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

Legislative Assembly of Nunavut

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(Akulliq)

Hon. Louis Tapardjuk

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Elders and Youth; Minister of
Human Resources
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Peter Kattuk

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(Iqaluit Centre)

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(Iqaluit East)
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Minister Responsible for Nunavut
Arctic College; Minister

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Hon. Levinia Brown

(Rankin Inlet South-Whale Cove)

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Hon. Olayuk Akesuk

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Iqaluit, Nunavut Thursday, April 28, 2005

Members Present:

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

Item 1: Opening Prayer

Speaker (interpretation): I would like to ask Mr. Curley to say the opening prayer.

>>Prayer

Speaker (interpretation): Thank you. Good afternoon, Mr. Premier, Ministers and Members of the Legislative Assembly. Going to the orders of the day. Ministers' statements. Mr. Picco.

Item 2: Ministers' Statements

Minister's Statement 109 – 2(2): GED High School Equivalency

Hon. Ed Picco: Thank you, Mr. Speaker. The Department of Education is undergoing a fundamental shift to focus on serving learners of all ages in the best ways available. We are working to build a learning environment that is accessible and meaningful.

Our latest efforts towards this goal is renewing the GED program, the General Education Development Testing Program. Successful graduates receive a Nunavut high school equivalency diploma and this means access to higher education and training and in the long run better jobs.

The department invested \$20,000 into the GED preparation courses offered through Nunavut Arctic College earlier this year in Rankin Inlet and here in Iqaluit. We have invested a further \$63,000 in the GED prep courses, now underway in Baker Lake, Arviat and Whale Cove.

With a limit of 20 participants per session, we have the potential to accredit 220 Nunavummiut this year with their high school equivalency diploma. This is a significant achievement given that we had 130 high school graduates across all of Nunavut last year.

Many adults who did not graduate from high school have, in their life, acquired skills that meet a secondary school level. The GED tests measure those skills that correspond to those of recent high school graduates:

• Able to understand and apply information,

- Able to evaluate, analyze and draw conclusions, and
- Able to express ideas and opinions in writing.

The Department of Education plans to offer GED prep courses in Cambridge Bay, Kugluktuk, Pangnirtung, Cape Dorset, Pond Inlet and Clyde River over the course of this fiscal year.

With a High School Diploma in hand, GED graduates are better positioned to contribute to their own well-being and the future of Nunavut. Thank you, Mr. Speaker.

>>Applause

Speaker (interpretation): Thank you. Ministers' statements. Ms. Aglukkaq.

Minister's Statement 110 – 2(2): Conference on Strengthening Financial Management

Hon. Leona Aglukkaq: Thank you, Mr. Speaker. On April 15, 2005 the Department of Finance sponsored its second conference on Strengthening Financial Management in the Government. The conference was attended by senior and middle level financial managers from Government of Nunavut departments and Crown Agencies.

The Auditor General of Canada, Sheila Fraser and her staff were also in Iqaluit to participate in the conference.

In my opening speech I commented that "The Government of Nunavut recognizes that an on-going commitment to sound financial management is needed to achieve the objectives of an accountable government.

Conferences of this sort are one good way of promoting the importance of strengthening financial management in the Government. Presentations by government senior management, the Auditor General and her staff, covered a broad scope of issues in the area of financial management.

The presentations were followed by discussions, where all attendees got an opportunity to raise questions and add their comments.

In the 2005-06 fiscal year the Department of Finance will continue to build on this initiative and will focus on strengthening financial management practices across the Government of Nunavut's departments, crown corporations and agencies.

This conference has resulted in a consensus that at some level every government employee has a responsibility to improve financial management. Good financial management is one building block of a good foundation for public government in Nunavut.

During the current fiscal year and the future fiscal years, every effort must be made at the departmental level to identify cost pressures. It is extremely important for the Government of Nunavut to meet its overall goal of maintaining a balanced budget.

During her keynote address, the Auditor General of Canada, Sheila Fraser, commented that "Financial management is important because it is one of many things which are key to delivering the best quality services to Nunavummiut."

In closing I would like to thank everyone's contributions to the conference, the organizers as well as the presenters and the participants. Over more than one hundred people attended the one day conference held in Iqaluit. Thank you, Mr. Speaker.

>>Applause

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

Minister's Statement 111 – 2(2): Nunavut Film Industry Forum

Hon. David Simailak: Thank you, Mr. Speaker. I am pleased to inform the Assembly that Ajjiit Nunavut Media Association will be hosting the first ever Nunavut Film Industry Forum that is taking place in Nunavut this week. This is the first time that officials from the film industry, Government of Nunavut and Heritage Canada will be together to talk about film in Nunavut.

This forum will be a first step in helping to create awareness of the Nunavut Film Commission. It will also help to provide an exchange of ideas on my department's Nunavut Film Development Policy. Over the course of the next few days, officials and industry will try to determine how they can put their efforts together to further develop Nunavut's film industry.

Film is an important part of the diversification of Nunavut's economy. Film production can provide jobs to Nunavummiut and help promote our territory both domestically and abroad.

I look forward to meeting with industry and government representatives over the coming days. Thank you, Mr. Speaker.

>>Applause

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

Minister's Statement 112 – 2(2): Nunavut Drum Dance Festival

Hon. Louis Tapardjuk (interpretation): Thank you, Mr. Speaker. I rise today to extend congratulations to the Nunavut Qilautinut Katujjiqatigiit Society for its efforts in preserving and promoting a vital part of Inuit culture.

The Society was created by a group of individuals dedicated to the preservation of the ancient Inuit art of drum dancing, and to promote and honour the art form through an annual Nunavut-wide drum dance festival.

Last week over a period of four and a half days, more than 60 individuals, young and old, from 11 communities representing all regions of Nunavut assembled in Rankin Inlet to share their knowledge and experience. This was also an opportunity to celebrate our Inuit language and culture through drum dancing.

Events of this type deserve recognition because they demonstrate through practice the continuing vitality and relevance of traditional Inuit values in a modern world. These events also play an especially important role in transmission of Inuit societal values and cultural knowledge to youth, who will carry these traditions into the future.

Once again, I would like to congratulate the Nunavut Qilautinut Katujjiqatigiit Society, and all of the participants, on the success of the 2005 Drum Dance Festival. Thank you, Mr. Speaker.

>>Applause

Speaker (interpretation): Thank you. Ministers' statements. Going to the orders of the day. Item 3. Members' statements. Mr. Barnabas.

Item 3: Members' Statements

Member's Statement 289 – 2(2): Arctic Bay Airport

Mr. Barnabas (interpretation): Thank you, Mr. Speaker. Good afternoon. I would like to welcome you all to Iqaluit.

I would like to rise today to inform the House that we had a meeting in Arctic Bay recently about the Arctic Bay Airport. I would first of all like to thank Mr. Simailak for sending his staff to Arctic Bay to attend the meeting and also to give them an opportunity to have a meeting with the Hamlet Council in regards to the Arctic Bay Airport.

I believe all of Nunavut knows that the Nanisivik Mines has closed and we have had inconveniences with airlines coming in to Arctic Bay. I wrote a letter today and sent a copy to the minister and to the First Air representatives of the concerns of my constituents.

There are several questions in regards to the Airport and the fact that there is money required in order to get a functioning airport.

I would like to thank the government for giving the Arctic Bay residents an opportunity to voice their questions and concerns. The majority of the Arctic Bay residents stated that

they feel the location is adequate, even though we are going to have to fine tune this issue, there is still some questions that have to be answered. For example, on September 30, the reclamation in Nanisivik will be finished. I am not sure what kind of services will be provided for Arctic Bay after the closure of Nanisivik.

I would like to seek unanimous consent to conclude my statement. Thank you, Mr. Speaker.

Speaker (interpretation): The member is seeking unanimous consent to conclude his statement. Are there any nays. There are no nays. Mr. Barnabas.

Mr. Barnabas (interpretation): Thank you, Mr. Speaker. I would also like to thank the members of the House for giving me this opportunity.

On the topic of the airport in Arctic Bay and because the Nanisivik Mine is going to be closed in the future, and with the issue of fuel and the completion date of the remediation work that is currently being worked on, we are not quite sure what type of services are going to be provided to our community.

There is the issue of the municipal boundary that contains parts of the airstrip. We have also heard that we are no longer going to be getting jet service to Arctic Bay and Nanisivik.

One issue that I would like to touch up on is we don't know what type of airline model is going to be coming up to Arctic Bay. Since First Air has a contract to provide the services I am sure that some of those provisions can be applied if they are no longer going to be using the jets, but we have a lot of questions.

With that, I have written a letter to First Air to have them answer some of the questions. What types of services are going to be provided to my constituency? What route they will be taking from point A to point B.

I have also made copies available to the minister and at the appropriate time I will be asking questions on this issue.

In closing I would like to acknowledge David Ittinuar, Director of Nunavut Airports, John Hawkins, Manager of Airport Facilities, Felipe Salgado, Surface Engineer and Chris Timmerman, consultant, and last of all Methuselah Kunuk, who is the Assistant Deputy Minister and for these representatives to have had a public meeting in my community. Thank you, Mr. Speaker.

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

Member's Statement 290 – 2(2): Schools Breakfast Program Funded by Canadian Auto Workers

Mr. Tootoo: Thank you, Mr. Speaker. I rise today to acknowledge and thank the Canadian Auto Workers for continuing the Iqaluit's schools breakfast program.

Members will recall just over one year ago in February 2004, Mr. Buzz Hargrove, President of the Canadian Auto Workers Union, Jim O'Neal, the Vice-president and Carol Phillips, the Director of the Union's Social Justice Fund, were in Iqaluit and presented a \$50,000 cheque to the Iqaluit District Education Authority, for its breakfast program. That contribution salvaged a very worthy program last year.

It is unfortunate that there is a lack of government funding and resources for something that is so fundamentally necessary to the successful education of our children. It is only through the tireless effort of volunteers, who fundraise and put their personal time into delivering these programs that they happen. I was very pleased to have been a part of that effort.

A couple of years ago I had the opportunity to present some information about our territory to delegates of the Canadian Auto Workers Union convention. It is good to know that this effort generated such a positive response.

This week, I was very pleased to learn that the Union's Board of the Social Justice Fund has decided to contribute towards the Breakfast Program again with a \$25 thousand a year contribution for the next three years. This is wonderful news as we are currently in Education Week, the timing could not have been better.

Mr. Speaker, breakfast is the most important meal of the day. Children who come to school hungry do not have the energy or the desire to do their best, which means that they lose out on getting the best education that they can, but only with the necessary nutrients in their systems when the children get their metabolisms going and prepare for the activities of the day ahead.

I ask my colleagues to join me and the Iqaluit District Education Authority, who is represented here today by Ms. Christa Kunuk, the Chair, and their administrator Alice Ladner here in the Gallery in recognizing this important contribution from the Canadian Auto Workers' Union and Social Justice Fund.

In thanking them, I would also like to acknowledge the luggage handlers of First Air who are members of the Canadian Auto Workers' Union, contribute to the Social Justice Fund, and recognizing and contributing to the health and future of our children. Thank you, Mr. Speaker.

>>Applause

Speaker (interpretation): Thank you. Members' Statements. Mr. Peterson.

Member's Statement 291 – 2(2): Thank RCMP for Arrest Made in Cambridge Bay

Mr. Peterson: Thank you, Mr. Speaker. I rise today on behalf of my constituents in Cambridge Bay to thank the Royal Canadian Mounted Police for making an arrest last month in the Rhoda Maghagak murder case.

In March of 2004, Ms. Maghagak was murdered. Her death shocked and saddened her immediate family, her many relatives, and all residents of Cambridge Bay.

Mr. Speaker, many of us thought that her killer would be arrested very quickly, but that didn't happen. In real life, Mr. Speaker, unlike on television, murder cases are not solved overnight or even in a few months.

The RCMP had a lot of investigative work to do before they could make an arrest and press any murder charges. As Member of the Legislative Assembly, I was approached by many constituents who were very concerned that the investigation was taking too long. I raised their concerns with the Minister of Justice and the RCMP.

Mr. Speaker, I want to thank the RCMP for the caring and sensitive approach they took in keeping Ms. Maghagak's family informed about the progress they were making in the investigation. Mr. Speaker, every Friday, the RCMP would meet with a representative of the family to update them on their progress and answer questions.

I would also like to thank the Minister of Justice for directing his officials to keep me informed as well as communicating my constituents' concerns to the RCMP. This was very helpful to me when I had to reassure those constituents who came to visit me.

Mr. Speaker, of all the provinces and territories in Canada, Nunavut has the highest rate of violence against persons. Earlier this year, my colleague from Nanulik tabled the most recent annual report of the RCMP's 'V' Division. This report revealed some shocking facts about crime in our communities.

The most fundamental duty of any government is to protect its citizens from harm. We have an obligation as leaders to take a strong stand against violence that harms the most vulnerable members of society, especially our children. Mr. Speaker, I ask all members to join with me in expressing our commitment to a Nunavut that is safe for all its people. Thank you, Mr. Speaker.

>>Applause

Speaker (interpretation): Thank you. Members' Statements. Mr. Evyagotailak.

Member's Statement 292 – 2(2): Donald Havioyak President of the Kitikmeot Inuit Association

Mr. Evyagotailak (interpretation): Thank you, Mr. Speaker. I rise today to congratulate Donald Havioyak on winning the presidency of the Kitikmeot Inuit Association. Mr.

Havioyak and I have known each other for a very long time. I look forward to working with him for the benefit of the constituents.

(interpretation ends) Mr. Speaker, there may be many opportunities for mining development in the Kitikmeot. A lot of hard work will have to be undertaken by the KIA in negotiating the Nunavut Impact Benefit Agreement. The balance must be struck between economic payoffs, job creations, and possible negative social impacts as well as environmental concerns.

I would also like to take this opportunity to recognize the years of good work done by Charlie Evalik when he was President of the Kitikmeot Inuit Association Mr. Evalik served three straight terms as President and in that time he negotiated benefit agreements with several different mining companies. His experience and leadership were appreciated.

As a former President of KIA myself, I know how important it is to listen to the communities and the Board of Directors.

I invite all Members to join me in congratulating Mr. Havioyak in his new position as President of the Kitikmeot Inuit Association. Thank you, Mr. Speaker.

>>Applause

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

Member's Statement 293 – 2(2): Congratulate Nunavut Arctic College Graduates

Mr. Arreak (interpretation): Thank you, Mr. Speaker. I would like to congratulate the Adult Education students. I would like to congratulate them; Janet Joanas, Patricia Joanas, Sheena Arreak, also Samantha Audlakiak.

These students also took part in one year training, but they did not complete it, Dorothy Audlakiak and Suzanne Arreak.

We are always proud of our students and also adults who are furthering their education. We urge everyone to stay in school and complete their education so they can get into the workforce. Thank you, Mr. Speaker.

>>Applause

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

Member's Statement 294 - 2(2): Healthy Lifestyles

Mr. Mapsalak (interpretation): Thank you, Mr. Speaker. This is not a new issue. It has been mentioned by the government and the department of health because it is difficult to hear about people who are ill. I would like to discuss the importance of healthy lifestyles.

(interpretation ends) I rise today to discuss the importance of healthy lifestyles and making healthy choices for the future.

Many academic studies have shown what Inuit have known for a long time that our traditional lives is one of the healthiest lives that we could possibly choose. Due to the fact that many people are choosing junk foods that are low nutritional value instead of traditional foods, our lifestyle, including our diet is changing. Now academic studies are warning us to expect an increase in lifestyle disease such as diabetes and cancer. I would like to encourage people in our communities to make good healthy choices.

The government has produced a lot of useful health related information, such as the Nunavut Food Guide. I encourage people to be careful when making choices for their diet. This week is 'Drop the Pop Week', and I noticed that there is not a single can of pop on this Food Guide.

I encourage people to think about their health and make decisions for their future. Many people are frightened that they may have cancer. For example, getting a yearly check-up at the community Health Centre could lead to an early diagnosis of illness so that it can be dealt with in a timely manner.

It is important that people make good choices for their health, at the same time it is just as important that information about lifestyle choices and health links are available to help Nunavummiut make the right decisions. It is equally important that our health professionals have the best tools available to diagnose illness and disease.

At the appropriate time I shall ask questions on this issue. Thank you, Mr. Speaker.

>>Applause

Speaker (interpretation): Thank you. Members' Statements. Mr. Curley.

Member's Statement 295 – 2(2): Wildlife Regulations – Total Allowable Harvest

Mr. Curley (interpretation): Thank you, Mr. Speaker. First of all, I would like to thank the residents of Rankin Inlet because they were going through the radio today because my wife and I have a special day and I would like to welcome all of those individuals who welcomed us from Rankin Inlet.

Mr. Speaker, I rise today to talk about the issue that is a concern that's arising in regards to the wildlife regulations.

The first one that I would like to speak about, Mr. Speaker, (interpretation ends) is the Nunavut Land Claims Agreement Article 5.6.19 (interpretation) states that there should be total allowable harvest and that there should be a study done on the population of our wildlife before you set up the total allowable harvest.

It also states in Section 5.6.3.32 from there and also down to 5.6.3.4 and I will read it in English. (interpretation ends) The allocation for the other residents shall be up to 14 percent of the amount remaining after the allocation and basic needs levels.

Mr. Speaker, I am not sure if the basic needs level has been done or had been carried out by the Nunavut Wildlife Management Board. Many Nunavummiut that I have spoke with including Nunavut Tunngavik Incorporated, are concerned with the hunting rights that are being granted to non-Inuit residents in Nunavut.

In short, there will no longer be a quota system for non-Inuit. It says here the following is allowable harvest on daily limits; in my view it would be five caribou, five deer, 40 grouse or ptarmigan, two moose, two musk ox and the population recognizes Amex – 10.

That, in my view, Mr. Speaker, could mean that if the fellow went out for musk ox hunting twice or five times, and killed two musk ox, he could continually have ten musk ox a year; that's a non-Inuit resident. But if you multiply that by 20 good non-Inuit hunters, that's quite a bit.

So in many respects, Mr. Speaker, this is not fair and I would like to ask the members for additional time to conclude my statement.

Speaker (interpretation): The member is seeking unanimous consent to conclude his statement. Are there any nays? There are no nays, please proceed Mr. Curley.

Mr. Curley (interpretation): Mr. Speaker, I would like to state to Nunavummiut that the hunting rights that are going to be provided to others, they should not be approved when there is such a proposal like that.

We need a quota system in place; if they provide those hunting rights to these individuals, then we will not be able to change that and they should have a quota system where it states how many species they are allowed to harvest within a year.

In some years, the caribou travel out of the communities, and yes, we need to do a basic needs level before the amounts are set. So this is quite dangerous and it's quite critical to Inuit.

I believe that the others should not have the hunting rights because these are species that we harvest, we use for subsistence and for clothing. Others harvest mainly just for subsistence and they also purchase their grocery from the store. Thank you, Mr. Speaker.

>>Applause

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

Member's Statement 296 – 2(2): Congratulate Fauna Kingdon – Winner of the National Aboriginal Youth Award

Hon. Ed Picco: Thank you, Mr. Speaker. I would concur with Mr. Curley's member's statement on the regulations and I believe it allows for interpretation.

Mr. Speaker, I would like to take this opportunity to congratulate a Nunavut high school graduate, Ms. Fauna Kingdon. Fauna is in her third year at the University of Manitoba. This year, Fauna has won the National Aboriginal Achievement Youth Award.

Fauna has been a volunteer in Ecuador and an intern for the Crisis Helpline, an executive board member, and Mr. Speaker, a Page right here in our Nunavut Legislative Assembly.

Mr. Speaker, Fauna is enrolled in the Asper School of Business at the University of Manitoba, and continues to lead in academic standing.

It is very important to point out Fauna did all of her schooling from Kindergarten to Grade 12 right here in Nunavut. Mr. Speaker, please join with me in congratulating Iqaluit's own Fauna Kingdon, the National Aboriginal Youth Award Winner. Thank you, Mr. Speaker.

>>Applause

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

Member's Statement 297 – 2(2): Congratulate Individuals

Hon. Levinia Brown (interpretation): Thank you, Mr. Speaker. I rise today to congratulate you, Tagak and Sally, and also my colleague had made a very good statement. Mr. Mapsalak, I would like to thank you for bringing up the fact that we have to eat our nutritional food and because nutrition also impacts our intellects.

Also, on Monday in Rankin Inlet, there was a newborn baby, and that newborn baby is very important because he is Jordan Tootoo's nephew. I would like to congratulate the couple who had the baby, Aaron Pilakapsi, and also the grandparents Rose Tootoo and Katherine Pilakapsi and Barney Tootoo, he is now a grandfather.

I would like to congratulate the whole family because the baby was named after Terrance. Naming children after family members is very important and it helps to overcome grief . I just wanted to congratulate the whole members of the family.

Yes, we need to talk about local issues, that way we have to represent our communities. We cannot just represent ourselves, we need to represent the communities. Also people from Whale Cove, I send my greetings to all of you. I was not able to come into the community. I will be able to visit that community once the session is over. Thank you, Mr. Speaker.

>>Applause

Speaker (interpretation): Thank you. Members Statements'. Item 4 in the Orders of the Day, Returns to Oral questions. Item 5, Recognition of Visitors in the Gallery. Hon. David Simailak.

Item 5: Recognition of Visitors in the Gallery

Hon. David Simailak: Thank you, Mr. Speaker. I would like to welcome Kirsty Wray who is from Baker Lake. She is also my relative, I would like to welcome her. Thank you, Mr. Speaker.

>>Applause

Speaker (interpretation): Welcome to the gallery. Recognition of visitors in the gallery. Item 6 in the Orders of the Day, Oral questions. Member for Rankin Inlet North, Mr. Curley.

Item 6: Oral Questions

Question 371 - 2(2): Wildlife Regulations – Hunting Rights

Mr. Curley (interpretation): Thank you. My question it is in regards to my member's statement and is directed to the Minister of Environment.

He has been requesting input from the public out there. In the hunting rights for others, in the draft regulations, in the purpose, it states (interpretation ends) "the limits on the quantity of game that a non-Inuit hunter may possess at any time." That could be possibly mean, in my view, 365 times a year or half of it or a quarter of it or what not.

(interpretation) I would like to direct my question to the minister in regard to the hunting rights that are going to be given to others, and I know it is going to be impossible to make changes once it has been implemented. Perhaps the minister can commit to listening to the members' requests. If you can also consider this issue before the regulations are signed. Thank you.

Speaker (interpretation): Thank you. Minister of Environment, Mr. Akesuk.

Hon. Olayuk Akesuk (interpretation): Thank you, Mr. Speaker. Good afternoon. Yes, I understand your concern, and I would also like to acknowledge the recommendations made. As I stated earlier, during the consultations of the regulations, we will be seeking input from Inuit. Once the communities have made their recommendation, I am sure that all other parties will be in support of changes to the regulations. Thank you.

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

Mr. Curley (interpretation): Thank you, Mr. Speaker. In the total allowable harvest section, they can harvest six or seven in addition to being able to harvest muskox. I'm sure that the total allowable harvest is for sport hunting and not for consumption. I'll be reading in English. (interpretation ends) "The limit for resident hunters," and this is for non-Inuit, "has been changed." Instead of five caribou during a one year period, it is five caribou at any one time. The new rules apply only to possession back-limits. The rules are much simpler.

Mr. Speaker, the rules may be simpler, but giving hunting rights to non-Inuit in Nunavut is really contrary to the Nunavut Land Claims Agreement. I would like to ask the minister to reconsider the proposal as it has been written and also that he consult openly with the wildlife groups in the region. Will he do that? Thank you.

Speaker (interpretation): Mr. Akesuk.

Hon. Olayuk Akesuk (interpretation): Thank you, Mr. Speaker. Yes, I will be sensitive to the communities' interests. I agree to review all community interests. Thank you.

Speaker (interpretation): Oral questions. The Member for High Arctic, Mr. Barnabas.

Question 372 – 2(2): Arctic Bay Airport

Mr. Barnabas (interpretation): Thank you, Mr. Speaker. In my member's statement, I made a statement regarding airport facilities. I would like to direct my question to the minister responsible for transportation.

We were told that the airport in Arctic Bay has to be serviced for airlines once the Nanisivik airport closes. The airstrip should be 4000 feet and the taxiway should be 300 by 300 feet, and there are also improvements to be made. It has to be federally approved by the aviation group. They expect that it will cost between \$15 to \$20 million and the completion date is expected for 2008-09.

My question is: the government has committed \$8 million. Looking at all the improvements that need to be made and the codes that have to be followed, the government has only committed half the amount of the total costs. Why is it like that? Thank you, Mr. Speaker.

Speaker (interpretation): Minister responsible for Transportation, Mr. Simailak.

Hon. David Simailak (interpretation): Thank you, Mr. Speaker. The \$8 million that you are talking about has been allotted for the initial stages of improvement. We will have to find additional funds to complete the airport improvement in Arctic Bay. Thank you, Mr. Speaker.

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

Mr. Barnabas (interpretation): Thank you, Mr. Speaker. Yes, if these funds are just committed to the initial improvements, it states \$4 million. According to the study that has been done, there's room for improvement. I wonder how the improvement projects will be funded. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Mr. Simailak.

Hon. David Simailak (interpretation): Thank you, Mr. Speaker. At this time, we are still deciding on where we are going to get more funding. So, those are being looked at, and if we are successful in finding funding for the way they want the airport to be done.... Thank you, Mr. Speaker.

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

Mr. Barnabas (interpretation): Thank you, Mr. Speaker. I mentioned earlier in my statement that they expect the cleanup of Nanisivik in September of this year, and Nanisivik has an emergency fuel that they use, and they need that in case there's an emergency. But we know that this has created problems for the flight service we get.

I wonder what the government is doing: will they be providing the fuelling that will be used for emergencies, because that's being done right now. What is the status of the government on that issue? Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Mr. Simailak.

Hon. David Simailak (interpretation): Thank you, Mr. Speaker. Providing fuel at the airstrip in Nanisivik and Arctic Bay is currently being worked on by the Department of Community and Government Services. We are not, as a department, responsible for this. It is being handled by Community and Government Services. Maybe with the minister here he will be able to explain this further.

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

Mr. Barnabas (interpretation): Thank you, Mr. Speaker. Yes, I directed my question to the minister of transportation because it is in regard to the airline services we receive in Arctic Bay and Nanisivik. First Air has the contract in delivering mail and food orders. The Department of Transportation should provide adequate storage for the airline industry.

It is a major concern; will the minister act to resolve this right away? I know our air terminal is being planned for 2007, but it probably won't be completed right away, as so much has to done. We will need airport facilities, and with First Air servicing us up in the High Arctic, they will need adequate equipment.

First Air knows that there's a shortage of aircraft in the other communities that they provide services to. What is going to be happening before the completion date in regard to lighting, fuel storage, garage facilities, vehicle breakdowns, the equipment that they use to maintain the airstrips: if they don't have the funding for that, what will be happening?

Speaker (interpretation): Thank you. Mr. Simailak.

Hon. David Simailak (interpretation): Thank you, Mr. Speaker. We are still looking at this and are having discussions with our staff as to how we will handle this, how we will work on the things that need to be worked on and where we're going to get funding.

We are making progress. I am hopeful that this will run smoothly. The new airport will be started in 2007, and until that time the Nanisivik airport will used. As we progress, it will all become clearer. Thank you.

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

Question 373 – 2(2): Information on Healthy Choices and Healthy Lifestyles

Mr. Mapsalak (interpretation): Thank you, Mr. Speaker. I spoke earlier in my member's statement about making healthy choices for a healthy lifestyle. It is a big concern now for a lot of us. We have lost relatives due to cancer and diabetes.

Mr. Speaker, I would like to ask the minister: we all know that they do offer healthy choices for healthy lifestyles for the communities as well as the nurses and doctors. I wonder if they can do more in promoting healthy choices, as to what they have to watch out for in the prevention of cancer and diabetes. I wonder where they can obtain that kind of information. Thank you, Mr. Speaker.

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

Hon. Levinia Brown (interpretation): Thank you, Mr. Speaker. Thank you for bringing this concern forward, this is very important. We try hard to stay healthy. I cannot really respond on what causes cancer. I cannot give him a definite answer on that, but to the rest, we have staff in the communities, and this year there was a promotion program through Telehealth.

Training was given to the staff and there were 50 participants. They were being trained about nutritional foods, and it was called Nutritional Education, because it goes with health, and all the CHR's in every community has participated.

One of the things he mentioned was diabetes. Yes, we know that the number is increasing in Nunavut, and this also coincides with healthy lifestyles and what kind of nutritional food they eat. There was training in that, and I am sure that this will help the

communities a lot. This was done by McGill University through our Department of Health and Social Services. Thank you, Mr. Speaker.

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

Mr. Mapsalak (interpretation): Thank you, Mr. Speaker. Thank you, Minister, for responding so well. All Nunavummiut know that there will be health centres opening in the near future. It would be good to be able to diagnose some diseases where they can be detected right from the beginning, and be treated from that point. I wonder if they will have that kind of equipment for detecting those. Thank you, Ms. Brown. Thank you, Mr. Speaker.

Speaker (interpretation): Ms. Brown.

Hon. Levinia Brown (interpretation): Thank you, Mr. Speaker. Some patients are tested through the taking of blood samples. With respect to MRI's, those machines are very expensive, so I doubt very much that we will get them at the beginning, but we don't have any funds set aside. We thought about that, but they are very expensive, so at this time we don't have plans to have those MRI machines.

The nurses or doctors can usually diagnose, and the people know themselves if there are changes within their bodies. If they do encounter those uncomfortable feelings within their body they can go to the doctor or the nurses. If we get frequent headaches, something unusual that is happening in our bodies, then we can go to the health professionals.

As I stated earlier, they can have their blood drawn and be tested and the samples are sent down to a laboratory. In Rankin Inlet they will have a lab like that and another one in Cambridge Bay. So they can get early detections of the illnesses.

Back then they had to be shipped from the community. For example, in Repulse Bay if there was blood drawn it had to be sent to Rankin Inlet and be sent further down to Churchill or Winnipeg. With those health centres they will be able to make early diagnoses. For example, if they are getting tested for diabetes, then this can be very easily detected. Thank you, Mr. Speaker.

Speaker (interpretation): Oral questions. The Member for Iqaluit Centre, Mr. Tootoo.

Question 374 – 2(2): Change Fiscal Year End for Nunavut Arctic College

Mr. Tootoo: Thank you, Mr. Speaker. Yesterday in response to my colleague's questioning on the delay in the public accounts being tabled, the minister had indicated that one of the reasons for the delay is the different year ends in the Crown agencies and boards of the government. My colleague pointed out yesterday that the only one with a different year end was Nunavut Arctic College, which has a June 30 year end.

Last spring in public hearings on last year's Auditor General report, the lead witness for the government was asked if they thought it was a good idea to change the year end for the college. I will just quote from the transcripts from those hearings. It says, "It would help if the Nunavut Arctic College year end was changed to be consistent with the government." It goes on to say, "So the answer to your question, yes, it would help."

All the Crowns need to get their statements done. There is a June 30 deadline. Of course Arctic College, with the year end of June 30, it is impossible for them to get their statements done on time. As the minister indicated yesterday, and as they did in their response to the standing committee's report, their response says, "The government has reviewed the option of changing the year end to March 31. The government and Nunavut Arctic College do not believe that this change would be beneficial."

If I could just ask the minister why there seems to have been a change in attitude on changing the year end for Nunavut Arctic College? Thank you, Mr. Speaker.

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

Hon. Leona Aglukkaq: Thank you, Mr. Speaker. From what I understand of those discussions in the standing committee, the question related to the college was raised around reporting of public accounts.

Yes, it would be nice if the college had the same fiscal year as the other corporations in completing the public accounts, but in further review we have to also look at the role of the college. Their financial year end, ending on March 31, would affect the delivery of programs. It was deemed more important to try to stay with a fiscal year end that jived with program years.

So, in the middle of program delivery of, say, the nursing program, the college would have to do year end up to March 31 and then continue the program from April 1 on, in the budget year. So, it was very problematic in that sense. To stay at the year end of June was more in line with the mandate of the college.

Looking at it from the broader perspective of not just reporting the public accounts but rather the delivery and mandate of the college, it was deemed more appropriate to have a fiscal year end that matched with the school programs. Thank you, Mr. Speaker.

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

Mr. Tootoo: Thank you, Mr. Speaker. I thank the minister for that response. She had also indicated yesterday that we have been chronically late in not meeting our legal obligation to table those public accounts, as outlined in the legislation, and that they are taking steps to try and improve that. She indicated in her response that upon further review, in the role of the college it would interrupt the program delivery.

My question is, are the instructors of those programs the ones that are doing the financial and administration work of the college? Does the college not have its own administration staff that could do that accounting work while the courses were still going on. I don't believe that the courses would come to a halt while the administration staff did their work. Thank you, Mr. Speaker.

Speaker (interpretation): Ms. Aglukkaq.

Hon. Leona Aglukkaq: Thank you, Mr. Speaker. I didn't say that the programs would come to a complete halt. What will be involved in having two fiscal years in a college are two things. First of all, the division of finance at the college and the three campuses and the program delivery would have to report, at the year end of March 31, on all their activities, operations, and maintenance programs and then again in June when the program actually ended.

The programs that are delivered, the third party funding received by college, comes from organizations like the Qikiqtaluk Corporation or Kitikmeot Inuit Association or the government. The funding they receive is based on the programs. If we have a year end to March 31 and report on March 31 and then the next day continue and then produce another final report, it's time consuming.

Of course the programs continue to be delivered, but within the operations of trying to become more efficient in reporting and managing finances of each organization, it's better to have a structure where the financial year end is in sync with the delivery of programs. Thank you, Mr. Speaker.

Speaker (interpretation): Your second supplementary, Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Speaker. When the Minister of Education tabled the executive summary of the report that was done on the review of the college, and comments made by the Auditor General in the past, one could basically, if you read between the lines of the financial aspect of the college, say that it is in disarray and they had hard time keeping track of anything.

Mr. Speaker, my question is, if they are required to do their books up for a March 31 year end, and if they were required to also report for program funding at the end of June, one would think it would make that part of it much easier, because they would have from the beginning of the year until March already done and then they would just have to have April, May and June to complete, to make reports on the funding they received from third parties for programs. I think that is the overall scheme of trying to become more fiscally responsible and to tighten the accountability of the college.

The Minister of Education indicated that is they are trying to do, and it would work to that advantage and work towards that. Again, I would like to ask the minister if they can further review that and see if it something that would be considered. Thank you, Mr. Speaker.

Speaker (interpretation): Ms Aglukkaq.

Hon. Leona Aglukkaq: Thank you, Mr. Speaker. I just received a note from the Minister responsible for Nunavut Arctic College that there is a bursar, and there are three regional finance offices for the Nunavut Arctic College in the three campuses.

To respond to your question, I did say as part of my response yesterday that we are looking at all the Crown agencies in Nunavut, supporting legislation, policies, and practices to try and improve the reporting of public accounts as an ongoing effort.

This week, or perhaps Monday, I will be tabling the mandate letters for each of the Crowns. That will make it very clear across the Crown agencies what is expected of them for the financial reporting, program reporting.

Going back to your question, did we look at it? Yes, we explored all options in terms of whether to keep it at March 31 or a June fiscal year. Why report twice in one fiscal year? Is that responsible? We felt that to have a fiscal year end at June for the college was more in line with the mandate of the organization. To do two year ends in one year was not one that we favoured. This fiscal year end for the college will remain at June. Thank you, Mr. Speaker.

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

Mr. Tootoo: Thank you, Mr. Speaker. I think there is a little confusion. I am not looking at two different year ends. We are looking at one year end. That would be consistent with all the other Crown corporations and councils and the minister has indicated that the programs have to do another year end report for their third party funding. It is not a year end report, it is when the program ends.

I do not see why the programs cannot accommodate that; when they are done, they have to do a final report for a program anyway. It does not matter when the year end is, they still need to do that. Again, and I think by not looking...

>>Applause

... looking at trying to bring the public accounts in line and tightening up financial accountability at the college, it is kind of like an oxymoron if they are saying they are going to leave it like that and yet they want to try and improve the process.

If they would look at that and see if they would take a further review, then see if there really is a difference, because I think the programs have to do a report anyway, at the end of the program.

It is not the program instructors that are doing the reports or doing the stuff for the year end. It is the financial administration people that are doing that. I fail to see the rationale

behind that and maybe the minister could explain it a little more clearly. Thank you, Mr. Speaker.

Speaker (interpretation): Ms. Aglukkaq.

Hon. Leona Aglukkaq: Thank you, Mr. Speaker. Back in the 80s and early 90s when I sat on the college board, when it was one college at that time, there were problems with trying to deliver programs and, at the same time, report on those activities with the fiscal year end of March 31. The budget that we received overlaps between two fiscal years.

So, now, when we go for funding, we receive funding in the fiscal year of the college, which is June to whatever, and we report on that basis. Before, it was difficult because we had to report to March 31.

We received a program that started in December, we had to do year end reports at March 31 and then start a new program for April 1 on, for the remaining portion, and then complete another financial report and a program report, which is again included in another fiscal year's financial year end.

So, there are actually two year ends because it overlaps between a fiscal year; the year end of the program and a fiscal year end. So, we did explore that and when we put forth a change with the college, at the time, it was much easier to seek funding that was in sync with our financial reporting requirements.

The legislation that we have for Nunavut Arctic College is the same as the one in the Northwest Territories. Yes, we have issues around corporations and agencies filing their reports on a regular basis. The last seven years they have not met the timelines. We recognize that and we are trying to deal with that. Every year we have come closer to the month that they are legally required to report. But that will take time. We continue to work with them.

Yesterday there was a question that was raised about how in the Northwest Territories the reports are on time. The Northwest Territories has been in place for a long time, and we want to work and meet those targets as well in Nunavut. We will be working with the agencies, and the mandate letters will be distributed.

We are reviewing all the legislations and the policies of the Crowns. That will be an ongoing effort. We would like to try and improve and address a lot of the concerns that are being raised here, but it does not happen overnight. So, there are ongoing efforts and we are dealing with those issues regularly. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Oral questions. The Member for Nanulik, Mr. Netser.

Question 375 – 2(2): Update on School Bus Services for Coral Harbour

Mr. Netser (interpretation): Thank you, Mr. Speaker. I would like to direct my question to the Minister of Education. In January of this year the minister went to Coral Harbour and had a meeting with the district education authority, and the question from the DEA was to get a bus, because, of course, of the safety of the children. They had requested a bus at that time, and I would like to get an update from the minister in regard to their request.

Speaker (interpretation): Thank you. The Minister of Education, Mr. Picco.

Hon. Ed Picco: Thank you, Mr. Speaker. The community of Coral Harbour is the only community in the Kivalliq that actually does not have a bus available for the students. The member has been very vocal in the House on the issue, especially over the amount of snow and so on that has caused safety issues within the community for students to get to school.

Working with the Kivalliq regional office of the Department of Education, we put out an RFP for busing services for Coral Harbour. There was only, I believe, one submission. That has been reviewed and analyzed by the department to look at what opportunities are there to help with securing a bus.

At the same time we also need to look at the operation and maintenance costs of a busing service and ensure that there is a licensed driver in place. Thank you, Mr. Speaker.

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

Mr. Netser (interpretation): Thank you, Mr. Speaker. I would like to thank the minister for his response. If those are going to be the reasons to delay the acquiring of a bus, if there is no bus driver available, that would be most unfortunate.

Of course we have to make all those decisions before sealift arrives. Are we going to be able to have all those things in place so that we can get the bus on the sealift? Thank you, Mr. Speaker.

Speaker (interpretation): Minister Picco.

Hon. Ed Picco: Thank you, Mr. Speaker. We would be in a position this fall to have the bus service available for Coral. We're trying to determine what size of a bus is needed.

The issue around the licensing of the bus driver may be covered off by having a program in place, if needed, to train people on airbrakes and so on. In most communities, because of water trucks and so on, there are trained people on the ground.

The other issue is to look at the storage of the said vehicle. We're working with the hamlet in Coral Harbour to be able to store the bus during the winter months and so on. Those are the types of logistic work that need to be done. We're working with the DEA and, again, I would hope to be in a position as minister to be able to have something in

place for the people in Coral Harbour in 2005-06. Again, the bus purchase itself has to be part of the capital planning process for the government. Thank you, Mr. Speaker.

Speaker (interpretation): Supplementary, Mr. Netser.

Mr. Netser (interpretation): There is someone in Coral Harbour that has a business with garages. Under the government of the Northwest Territories, I know that Kugluktuk received a bus. Would we be able to be provided with a bus in the same way that other communities were provided with a bus?

Speaker (interpretation): Mr. Picco.

Hon. Ed Picco: Thank you, Mr. Speaker. Again, I think everyone realizes that there are some safety issues involved, and as I said, this community is the only one in the Kivalliq that does not have a bus service.

Right now, there are about five communities that have come forward to the department looking for help with busing. So, what we would like to be in a position to do, as a department, is to help facilitate that for the community. Again, many of our communities are getting bigger and they're spread out more. Ten years ago maybe there wasn't a need for busing, and now there is a need in the majority of our communities.

Indeed, I think it is a stated need in Coral Harbour, so we're trying to move forward on it. If the department was in a position to help purchase a bus, then the DEA would look after the contract of hiring the bus driver and working out the logistics in the administrative and the operations and maintenance costs side of it.

That's the position that we're taking, and the chair of the district education authority has been working closely with our regional office to help support that. Again, I hope to be in a position in the fall to be able to facilitate the bus service there. That is part of the capital planning process. The buses are in the capital plan. There have been other requests coming in from other communities like Kimmirut, for example, who are now requesting a bus. That's something that we're looking at. Thank you, Mr. Speaker.

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

Mr. Netser (interpretation): Thank you, Mr. Speaker. I am going to speak in English.

(interpretation ends) If someone decided to go ahead and buy a bus in my community for the school in Coral Harbour, would the Department of Education be willing to contract with this person to deliver the services? Thank you, Mr. Speaker.

Speaker (interpretation): Mr. Picco.

Hon. Ed Picco: Thank you, Mr. Speaker. I believe later today we'll have the opportunity to talk about sole source contracts. What the member was talking about was having a sole source contract in his community.

If for example, there was a contractor who actually purchased a bus that was conducive to the needs of the District Education Authority and was on the ground with it, then, Mr. Speaker, by all means, working with the District Education Authority we would try to access that opportunity within the community.

There isn't enough competition or business in any community to have three or four bus companies working, especially in our smaller communities. So, if there was a purchase of a bus, then Mr. Speaker, we would try to help out with the operations and maintenance costs and so on, to have that bus in place.

In the mean time, we have spoken with the District Education Authority to discuss if there is an opportunity for the Department of Education to move forward to help purchase a bus and then have the District Education Authority do the operations and maintenance. So, that's where the discussions are right now.

The RFP closed on April 22, I believe. I would hope to be in a position, in the next week or so to be able to better update the member as to where we are with the busing service and to try and have it in place by 2005-06. Again, it's part of the capital planning process. Thank you, Mr. Speaker.

Speaker (interpretation): Welcome, Mr. Kilabuk, to the Assembly.

>>Applause

Oral Questions. Member for Hudson Bay, Mr. Kattuk.

Question 376 - 2(2): Policy on Visitation of Patients

Mr. Kattuk (interpretation): Thank you, Mr. Speaker. I'd like to direct my question to the Minister of Health and Social Services. I have asked this question before but have not yet received a response. It was a little confusing.

There is a patient from Sanikiluaq who, along with their family, has been out of the community for health services in the South for some time. The family and the parents escorted and have been supervising their child at the hospital. Now, the patient is getting a bit healthier. I'm just wondering if there is a specific policy as to whether all of the family could be brought down South to visit the patient involved.

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

Hon. Levinia Brown (interpretation): Thank you, Mr. Speaker. Yes, I do understand the member's question. My colleague informed me of this situation a few days ago.

My staff is looking into this issue as to how they might be given support. In regard to whether there is a policy in place or not for this particular issue, the nurses and doctors are usually in charge of this. They have procedures and policies in place which they have to follow.

I do feel for the family involved. They have been at the hospital in the South for a long time. At the moment I am not able to respond to you, but once I receive all the information from my staff I will relay this message to you. Thank you, Mr. Speaker.

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

Mr. Kattuk (interpretation): Thank you, Mr. Speaker. If this is indeed like that, traditionally, if I can say, with relatives and families, it lessens the burden on the family and speeds up the healing process to a certain extent.

It's not going to be on a continual basis. This was not deliberate. At least if that person could see his or her family, because we have to consider that person. Once I meet with her I'll be able to get better clarification and understanding. Thank you.

Speaker (interpretation): Oral questions. Member for Cambridge Bay, Mr. Peterson.

Question 377 – 2(2): Update on the Gasoline Tax Issue

Mr. Peterson: Thank you, Mr. Speaker. I would like to direct my question to the Minister of Finance. We all know about the political situation in Ottawa these days. It's very tenuous. The government is hanging on by its finger tips. Significant amounts of federal funding may be at risk for Nunavut. Funding is critical in the future of Nunavummiut.

My question for the minister: can the minister update the House on what the situation is with respect to such initiatives as the transfer of gasoline tax revenues and the new funding promised under the Northern Strategy. Thank you, Mr. Speaker.

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

Hon. Leona Aglukkaq: Thank you, Mr. Speaker. The current situation is that the gas tax is part of the bill that is before the House, in the House of Commons, and that includes the bills related to childcare, the bills for the Northern Strategy, funding the gas tax, the revenues and changes to our formula.

That is all before the House, and we have been watching the federal politics, monitoring where they are at with that. Everything is at risk at this point in time. Should they vote against the bill, we are back to the drawing board. Thank you, Mr. Speaker.

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

Mr. Peterson: Thank you, Mr. Speaker. I thank the minister for that response. Could the minister tell the House when she last spoke with her federal counterpart, Finance Minister Ralph Goodale? Thank you, Mr. Speaker.

Speaker (interpretation): Ms. Aglukkaq.

Hon. Leona Aglukkaq: Thank you, Mr. Speaker. The last we spoke was shortly before his budget speech this year. Thank you, Mr. Speaker.

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

Mr. Peterson: Thank you, Mr. Speaker. I thank the finance minister. The finance minister made a comment that everything's at risk, and we're back to the table.

Can the finance minister tell the House if the Government of Nunavut has contingency plans in place in the case that events in Ottawa delay or cancel the new funding arrangements, and if so, what are they? Thank you, Mr. Speaker.

Speaker (interpretation): Ms. Aglukkaq.

Hon. Leona Aglukkaq: Thank you, Mr. Speaker. The funding that has been promised to us from the federal government, if passed, would be very good news for us. If it is not passed, then what we have internally to do is to look at all the programs designed with the assumption that this funding would be in Nunavut, so we would have to go back and reevaluate the programs and the priorities before implementing or delivering some of these programs.

The money that the federal government has allocated or assured would be with us, it is really dependent on how the opposition reacts to it. Should it not go forward, we will be re-visiting our financial books and looking at the impact of not receiving this funding in this fiscal year and go back to the drawing board of lobbying again with a new government or the old government, however this works out. Thank you, Mr. Speaker.

Speaker (interpretation): Your final supplementary, Mr. Peterson.

Mr. Peterson: Thank you, Mr. Speaker. It sounds like we are in a very serious situation as a government as events unfold in Ottawa.

Could the minister perhaps give us some idea of what initiatives or capital projects are scheduled, budgeted, in 2005-06 that are contingent on gas tax revenues? Thank you, Mr. Speaker.

Speaker (interpretation): Ms. Aglukkaq.

Hon. Leona Aglukkaq: Thank you, Mr. Speaker. As the members knows, we deal with the capital plans in September, October, so we have not made any commitments by community, as far as I know, for the gas tax revenue. That funding has yet to be voted in the House, in the federal government.

So, the normal capital planning process exercise is in place with our existing dollars, but no commitments have been made under the gas tax revenue sharing arrangements until such time as that money is our hands. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Oral questions. The Member for the High Arctic, Mr. Barnabas.

Question 378 – 2(2): Maintenance and Improvements to the Larga House

Mr. Barnabas (interpretation): Thank you, Mr. Speaker. I would like to ask a question about tabled document 121-2(2). This was tabled by the Minister of Health and Social Services in accordance to Mr. Arreak's line of questioning.

It became evident when we met in Ottawa that the term of the Norterra contract for the Baffin Larga House management is going to be over in three years, March 31, 2008.

We saw there were renovations required because there is a shortage of space in the kitchen and dining room and they need to get washing facilities in the rooms. Looking at all the improvements that are required, it will cost over \$2 million. That was determined by Norterra.

There was a request for proposal that will be released 12 to 18 months prior to construction. If Norterra is not going to be receiving the contract, and if the contract is given to another entity, Norterra will lose over \$2 million worth of materials to do the maintenance work on Larga House.

I was wondering what the Department of Health and Social Services is doing now. We still have three more years before the contract term is up. What is the department going to do about all the renovations that need to be done? Thank you, Mr. Speaker.

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

Hon. Levinia Brown (interpretation): Thank you, Mr. Speaker. I would like to thank my colleague for his questions.

This month, the stakeholders recently held meetings in regard to this issue. They are still using this contract but are making plans for the future. I will be able to provide you with additional information after their meetings. We go back and forth, and once I get definitive information, I will be able to inform my colleagues at the cabinet level. So, once I receive any new information I will inform the member. Thank you, Mr. Speaker.

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

Mr. Barnabas (interpretation): Thank you, Mr. Speaker. I would like to thank the minister for her response.

My question is, when we visited Larga House, it was evident that there are safety issues that we have to deal with. Patients who have just been operated on and some elders that are quite old need staff to supervise them over night.

Though I've discussed this issue with the minister, do we receive inspection reports from the inspectors? I think there are codes that have been broken including capacity codes. Do we receive reports so that we can make improvements on the issues that arise? Thank you, Mr. Speaker.

Speaker (interpretation): Ms. Brown.

Hon. Levinia Brown (interpretation): Thank you, Mr. Speaker. I would also like to thank my colleague. I would like to thank Baffin region for taking care of their region. They have been quite concerned about the lack of space.

Just recently, after the incident down South, the RCMP did an investigation and they wrote a report. I will be able to provide a copy of that report to you so that we can all have the same level of understanding. The building down there will have to meet all the codes in Ontario. I am aware of that and I would like to thank the member. Thank you, Mr. Speaker.

Speaker (interpretation): Your second supplementary, Mr. Barnabas.

Mr. Barnabas (interpretation): Thank you, Mr. Speaker. As we discuss the issue of where the maintenance is required, the building has room for improvement.

It will require additional costs from the Department of Health and Social Services to improve the dining room and they need additional washroom facilities, and especially the patients with physical disabilities have to be properly serviced. The building has to be up to code. We have been seeing some problems in regard to this issue.

I was wondering when you are going to be fixing up those problems before the three year term contract is up? Thank you, Mr. Speaker.

Speaker (interpretation): Ms. Brown.

Hon. Levinia Brown (interpretation): Thank you, Mr. Speaker. I also took part with my colleagues in a visit to the Baffin Larga House. I learned a great deal about the boarding home down there.

I agree with my colleague. Yes, the building is too small now. It is filled to capacity right away. The dining room is too small. The kitchen is too small. I have been told that they were going to enlarge the dining room but prefered to use that funding for something else.

We are doing a thorough review of the building and its contents. I will keep you abreast of all the developments. Thank you, Mr. Speaker.

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

Mr. Barnabas (interpretation): Thank you, Mr. Speaker. I am glad that the minister will be providing me with the information for Nunavummiut, especially the Baffin region.

We are already experiencing critical issues, especially in the Baffin region. In my riding there is a one-hour time difference with the South. Information, I believe, should be provided to the public, especially when the office is closed down South, about when the office is closed down South.

The First Air jet finally arrives in my constituency of High Arctic and from there it flies back down South. Usually it arrives in Ottawa at eleven o'clock at night, when it arrives on Saturdays. And then the unilingual Inuktitut speaking people and the elders without escorts never really know where to go unless they are told by the officials.

Perhaps we need to provide this information to the public, because we have a time difference. The flight is scheduled on Saturdays, and at times the drivers misses the patients and sometimes there is a lack of communication. I was wondering if you can improve the communications at this time? Thank you.

Speaker (interpretation): Ms. Brown.

Hon. Levinia Brown (interpretation): Thank you, Mr. Speaker. Your comments are very well taken. I don't have jurisdiction over the airline scheduling. Sometimes they arrive very late. That is one of the problem areas that we experience. I will look into that further. Thank you, Mr. Speaker.

Speaker (interpretation): Thank you. Questions period is over. Orders of the day. Item 7. Written questions. Mr. Tootoo.

Item 7: Written Questions

Written Question 031-2(2): Private Accommodation for Medical Travel Clients

Mr. Tootoo: Thank you, Mr. Speaker. My written question is for the Minister responsible for Health and Social Services. It has to do with private accommodation for medical travel clients.

- 1. For the following fiscal years, how many private accommodation nights were provided in Nunavut to: (i) patients and (ii) escorts under the Client Travel Policy?
 - a) 2003-2004
 - b) 2004-2005
- 2. For the following fiscal years, how many commercial accommodation nights were provided in Nunavut to: (i) patients and (ii) escorts under the Client Travel Policy?
 - a) 2003-2004
 - b) 2004-2005
- 3. For the following fiscal years, how many boarding home accommodation nights were provided in Nunavut to: (i) patients and (ii) escorts under the Client Travel Policy?
 - a) 2003-2004
 - b) 2004-2005
- 4. What is the average cost per night to provide accommodation in a Medical Boarding Home in Nunavut (e.g. Iqaluit's Tammatavik facility)?
- 5. Expressed as a percentage by month for the following years, how often are Medical Boarding Homes in Nunavut full and unable to accommodate patients and/or escorts travelling under the Client Travel Policy?
 - a) 2003-2004
 - b) 2004-2005
- 6. What were the total costs, by the following years, to provide accommodation nights to patients and escorts under the Client Travel Policy in: (i) private accommodation, (ii) commercial accommodation and (iii) Medical Boarding Home accommodation?
 - a) 2003-2004
 - b) 2004-2005

Thank you, Mr. Speaker.

Mr. Speaker (interpretation): Thank you. Written questions. Mr. Peterson.

Written Question 032-2(2): Nunavut Teacher Education Program

Mr. Peterson: Thank you, Mr. Speaker. My written question is for the Minister of Education and it concerns the Nunavut Teacher Education Program.

1. For the following school years how many graduates of the NTEP program were employed in Nunavut's schools as

- (i) instructors (ii) teachers, (iii) principals, (iv) other?
- a) 2000-2001
- b) 2001-2002
- c) 2002-2003
- d) 2003-2004
- e) 2004-2005
- 2. Since April 1, 1999, how many individuals have graduated from the NTEP program With a Teaching Diploma? With a Bachelor of Education Degree?
- 3. As of April 28, 2005, how many students are currently registered in the NTEP program and in what year of the program are they?
- 4. What percentage of teaching staff currently working in Nunavut public schools are beneficiaries of the Nunavut Land Claims Agreement?
- 5. What percentage of current beneficiary teaching staff are teaching in Grades 9 through 12?
- 6. What percentage of beneficiary teaching staff are projected to retire from the Nunavut Education system in the following years?
 - a) 2005-2006
 - b) 2006-2007
 - c) 2007-2008
 - d) 2008-2009
 - e) 2009-2010

Thank you, Mr. Speaker.

Mr. Speaker (interpretation): Thank you. Written questions Item 8. Item 9. Item 10. Item 11. Item 12. Item 13. Tabling of documents. Mr. Arreak.

Item 13: Tabled Documents

Tabled Document 129 – 2(2): Letter to Minister of Health and Social Services Regarding Funding for the Ilisaqsivik Society

Mr. Arreak (interpretation): Thank you, Mr. Speaker. I wish to table a copy of my letter to the Minister of Health and Social Services in regards to why we can't get a definite response on the operations of the Ilisaqsivik Society. Thank you, Mr. Speaker.

Speaker (interpretation): Please forward the document to the clerk. Tabling of Documents. Tabling of Documents. Item 14. Item 15. Item 16. Item 17, First Reading of Bills. Minister Okalik.

Item 17: First Reading of Bills

Bill 18 – Powers of Attorney Act – First Reading

Hon. Paul Okalik (interpretation): Thank you, Mr. Speaker. I move, seconded by the Member for Baker Lake, that Bill 18, Powers of Attorney Act be read for the first time. Thank you, Mr. Speaker.

Speaker (interpretation): The motion is in order. All those in favour. All those opposed. Abstentions. The motion is carried and Bill 18 has had first reading.

First Reading of Bills. Item 18, Second Reading of Bills. Mr. Okalik.

Hon. Paul Okalik (interpretation): Thank you, Mr. Speaker. I would like consent from my colleagues to waive the one day notice requirement to allow for second reading of Bill 18, Powers of Attorney Act. Thank you, Mr. Speaker.

Speaker (interpretation): The Minister is seeking consent to waive Rule 62(1) to allow for second reading. Are there any nays. There are no nays. Please proceed, Mr. Okalik.

Item 18: Second Reading of Bills

Bill 18 – Powers of Attorney Act – Second Reading

Hon. Paul Okalik (interpretation): Thank you, Mr. Speaker and my fellow colleagues.

I move, seconded by the Honourable Member for Baker Lake that Bill 18, Powers of Attorney Act be read for the second time. Mr. Speaker, this bill enacts a new Powers of Attorney Act to govern the use of powers of attorney for property and financial interests. The Act describes springing and enduring powers of attorney, and sets out rules and procedures associated with each type.

Springing or enduring Powers of Attorney can be effective even if the donor becomes mentally incapacitated. The Bill also contains consequential amendments to the Land Titles Act and the Public Trustees Act.

Merci, Monsieur le President.

Speaker (interpretation): Thank you. The motion is in order. To the motion. Are there any comments? Question has been called. All those in favour? All those opposed. Abstained? The motion is carried and Bill 18 has had second reading and is referred to Standing committee.

Second Reading of Bills. Item 19, Consideration in Committee of the Whole of Bills and Other Matters. To be reviewed are Tabled document 100-2(2), Tabled document 101-2(2)

and Tabled document 102-2(2), with Mr. Evyagotailak in the chair. We will recess for 20 minutes.

Sergeant at Arms.

>>House recessed at 15:20 and resumed at 15:51

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

Chairman (Mr. Evyagotailak): I would like to call the committee meeting to order. In the Committee of the Whole we have the following items to deal with: Tabled Document 100-2(2), Tabled Document 101-2(2) and Tabled Document 102-2(2). What is the wish of the committee? Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. We wish to deal with Tabled Document 100-2(2), the Government of Nunavut Leased Properties Report. Once we've concluded that document, we will review, concurrently, Tabled Documents 101-2(2) and 102-2(2).

Mr. Chairman, while members may have questions for all Ministers, we ask that senior officials from the Departments of Community and Government Services, Health, Economic Development and Transportation and Justice be ready to appear before this committee. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Peterson. Are we in agreement that we deal with 100-2(2).

Some members: Agreed.

Chairman: Thank you. Minister Kilabuk, do you have witnesses that you would like to bring to the witness table.

Hon. Peter Kilabuk: Yes I do Mr. Chairman.

Chairman: Sergeant-at-arms, please escort the witnesses.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. I'm glad to be here before you. It took a while, but I got here.

>>Applause

Mr. Chairman, in preparation for this Committee of the Whole appearance before you, I did not have any speaking notes to open, but having said that, as the Minister for Community and Government Services, I'm going to do something a little different here today, Mr. Chairman.

I'll ask my staff members to introduce themselves today. Thank you.

Chairman: Thank you, Minister. On your left, please introduce yourself.

Mr. Rich: Thank you, Mr. Chairman. Tom Rich, Deputy Minister, Community and Government Services.

Chairman: Thank you, Mr. Rich. And on the Minister's right...

Mr. Clark: Thank you, Mr. Chairman. My name is Chris Clark. I am the Director of Property and Asset Management for Community and Government Services.

Chairman: Thank you, minister. Welcome back to your second home. It's good to have you and your staff back. Mr. Rich, Mr. Clark, welcome.

Before we proceed I would like to remind the members of the following; according to Rule 77(1), you have ten minutes to speak and according to Rule 77(2), subject to the discretion of the chair, a member may speak more than once to the matter under discussion but not until every member who wishes to speak has spoken.

Are there any general comments? I have no members on my list for general comments. Are there any questions? Mr. Peterson, go ahead.

Mr. Peterson: Thank you, Mr. Chairman. I did not have my hand up initially. I wonder if he can read my mind. I was going to ask questions.

I thank the minister and his officials for appearing as witnesses. It is quite a lengthy lease document report here, a lot of leases. There isn't a whole lot of information other than financial numbers and the lease terms. I have some general questions and then will get into some specifics.

When do the leases for each of these properties expire? Can you be more specific, in terms, you said 20 years, 5 years, 20 years, but there is no indication of the specific years when the leases will expire. Thank you, Mr. Chairman.

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

Hon. Peter Kilabuk: Thank you, Mr. Chairman. Yes, we do have, in our notes, the number of years for those leases. I am more than prepared to respond to questions as to the length of the leases, depending on the specific questions from the members. Thank you.

Chairman: Thank you, Minister. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. Maybe I could talk about some leases in Kitikmeot. Last summer we went to Yellowknife with the Minister of Health to tour the Kitikmeot Patient Boarding Home. I was making some inquiries to the Deputy Minister in terms of when the Government of Nunavut will be entering into the lease for a new

boarding home in Yellowknife. Or, perhaps building a new boarding home facility in light of the new Kitikmeot House facility that is opening in Cambridge Bay this year. There's going to be a boarding home constructed there.

The Deputy Minister told me that the lease on the boarding home in Yellowknife expires in four years. They were going to monitor the increase or decrease in medical ambulances and patients going to the Kitikmeot Boarding Home in Yellowknife to determine whether they would let that lease expire or renew it or lease a new building.

I just thought that you could shed some light on how you go about contacting owners of buildings about whether you are going to renew a lease. It becomes a bit more critical in Nunavut because if the lease was to expire, say in 2006, in a particular community, and if there is not a lot of commercial space in town that limits the government's options. It can be forced to either renew that lease. Or, with a lot of lead time, they could put a tender out so that other contractors can have a chance at bidding on a contract, and if successful, construct more commercial space.

I was just trying to get a sense of how the government goes about monitoring their contracts for commercial leases and going about renewing, both in the sense of the operations outside of Nunavut and the operations within Nunavut. Keep in mind the barge deadlines and materials cut off deadlines for ordering materials and so forth. Thank you, Mr. Chairman.

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

Hon. Peter Kilabuk: Thank you, Mr. Chairman. In response to my colleague's questions there are a number of factors that the department will review before the leases are up. First as to ensure that proper planning is considered as part of the process to see if such a facility needs to be included in the capital planning process. That usually occurs a number of years before the leases expire, on the long-term leases.

The review also, another point, is that the department reviews to ensure that the funds identified for such a contract are being put into good use. So that is mainly a couple of things that takes place before the leases expire. The department will consult with the appropriate departments depending on which leases those are. Thank you, Mr. Chairman.

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

Mr. Peterson: Thank you, Mr. Chairman. Thank you, Mr. Minister. It is quite a significant investment for developers of commercial space in the smaller communities in Nunavut. How would you give an opportunity or lead time for those developers to develop office space or commercial space for government operations? You will probably have to provide them a year to two lead times. I am just thinking common sense-wise. Could the minister comment on that? Thank you, Mr. Chairman.

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

Hon. Peter Kilabuk: Thank you, Mr. Chairman. In a number of cases that I have been involved in reviewing lease contracts and the process, there is recognition that Nunavut based establishments that are now getting into leasing property, again, are also on a sharp learning curve.

Some of the questions that we get from them are if special cases can be given to them prior to the leases having expired but in most cases the contract leases will be given out as notification to expire in advance in those communities and others.

The new property owners that are coming out are also being shared information that will help them to prepare for future years. Thank you, Mr. Chairman.

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

Mr. Peterson: Thank you, Mr. Chairman. Thank you, Mr. Minister. Again, this is a long list here and I am not sure how to deal with all of them. I am curious to know which of the leases on your two pages were leases that were inherited by the Government of Nunavut on April 1st, 1999, and which ones were entered into after April 1st, 1999? Would you have that kind of information available? Thank you, Mr. Chairman.

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

Hon. Peter Kilabuk: Thank you, Mr. Chairman. If you will allow me, Mr. Chairman, I will get Mr. Clark to respond to that question. Thank you, Mr. Chairman.

Chairman: Go ahead, Mr. Clark.

Mr. Clark: Thank you, Mr. Chairman. The number of leases that we inherited before 1999, of the 59 leases, 30 of those leases were inherited from the government previous to 1999. Thank you, Mr. Chairman.

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

Mr. Peterson: Thank you, Mr. Chairman. It's 50/50 almost. Is the government currently considering terminating any of those 59 leases or the 30 leases that they inherited. Thank you, Mr. Chairman.

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

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Chairman. I have a very short response. Yes, Mr. Chairman. Thank you.

Chairman: Thank you, minister. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. Can the minister be more specific and tell us which leases they are planning to terminate. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Peterson. Minister.

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Chairman. Can he clarify his question? At this time, we cannot really disclose which leases we will be terminating until they expire. We are looking into this at this time. Thank you, Mr. Chairman.

Chairman: Thank you, minister. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. Thank you, Mr. Minister. I guess to be more clear, when I was asking about terminating commercial leases, can you give us an indication of why you would terminate a commercial lease. Thank you, Mr. Chairman.

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

Hon. Peter Kilabuk: Thank you, Mr. Chairman. If you will allow me, I will get Mr. Rich to respond to that question and to speak to the review and the participation he's had on this file. Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Rich.

Mr. Rich: Thank you, Mr. Chairman. There are generally several reasons that a lease may not be renewed. One is the space may no longer be needed because other space has been found for the department or for the occupant because we've been able to combine spaces or because there has been some shifting around.

The second reason would be that there is a cost issue where we've determined that there is a suitable space at a lower cost perhaps in an existing government building. The third reason may be that we want to go to another tender or Request for Proposal to see if we can get a better deal or more space. That leads into the fourth reason which is in fact we may need more space than the existing space provides, so we may again go to the market where we want to tender or do an Request for Proposal to increase the space in which that current landlord may in fact want to bid on if they have space or that current landlord may not have sufficient space. Thank you, Mr. Chairman.

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

Mr. Peterson: Thank you, Mr. Chairman. Thank you, Mr. Rich. We're talking about terminating leases when they expire, but are there any commercial leases where you might be in a position to buy the facility rather than having to go out to tender. Thank you, Mr. Chairman.

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

Hon. Peter Kilabuk: The short answer to that, Mr. Chairman, is yes. Thank you.

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

Mr. Peterson: Thank you, Mr. Chairman. We're getting a lot of short answers today. The Government of Nunavut is decentralized across Nunavut, and that's probably a very complicated process, but when you're putting together a plan, do you take into account an overall space requirement for all your employees in terms of how many employees are in a community.

Do you have a general plan so that it's not a hodge podge type of thing? Do you know what you need in terms of looking between five to ten years in advance. I know that we talked during our main estimates session about 3200 employees in total. We're at 80% capacity right now in terms of all the young employees hired out there. But, if we had a 100% capacity, do we have enough space for all the employees, all the vehicles, all the other warehousing? Do we have an over all plan in that regard? Thank you, Mr. Chairman.

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

Hon. Peter Kilabuk: Thank you, Mr. Chairman. The plan is being updated right now. Further to my colleague's comments regarding the space, if they are adequate for the number of staff. These leases will be based on the needs, and also expected goals for the occupants in particular, under certain leases, so those things are considered. You're given serious consideration on approval. Thank you, Mr. Chairman.

Chairman: Thank you, Minister. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. Thank you, Mr. Minister. Does the government have a space requirement for a contractor wanting to build, if they're designing a building or if they're buying a building or if they're leasing a building? So much space for a minister, so much space for that minister, so much space for the director, and so on and so forth, down to a secretary.

Every employee is required to have a minimum amount of work space, I think for a safe work space, healthy work space, and all the other stuff that goes with it and maintaining a good environment for the staff.

When you're leasing space or designing it or buying it, do you take all those factors into account? Thank you, Mr. Chairman.

Chairman: Thank you Mr. Peterson. Minister?

Hon. Peter Kilabuk: Thank you, Mr. Chairman. Yes, there is a space guideline that is used, but I'll trade my office with my colleague any day, even the space of my office. Yes, those things are considered. Thank you.

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Chairman: Thank you, Minister. Mr. Peterson. Does any of the committee have any questions to the minister? Mr. Curley.

Mr. Curley (interpretation): Thank you. I have a question to the minister and the deputy in regards to the contract policy.

When I read it, it identifies the categories and the tender mode. In the next report, are we going to be able to see a draft of which one of the tender modes used is the biggest, and there seems to be more sole source then any of the categories, even though in the contract policy, it states that if it's going to be over 25,000 and the contracting modes there seems to be more, in what I'm reading anyway.

The engineering, especially in the construction, there's more sole sources then any other categories.

For next year, can you show us, at the next reporting, stage in draft so that we can see which ones are being used more? Thank you, Mr. Chairman.

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

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Chairman. You have in front of you, this is the first time we've made an appearance before the committee of the whole in regards to the contracts and leases.

We have tossed around some ideas on how we can make reporting to the Assembly. Possibly because this is the first time that we are making an appearance it has been quite hard to compile the data. Right now all the data information is up-to-date.

In regards to my colleague's question, we will, of course, take into consideration anything that would show the trend or the mode of what is happening on this issue. Thank you, Mr. Chairman.

Chairman: Thank you, Minister. Mr. Curley.

Mr. Curley: Thank you, Mr. Chairman. Won't the Deputy Minister as well comment on why the mode I believe the social services contract procedure mode, use quite a lot when in fact the policy does say that anything above \$25,000 should be considered for public scrutiny.

When you look at all of these sole sourced contracts, a whole slew of them are pretty well over \$25,000 amount, even with engineering and other services. I am not at all questioning the transportation contract.

What determines the officials in the government to use the sole sourced when it is far exceeding sole sourced limits, which the contract policy allows you to do that. Maybe the

Deputy Minister can give an explanation to the Committee as to why that procedure is mostly used?

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

Mr. Rich: Thank you, Mr. Chairman. Generally there are three types of reasons that we use for doing a sole sourced contract. One is there is a time issue where there is insufficient time to do a regular contract. We try to avoid that by pre-planning, but there are times where there may be a sealift deadline, there may be something where it is not possible to do that.

The second is there is an actual emergency. A good example would be there is a problem with the water system in a community, where the water system has gone down, and we need to do urgent repairs on that.

The other is there has only been determined, usually by past history, that there is only one firm capable of doing the work. In those cases it is done. We work closely with our client departments on that, because we are the contracting agency for the department.

There is a justification form that has to be filled out every time a sole sourced is done and it requires approval by the deputy minister of the department. Thank you, Mr. Chairman.

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

Mr. Curley: Thank you. Looking at the contracts with respect to consulting services is really quite something else. I counted over 25 contracts out of a possible 34 contract in total, including all the IPRPs and not any one of the consulting contracts were publicly opened, other than a request for proposal, which pretty much is restricted consulting. RFP is pretty well, I don't know whether it is an invitation. IPRP, I don't know what that stands for.

Could you explain properly to the committee why would the consulting services with the amounts that we looked at here, anywhere from \$25,000 to the maximum \$700,000 for digital healthcare solutions.

The sole sourced avenue would be used for significant, large amounts. Are you not getting a little bit chummy with some of your buddies in the consulting field? Deputy Minister.

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

Mr. Rich: Thank you, Mr. Chairman. I cannot speak to many of the contracts here because they're for other departments so I wouldn't have the specific knowledge.

I can give you some general knowledge on consulting services contracts. First of all, there are not a huge number consulting services contracts in terms of the total of 11

thousand total roughly, contracts that we do. Consulting services is where we do run into unique conditions that often happen when a particular knowledge is required of a particular set of circumstances and in some cases it can be emergency situations.

In most cases it's a particular specific knowledge that is required of a specific situation that suggests a sole source contract. There is always a delicate balance to be made when deciding on a sole source contract as opposed to a request for proposal or a tender process.

It is also not appropriate or fair to do a tender or a request for proposals process if you know that other people are simply not going to qualify for it because you have such very specific requirements in order to do the work or because the work has to be done so urgently.

So, one would need to look at each of the circumstances to see whether or not it was a very urgent situation that required a sole source contract to be done very quickly or whether it was very specific in particular knowledge, unique to Nunavut or the situation that it was required. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Rich. Mr. Curley. Tabled document 100-2(2), please refer your questions to Government of Nunavut leased property. Thank you. Mr. Curley.

Mr. Curley (interpretation): Thank you, Mr. Chairman. That's exactly what we're doing on page 6 of the report.

Procurement and contracting reports of standing committee 2003/04, I'm looking at for instance the sports and recreation consultant. I would think that is quite competitive throughout Nunavut. Community and Government Services, using soul sources as a provision, contracted Kimberly Westlyshin.

Could you explain exactly how that is initiated. How is it justified. Who signs onto it and who decides if a sole source is the route to go. Is it the manager who needs the services or does the deputy at the final end because \$130 thousand is probably at a middle-management range where the Deputy Minister would probably have to sign onto that.

What rationale do you use for agreeing with such an individual manager that wants \$120 thousand for a Sports and Recreation consultant. I would say that's a pretty competitive field in Nunavut.

Chairman: Mr. Curley, we're dealing with Nunavut leased properties and it's tabled document 100-2(2). We're dealing with this first. Please keep your questions to the leased properties please. We'll be dealing with the other two later on. Okay, Mr. Curley. Go ahead.

Mr. Curley (interpretation): Could you let me know exactly when is when. Thank you.

Chairman: Mr. Curley, we're dealing with tabled document number 100-2(2). That's the one we're dealing with right now. It's the Government of Nunavut Leased Properties. Mr. Curley.

Mr. Curley: Thank you. I'll reserve my questions for later then, when we come to that document. Thank you.

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

Mr. Netser (interpretation): Thank you, Mr. Chairman. Perhaps I am mistaken. Are we dealing with the requests for proposals at this point or am I mistaken.

Chairman: Thank you, Mr. Netser. Mr. Peterson had already mentioned that we'll be dealing with Tabled Document 100-2(2), Government of Nunavut Leased Properties. That's the one we're dealing with. Mr. Netser.

Mr. Netser: Thank you, Mr. Chairman. Please wake me up when you have moved onto the next one. Thank you.

Chairman: I apologize. We will be dealing with the other two later on after we deal with this Government of Nunavut Leased Properties. Do you have any questions to this document. Thank you. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. Mr. Chairman, I will ask questions on Tabled Document 100-2(2), Leased Properties.

Mr. Chairman, I know the Minister and his staff commented earlier that the expiry dates or the years left on a lease is information that they had with them. Would they be willing to provide that information to us as well. When we are looking at these, some of them have anywhere from 20 years, 10 years, 5 years, 15 years.

We have no idea when those leases came into force and when they are going to finish. Will he provide us with that information, if they have it there. It's something that can be done very quickly. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Tootoo. Minister.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. I am on bit of a situation with this information because of advice from Justice on this very question. However, having said that, Mr. Chairman, I am more than prepared to share this with my colleagues, one on one, if you will allow me, Mr. Chairman, to look at specific leases and the years under those leases. Thank you, Mr. Chairman.

Chairman: Thank you, Minister. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. Mr. Chairman, why would it be such a big secret when leases are finished.

It says on here that the term of the lease is 20 years and it tells you who it is with and it tells you where it is and it tells you how much it is.

What is so secret about the start and finish date on these leases? I am very curious to hear what kind of rationale Justice gave you in determining that this information should not be made available to the public with respect to these documents. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Tootoo. Minister.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. In the communiqué with the department, the rationale that was given was because of the competitive nature and process of the particular leases. That advice was given by the Department of Justice. Thank you, Mr. Chairman.

Chairman: Thank you, Minister. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. If it is for competitive reasons, you would think that you would want people to know, so that they can have the opportunity to compete for a lease on a facility where a lease by the government is running out. They will not have anyone else except for the person who has lease, and the government is not going to know when it is going to expire.

So how can that add to the competition? It is more of a secretive deal is what it looks like so, again, I do not see how that has anything to do with why that information should not be out there and I think that it should be. Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Tootoo. Minister.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. My apologies to my colleague if I had misunderstood his earlier question. No, I'm more then prepared to give my colleagues the information of end dates for these leases. Thank you, Mr. Chairman.

Chairman: Thank you, Minister. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. Sorry to make it confusing, does the minister have that information now? I think that would be some interesting information, tweak my interest as to when some of these leases are expiring before I go asking wasting time questions on something that may not be an issue, depending on when the leases expire. Is that's something he can get for us right away? Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Tootoo. Minister.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. We do have that information, but I don't believe we have copies with us.

If you require, we can try and work fast to get these to my colleagues who are on the table. Thank you, Mr. Chairman.

Chairman: Thank you, Minister. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. I'm sure the minister's staff is listening right now and someone's coming down to get a copy, so they can make copies for everybody, if the staff could do that for you.

The follow up on questions from my colleague from Cambridge Bay, when these leases are going to expire, regardless of what they are, within five years or one year, how does the government look at whether or not they are going to renew this lease? Are they going to build their own facility? What other options are out there? What are the time lines prior to a lease coming to an end, looking at those options before a decision is made? Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Tootoo. Minister.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. In planning for renewal of existing leases or terminating leases, the renewal process usually begins about a year before the lease expires. The planning process for renewal of expired lease begins two to three years before the lease expiry. The planning process for the placement of a lease with a new property would begin five to seven years before the expiry of the lease and also be tied into the multi-year capital plan. Thank you, Mr. Chairman.

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

Mr. Tootoo: Thank you, Mr. Chairman. As the minister indicated, if they're looking at replacing or building their own facility or renewing or going out tender for lease facilities, then that's something that is done, usually decided anywhere from two to seven years ahead of time, is that correct? Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Tootoo. Minister.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. Yes, it is, and when the department reviews these leases and also ties in with the capital plan, analyses are also done to determine whether it would be more beneficial to build and own an office, or to continue leasing for the Government of Nunavut. Thank you, Mr. Chairman.

Chairman: Thank you, Minister. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. What kind of information is looked at in that analysis and is it the staff that do that analysis and make a recommendation to the

minister? Is it the minister who decides on it, or is it something that goes to Cabinet for approval? Thank you, Mr. Chairman.

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

Hon. Peter Kilabuk: Thank you, Mr. Chairman. For leases worth \$1 million or more, they require cabinet decision, but if you allow me, Mr. Chairman, I will get Mr. Rich to outline the process leading to the final result of that review. Thank you, Mr. Chairman.

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

Mr. Rich: Thank you, Mr. Chairman. Obviously when we're looking at renewing leases, we're looking at a number of factors on the lease.

It is a delicate balance between the capital budget that is available and the lease budget that is available. One looks at the suitability of the existing space and whether it makes sense to keeping that space because it's suitable and the growth patterns of the department where the new space is needed, so forth and so on.

Obviously the capital budget is a large factor in it because replacing the lease with a capital construction project means that we need different types of funding to do that. So, we work closely with our client departments on those particular issues to see what in fact will be the best choice to make.

When we're looking at most, what I'll call smaller leases, ordinary leases, the renewals on them is often fairly routine. It is when we get to the large expensive leases that they are called into question. As the minister said, those were the ones with a value of over \$1 million dollars with a multi-year lease that go to cabinet.

They would go to cabinet with a recommendation that looks at what the alternatives are. If we anticipate looking ahead in that five to six year horizon, that there may be an opportunity for government to move away from an expensive lease into a capital build project, then we would work with the Department of Finance in particular to do an analysis on that, to do a costing of the project and to present a proposal as part of the capital planning process because if we can't get the capital funds then there really is no other alternative, other than to lease the property.

So, that would be done several years ahead because of the lead time that is required for capital construction projects. In the last couple of years, we've not faced a lot of those situations where we've had to do that sort of analysis. Certainly looking five to six years down the road with some of our leases maturing we will be coming to that positions where we will be able to look some of those leases and look at what the alternatives are. Thank you, Mr. Chairman.

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

Mr. Tootoo: Thank you, Mr. Chairman. According to the government's own policy, and I'll quote from it, it says, leasing should impose no greater cost than outright purchase and any exceptions must clearly identify tangible benefits arising from the lease that offset the additional costs.

I'm sure the minister will recall in the Auditor General's 2001 report, there was one lease where they reported the cost was 50 percent higher than it would have been to build the building. I'm just wondering how many other leases that we've entered into since then that the Government of Nunavut is paying more than it would have cost to build that actual facility. Thank you, Mr. Chairman.

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

Hon. Peter Kilabuk: Thank you, Mr. Chairman. I am going to have to refer that question to Mr. Clark, if you'll allow me. Thank you, Mr. Chairman.

Chairman: Thank you. Mr. Clark.

Mr. Clark: Thank you, Mr. Chairman. The building being referred to as being 50 percent higher than what we should have paid for, if you're referring to the building that we did purchase, in that case, we resolved that issue.

I'm not aware of other leases that we've entered into where that kind of situation exists.

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

Mr. Tootoo: Thank you, Mr. Chairman. I'll clarify my question. I'm sure Mr. Clark answered it correctly, but I just want to rephrase it to make sure.

My question was not specifically to that one lease that was identified by the Auditor General but have we entered into any other leases in which we are paying more than it would have cost us to build the facility, not any more that were fifty percent more but any more that were more than it would have costs us to build the facility? Thank you, Mr. Chairman.

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

Mr. Rich: Thank you, Mr. Chairman. Yes, there are one or two leases that one could identify where one might have built a building over the course of, let's say ten or twenty years. That would have been roughly the same cost or been slightly less than the cost of the lease.

However, the equation is complex. One needs to make sure whether one is comparing net or gross lease and the other costs that are factored into it. One needs also to look at the fact that a premium is in fact allowed for generally in leasing. One knows that you do pay for the privilege of leasing.

In the past the federal government, for instance, has identified fifteen percent as a premium level that they accept to lease, as opposed to purchase, as long as there is some benefit to doing that.

There are times when government simply does not have the capacity to build a building. A number of the leases that were entered into for long term were done prior to Nunavut becoming a territory, or entered into by the previous government. In some cases we really are not privileged with the information of why those leases were entered into.

Certainly, we can state that we analyze those very carefully now, particularly before entering into long, ten or twenty year leases, to see whether or not the purchase option is an option.

The other issue is the emergency issue, that I mentioned before, sometimes it is something that happens, particularly of the government that has been building rapidly and taking form rapidly, as the Nunavut Government over the last six to seven years, which does require buildings to be acquired sometimes in a faster fashion than you can simply can construct the building to house the people that you are hiring. Thank you, Mr. Chairman.

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

Mr. Tootoo: Thank you, Mr. Chairman. When I go through this list and there are a number of long-term leases, I think there are 14 twenty year leases on there, I think it wouldn't be fair to blame this government for being saddled with some of those leases. Some of those are no doubt carried over from the Northwest Territories' Government.

The biggest one that really jumped out at me, and I asked the minister in the House, is for Government of Nunavut leased property in Cambridge Bay over a twenty year lease period would have cost us over \$22 million for that lease.

My first question on that is when that particular lease expires? Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Tootoo. Minister.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. The information that I have for the expiry of that lease is 2006. Thank you, Mr. Chairman.

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

Mr. Tootoo: Thank you, Mr. Chairman. Is that building, as they are paying \$22 million for a building over twenty years, that probably costs anywhere from \$5 to 7 million to build in the first place; are we going to own it after the lease is done? Thank you, Mr. Chairman.

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

Hon. Peter Kilabuk: Thank you, Mr. Chairman. No, we will not own the building at the end of this lease. Thank you, Mr. Chairman.

Chairman: Thank you, minister. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. After Mr. Rich's earlier comments I might not be able to get a response to this question, but I am going to ask it anyway. What accounts for the higher costs of that lease? Why, when you look at it, it's \$1.1 million a year. Why is that one so much higher than all the other ones that are there? Thank you, Mr. Chairman.

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

Mr. Rich: Thank you, Mr. Chairman. Yes, I guess you will hear a similar answer. That was a lease entered into 1996 and I really don't know the reasons for that. I suspect we likely share with you an interest in finding out some of the reasons. Thank you, Mr. Chairman.

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

Mr. Tootoo: Thank you, Mr. Chairman. If we were betting men, my bet would be that we'll never find out the real reason why.

When the minister and the staff had indicated earlier in major leases like this that come up, I'm pretty sure I know which facility that is in Cambridge Bay, I believe it was a facility that houses the government offices there that some portion of it was closed down, they had to get the health inspector to close it down because of mildew or mold or something and they had to clean it out before they can let people go back into the work place.

But if that lease is expiring in 2006, maybe the minister could explain what work has been done to look at the analysis for this, whether to renew the place or build on these. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Tootoo. Minister.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. I'm not sure if I understood my colleague's question clearly enough, but the analysis on this lease began in 2002, after the transfer of responsibility to headquarters. The result was arbitration hearing that concluded November 2003, and the arbitration ruling favoured the government's value for money arguments on this particular matter. Thank you, Mr. Chairman.

Chairman: Thank you, Minister Kilabuk. Mr. Tootoo, your time is up, if you have any further questions I will put your name down once the other members have finished their questions. Mr. Curley.

Mr. Curley: Thank you. I think I'm on the right track now. One of the summaries of the government report, I don't know whether if this one was tabled or not out of the 227 large contracts which I assume, I'm not sure if they were part of these. At least, of the other contractors are unsatisfied that out of 227, 135 contracts without competitive bid process.

On the list of all the leases that you submitted, there is no indication on what mode of contract procedure was used.

Could the minister or his staff explain, understanding that not all these are Government of Nunavut directed, we're not sure exactly which ones were Government of Nunavut directed or initiated, why there's no description of which general mode of contract procedure was used, to the committee? Thank you.

Chairman: Thank you Mr. Curley. Minister Kilabuk.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. The information that I have, they were all under RFP except for six, but I will get my deputy minister, Mr. Rich to respond further to this question. Thank you, Mr. Chairman.

Chairman: Thank you, Minister. Mr. Rich.

Mr. Rich: Thank you, Mr. Chairman. Yes that information is correct. All but six of the 59 leases were done by tender or RFP and six of them were not. Thank you, Mr. Chairman.

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

Mr. Curley: Of the leases that are currently before us that we're dealing with, any of those leases, was a sole sourced arrangement used in any of these leases that the Government of Nunavut currently have for the private companies? Thank you.

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

Hon. Peter Kilabuk: Thank you, Mr. Chairman. Yes, the six I was just referring are those that were sole sourced. Thank you, Mr. Chairman.

Chairman: Thank you, minister. Mr. Curley.

Mr. Curley: Thank you. I am generally in support of the private sector involvement. I do believe the government has a responsibility of crown construction, but at the same time a crown construction would take almost 100 years, I think, to catch up with the facilities needed Nunavut.

In my view, involving the private sector is really quite important.

Could the minister or his staff indicate to us whether or not the division that he has in Community and Government Services has the ability or the capacity to analyse and look at options for financing private deals.

Do you have a particular real-estate group or do you refer all these matters to the financial office. Are you satisfied that your staff has that capacity to really deal with a private real-estate P3 type projects. Thank you, Mr. Chairman.

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

Hon. Peter Kilabuk: Thank you, Mr. Chairman. I'm going to get Mr. Rich to further elaborate because he has direct involvement in the process. So I'll ask him to explain that for my colleague. Thank you, Mr. Chairman.

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

Mr. Rich: Thank you, Mr. Chairman. In answer to your question, the Department of Community and Government Services works closely with the Department of Finance on those issues, as is characteristic of most government departments.

I'm confident of the capabilities of the staff that we have within the department. We have a small section on property management with a wealth of experience in that field. For the financial analysis aspect, which is particularly the issue that comes in P3 projects, we rely quite heavily on the Department of Finance.

We are fortunate, in the Department of Finance, of having one or two individuals who have some rather substantial experience in similar sorts of projects in previous careers in other jurisdictions. And then, where necessary, we call on outside consulting services to give us additional analysis when it becomes necessary.

One of the things, having had some experience myself with P3 projects in previous lives, they are complex, you're absolutely right. They do require a depth of analysis to them, when one gets involved in them. And we borrow quite heavily on the expertise even of other jurisdictions when we're confronted with unique projects. Thank you, Mr. Chairman.

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

Mr. Curley: Thank you. The reason I'm asking that is because I think if the department were to have a group that specialized on all the real-estate, capable of analysing and doing proper cost evaluation, you wouldn't have to be relying on three different departments to try and put all the facts together. I'm not saying to exclude them from their involvement, but I'm never 100 percent sure whether that technical capability is there.

When the Auditor General says your costs are two times higher or 50 percent more than some projects, I'm not really sure what value she is using to evaluate costs in Nunavut, whether she's using the same procedure as she would use for Toronto, for instance. To date, I don't believe this committee is 100 percent satisfied that the ability to establish and evaluate property and construction analysis, including long term capital requirements of all these projects is really in one division.

I believe you are really going to need that because we will still require private sector involvement to build infrastructure in Nunavut. I don't think we're going to be frightened off from allowing the involvement of the private sector, provided that there is a public process involved.

Could the minister maybe have himself, or his officials assure this committee that there may be room for improvement. If so, why wait until later to bring that expertise in? Thank you.

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

Hon. Peter Kilabuk: Thank you, Mr. Chairman. I do agree with my colleague that there is room to improve. As a matter in my comments earlier, we know that we are just presenting this to the Committee of the Whole here today. It is a learning experience for us. After having been the Minister of Community and Government Services, after there were some re-alignment of departments.

I have to agree that it would be nice that if we could get our own group to look at the leases and find areas where we can improve. At the present time because of our budget and limited staff, we are not able to meet that, but it is definitely an area that we can see improving in the coming years. Thank you, Mr. Chairman.

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

Mr. Curley: Thank you. I also would like to hear from the deputy minister or any other officials. Could the deputy minister explain to us whether or not that improvement may be needed in his department in order to satisfy that cost analysis and evaluations are solid and professional? Thank you.

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

Mr. Rich: Thank you, Mr. Chairman. I am confident that the analysis that has been done over the last year on one or two projects, and we have not had to do a large number of project analysis, has been good.

I do agree that as we look forward, and as government continues to grow, and as our properties mature, also as we look at our capital construction program, there is likely a

need to increase the resources that are available for the combination of capital planning and property management. Those are often dealt with in a joint fashion.

As this government matures and as funding becomes available to look at those areas, its an important area to address to ensure that we have the top expertise to manage the projects, both from a capital standpoint and a lease standpoint. Thank you, Mr. Chairman.

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

Mr. Curley: Thank you. The reason I am presuming that is business is because in view of the fact within the year 2000 I think that things have changed quite a bit. The financing deals and arrangements with the financial institutions have significantly changed to that effect. So they rearrange all their resources and personnel to be able to.

I am quite supportive of the lease to own facilities and so on, with the government, because I don't believe that the government has the financial resources to crown construct, only to provide public infrastructure; housing; or office complexes. We will never catch up.

Normally the homeowners don't have 100 percent cash to own a home in Nunavut so we mortgage them. Similarly I am in support of this kind of arrangement for public infrastructure, including office buildings, and so on.

Having said that, I am going to ask you one last question that I have here, really with regard to the three regional hospitals that are being built. Are you getting close to deciding which mode; whether you are going to buy them out; or are you going to enter into long-term leasing?

If so, are you currently negotiating with them to conclude those before the keys are turned over to you, or are you going to negotiate even after you have been given the keys to open the doors to the public? Thank you.

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

Mr. Rich: Thank you, Mr. Chairman. No, we are making decisions on that prior to the keys being turned over. A decision has been made on one property, the second property is being built directly by Government so the option for the decision is not there, and discussions have started with regards to the third property. Thank you, Mr. Chairman.

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

Mr. Tootoo: Thank you, Mr. Chairman. The minister's last response really intrigued me. He indicated that they first started looking at that lease in 2002 and then it ended up going to arbitration, and the arbitrator ruled in favour he said in November 2003.

I'll just ask him if he could explain, what happened, what was looked at, and why did it have to go to arbitration to start off with. Thank you, Mr. Chairman.

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

Hon. Peter Kilabuk: Thank you, Mr. Chairman. Well, that stems from concerns regarding over payments and the high cost which led to the arbitration period, Mr. Chairman. Thank you

Chairman: Thank you, Minister. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. Can the minister be a little more specific? Thank you, Mr. Chairman.

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

Hon. Peter Kilabuk: Thank you, Mr. Chairman. For more specific responses, I'll have to refer to my deputy minister because that's as far as my notes go. Thank you, Mr. Chairman.

Chairman: Thank you, Minister Kilabuk. Mr. Rich.

Mr. Rich: Thank you, Mr. Chairman. Arbitration proceeding are typically confidential and this one was confidential so I can't go into too much detail, other than to simply say the file was monitored, it was determined that it looked like there was some overpayments and a settlement was reached. Thank you, Mr. Chairman.

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

Mr. Tootoo: Thank you, Mr. Chairman. How did it become, when you first started looking at the lease at 2002 that someone realized that they were overpaying the lease, is that basically what happened. Thank you, Mr. Chairman.

Chairman: Thank you Mr. Tootoo. Mr. Rich.

Mr. Rich: Thank you, Mr. Chairman. That actually predates me, it goes back about two years. Mr. Clark, I think can provide the information on when that was first determined. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Rich. Mr. Clark.

Mr. Clark: Thank you, Mr. Chairman. In answer to that, in 2002 that first came back to headquarters, and we did a review, I did a review myself actually, of all the leases that came back to headquarters. I found a lot of things that didn't look correct and that's exactly what happened. We analyzed the lease, determined we weren't receiving a value for money on a number of items, and went to arbitration to make restitution.

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

Mr. Tootoo: Thank you, Mr. Chairman. Sound like in laymen's terms we were being ripped off. Is it confidential as to how much was determined to how much we were being ripped off? Thank you, Mr. Chairman.

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

Mr. Clark: I believe that is confidential.

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

Mr. Tootoo: Thank you, Mr. Chairman. I guess to go into any lease or any landlord that you're dealing with and you run into a situation like that, one would think that would seriously jeopardize breach of contract and breach of the lease and not result in grounds to drop it all together or not even look at reconsidering renegotiating in such circumstances, when the leases do expire. Thank you, Mr. Chairman.

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

Hon. Peter Kilabuk: Thank you, Mr. Chairman. I question the choice of words of my colleague.

I refuse to use the word fear because there were some adjustments that will justify the reasoning. Mr. Rich will elaborate in response to Mr. Tootoo's question. Thank you.

Chairman: Thank you, Minister Kilabuk. Mr. Rich.

Mr. Rich: Thank you, Mr. Chairman. As in any complex lease, and this is a complex lease, there can be differences of opinion about what is a chargeable expense and what is not a chargeable expense, etcetera.

Also, with long term leases, over time, practices can fall into leases that probably shouldn't be there. We consulted in depth. Actually, the consultation pre-dates me. I was just involved in the very tail end of it but there was intensive consultation with the Department of Justice.

It was not a question of being in default of the lease. It was a question of it being a different interpretation of the lease and what was chargeable. There are, as often happens in complex leases, disputes between two parties which need to be resolved in an external process which is the external process we went through.

So, it's not a question of defaulting on the lease. It was a question of a difference of opinion about the amount of charges. That was settled. There was a settlement that was

reached that satisfied both parities and in that case the lease continues. Thank you, Mr. Chairman.

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

Mr. Tootoo: Thank you, Mr. Chairman. Thank you for clarifying that. I wouldn't want to be calling it something that it isn't.

My question is, for those payments and stuff like that, what is the process or what is the channel that it goes through. In this particular case, it doesn't say which department the lease is with. Which department would control and authorize the payment for those leases. Thank you, Mr. Chairman.

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

Hon. Peter Kilabuk: Thank you, Mr. Chairman. The Department of Community and Government Services does that. Thank you, Mr. Chairman.

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

Mr. Tootoo: Thank you, Mr. Chairman. I'll go back again a bit here. The minister and his staff indicated that they had first started looking at that lease in 2002 and it is expiring in 2006. That's four years. Earlier, they said they start looking at these leases anywhere from five to seven years ahead of time to see what options are going to be available to them if they're going to decide to build their own building or to be putting out a request for proposal for another facility or whatever.

Why is this one only a four year window, where the norm, as indicated earlier is between five and seven years. Thank you, Mr. Chairman.

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

Mr. Rich: Thank you, Mr. Chairman. Again, it's difficult to discuss or talk about since I don't the information on what happened previous to me being in the Department of Community and Government Services.

Chris mentioned that there was a change in 2002. Prior to 2002, a number of leases were administered out of the regional offices as opposed to being administered out of headquarters. In 2002, as I understand it, a change was made and they were pulled back into headquarters.

One of the reasons they were pulled back in 2002 is so that we could do that central analysis and look at those leases. The regional offices in fact really don't have the human resources in order to do that. So by pulling them back in centrally in 2002, it was able for the department at the time to do that.

We've done some minor changing in the last year with the creation of Community and Government Services to also beef up that capability to manage leases in a more proactive fashion and to review the leases and turn them into a process where we can make sure that we have enough lead to do the analysis that you had mentioned. Thank you, Mr. Chairman.

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

Mr. Tootoo: Thank you, Mr. Chairman. Given that then when they first started looking at the leases they discovered that a difference of opinion on what should be paid for and what shouldn't as outlined in the lease. That had gone to arbitration.

Did anything else take place on evaluating that lease on whether or not to renew, build, or go look elsewhere, whatever the process is and the analysis that you talked about? Did everything get put on hold when it went to arbitration over whatever it was that you guys didn't agree on with the landlord? Thank you, Mr. Chairman.

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

Mr. Rich: Thank you, Mr. Chairman. No, everything did not get on hold. In fact, we have been looking at several options in Cambridge Bay, analyzing the space requirements, analyzing what will happen when the lease, in fact, has run its natural course. Thank you, Mr. Chairman.

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

Mr. Tootoo: Thank you, Mr. Chairman. What was the result of that analysis? I think 2006 is next year. That doesn't give a whole lot of lee time to anybody, including the government if they decide to go on their own, or if they want to look to the private sector to provide something else that there is more remediable, if not so bold to look at those.

Why hasn't anything been done? Has it been kept secret? What was the result of that analysis? Thank you, Mr. Chairman.

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

Mr. Rich: Thank you, Mr. Chairman. Because of ever changing safeties in government, that analysis does continue and the recommendations from the department go to the minister to take those forward to Cabinet. Thank you, Mr. Chairman.

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

Mr. Tootoo: Thank you, Mr. Chairman. In this case did that happen? Was the recommendations made from the department passed forward to the minister to take to the Cabinet? Thank you, Mr. Chairman.

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

Hon. Peter Kilabuk: Thank you, Mr. Chairman. No, that has not taken place yet. Thank you, Mr. Chairman.

Chairman: Thank you, minister. Mr. Tootoo.

Mr. Tootoo: Why? Thank you, Mr. Chairman.

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

Hon. Peter Kilabuk: Thank you, Mr. Chairman. The information that I have is that the options are still being reviewed at this time and nothing has come forward to me yet. Thank you, Mr. Chairman.

Chairman: Thank you, Minister. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. Is the minister stating that three years hasn't been long enough for his department to look at and determine what is the best option to go with on this, because they started looking at this in 2002 and we are 2005 now, and the lease is expiring next year? Three years hasn't been long enough to determine what option to go with? Is that what he is indicating? Thank you, Mr. Chairman.

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

Hon. Peter Kilabuk: Thank you, Mr. Chairman. A couple of factors in the slow process that my colleague is referring to, one, which was mentioned earlier, about the complexity of the lease arrangement. We expect the recommendation to come forward within the next four to six months. That is probably a realistic timeframe that I can share with my colleagues at this time. Thank you, Mr. Chairman.

Chairman: Thank you, minister. Mr. Tootoo.

Mr. Tootoo: Thank you, Mr. Chairman. Is the minister stating that the only reason it is taking this long is because it is so complex? Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Tootoo. Minister.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. Not necessarily but I will get Mr. Rich to add to my comments. Thank you, Mr. Chairman.

Chairman: Thank you, minister. Mr. Rich.

Mr. Rich: Thank you, Mr. Chairman. This was a particularly difficult lease to come to grips with because there were legal question on ownership after the twenty years. Members had asked about that issue and it did take us a while to determine that.

One of the things that we've discovered in doing the contract analysis of several contracts that were entered into, a long time ago by previous government, is that the terms of the contracts, particularly with regards to some of the ownership issues, which are further complicated by land issues in Nunavut where there appears to be some differences between land ownership issues and building this on the land ownership issues, have meant it's been exceedingly complex to get a final determination of what may happen at the end of some leases. This is one of those leases where there was some very complicated issues. As a result, that did in fact slow down the process of making a determination.

In addition to that, there's been a process of looking at what other options may open up in Cambridge Bay, and there are some other opportunities in Cambridge Bay. So that situation has been changing a bit over the last year. The final aspect of it is the need to match to government capital planning process and as a result that process has unfolded to make a firm recommendation at this particular point in time.

However, because the work that has been done on the lease has now been completed, and we now have what we think and hope the final answer from the lawyers on those leasing issues, and because the situation with regards to other space now more clear in Cambridge Bay, and because our projections are now more firm, as the minister said we now feel we are in a position within a four to six month timeframe to give those final recommendations to the minister and he then to the Cabinet. Thank you, Mr. Chairman.

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

Mr. Tootoo: Thank you, Mr. Chairman. Mr. Rich had indicated that one of the things that they had to do was try and match up their plan with capital planning process of the government.

How does that process work? I won't say this particular lease, but any lease, where you're looking at trying to include something into the capital plan? What the process that goes through in order to get that done. Thank you, Mr. Chairman.

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

Mr. Rich: Thank you, Mr. Chairman. There's several stages to the process, and depends a little bit on whether the facility is a facility that is being done for an individual particular department, or for a general office facility as this is. Where it's a general office facility such as this, generally Department of Community and Government Services is the led in terms of making proposals as part of the capital process, those proposals would then come to the ICCP which is the interdepartmental committee on capital planning where their vetted as part of the five year capital planning process.

There's been a process in place which was allocated a certain amount of money generally based on historic analysis of needs by my department, or historic spending by department which allocates that, and as a result of that planning its fit into that process.

The situation, of course, changed a little bit a year ago, with the changing structure of the departments which realigned the capital budget process as a result of that. So we've now re-established the average for the various departments based on the new alignment.

It's an evolving process, because it's a fairly complex planning process that requires multiple departments to be at the table. Thank you, Mr. Chairman.

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

Mr. Tootoo: Thank you, Mr. Chairman. Mr. Rich had mentioned the ICCP, I think that's the acronym he used, when they make a decision on whether or not to include something into the capital planning, after they decide yes this should be on there, is that it, is it on there or what happens after that. Thank you, Mr. Chairman.

Chairman: Thank you Mr. Tootoo. Mr. Rich.

Mr. Rich: Thank you, Mr. Chairman. Well ultimately, the ICCP is the responsibility of the Minister of Finance because the lead department on the ICC planning process is the Department of Finance.

The ICCP is the body that doesn't make the final decision, but reviews capital plans. The capital plan decisions themselves are made by the Financial Management Board as it approves the capital plan. Thank you, Mr. Chairman.

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

Mr. Tootoo: Thank you, Mr. Chairman. So, then it would basically be the Minister of Finance that has the say on that, or has the clout as the chair of the Financial Management Board, and would bring that presentation forward to the Financial Management Board for decision and then it's all prepared by the Department of Finance officials. Is that correct. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Tootoo. Minister.

Hon. Peter Kilabuk (interpretation): I apologize, Mr. Chairman. There are two avenues. There are the ones that go through the Department of Finance and then they're referred to cabinet and then from there they are then referred to the Legislative Assembly and once they're included in the capital plans, it's up to the Legislative Assembly to approve it.

It's in the planning stages that they are referred to those entities and then referred to the Legislative Assembly. Thank you.

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

Mr. Tootoo: Thank you, Mr. Chairman. I am familiar with the approval process of the capital plan after it's been presented.

The process that we're talking about is the other side of the fence on deciding what goes on that capital plan. As regular members, when the capital plan comes forward, we don't have any input into what actually goes on there. It's something that each minister and the cabinet brings forward and the departments bring forward.

They get together and draw straws I guess to see what goes on there. I know that's not the case, but you have got to have fun sometimes, to see what goes on there and then once it's decided at the Financial Management Board and cabinet level, that's what is going to be on there. Then it comes forward to the Legislative Assembly as the government plan.

My question was, basically then, if the Minister of Finance as the chair of the Financial Management Board and her officials put that plan together and bring it forward for not this formal side of the sitting but the other side of the approval process, that that's what they bring forward. That's what I was asking. Is that correct. Thank you, Mr. Chairman.

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

Mr. Rich: Thank you, Mr. Chairman. I guess I would characterize it slightly differently.

It is a collaborative process involving all of the departments that advance capital projects. In that process the individual ministers will establish the priorities that they see for the component of the capital program that is related to that particular department.

In the case of Community and Government Services, we work with the minister to establish a priority list of projects that is advanced. That priority list of projects has to fit into a budget envelope that's available for us. The interdepartmental committee of staff officials serves as a way to vet projects and to a forum where projects are presented and where priorities can be refined. But ultimately still, the minister of the department is the one that has to recommend the priorities that come forward from that department.

Then, obviously they go to Financial Management Board. I don't sit on the Financial Management Board. The Financial Management Board is a group that would decide that plan. Thank you, Mr. Chairman.

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

Mr. Tootoo: I have 21 seconds left. Thank you, Mr. Chairman. It is still the Department of Finance puts out this budget envelope that you have to work with after approval from Financial Management Board.

To go back, this is something that has gone on for three years now. It is a major lease and this seemed odd that a decision to come in before the six months of the lease finishing. What other options really are there? Are we going to be just stuck with the situation that we are in?

To me, \$1.1 million a year for a facility, one could call it highway robbery. What other options are there? I'm really puzzled at why and how this could have taken so long to come forward and then have any resolve prior, where usually it's anywhere from five to seven years ahead of time where these things are looked at and decided upon. Now we are in a situation where we are going to have four to six months to try and do something and that is going to bring us into the time period of when the leases expired.

Are we going to be really left with much of a choice on this one? It seems like something happened. It seems really odd that such a major lease doesn't have a plan well in advance with different options to look at.

I understand as the minister and his officials has identified where the complexities with this particular lease. Just because they can't figure out who owes who what, are we getting value for our money on this? If not, what are we going to do about it?

Those are pretty simple things that could be looked at. I really wonder why six months or less than a year from the lease being finished that we still don't know what we are going to do, probably if the minister could respond to that.

It just scares me to think if something happens here is what makes me think when all of sudden we are in a major lease like this and nothing has been moving forward on it. If I could just get a response to that. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Tootoo. Minister.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. I hear my colleague's concern regarding this matter, the timeframe that is presented here. I am glad that when they decided to do the analysis in 2002 that they did. Also the arbitration hearing that concluded in November of 2003.

This is a unique situation for us because of the size and the complexity of the issues in this one. The options are being, as I said, carefully reviewed now. As I said the options will be brought forward in four to six months. If the opportunity allows I would like to see that before that time is up too. There are options in there that have been thought up and developed leading to this, which will be presented in the coming months. Thank you, Mr. Chairman.

Chairman: Thank you Minister. Your time is up and I have two names on the list. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. Thank the minister again for answering my colleague's questions.

I heard a lot of comments from Mr. Rich and yourself about staff analyzing contracts since 2002, which leads me to ask the obvious question. How many staff do you have in your leasing division? We have 59 leases and I read in the list that there's \$82 million worth of lease contracts. I'm wondering how many staff we have in a division that oversee, monitor and analyze leases on an annual basis. Thank you, Mr. Chairman.

Chairman: Thank you Mr. Peterson. Minister.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. Right now, we have Mr. Clark also with us.

Chairman: Thank you. I apologize. Thank you. Mr. Curley.

Mr. Curley (interpretation): (no audio)

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

Hon. Peter Kilabuk: Thank you, Mr. Chairman. If I remember my colleague's question about the number of staff, Mr. Clark is the director of that file and then we also have the assistant deputy minister who works closely with Mr. Clark.

There is also a staff person under the director for the leases for monitoring these leases. Thank you, Mr. Chairman.

Chairman: Thank you Minister Kilabuk. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman Thank you, Mr. Minister. Did you think that you have enough staff within that division to oversee all these leases and the \$82 million value? Thank you, Mr. Chairman.

Chairman: Thank you Mr. Peterson. Minister Kilabuk.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. In response to my colleague, I want to go back to my earlier comment about wanting to make improvements and the development of more programs to be able to share and bring forward simplified reports and processes.

It depends on the year, if there are a number of renewals or analyses and options being developed. Up until this point, there really is no great big pressure for additional staff, however, additional staff is always beneficial to our director. Thank you, Mr. Chairman.

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

Mr. Peterson: Thank you, Mr. Chairman. Thank you, Mr. Minister. I wanted to ask about this one contract. The lease in Kugluktuk for the hamlet of Kugluktuk, it's in Note 4, it says the annual value is \$1.00 and Note 4, all it says is \$1.00 per year. Could you clarify what kind of lease that might be? Thank you, Mr. Chairman.

Chairman: Thank you Mr. Peterson. Minister Kilabuk.

Hon. Peter Kilabuk: Thank you, Mr. Chairman. Sharp, bright colleague of mine. This is for the use of space for the Department of Justice Correctional Centre which is from the Hamlet of Kugluktuk. Thank you, Mr. Chairman.

Chairman: Thank you, Minister. Mr. Peterson.

Mr. Peterson: I thank the minister for that response. Is that for the new correctional or justice facility that was opened earlier this month by the Minister of Justice and my Kugluktuk MLA colleague. Thank you, Mr. Chairman.

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

Hon. Peter Kilabuk: Yes it is Mr. Chairman. Thank you.

Chairman: Thank you, Minister. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman. I would like to thank the minister. Another lease that I wanted to talk about or ask about is the Arviat Health Facility. It is leased here for 20 years, \$859,185.60. Over the 20 year lease period, it will cost the Government of Nunavut \$17 million and change. I believe it was a P3 project. I'm wondering if perhaps you or Mr. Clark could explain how the P3 project was structured. Thank you, Mr. Chairman.

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

Hon. Peter Kilabuk: Thank you, Mr. Chairman. My colleague is quite right. I'll have to get Mr. Clark to explain to him how the P3 was established.

In my participation at the cabinet level, this was an opportunity that had presented itself and was considered by cabinet at the time. I will ask Mr. Clark if he has anything further to add to that.

Chairman: Thank you, Minister. Mr. Clark.

Mr. Clark: Thank you, Mr. Chairman. I don't have anything to add to that at the moment. That was turned over to the Department of Community and Government Services after it was accomplished. We handle the administration of the lease right now, but as a P3, it was not handled, I believe it was handled by the Department of Finance and the Department of Health and Social Services.

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

Mr. Peterson: Thank you, Mr. Chairman. Thank you, Mr. Clark. Could the minister or Mr. Clark indicate whether the health centre will be owned by the Government of Nunavut after the lease expires. Thank you, Mr. Chairman.

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

Hon. Peter Kilabuk: Thank you, Mr. Chairman. No, my notes tell me that the Government of Nunavut will only own the equipment in April 2006. I will ask Mr. Clark to add further to my response to Mr. Peterson's question. Thank you.

Chairman: Thank you, Minister Kilabuk. Mr. Clark.

Mr. Clark: Thank you, Mr. Chairman. As far as I am aware, no we will not own that building at the end of it. Again, I am not that familiar with this as a P3, so I would have to get back on that.

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

Mr. Peterson: Thank you, Mr. Chairman. I thank the minister and Mr. Clark. I think we'll have time over the next couple of days to get back to that particular lease. I want to follow up on a question that my colleague from Rankin Inlet asked earlier about the health facilities in Cambridge Bay. I don't think Mr. Rich gave a clear answer on that. I think he said one is owned by the Government of Nunavut, there's a decision to be made on another and another is under discussion.

Could I get a specific answer to the health facility in Cambridge Bay. Has a decision been made to lease it or will they buy it. Thank you, Mr. Chairman.

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

Mr. Rich: Thank you, Mr. Chairman. The decision was made to not enter into a lease.

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

Mr. Peterson: Thank you, Mr. Chairman. It is probably confidential but is there any information available about why you made a decision not to lease versus the decision to buy it. What kind of external factors were you working with to lead to make that decision? Thank you, Mr. Chairman.

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

Mr. Rich: Thank you, Mr. Chairman. We did the type of analysis that outlined the leasing policy, which is an analysis of lease versus purchase, costs factors and other

advantage factors and based on the cost of the lease, it was decided not to lease it. Thank you, Mr. Chairman.

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

Mr. Peterson: Thank you, Mr. Chairman. Thank you, Mr. Rich. Could the minister tell us what the Government of Nunavut's current position on the use of P3s in its capital planning process? Thank you, Mr. Chairman.

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

Hon. Peter Kilabuk: Thank you, Mr. Chairman. I think my colleague, the Minister of Finance, would probably be in a better position to respond to the questions at this time. Thank you.

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

Hon. Leona Aglukkaq: Thank you, Mr. Chairman. When it comes to P3 options, there is always an option to consider that, but at the end of the day it has to be to our advantage to enter into a P3 arrangement.

In the past, that of course had been taken with some projects. Currently there is always an option that is available to us. We haven't made a decision not to continue with that. It is an option that is considered on a regular basis or depending on the magnitude of the project, if it is to our advantage, we will consider a P3 arrangement. Thank you, Mr. Chairman.

Chairman: Thank you, Madame Minister Aglukkaq. Mr. Peterson.

Mr. Peterson: Thank you, Mr. Chairman and Madame Minister. I think most of us recognize that and my colleague again from Rankin Inlet put it very clearly that we will never to be able to construct all the facilities that we need for all the functions that we support. We have to turn to the private sector to help us out. I think that has become quite clear.

We know that ten percent of our annual budget, just to use a ballpark figure, from over \$1 billion budget, only ten percent of it is available for capital projects. I think we have a burgeoning infrastructure deficit, as we have talked about in the last year. That is a comment.

I wanted to mention that the Auditor General, in her 2001 report recommended that Government of Nunavut review its extensive use of long term leases. I am not sure about the whole background there. She obviously was concerned about some of the leases on this list here that we inherited from the Government of the Northwest Territories.

What specific steps has the Government of Nunavut taken since then to address the Auditor General's concern? Thank you, Mr. Chairman.

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

Hon. Peter Kilabuk: Thank you, Mr. Chairman. I will get Mr. Rich to respond to that question, that was something that he participated in. Thank you.

Chairman: Thank you, Minister Kilabuk. Mr. Rich.

Mr. Rich: Thank you, Mr. Chairman. As we mentioned before when the responsibility for all leases was brought back in 2002 to headquarters, the work started to review all of the leases, and that work in ongoing. We worked more closely with the Department of Finance, particularly over the last two years, to look at the leases that we do have, and also with the Department of Justice to analyze specific long-term leases that we have.

Obviously where we're tied into a ten or a twenty year lease and it's an iron clad lease, there's nothing we can do about that.

What we have been doing is looking forward from this stand point. We've taken the Auditor General's comments as very constructive and very useful comments to cause us to do very close analyses of leases and to make sure that we don't get into what would be leases that would be long term and unfavourable for the government.

Obviously we don't want to do that and we avoid that. So, we carefully do an analysis of options as we have for instance, with the Cambridge Bay Health Centre that you looked at to make sure that we avoid circumstances that would not be in the best interest of government. Thank you, Mr. Chairman.

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

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

Can the minister or Mr. Rich tell us if you have conducted an analysis of all 59 leases that are on this document. Thank you, Mr. Chairman.

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

Hon. Peter Kilabuk: Thank you, Mr. Chairman. The department audits and monitors all 59 leases on a regular basis which is ongoing work that continues today. Thank you, Mr. Chairman.

Chairman: Thank you, Minister. Mr. Peterson.

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

There is a contract on page two of your document. It's under "other", Winnipeg, and the name of the lease property landlord is 4651 NWT Limited, 20 years, 715 thousand annually. Who is that company. Thank you, Mr. Chairman.

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

Hon. Peter Kilabuk: Thank you, Mr. Chairman. The numbered company, Kivalliq Boarding Home, which is in Winnipeg, I fail to see the name written on here.

Thank you, Mr. Chairman. We don't seem to have it in front of us but we can get back to my colleague about this information. Thank you, Mr. Chairman.

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

Mr. Peterson: Thank you, Mr. Chairman. Yes, I would like to have that information, hopefully by tomorrow morning.

Can the minister tell us, during the 20 year lease, I think we're going to be spending \$14.3 million, when does the lease expire? Thank you, Mr. Chairman.

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

Hon. Peter Kilabuk: Thank you, Mr. Chairman. If my information here is correct, the lease will end in 2023, but just going back to his earlier question about the company, I believe that is in the legal registry.

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

Mr. Peterson: Thank you, Mr. Chairman. I thank the minister.

You're still going to provide the name tomorrow, I take it. You can probably find that information faster than I can. Can the minister tell us why the Government of Nunavut chose to lease rather than purchase that building. Thank you, Mr. Chairman.

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

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Chairman. I will get Mr. Rich to respond to the question .

Chairman: Thank you, Minister. Mr. Rich.

Mr. Rich: Thank you, Mr. Chairman. This was not a lease that the Department of Community and Government Services was originally or public works of it at that then time was originally involved in negotiating. The negotiations for this was done directly by the Department of Health and then Department of Community and Government Services became more laterally involved in the negotiations of the lease.

Unfortunately, we don't have the full information on all of the negotiations that went on for this. However I can say in terms of a purchase as apposed to a lease. It's my understanding there was not sufficient funding available at the time for the purchase which would have been considerably more obviously then the lease. The lease obviously has the advantage of spreading the cost over a number of years. Thank you, Mr. Chairman.

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

Mr. Peterson: Thank you, Mr. Chairman. Thank the minister and Mr. Rich. The lease, I guess, was negotiated in 2003, and yet you had your division in 2002. I wonder why the Department of Health was negotiating the lease when the Government of Nunavut, through your department, had a leasing division to handle leases. I wonder if Mr. Clark was here then. We had people in the Department of Community and Government Services who could take the lead in those negotiations. Thank you, Mr. Chairman.

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

Hon. Peter Kilabuk: Thank you, Mr. Chairman. I'll refer that to Mr. Rich.

Chairman: Thank you, Minister. Mr. Rich.

Mr. Rich: Thank you, Mr. Chairman. I would say that I did a little bit of research on this one prior to the meetings last June with the Auditor General when this was in discussion with the Standing Committee.

The original leases for this property were done in 2002; they were done by the individuals in the Department of Health at that time, and done outside the normal process. Obviously this is a process that frankly should have gone in a different way, should have been negotiated by the Department of Public Works. I can't answer for all the reasons as to why that happened because I was not there at the time. That, in fact, happened in a different department so one would have to check up to those sources.

I can say I do know from discussions with staff and others, that when it was brought to the attention of the department, that the Department of Public Works at the time, did become involved in it, which is what resulted in the third negotiations of the lease and the take over the lease through Public Works then to insure that it conformed with the policy and was brought into the normal process of leasing for government facilities. Thank you, Mr. Chairman.

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

Mr. Peterson: Thank you, Mr. Chairman. Thank you, Mr. Rich for that answer. I think I know what buildings we're talking about. Before it was just a numbered company but I now know for sure, based on your comments.

This is one of the leases the Auditor General identified as a problem, in her Auditor General's report last year. We spent a lot of time talking about it. This is the lease a Department of Health official negotiated more money or a longer lease, or entered into. I don't know if you want to rehash it here before 6 o'clock.

Can Mr. Rich explain to me, explain to the House, does their department take the lead role in all lease negotiations? Do other departments defer to them in terms of negotiating in terms of leases and P3s. Thank you, Mr. Chairman.

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

Hon. Peter Kilabuk: Thank you, Mr. Chairman. Yes we do now have that responsibility under Department of Community and Government Services, we do this close work and collaboration with other departments. Thank you, Mr. Chairman.

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

Mr. Peterson: Thank you, Mr. Chairman. Thank you, Mr. Minister. So is the minister saying we'll never see another situation like that contract or lease in Winnipeg ever again. Thank you, Mr. Chairman.

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

Hon. Peter Kilabuk: Thank you, Mr. Chairman. If I were to say we will never and we did, I would get shot. I hope we never do because this process that is now in place be quite clear as to the lead department in these leases. Thank you, Mr. Chairman.

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

Mr. Peterson: Thank you, Mr. Chairman. Thank you, Mr. Minister. I don't think we would shoot you; we would probably tie you to a rack and whip you a little bit. I wanted to review the fine print on page 2. There is a note that says infrastructural office buildings leased from NCC are not included on this list as they are a flow through cost from the federal government.

Can the minister indicate whether the leases on these ten buildings or facilities, do they all expire at the same time? Thank you, Mr. Chairman.

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

Hon. Peter Kilabuk: Thank you, Mr. Chairman. The advice that the expiry will be 2019 for all ten. Thank you, Mr. Chairman.

Chairman: Thank you, Mr. Minister. Mr. Peterson, your time is up and I have one more names on my list. Mr. Curley.

Mr. Curley: I just want to know that the facility in Winnipeg is quite an essential service, the patient home, the transient facility, a well known company owns that facility, I believe Nunasi has a joint venture with our friend Tony Chang, because he runs the facility in Winnipeg. They may have had poor partners in negotiating the deal but they did their part so I won't apologize for that one bit.

I have a question with respect to all these leases. Why the information was not provided as to whether or not which one, out of 59 leases, which leases has a sunset clause? The others have an option to renew clause. Having that information would have cut down a lot of stuff.

Would that information be available because I am sure that there are leases that have an option to renew and some would likely have an option to lease to own facilities. So which properties are they? Could that kind of information be provided so we could have an idea that those that do have a sunset clause would be publicly tendered and they not be entered into again or renewed without going through public tender process. Would that be possible?

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

Hon. Peter Kilabuk (interpretation): Thank you, Mr. Chairman. It is quite difficult for us because we have to look at the costs and also keeping in mind what is being asked by us to do. As I stated earlier because this is our first appearance I am pretty sure that we have omitted some things and as we learn from this we will have a better idea.

As we go along I am sure eventually we will be able to have those things included in there. Thank you, Mr. Chairman.

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

Mr. Curley: I need that information. I asked not all the leases is standard leases. They are not always there. Some will have an option to purchase at the end of the term of the lease. That means that the Government of Nunavut would buy for \$1 or some negotiated agreement.

I am convinced that not all have a sunset clause without an option to renew. Surely as you guys indicated to me earlier that you have the capacity and ability to administer those leases and real estate divisions. That information is probably easy to get through the computer, where we would assure the public where leases have a sunset clause and rather than extended, go through the public tender process or for any other public competitive process.

I want some indication as to why this information cannot be provided to the committee. Thank you.

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

Hon. Peter Kilabuk: Thank you, Mr. Chairman. Going back to what the government has been able or not able to make public, there are some factors which have prevented the Government of Nunavut in sharing this information freely.

Some of these include the names of companies, lease termination, lease conditions, which are not usually reported in the public as they can impact future tenders or negotiations and it is because of that, that the information is not included in the report. Thank you, Mr. Chairman.

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

Mr. Curley (interpretation): I'm not 100 percent sure that these are the reasons for not providing that information because the information is already public as to who has \$1 a lease, or which companies have 20 year leases with the government.

That's already public. The only thing that I'm asking for is which of these leases have a sunset clause at the end of the term, the lease is completed and there are no clauses in the leases that commit the government to extending the lease and which ones are going to be government owned at the end of the term of the lease. That shouldn't be very hard to dig up.

Why can't it be provided when you in fact can provide the names of the companies for the ones that you have tabled. I would like to hear from Mr. Rich instead of Mr. Poor, I mean, Mr. Minister. Thank you.

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

Mr. Rich: Thank you, Mr. Chairman. As the minister said, we've been walking a delicate line on this and we've consulted with the Department of Justice with regard to what information would be protected by the Freedom of Information and Protective Privacy Legislation and that's the difficulty we're having.

It's not a question of not wanting to provide the information. It's a question of trying to make sure that we do follow privacy regulations. In general, things that are the specific terms and conditions of the lease are protected by privacy, unless we get the permission of the holder of the lease.

The question about identifying which leases where we would own the facility at the end of it, yes, we can provide that and we'll certainly review and see which ones we can. Something which would provide information about whether or not there is a renewal clause in it, an option for renew or not, that may be more difficult to provide because that's a termed in condition.

It actually could hamper us in our negotiations with the company, but certainly quite possible to go back to Justice and get further clarification of what we can provide and we'll certainly do that. Thank you, Mr. Chairman.

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

Mr. Curley: Thank you. I appreciate the response from the Deputy Minister and the Minister.

My point really is, if I ask the minister again, not all the leases use the same template I would say. I'm sure that there were some leases that have an option to purchase by the Government of Nunavut, and if so, how many of them are there. I don't really want the names of each company.

The only reason I'm saying that is because we need some assurance that where the sunset clauses do exist, that they would be publicly tendered to get the best deal for the leasing requirements of the government. Would that be possible. Thank you, Mr. Chairman.

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

Hon. Peter Kilabuk: Thank you, Mr. Chairman. Yes, that is information that we can gather to make it available. Thank you, Mr. Chairman.

Chairman: Thank you, minister. Mr. Curley.

Mr. Curley: Thank you. I move that we report progress. Thank you.

>>Applause

Chairman: Thank you, Mr. Curley. We have a motion on the floor to report progress and the motion is not debatable. All those in favour of the motion.

Some Members: Agreed.

Chairman: Those opposed. The motion is carried. I will now rise to report progress. Thank you, minister and your officials, Mr. Rich and Mr. Clark.

Speaker (interpretation): To go back to the orders of the day. Item 20. Report of the Committee of the Whole. Mr. Chairman, Mr. Evyagotailak.

Item 20: Report of the Committee of the Whole

Mr. Evyagotailak: Thank you, Mr. Speaker. Your committee has been considering Tabled Document 100-2(2) and would like to report progress. Mr. Speaker, I move that the report of the Committee of the Whole be agreed to. Thank you, Mr. Speaker.

Speaker (interpretation): There is a motion on the floor. Who is the seconder. Mr. Kilabuk. The motion is in order. All those in favour. Opposed. Abstained. The motion is carried.

Item 21. Item 22. Orders of the day. Deputy Clerk.

Item 22: Orders of the Day

Deputy Clerk (interpretation): Orders of the day for April 29.

- 1. Prayer
- 2. Ministers' Statements
- 3. Members' Statements
- 4. Returns to Oral Questions
- 5. Recognition of Visitors in the Gallery
- 6. Oral Questions
- 7. Written Questions
- 8. Returns to Written Questions
- 9. Replies to Opening Address
- 10. Petitions
- 11. Reports of Standing and Special Committees
- 12. Reports of Committees on the Review of Bills
- 13. Tabling of documents
- 14. Notice of Motions
- 15. Notice 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 and Bills and Other Matters
 - Tabled Document 100-2(2)
 - Tabled Document 101-2(2)
 - Tabled Document 102-2(2)
- 20. Report to Committee of the Whole
- 21. Third Reading of Bills

22. Orders of the Day

Thank you very much.

Speaker (interpretation): Thank you. This House stands adjourned until Friday, April 29, 2005 at 10:00 a.m.

Sergeant-at-arms.

>>House adjourned at 18:11