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Chair

The Honourable Wayne Easter

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• (0900)

[English]

The Chair (Hon. Wayne Easter (Malpeque, Lib.)): We'll call the meeting to order. We're meeting pursuant to Standing Order 108 (2) in regard to the study of economic growth in the territories. We're fortunate to have with us this morning the Premier of Nunavut, with the minister of community and government services and the deputy minister of executive and intergovernmental affairs.

Premier, welcome. I understand you have an opening statement. I believe the minister also has a bit of a statement. Following that, we will go to questions.

Welcome. It's great to have you in Ottawa.

Hon. Peter Taptuna (Premier, Government of Nunavut): Thank you very much.

I'll start right away. Again, thanks to all of you for inviting me to this committee meeting.

When this committee first thought of inviting territorial premiers to speak to you, it was to consult us ahead of the federal government's 2017 budget. Of course, for us, the timing didn't work out, and Canada released its budget two weeks ago. Given this, though, I thought it would be appropriate to speak to you today about this budget and what it means to the Government of Nunavut.

Mr. Chairman, please consider this a post-budget debriefing, instead of a pre-budget consultation.

The budget contained four take-aways of particular interest to Nunavut: a much-needed investment in housing, the Arctic energy fund, the national trade corridors fund, and the renewal of the territorial health investment fund. I'll touch briefly on these today and then be available to answer some of the questions.

On the housing first, Canada committed to provide \$240 million over 11 years to help address the Nunavut housing crisis that we face. To us, this shows that Canada remains aware that the lack of housing is a major issue in Nunavut.

In particular, we appreciate the fact that Canada has committed to a long-term, stable funding mechanism. We prefer this to a short-term announcement. We've seen in the past that knowing about a decade of funding helps us to plan ahead and means that we can be smarter in our housing investments. This ability to plan ahead is particularly important in our communities where we can only bring in supplies by boat, by supply ships, for a few short months of the year. Our Nunavut Housing Corporation is the provider of public housing units in the territory and will continue to work closely with

the Canada Mortgage and Housing Corporation and use this investment to build homes for the most vulnerable Nunavummiut.

While this new funding is significant, Nunavut remains in a housing crisis that will continue to limit the well-being of our people. Leading up to budget 2017, we had asked the Government of Canada to invest \$525 million over four years to build 1,000 of the roughly 3,000 housing units that we desperately need in Nunavut. Budget 2017 has proposed far less. While we appreciate the \$24 million a year to help us build homes and shelter for a number of Nunavut's families, we'll continue to require more federal support in the years ahead to help us eliminate Nunavut's housing crisis.

Next, Mr. Chairman, I was encouraged to hear about the proposed Arctic energy fund. While details of this are still limited, we understand that this \$400-million fund is to address energy needs in communities across the territories over the next 10 years. We are hopeful that investments made through the fund will help Nunavut reduce our dependence on diesel-burning electric generators. We want to do our part to address climate change, and the Canadian Arctic is one of the first places in the world to experience the negative impacts of the warmer world.

At the same time, Nunavut is perhaps the least equipped to move away from carbon-intensive fossil fuels. Our remote communities, small populations, and challenging environment mean that we do not have access to the same solutions as other jurisdictions in Canada. Before we begin to reduce our reliance on fossil fuels in Nunavut, we need to improve energy security in our communities, where power outages can be disastrous.

Currently, half our communities are supported by power plants that have reached or passed the end of their expected useful life cycles. The Government of Canada built many of these when Inuit first moved into permanent settlements in the 1960s and 1970s. These upgrades and replacements are badly needed.

• (0905)

However, we're unable to pass the high cost of infrastructure upgrades on to Nunavut ratepayers, many of whom already cannot afford the high cost of electricity in our territory. As a result, the Government of Nunavut already covers almost 80% of the cost of delivering electricity in our territory.

The Senate Standing Committee on Energy, the Environment and Natural Resources recently acknowledged the need for continued investment in energy infrastructure in our territory of Nunavut. Consistent with that, my government had requested \$250 million over 10 years to replace nine power plants and 17 generators so as to improve safety and the viability of our communities.

Depending on how it's implemented, the Arctic energy fund could address some of this need. Through this fund, we hope to upgrade and replace aging generators to provide more security for our remote communities. As part of this, we intend to integrate renewable energy into our existing electrical infrastructure. Over time, this may lead to more sustainable and environmentally friendly alternatives.

Looking to budget 2017, I am especially hopeful that Nunavut and our neighbours in the Northwest Territories will benefit from a national trade corridors fund, which is meant to better connect Canadian goods with markets. I'm thinking specifically of how the fund might support our proposed Grays Bay road and port project, which would connect western Nunavut's rich mineral potential with Arctic shipping routes and the international market. This proposed port at Grays Bay on the Northwest Passage would be the only deepwater port in the western Arctic and Canada's first overland connection to a deepwater port in the Arctic Ocean.

The total construction cost of the Grays Bay road and port project is estimated to be around \$500 million but the project wins out in the cost-benefit analysis. According to some estimates, just one successful mine developed alongside the project could add roughly \$5.1 billion to Nunavut's GDP over 15 years and could add as much as \$7.6 billion to Canada's economy as a whole. The project could add jobs in a region of Canada that is eager to work but that suffers one of the highest unemployment rates in the nation. It would connect Nunavut, for the first time, to the rest of Canada and international shipping routes. Such a road would greatly increase viability of mining projects in the region.

Mr. Chairman, as you can imagine, we in Nunavut would look forward to learning more about this national trade corridors fund and how it could support northern infrastructure like the Grays Bay road and port project.

The final budget initiative of interest is a proposal to extend the territorial health investment fund for four years at \$13.5 million per year. This funding we need badly, especially following Canada's cut to the Canada health transfer growth rate, which starts this year. Provinces and territories receive Canada health transfer based on population. This equal per capita spending does not consider basic realities in Nunavut health delivery and it severely underfunds Nunavut's health system as a result.

For example, our small communities cannot take advantage of the more efficient health delivery that large and connected population centres take for granted. Another example is the high and

unavoidable travel costs of bringing patients and health professionals to and from our isolated communities. Canada intends to have the extended territorial health investment fund cover some of these added costs and to increase innovation in our health system. Frankly, the \$13.5 million per year falls short for the Nunavut health system.

• (0910)

It covers less than one-fifth of the \$75 million our government pays for medical travel each year. In fact, medical travel alone costs Nunavut almost twice as much as we receive from the entire Canada health transfer in any given year. In short, we'll put the short-term investment fund extension to good use by offsetting a portion of our medical travel cost. However, we are still a long way from being able to offer Nunavummiut health care services comparable to those in southern Canada.

To wrap up, budget 2017 contains some good news for Nunavut, like the long-term care support for housing. It also proposes some interesting funding mechanisms we think could lead to important investments in the territory. I'm thinking of the Arctic energy fund and the national trade corridors fund. As I say, however, the devil is in the details. We do not yet know how Nunavut can access these funds. Until these details are available and funding decisions are finalized, we'll be optimistic that Nunavut will benefit.

Finally, we will put the extended territorial health investment fund to good use, but certainly we need some support for health delivery in Nunavut. Our government, communities, and people rely on continued federal investment, like the funds proposed through budget 2017. While we still have a long way to go, budget 2017 is good for Nunavummiut and a step in the right direction. My colleagues and I would like to see more budgets like the one announced last month. We continue to encourage Canada to invest in Nunavut and Nunavummiut.

However, we remain very concerned with the requirement to introduce a carbon tax on Nunavummiut and businesses in our territory and its possible negative effect on those investments. Nunavut relies exclusively on fossil fuel for home heating, electrical generation, and transportation. With no feasible alternative available, the carbon tax will simply be another tax with no positive mitigation or adaptation effects being seen at all.

I'll give you an example. The mining company, Agnico Eagle, currently engaged in a mining operation near Baker Lake, estimates that, when fully implemented, a carbon tax will cost an additional \$20 million per year, or \$300 million over the life of their mining operations in Nunavut.

For marginal mines, that could be a game-changer with respect to proceeding or not with the development and creation of much-needed jobs and tax revenues in an environment where mining is already two and a half times as costly to develop and operate as in southern Canada. Firms are already taking a second look at the economic viability of their projects once a carbon price is imposed.

For Nunavut to succeed, to become self-reliant, and to prosper, barriers to investments such as a carbon price and the recently announced five-year moratorium on issuing offshore oil and gas permits must be minimized, all while ensuring a balanced approach to conservation.

Again, Mr. Chairman, I thank you for giving me this opportunity to speak, and I'll be happy to answer questions after my minister colleague gives his presentation.

Thank you.

● (0915)

The Chair: Thank you very much, Mr. Premier, and we do appreciate your directness at this committee.

Now we have the Minister of Community and Government Services.

Hon. Joe Savikataaq (Minister of Community and Government Services, Government of Nunavut): Thank you, Mr. Chair.

First, I'd like to thank you for inviting me to have the privilege of addressing you. We're here to discuss issues that are important to Nunavut. There are many issues, and they're big and they're complex. Nunavut is a unique territory in terms of it not being that simple to get a simple task done.

We thank you that you're going to help us build our communities better and stronger, and that's what we need. As the Minister of Community and Government Services, I am responsible for the projects, the programs, and the services that contribute to building capacity in Nunavut communities. I have to do that in a timely and cost-effective manner.

We appreciate the funds we get, and we have to make sure that these funds are spent wisely. Although the municipalities are funded through our department, there are very few that are tax-based. Therefore, they're all block funded, so all the funds to run all the communities come through the GN, the Government of Nunavut.

I'm very grateful that there's a growing trend toward long-term, multi-year federal funding. It is especially important that there is long-term funding for projects, so that we can have our plans laid out in a multi-year plan, so that we don't always have to rush and spend the money quickly because there's a deadline in terms of funding and project ends.

It was encouraging to see that some of the investments in the 2017 budget will help Nunavut's economy grow and diversify. Aside from

the four areas that were identified, I'm concerned that there are other areas that are not being addressed. I'd like to address those.

Improving the connectivity in the north needs to be built into the federal funding strategy in future budgets. More focus in this area will have major beneficial impacts on overall development in the territory. I believe we're the only territory that does not have any fibre optic broadband links. We're all satellite, and I believe on two occasions we had problems with satellites and had no communications at all within Nunavut. That is a serious problem when it occurs, as we're all aware that everything is connected to the Internet now. It's just a fact and a way of life.

Having access to improved, affordable Internet will increase businesses' and economic benefits and enable better delivery of services to residents, as well as better access for education and health, for both youth and adults. Once the people of Nunavut are connected to the global economy, they will find ways to empower themselves. That is the story of Nunavut.

Although we have been very resilient and resourceful throughout our history, we need the proper tools to adapt to many of the challenges. We know now that, with the Internet, you have a global audience and a global economy, and as long as you have the transportation connection and the Internet connection, the economies of scale are worldwide.

Nunavut is a vast territory with potential, and it'll take considerable investment on the part of the Government of Canada to help unlock the potential, but it's a worthwhile venture. We believe that any funds that are invested in Nunavut will bring many more investments back, because unemployment is really high and we need the jobs that are available with the help of the Canadian government.

Thank you, Mr. Chairman.

● (0920)

The Chair: Thank you, Mr. Minister. Thank you both.

I have been to Nunavut before it was Nunavut. In fact, I was around when we brought in the legislation that made Nunavut a territory. I don't know if anybody else around the table was or not. You're right; it is a vast territory with vast potential.

We'll go to five-minute rounds rather than seven, if we could. I know a couple of people have a tight connection problem, so we'll go with five-minute rounds, starting with Mr. Tootoo.

Mr. Sorbara, do you want to give your time to Mr. Tootoo?

Mr. Francesco Sorbara (Vaughan—Woodbridge, Lib.): Good morning, everyone.

Before I turn over my time to my friend Mr. Tootoo, Premier, Minister, and deputy minister, thank you very much for your testimony this morning. Premier, I found your testimony to be very direct, succinct, and a lot of questions came out of it for me. I'll save them for another time, because I wish to allocate my time to Mr. Tootoo.

Hon. Hunter Tootoo (Nunavut, Ind.): Thank you, Mr. Sorbara and Mr. Chair, and welcome. It's always good to see a fellow Nunavummiut here in Ottawa. I have three or four questions, whatever I have time for.

Mr. Premier, you mentioned carbon pricing and the impact on the territory. I think it's no secret that we are unique, and we are 100% reliant on diesel, as you pointed out. Until some opportunities arise for that, that's not going to change. I know the three territories have been discussing with Canada a way to address that uniqueness on carbon pricing in the territories, and I understand you guys were in discussions with Canada on that.

I'm wondering if the goal of those discussions was to recognize the unique challenges and circumstances of Nunavut, and when it does come, that it would be either cost neutral to the territory or have exemptions that take those unique circumstances under consideration. Is that the direction you'd like to see it go?

Hon. Peter Taptuna: It's very difficult because at this point during our discussions on the pan-Canadian climate change framework, we had indicated on many occasions that Nunavut's unique, the Arctic is unique. In Nunavut, we don't have any alternative sources to turn to when it comes to cleaner energy. We're not like any other jurisdiction. We don't have those options.

We've been given an opportunity to talk to our federal colleagues on how we could minimize the impact of carbon pricing. We're hoping that home heating, diesel generation, and transportation can be exempt from carbon pricing because in Nunavut we don't have any alternative. When it comes down to business and industry, it's already one of the most expensive places in the world to do any kind of business. We're looking for development to make sure our people, our children, are going to be employed in the future, and we do have to find ways to minimize the impact on industry.

As I indicated in my presentation, if it's going to cost a developer an extra \$300 million, it's just not going to work. We're really hoping that our federal partners can come to the table and hash out the details and make sure that Nunavut, the youngest territory of Canada, is not put in a position where it's not possible to exist there at all.

● (0925)

Hon. Hunter Tootoo: Thank you, Mr. Premier. Yes, I think it's no secret that it costs three times as much to operate anything in the north. I always say that a dollar down here is like 33¢ in the north.

I think another important point is the fact that any investment in infrastructure in the north, whether it be housing or any kind of infrastructure, is actually a direct investment in the southern economy, because anything we buy up there to build with comes from the south. You talked about major infrastructure. You mentioned the Grays Bay port and road project. I was in Winnipeg about a week and a half ago for the Hudson Bay regional round table. We just had the 20th mining symposium in Iqaluit this week. There are two major projects there, Grays Bay and the Manitoba Hydro road project coming up into the Kivalliq region.

We all know that in order for the economy to grow...and that's what this is about, economic growth for the territory and the government's commitment to look toward creating a sustainable

economy in the north. Canada invested in the roads across the country in the south. They invested in the railway. They invested in the harbours. The only jurisdiction left in Canada that hasn't had that investment is the north, and specifically Nunavut.

Do you think there is a requirement for this type of infrastructure investment to allow for the economy to grow and to have the opportunities there for the territory to create employment, lower the cost of living, and bring in alternative sources of energy? As Minister Savikataaq mentioned, there's also the connectivity with fibre optics. I know it's something that the territory can't afford.

As we know, an investment like this would be high up front, but with dividends would pay for itself in the long run and create that opportunity. What we all want is a sustainable, self-sufficient, self-reliant territory, and these investments would help achieve that.

Hon. Peter Taptuna: Absolutely. I mentioned in my presentation the Grays Bay road and port project. I also mentioned a little bit about devolution and the moratorium on oil and gas. Of course, any kind of construction investment that the federal government has for Nunavut also benefits all other southern jurisdictions. As you know, all our construction material, all our equipment, and everything else has to be shipped up from southern jurisdictions. If Nunavut does good, southern jurisdictions also do very well. When it comes to increased costs, however, because of the carbon price, we have to pay that for the other jurisdictions. It drives our cost up.

One of the things I mentioned before is that with this oil and gas moratorium, while we're in the middle of our devolution negotiations, that's... I'll be fairly blunt with this. At the end of the day, the territory of Nunavut is a potential economic engine for the nation going into the future. We're rich in minerals. We have precious base metals. Opening up the geological region, the Slave region, for Canada with that infrastructure will create many jobs for a long time. I'm talking about generations. I guess I could compare it to building a railroad from the east across to the west.

It has to happen soon. This will be our economic activity for the nation going into the future, and it's very difficult to do at this point. We do want to become self-sustaining and contribute to the nation. One way of doing that is through good devolution agreements with our federal partner.

At this point, I see it as being very difficult. The major potential source of revenue going into the future, of oil and gas for the territory, just doesn't exist anymore. Although it's a five-year moratorium, it will be very difficult to talk about oil and gas while we're sitting at the negotiating table. As a territory, we do want to become self-sustaining. We do want to contribute to the nation and have our people employed. There is just no other way. At the end of the day, however, that makes it extra difficult. We do not want to become reliant on Ottawa to give us our funding year after year. We do want to become self-sufficient.

● (0930)

The Chair: Thank you, Mr. Premier.

I want clarification. On the port, was it Great Bay or Grace Bay? Which was it? Was it \$500 million you said it would be to build that port?

Hon. Peter Taptuna: Yes. That's the approximate cost.

As a territorial government we partnered with Kitikmeot Inuit Association, and that's at Grays Bay.

As you know, there are Inuit-owned lands, and part of the project goes through their lands. At the end of the day, that infrastructure will hopefully belong to the Inuit of the region.

Again, I'm talking about potential benefits going forward into the future. At this point with our rapid population growth, we have the highest birth rate in Canada. Our graduation rates are going up, and at any given time, we need at least 5,000 to 8,000 new jobs in our territory for new workers. We just can't supply that through our government, so development has to happen.

When I say development has to happen, it has to happen responsibly. We have, in our land claims agreement, the institution of public government that regulates and makes recommendations at this point to the federal minister on any kind of development. Again, having said that, we want to take charge and have authority on our own lands and water for possible development to benefit our territory.

The Chair: Thank you, Mr. Premier.

Mr. Albas.

Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC): Thank you, Mr. Chair. I thank our guests today.

Premier, it's very educational to have your last comment in particular. You have a fast growing population. They're more educated than any in the past. Where are they going to go? What are they going to do? I think those are important words for us to consider.

You mentioned earlier, Mr. Chair, about the creation of Nunavut. Former minister Tom Siddon—who is still an elected official in my region of the Okanagan—says one of the most important things he did in his long parliamentary career was to help with the creation, because the people had aspirations and he wanted to see a different tone in Ottawa when it came to the relationship.

Certainly, Premier, your words are well-received.

In regard to the moratorium, I asked many of the same questions of your counterpart from the Northwest Territories. Obviously, it seems apparent that there was very little consultation, and I agree with your comment about coming at a very critical time when you're having negotiations on devolution, and how that could impact things.

If we see the administration down south reverse that moratorium—the previous one put in by President Obama—would you be in support of a similar...to rescind that moratorium here?

Hon. Peter Taptuna: Devolution is long term. It's forever. Having that potential there, going into the future, certainly....

At the end of the day, there's the potential that the territory can become self-sustaining. Again, it has to be done responsibly. As

Inuit, we care for our environment. Whatever development happens has to be done responsibly and benefit our people, our territory, and the nation.

● (0935)

Mr. Dan Albas: Again, if you have a rising population, and you want to diversify, that would be one critical way to do it.

I appreciate your bluntness earlier, because you asked for an exemption. I think that given the fact that many of the areas you're in....

How does a carbon tax work when you have diesel-dependent communities where 80% of the costs are already being paid for by the government? Who's going to pay that tax, ultimately? You rely on money from federal transfers, and if only 20% is there, and they don't have the tools to be able to switch off onto their own independent source, how does a carbon tax innovate in that area?

Hon. Peter Taptuna: It's going to be very difficult. That's why we asked for assistance from the technical folks in the federal department.

We pay 80% of the cost of power generation in Nunavut. We have 25 small communities. Again, when it comes to public units, we pay a major part of that. The O and M cost per unit is about \$26,000 per year. In other words, it's going to be very difficult if we don't have any option other than to have a carbon tax, tax ourselves, and figure out a way that's going to work. It will have a major impact on industry up there in our territory.

Mr. Dan Albas: Again, these are just projections that you pointed out from existing relationships you have with companies doing business.

In this country right now, we are at the lowest level of business investment since 1981. Do you see that this carbon tax could potentially not only shoo away new investment, but also make people look again at whether or not they are going to continue operations? Is that a worry?

Hon. Peter Taptuna: Yes. You are absolutely correct. It's already very difficult to attract investors to our territory, and more taxes being levied to industry just compounds the problem. At the same time, we're trying to make it attractive to industry to invest in our territory. In fact, in Canada, with that carbon tax being levied it's going to make it absolutely....

Mr. Dan Albas: Having no ability to switch given the very difficult situations.... You have established supply lines for diesel for your communities. They are on older infrastructure, which means it's very costly to change without federal assistance, yet a carbon tax being placed on...where 80% is already being borne by government. If you don't put it in place, the federal government will tax you for it and then give you your own money back. Is that how it will work?

Hon. Peter Taptuna: Supposedly. That's why it's very difficult. We're asking for the technical fellows to give us some pointers. We're even asking industry to help us out in trying to figure out exactly what their situation is going to be.

As I indicated, if a developer is going to be paying an extra \$300 million over three years, I'm sure they are not going to be sticking around because they already paid the royalty taxes and every other tax that you could think of. Topping it all off with other taxes where we have no alternative in Nunavut, in our territory, makes it really unattractive for any kind of development or investors.

The Chair: I'm going to have to cut it there, Dan.

Mr. Grewal.

Mr. Raj Grewal (Brampton East, Lib.): Thank you, Mr. Chair, and thank you, Premier, and deputy minister, for coming. I really appreciate it.

One thing I've learned in my short time—well, I've learned many things as a member of Parliament, but I will say this. Obviously, the people of Nunavut and the Government of Nunavut know best how to help their people and how to help their economy. What's the one thing—if you had to name it—that the federal government could do to help the people of Nunavut?

Hon. Peter Taptuna: One of the things we want to do is develop our territory. As you know, Nunavut is one-fifth the size of Canada, but at this point I do believe we have more protected lands and marine sanctuaries than the rest of Canada put together. We have national parks, territorial parks, management zones, and we're the only jurisdiction left where the federal government can grab land for their own political agendas.

At the end of the day, we want to be consulted. When the moratorium was put in, I was notified 20 minutes before the announcement happened. That's not consultation. We want to be a part of making decisions for our own territory. That's what we were promised, and I'm hoping that can change such that we are actually consulted for any major decisions that affect our lives in our territory.

• (0940)

Mr. Raj Grewal: There's a chart in our briefing notes that says a lot of your trade is interprovincial within the country. The government has been working really hard on an interprovincial, interterritorial free trade agreement.

How would that benefit the territory of Nunavut?

Hon. Peter Taptuna: One of the things I've indicated is that for any kind of investment that's made by the federal government for construction and infrastructure building, especially housing units and other smaller infrastructure things that we request from Ottawa, everything has to be shipped up from other jurisdictions. We have a short window, a short shipping season. As you know, we have to ship in everything during ice-free periods.

If we don't make these shipments on time, we miss some of the communities where we can't bring fuel in when ice conditions are very bad up north, so fuel has to be flown in at an extremely high cost. That's one of the things that's just natural for the Arctic. Again, when it comes to the federal government benefiting Nunavut by making investments, it probably benefits the southern jurisdictions by 90% in terms of getting supplies, equipment, and trade up into Nunavut.

Mr. Raj Grewal: As a relatively young Canadian, something I didn't know is that you have one of the youngest populations in the country in your territory.

What unique challenges are there for young Canadians in the territory of Nunavut, and where can the federal government be better at this? We have the Canada child benefit and we have Canada student loans program, but I'm assuming there are unique challenges for young Canadians in Nunavut, particularly on access to post-secondary education.

Hon. Peter Taptuna: Yes, absolutely. When I became premier I made education our number one priority.

It's very difficult when you have small, isolated communities, and we do want to have better living conditions, like housing. We have one of the most notorious health records in the nation because of overcrowding. TB is still prevalent in our territory. Of course, when you have 13 people living in a two-bedroom home it's very difficult for young people to pay attention, stay in school, and improve their school attendance.

That's why I think we're quite taken aback when we want to make sure that our people are healthy. The basic needs of shelter have to be met. Of course, again, the cost of living, the cost of food up there is just notorious. It's up to seven times as much as in southern Canada because, as you know, everything has to be flown in. When you add the extra cost of carbon prices to our fuel for aviation it will bring up the cost even more.

Mr. Raj Grewal: What percentage of your population attains post-secondary education? It's okay if you don't know that off the top of your head.

Hon. Peter Taptuna: I'll have to get back to you but we know for a fact that the graduation rates are going up and attendance rates are going up. I don't have the specific numbers but I can speak to a small community in the middle of Canada, Baker Lake, where there is actual mining extraction taking place at Meadowbank. The school attendance has gone up, the health care visits have gone down, and the income recipient numbers have gone way down, so that proves the point that community wellness is happening through employment.

The Chair: Go ahead for a last question.

Mr. Raj Grewal: The statistics on unemployment are rather unique in Nunavut because there are wide fluctuations and volatility in the unemployment data. Do you have any comments on why that occurs and how we can minimize it, or implement policies to minimize that?

Hon. Peter Taptuna: Our population is very small and we have seasonal employment that all of a sudden brings the number of unemployed down. As a government we do have a land claims agreement where, in article 23, we have to try to meet the 85% Inuit content in our territorial government, including some numbers in the federal government, but that's very difficult to get to. We're at 50% and again, when developers like the mining companies are competing for every employable person, it becomes very difficult. Maybe that's a good problem to have, but at the same time we do want to have educated younger people coming out of Nunavut.

• (0945)

Mr. Raj Grewal: Thank you, Premier.

The Chair: Thank you, Raj, and thank you, Premier.

Mr. Liepert.

Mr. Ron Liepert (Calgary Signal Hill, CPC): Thanks for being here. I appreciate it.

We've had both Bob McLeod here and the Premier of Yukon on Skype, or whatever you call it.

I think the three of you have the three toughest jobs in Canada, and I'm from Alberta so I have a bit of a feel for what goes on in the north. Just to be clear, certainly all of us on this side of the table would agree with you in terms of the carbon tax, except we believe that it shouldn't just be abolished in the north; we think it should be scrapped all across the country. Let's just make sure that's on the table.

On that, one of the difficulties I see is certainly the cost of doing business in places like High Level and some of the northern B.C. communities, which—and I acknowledge—is not as high, as extreme, as in the territories or in Nunavut. The question from the federal government's standpoint is, how do you exempt one area of the country, and then where does it stop in terms of that? I would see that as a potential problem.

But I actually want to speak on a more positive vein. I'd like to know a bit more about the port you talked about. How many days a year would that port be operational?

Hon. Peter Taptuna: I don't have those numbers in front of me.

Mr. Ron Liepert: Roughly, are we talking three months of the year? Are we talking nine months of the year?

Hon. Peter Taptuna: Probably five months out of the year.

Mr. Ron Liepert: Five months, so it would be similar to Churchill?

Hon. Peter Taptuna: Yes.

Mr. Ron Liepert: Would that port also be a potential end of an oil pipeline?

Hon. Peter Taptuna: I don't see why it shouldn't be. There are opportunities here and there for opening up the markets to other countries, and especially—

Mr. Ron Liepert: Of course, we've always had the Mackenzie Valley gas situation. That must be, relatively, within proximity of the Mackenzie River Basin as well, is it not?

Hon. Peter Taptuna: We're in the central part of Canada, and of course the Mackenzie is on the western side, another time zone away, so it's—

Mr. Ron Liepert: Yes, but in reality, if Mackenzie ever developed and you had to bring all the gas down south, there could be potential.

In terms of the port's being open five months of the year, are there means for it to be open longer than that if you have the appropriate equipment?

Hon. Peter Taptuna: Absolutely, and that's something Canada has been cognizant of, because we want to maintain our sovereignty in the Arctic Ocean but we don't have a deep-sea port in central Canada, in the central Arctic. It's something that's critical for Canada to pay attention to, but overall, once a road is built, there are opportunities for connecting even further, into the Northwest Territories and points beyond.

As you know, the diamond mines are resupplied by ice roads. For the better part of some of these seasons—where they can't get their supplies in on ice roads because of melting too early—here's an opportunity for another road for resupply, which may even bring the costs further down for the region and developers.

Mr. Ron Liepert: Also, I read somewhere—and I don't know how much truth there was to it—about a cruise ship that was going through the north. They had to stop a fair bit off land and take smaller boats in, because there was no deepwater port for it to come into. Would there also be the potential, at least for those five months of the year, for the Northwest Passage cruise ship business?

• (0950)

Hon. Peter Taptuna: Absolutely. You see more and more cruise ships heading north, through Greenland and through our Northwest Passage. That gives the potential for more tourism activity, once you have that infrastructure in there.

Again, whatever infrastructure is put in, to alleviate some of those extremely high costs, there are opportunities for other modes of economic development. Tourism, of course, is one of them.

Mr. Ron Liepert: I'm good. Thank you.

The Chair: Thank you very much.

We have Dan, and Dan, and Don, and Ron here today.

Go ahead, Mr. Rusnak.

Mr. Don Rusnak (Thunder Bay—Rainy River, Lib.): Thank you, Mr. Chair. I'm going to give a bit of my time to Mr. Tootoo.

First, I'm from an area of the country where we have a lot of isolated communities—northwestern Ontario. We have to fly in food and fuel, and there's diesel generation. I've also had the opportunity to sit on the natural resources committee, and some of the innovative solutions to power and growing your own food in those isolated locations were brought forward. Has the territory been looking at some of that for your communities? Is there government support for innovation in terms of alternative power options and alternative food options, so you don't have to fly in food and fuel?

Hon. Peter Taptuna: Of course we've looked at these options and opportunities. We pay attention to that, but you still have to remember we're in the Arctic, and for the most part we have -40° temperatures in the wintertime. In the high Arctic, you don't have any sunlight for months on end, for six months out of the year. Again, when we talk about the Arctic and Nunavut, it's not like northern Ontario; it's quite different.

There are options. We pay particular attention to that. The high cost of doing anything up there takes away the benefit. Of course, we'll take a closer look at these options, especially alternative energy. At this point we haven't found anything that could actually work up there.

In some communities we have solar power. In my little community of Kugluktuk, we have our arena that's powered by solar. For the most part it works okay, but again, that's a whole different region of Nunavut. We're just 40 minutes north of Yellowknife. We get a lot of sunshine there, so it works for us in our small community, but it won't work for, let's say, 20 other communities.

Mr. Don Rusnak: I'll hand my time over too.

Thank you, Mr. Premier.

The Chair: Go ahead, Hunter.

Hon. Hunter Tootoo: Thank you, Mr. Chair.

Thanks, Don.

In your comments you mentioned the territorial health funding. I've raised questions in the House before. Actually, if you look at the percentage of the Government of Nunavut's budget that goes towards health care compared with what it receives from Canada it is about 11%. For the rest of the country, the average is around 20% or 21%.

If you look at the social housing agreements and the infrastructure funding in the past, as you mentioned, on a per capita basis, those don't work. I think that's the problem with these national formulas, they don't take into account the unique circumstances that we have in Nunavut.

Do you think there needs to be a different way, a different mechanism, or a way to think outside the box of these national formulas for funding the territories so that the level of services they provide to their residents can be comparable to that in the rest of Canada?

Hon. Peter Taptuna: Absolutely. We've been speaking about "base-plus" when it comes to program funding and other funding opportunities that the federal government has for its programs. Having a small population, especially when it comes to health, is a real problem for us. Even though there are billions of dollars set aside for mental health, we would be accessing just a small amount of that for our territory because that's based on population. Again, over an 11- or 10-year period, I believe it's an insignificant amount, even though every little bit helps. That type of funding mechanism just doesn't work for Nunavut.

• (0955)

Hon. Hunter Tootoo: Thank you, Mr. Premier.

You touched on the mental health funding. You actually declared suicide a crisis in Nunavut. Our numbers are staggering. You talked about the announcement in the federal budget on mental health funding, and my understanding is that this year Nunavut is going to get maybe \$300,000 for that. Going forward, for years after, it's \$500,000 a year. Given the lack of services available across the territory, there needs to be much more significant investment in addressing mental health challenges to help curb the suicide rate in the territory.

How would you see the way forward to address those sad statistics that we face in the territory?

Hon. Peter Taptuna: You're absolutely right. During the last fiscal year, we had budgeted over \$6 million specifically for mental health. We overspent our budget by over \$8 million, and that's just scratching the surface.

As you know, I declared suicide a crisis a few years ago. We set up a secretariat to deal specifically with mental health. Again, that just scratches the surface, and we do need extra help to deal with that terrible situation we face. We have small communities that are extremely expensive to get to. It's very difficult for us to bring in

professional people to help us out, psychologists and other health care professionals, when it comes to that.

It does put a lot of pressure on our budget. At this point, we're just barely scratching the surface, and we need a lot of help from our federal partners to alleviate that, which in a sense would benefit other jurisdictions. We have to send our patients to other jurisdictions—Ontario, Alberta, and Manitoba—for help, which we appreciate, but we need some extra help when it comes to federal funding.

The Chair: Thank you both.

Just to come back to this, I'm of the understanding—and I think everyone has signed on but Manitoba—that the health accord going forward for the next 10 years is base-plus. I come from P.E.I. and we have the same situation with per capita, where we were just falling further and further behind. But in the negotiation for the smaller territories and one small province, there is a set amount and then it's per capita. Am I wrong on that?

Hon. Peter Taptuna: Mr. Chairman, may I have my deputy minister respond to that question in detail?

The Chair: Yes.

Mr. Chris D'Arcy (Deputy Minister, Executive and Intergovernmental Affairs, Government of Nunavut): Thank you, Mr. Chairman.

Since 2007, Canada health transfer has been working towards a straight per capita model. Nunavut was exempt from that prior to 2007, and then we were grandfathered until last year or so, until it came to straight per capita. To the best of my knowledge, all provinces and territories received a Canada health transfer with respect to what their populations are. However, that said, there have been other arrangements, such as the territorial health investment fund that has now been extended for four years for us at \$13.5 million a year. The other two territories also have an amount. It's not exactly the same as that. If you want to think about that as a base-plus to the CHT, a person may, but the actual formula is straight per capita.

The Chair: I know we were critical of the per capita, and as I understand it, in the health arrangement there is a set amount for the territories and P.E.I. In any event, we'll check it out a little further, because you're absolutely right that on a straight per capita basis the smaller populated areas fall further and further behind those areas that have a bigger tax base.

Mr. Deltell.

• (1000)

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Thank you, Chair. I'm informing the committee that I will share my time with colleague Tootoo.

Premier, gentlemen, welcome to your House of Commons.

Premier, I think my colleagues, especially the one from Alberta, were crystal clear. We strongly agree with your position on a moratorium, and also on a carbon tax. We consider that it will kill many industries in this country. Especially for you, this is not a challenge; this is a tragedy. That is why we strongly support your position on that, and we strongly support that applying from coast to coast to coast.

Because I want to leave more time for my colleague Mr. Tootoo, my question will be about the Internet. We all recognize that the Internet and broadband is a tool for the 21st century for business challenges, and especially for development, and certainly also for communication, but it's very costly. What is your proposition in regard to that? How can we finance that kind of challenge?

Hon. Peter Taptuna: Thank you. I'll have my Minister of Community and Government Services respond to that.

Hon. Joe Savikataaq: Thank you.

We're currently negotiating with ISED to get the broadband funding that the federal government has made available. We're looking at all options right now, a fibre optic link, and low earth orbit satellites, which are being tested right now. We still need the federal government's help. We can't do it on our own. Our territory is too vast.

Currently, we're all on satellite Internet. There is only one provider and we pay what the provider charges, so it's a challenge.

It's a bit more than a challenge even. Because the Internet is so slow, we have a hard time using it for telehealth. When you have the connectivity that is available down here, down south, it's almost the same as talking here right now. When you're doing it up north, you get gaps where the image freezes while the person is still talking. We have challenges.

We are doing a joint feasibility study with northern Quebec, the Nunavik region, in terms of a fibre optic link through the ocean. We're looking at all options, because we know we are falling further and further behind. We need to catch up with the rest of Canada.

The Chair: Hunter, you're really getting a whack of rounds today.

Hon. Hunter Tootoo: Thank you, Mr. Chair. To your suggestion about per capita funding, I think everyone but you would agree that maybe we should move to a land-mass-based formula for funding.

An hon. member: That wouldn't work so well for P.E.I.

Hon. Hunter Tootoo: You talked about connectivity, education, and health care. I think you get better service on your cellphone down here than you get in most communities in Nunavut, and again the cost of any project in the north is high. I know one proposal was looking at bringing in fibre optics underwater from Greenland over to Iqaluit, which uses probably between 60% and 70% of the bandwidth of the territory.

How do you see something like that would help not only increase Internet services and connectivity to the rest of the territory, but also bring down the cost of health care and improve educational opportunities for Nunavummiut?

•(1005)

Hon. Joe Savikataaq: If a fibre optic link was brought into Iqaluit, and as you said, it's the biggest user. It would free up the satellite broadband for all the other smaller communities, so it would benefit all of Nunavut. We are looking at that option too. We talked to the smaller communities to let them know that even if only Iqaluit is linked, it will benefit all the territories because it will free up that bandwidth. We're looking at options from Greenland. We're looking at options to partner with northern Quebec. We're looking at land options. We're looking at all options right now, but as a territory we cannot fund this. We absolutely need the federal government to fund it, either totally or partially. We can't do it on our own. We just don't have that funding capacity.

The Chair: Thank you, both.

Mr. Ruimy.

Mr. Dan Ruimy (Pitt Meadows—Maple Ridge, Lib.): Thank you very much for being here today.

I'm new to this committee. I'm subbing for the day. In the other two committees I sit on, we're speaking to some of the things you folks are facing. I'm chair of the science committee, and we'll be studying the Internet broadband issue. We've had lots of conversations about how and where and why we can address rural areas such as yours. In my other committee, we're doing a poverty reduction study and we've been to some of the rural areas, so I fully appreciate the circumstances that you face where you are.

I have a couple of questions, again understanding the necessity of the Internet. Coming from Vancouver I visited a pilot project in Vancouver a few times to see how they're doing with telehealth. It's quite amazing to see, but I'm assuming that with a satellite you're not able to access any of that up there. Is that correct?

Hon. Joe Savikataaq: There is access to it, but it's very limited. For example, in Iqaluit they have MRI and they can use it, but the results are sent down south to be analyzed. They can only upload that to send it off to the south at night when no one is using the Internet because there are so many users during the day that they cannot do it. We're working with the system we have, but it is definitely inadequate for telehealth.

If we had more bandwidth and faster speed, it would cut down the cost. Instead of sending a patient down to southern facilities to get analyzed, they could use telehealth to cut down the travel costs, so there are cost savings in it.

Mr. Dan Ruimy: Absolutely. I'll be meeting with them in the next couple of weeks, so I'll have a conversation and see if they're working on anything to address needs up north. That'll be interesting.

Moving on to housing. If I understood correctly, you mentioned you still need 3,000 housing units. Is that the right number?

Hon. Peter Taptuna: Absolutely. That's the number we were desperately short of, approximately 3,000 units.

Mr. Dan Ruimy: When we talk housing, can you just give me kind like a rundown of... Are you looking at apartment style or individual homes? What are the challenges of building houses out there, cost-wise as well? What does that picture look like?

Hon. Peter Taptuna: Absolutely, the cheapest form of building public units is either multiplexes, five-plexes, 10-plexes, or even higher. Then of course land is always a high cost.

Mr. Dan Ruimy: Who owns most of the land there? Is that the government or...?

Hon. Peter Taptuna: Yes, the municipality.

Mr. Dan Ruimy: Who is actually building these multiplexes? Is it private interest? Is it the government? Is it non-profits?

Hon. Peter Taptuna: We let procurement through our housing corporation do that. Then of course, one of the highest costs is bringing up the construction material.

• (1010)

Mr. Dan Ruimy: I would imagine so. There's no forestry up there, is there?

Hon. Peter Taptuna: No. It's a budding industry.

Voices: Oh, oh!

Mr. Dan Ruimy: Most of my other questions have been covered.

Hunter, if you have any more you'd like to ask, go ahead.

The Chair: I might apologize for some of the members who had to leave, Mr. Premier. There were a couple who had to go to House duty, and there's one who had to catch a plane. They said to pass on their regards to you as they were leaving.

Hunter, go ahead.

Hon. Hunter Tootoo: Thank you, Mr. Chairman.

Thanks, Dan.

I'd like to go back to something you mentioned earlier on, looking at your request for \$250 million over 10 years to help modernize and maintain capacity in some of the power generation plants that are in the territory. As you said, the majority of those plants were built before I was born. I don't know about you, Joe.

How important do you think being able to modernize is? When they were built back then, there was probably no energy efficiency, not clean. In this request, would that be looking at not only increasing capacity but also incorporating cleaner and more energy-efficient technology into those systems?

The Chair: On that point, Mr. Premier, when we were doing pre-budget consultations, I think it was in Halifax where we heard proposals from—I forget the name of the company. Ron MacDonald was the guy who talked about proposals for the north. I believe it was trucking liquefied natural gas into units in the north. Anyway, it was an interesting proposal and it was at our Halifax hearing.

Are some of those options being looked at as well and also along the lines that Hunter is talking about?

Hon. Peter Taptuna: Absolutely, and thank you for that question.

When we talk about our inefficient power generating plants in Nunavut, these are very old. When you have engines burning only 30% to 50% of their fuel, and the rest going out to exhaust, that is a major problem. When we talk about putting in a cleaner, eco-friendly system, we're still a ways from that, but as you indicated, there are companies out there that are talking LNG and tidal energy.

Mr. Chairman, we have one area in Iqaluit where tidal energy can be looked at, but the conditions are very harsh. It's not like the Bay of Fundy. I understand that they are doing some testing on equipment in the Bay of Fundy, and they're having some difficulties in ideal conditions. Up north, we have ice and colder temperatures that make it very difficult to deal with equipment. If you talk to any mining company, you will see that their equipment costs go up over the winter just because of dealing with the cold temperatures that we face up north.

But again we want to make sure, every time we put in a new facility, a new plant, or renovate an old, inefficient plant, that we have an opportunity to put in some kind of system that's reliable and more eco-friendly. That's one of the things that we consistently talk about.

The Chair: Thank you.

Mr. Fergus, you have the last question.

[*Translation*]

Mr. Greg Fergus (Hull—Aylmer, Lib.): Thank you, Mr. Chair.

[*English*]

It's a pleasure to have you here. I represent a Quebec riding, and I remember the first time I had the opportunity to visit your capital. Two things struck me immediately, and the first was the lack of trees. It took me a while to figure that out, actually. It was something odd. But most importantly what struck me was how youthful the population was, how many young people were there, and that was so clear to see.

Before I became a politician, I worked in the university field and I know there are some universities that have set up programs to run some programs out of Iqaluit. I'm just wondering if you could tell us what you feel is the greatest challenge for the young people of Nunavut, and how it looks ahead for opportunities for them.

• (1015)

Hon. Peter Taptuna: Absolutely, we do have a young population. It's throughout our whole territory, in our bigger communities, our medium-sized communities, and in our small communities. One of the challenges that we face is, of course, the cost of providing services for them. Again, providing health care and education costs us about \$500 million a year. But at the end of the day one basic thing that we need for our young population to grow is shelter.

When you live in a small, isolated community, it's very difficult for them to move forward. Although we see progress being made, with more and more younger people attending colleges and universities down south here—and that's one of the things we want to encourage—it's very difficult in the smaller communities when there's no economic activity or employment. It just drains the energy out of our communities. That's one thing we want to see, more opportunities for our young people.

Although it's at a high cost at this time to provide services for a young population, we know now going into the future that once they're educated that's our best potential for a healthy territory.

Mr. Greg Fergus: Further on that, are there plans afoot for more partnerships with educational institutions down south to open up satellite campuses in the territories? Perhaps, Minister, you might know this better.

Hon. Peter Taptuna: Absolutely. Again, we're talking about setting up a college or university in our territory. It will give more vision for our young people to look forward to, because at this point there's no university. We do have Nunavut Arctic College, which helps us out in big ways, but at the same time we want to ensure that we educate our younger people to become professionals. When I say that, we want to encourage all sorts of different types of education.

We do have young people in classrooms down here in Ottawa, and that's called Nunavut Sivuniksavut, and it's a great program. It brings out a lot of good attitudes from the students who attend it. It gives them history about our new land claims agreement and what's going to be happening within our territory for the betterment and the wellness of our communities. It's a positive step when I see more and more educated young people, but the problem is that most of them move down south to bigger centres once they're educated. Again, that proves that once you're educated, you have many options in life. That's one of the things we want to encourage in our younger people in the smaller communities.

The Chair: Thank you.

I did say Greg would have the last question, but Mr. Weir has joined us, so you'll have the last question, Erin.

Mr. Erin Weir (Regina—Lewvan, NDP): Thanks very much. I appreciate being here at the finance committee.

I normally serve on the government operations committee, and as part of our study of Canada Post and its future we travelled to the Northwest Territories, and there we found a great deal of support for the concept of postal banking. My sense is that Nunavut also has many remote communities that may not have banks or credit union branches, but I suspect many of them do have Canada Post outlets.

I wonder if you could just speak to us about the possibility of offering basic financial services from postal outlets. I think this would be a way of generating some additional revenue for Canada Post, and meeting a need that's out there for financial services. I'd really be interested in your thoughts on this proposal.

Hon. Peter Taptuna: It's very difficult when we talk about banks and credit unions for our smaller communities. Most of our folks are on Internet banking, and at the same time we see some difficulties in our small communities where employed people want to set up a mortgage to build their own homes and that's very difficult.

Maybe that's something it would serve me to look into and figure out ways to make it easier for members of our smaller communities to access services like that, because I know for a fact that it's very difficult for some of these younger folks to actually get bank loans and set up mortgages.

• (1020)

Mr. Erin Weir: Absolutely.

I was also curious on your thoughts about the amount of territorial formula financing that Nunavut is receiving. I believe it's about \$1.5 billion right now. Do you have any particular suggestions about that formula and how it might be improved?

Hon. Peter Taptuna: Absolutely. We always need more.

As you know, one of the things we're talking about is devolution. We want to ensure we have a mechanism there to actually generate our own revenue, so we have our own priorities built, especially when it comes to infrastructure. Again it's something we appreciate coming from Ottawa when we get that amount of money, but at the end of day, we do want to be a contributor and become more self-sustaining.

Having said that, it's very difficult for a small population to generate its own revenue. We create a little of our own revenue through taxes, but at the end of the day it's very difficult. In the past the government devolved education and health. Those don't generate any revenue. That's why we're trying to get devolution. We're the only jurisdiction in Canada that does not have that.

Mr. Erin Weir: If devolution occurred for Nunavut, do you have an estimate of how much additional resource revenue your territory would be able to collect and retain?

Hon. Peter Taptuna: Not at this time. As you know, the development is happening on Inuit-owned lands, when it comes to mineral development, and as a territorial government we do not collect royalties on that, except personal taxes.

Going to crown lands, there's no real development taking place for I have to say 15 to 20 years, because as Inuit we had already selected the lands where there was high potential of mineral deposits, so the Inuit get that through negotiating Inuit impact benefit agreements with the developer, and of course, the royalties go to Canada. As the territorial government we get nothing out of that, but when I'm talking about devolution, I'm thinking way into the future.

Mr. Erin Weir: Okay. Very good.

Mr. Chair, I am conscious of time—

The Chair: You have time for one more question.

Mr. Erin Weir: Okay. Thank you very much. I really appreciate that.

I would just close by asking if there is any one particular issue you'd like to highlight in terms of what the federal government could do better in the short term to help your territory. I appreciate that devolution is a long process and negotiated over time, but is there anything you're asking the government to do right now, let's say, in the next federal budget for Nunavut?

Hon. Peter Taptuna: Absolutely. There are many priorities we have in Nunavut and, again, when it comes to devolution, in the past we've always been an hour away from signing that AIP, agreement in principle, but that's several years away yet.

At the end of our devolution negotiations, I do want to see an AIP before the end of this year and move forward on that. At the same time, Nunavut is a vast territory, one-fifth the size of Canada, and we have no infrastructure there. The infrastructure is being slowly built, but transportation infrastructure is key. We want to make sure that whatever infrastructure is built—again, I have to bring up the Grays Bay road and port project—governments can generate revenue, all levels of government, through that type of infrastructure building.

Again, it's one of those things. Eastern Canada built to the west. Everybody forgot about the north. The north and the Arctic is key. It's probably going to be our economic engine going into the future because of the high mineral potential, and of course, the need for jobs.

The Chair: Thank you for that, Erin.

Yes, the railway certainly opened up Canada's potential, and the St. Lawrence Seaway certainly did. You're seeing something similar from Grays Bay and transport, I think.

I have just one question. In our pre-budget consultations we had meetings with all the regional development agencies, and I think it's fair to say that some are doing a fairly good job and some not so great. What's your view on CanNor? Is it doing what needs to be done as a development agency in the north? Are you able to utilize it? Does it have enough funds? What are your thoughts on the Canadian Northern Economic Development Agency?

• (1025)

Hon. Peter Taptuna: We were very pleased when the building was constructed in Iqaluit, the capital city of Nunavut. Our territory

is the least developed, and it was great that the federal government put the headquarters for the north in Iqaluit, in Nunavut. Of course, there are still growing pains.

I believe that there is still an opportunity there to improve it, but at this point we see better things. We see things evolving, and they're involving themselves more with development, so that's a good sign.

I hope that at the end of the day the relationship will be improved. Again, it's just a matter of time and working out the kinks. I know that there's an opportunity there to make sure that agency can assist the three territories when it comes to economic opportunities.

The Chair: If I recall correctly, they indicated that there were quite a number of good projects that they weren't able to adequately fund. That shows that the investment opportunities are there, I guess.

With that, Mr. Premier and gentlemen, we thank you for your presentation. Thank you for coming to Ottawa.

I would also like to thank the analysts and the clerk. This week we've had six meetings and I know there's a lot of background work that goes into briefing notes, and so on and so forth. You folks have had a busy week, and I think you had to clerk another committee until midnight last night, Suzie, so I thank you folks as well.

Mr. Premier, gentlemen, thank you.

The meeting is adjourned.

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