizing the NavCanada Agreement for the next four years. This four year agreement is going to be planned in more detail than the previous year. Thank you.

Chairman: Are you finished. I have no more names on my list. We are on Page K-12. Economic Development and Transportation Branch Summary. Transportation. Total Operations and Maintenance, \$15,894,000. (interpretation): Do you agree?

Some Members: Agreed.

Chairman: Back to K-4. Economic Development and Transportation Department Summary. Detail of Expenditures. Total Operations and Maintenance, \$37,389,000. (interpretation): Do you agree?

Some Members: Agreed.

Chairman: Thank you. Is the Committee agreed that this Department is concluded.

Some Members: Agreed.

Chairman (interpretation): Thank you. Thank you, Mr. Minister and your officials for appearing before the Committees. (interpretation ends): Do you have any comments to the Floor.

Hon. David Simailak (interpretation): Thank you, Mr. Chairman. No, I do not have any comments, but just to thank my officials and also thank you for your questions and we will look into your questions and also would like to thank my officials. Thank you, Mr. Chairman.

Chairman (interpretation): Thank you. (interpretation ends): What does the Committee want to do now. Mr. Evyagotailak.

Mr. Evygotailak: Report progress.

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

Speaker (interpretation): Please be seated. Orders of the day. Item 20. Report of Committee of the Whole. Mr. Chairman Netser.

Item 20: Report of Committee of the Whole

Chairman (Mr. Netser)(interpretation): Thank you, Mr. Speaker. Bill 2 and the Main Estimates and would like to report progress and also Mr. Speaker, I move that the Report of Committee be Whole be agreed to. Thank you, Mr. Speaker.

Speaker (interpretation): There is a motion on the floor. Is there a seconder. Mr. Alagalak. The motion is in order. All those in favour of the motion. Opposed. The motion is carried.

Item 21. Third reading of bills. Item 22. Mr. Clerk.

Item 22: Orders of the Day

Mr. Clerk: Thank you, Mr. Speaker. Orders for the day, Wednesday, June 2nd,

1. Opening Prayer
2. Ministers' Statements
3. Members' Statements
4. Returns to Oral Questions
5. Recognition of Visitors in the Gallery
6. Oral Questions
7. Written Questions
8. Returns to Written Questions
9. Replies to Opening Address
10. Petitions
11. Reports of Standing and Special Committees
12. Reports of Committees on the Review of Bills

13. Tabling of Documents
14. Notices of Motions
15. Notices of Motions for First Reading of Bills
16. Motions
17. First Reading of Bills
18. Second Reading of Bills
19. Consideration in Committee of the Whole of Bills and Other Matters
 - Bill 2
20. Report of Committee of the Whole
21. Third Reading of Bills
22. Orders of the Day

Thank you.

In accordance in the authority vested in me by motion 11-2(1) the committee will stay adjourned till Wednesday, June 2, 2004 to 10:00 o'clock in the morning.

Sergeant-at-arms.

>>*House adjourned at 20:05*

