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Nunavut Maligaliurvia
Legislative Assembly of Nunavut
Assemblée législative du Nunavut

R E L E A S E

Members of the Legislative Assembly Respond to Crisis at the Nunavut Housing Corporation

IQALUIT, Nunavut (September 22, 2010) - The Regular Members' Caucus of the Legislative Assembly today responded to the announcement that the Nunavut Housing Corporation (NHC) is facing an additional shortfall of up to \$50.0 million.

"The NHC's announcement is extremely disturbing," said Johnny Ningeongan, Co-Chairperson of the Regular Members' Caucus. "Although all Members of the Legislative Assembly recognize the critical need for new public housing in Nunavut, the situation at the Nunavut Housing Corporation poses a grave risk to the government's overall fiscal health and its ability to deliver programs and services to Nunavummiut."

In May of 2009, the Legislative Assembly's Standing Committee on Oversight of Government Operations and Public Accounts held public hearings on the report of the Auditor General of Canada on the Nunavut Housing Corporation. The Government of Nunavut's formal responses to the Standing Committee's recommendations were tabled in the House on November 27, 2009.

In June of this year, the Legislative Assembly approved \$60.0 million in supplementary appropriations to address the shortfall in the Nunavut Housing Trust.

"MLAs were disappointed that yesterday's announcement by the Nunavut Housing Corporation attempted to spin this situation into a positive development," said Ron Elliott, MLA for Quttiktuq. "However, we believe that it is important to be candid with our constituents: the NHC's shortfalls are approaching \$110 million and it is far from clear that the situation has been resolved."

"Earlier this year, the government commissioned an independent audit of the Nunavut Housing Trust and committed to making its findings available to Members of the Legislative Assembly," said Adamee Komoartok, MLA for Pangnirtung. "These findings will be thoroughly scrutinized by MLAs when the Legislative Assembly reconvenes next month and the NHC will be required to account in public for its actions."

“The NHC’s own figures indicate that it will now cost up to \$150 million to construct 285 new public housing units,” said Fred Schell, MLA for South Baffin. “Spending an average of over \$525,000 per unit is obviously unsustainable and the NHC’s approach to constructing public housing must change.”

“In order to ensure that more effective oversight is placed on the NHC’s expenditures, it is clear that the government must consider making fundamental changes to the corporation, including the question of whether its status as a Crown corporation is still appropriate,” said Allan Rumbolt, MLA for Hudson Bay.

“Although the Minister of Finance assured the Legislative Assembly in June that ‘all existing programs and services provided to Nunavummiut continue to be maintained,’ it is clear to me as a newly-elected Member that this situation seriously hurts our ability to introduce new initiatives and address other important priorities,” said Jeannie Ugyuk, MLA for Nattilik. “The \$110 million that the NHC needs to pay contractors is money that is no longer available for such important goals as establishing a new substance abuse treatment centre in the territory or supporting training and education programs for our constituents.”

“During the most recent sitting of the House, Members asked tough questions about the process by which the NHC makes its contracting and procurement decisions,” said Fred Schell, MLA for South Baffin. “The government must also be prepared to seriously examine the options of commissioning a forensic audit or holding a formal public inquiry into the corporation’s practices.”

“There has been a longstanding tradition in the North that a leadership review of the Executive Council be held at roughly the mid-point of a government’s mandate,” said John Ningark, MLA for Akulliq. “The current Cabinet recently concluded its own retreat at which it listed what it viewed to be its accomplishments of the past two years and proposed a roadmap for the remainder of its term of office. Given this week’s developments, my colleagues and I support holding this Assembly’s leadership review immediately following the fall sitting of the House. This exercise will ensure that there is certainty for the remainder of this Assembly.”

The 2nd Session of the 3rd Legislative Assembly reconvenes at 1:30pm on October 19, 2010.

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For more information:

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