



Reports of Standing and Special Committees

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Oversight of Government Operations and Public Accounts**

**Report on the Review of the
2008 Report of the Auditor General of Canada to the
Legislative Assembly of Nunavut on the
Nunavut Housing Corporation**

**2nd Session of the 3rd Legislative Assembly
June 2009**

Thank you, Mr. Speaker.

Mr. Speaker, I have the honour today of presenting the report of the Standing Committee on Oversight of Government Operations and Public Accounts on its review of the 2008 Report of the Auditor General of Canada to the Legislative Assembly on the Nunavut Housing Corporation.

Mr. Speaker, as you will recall, the Auditor General's Report on the Nunavut Housing Corporation was tabled in the House on May 22, 2008, during the 2nd Legislative Assembly of Nunavut. On March 17, 2009, the 3rd Legislative Assembly passed a motion to formally refer the report to the Standing Committee on Oversight of Government Operations and Public Accounts for review.

Mr. Speaker, since April 1, 1999, every report of the Auditor General to the Legislative Assembly has been referred to a Standing Committee for review. Witnesses from appropriate Government of Nunavut departments, Crown corporations and agencies have been invited to appear in public to account for their responses to the Auditor General's recommendations and the concerns of MLAs.

Mr. Speaker, housing issues are of significant concern to all MLAs and Nunavummiut. The Auditor General's 2008 report made a number of important observations and recommendations concerning the Nunavut Housing Corporation's management of the territory's public housing program and its delivery of new housing units under the Nunavut Housing Trust.

In January of this year, the federal budget announced that \$100 million in new housing funding will be provided to Nunavut. The Nunavut Housing Corporation subsequently announced on March 31, 2009, that 285 new housing units will be constructed across Nunavut between 2009 and 2011. The announcement also indicated that the delivery strategy for these units was under development.

In light of these announcements, Members of the Standing Committee were of the view that it was essential for the Nunavut Housing Corporation to account in detail as to what steps it had taken in response to the Auditor General's recommendations in her 2008 report. It was our hope and expectation that the Auditor General's report and the Standing Committee's hearings would help the NHC to improve its delivery of the essential programs and services for which it is responsible. Members were of the view that these hearings were an excellent opportunity for the corporation to learn from the mistakes of the past in preparation for the challenges that lie ahead.

The Standing Committee held its hearings on the report on May 6 and 7 of this year. These hearings were open to the public and news media to observe and were broadcast on local cable television. The transcripts from the Standing Committee's hearings were subsequently posted to the Legislative Assembly's website in both Inuktitut and English on May 20, 2009. I encourage all Members to review the transcripts with care.

The Auditor General's report on the Nunavut Housing Corporation presented thirteen specific recommendations. These recommendations addressed the following thematic areas:

- Management and delivery of the public housing program;
- The Nunavut Housing Trust Delivery Strategy; and
- Planning, reporting and performance measurement.

Mr. Speaker, the Standing Committee concurs with the recommendations of the Auditor General and noted that the Nunavut Housing Corporation itself substantially agreed with all of the Auditor General's recommendations.

As I noted earlier, the Standing Committee held its hearings on the Auditor General's report in May of this year. In preparation for the Committee's hearings, Members were provided with a copy of the Nunavut Housing Corporation's December 2008 update on its response to the Auditor General's report.

During the Standing Committee's hearings, Members were advised that the NHC's action plan in response to the recommendations of the Auditor General would be tabled in the Legislative Assembly in June of 2009. The Standing Committee looks forward to reviewing this document and is hopeful that it will be updated to reflect the concerns raised by Members during the Committee's hearings. The Standing Committee also looks forward to the eventual tabling in the Legislative Assembly of a final, audited report on the corporation's total expenditures and activities under the Nunavut Housing Trust.

Mr. Speaker, I would like to take this opportunity to clearly and strongly express the Standing Committee's position that accountability applies to all of the government's departments and Crown corporations. The Nunavut Housing Corporation is no exception.

During the Standing Committee's hearings, Members were repeatedly told by the Nunavut Housing Corporation's witnesses that staffing capacity issues have been an underlying cause of the problems identified in the Auditor General's report. However, Members have observed that all Government of Nunavut departments, corporations and agencies face challenges in this area. All departments, corporations and agencies would like to have larger budgets and additional resources. I would also note that while a number of the corporation's positions are classified as being vacant, work is being performed by contract and casual employees.

Mr. Speaker, it is essential that explanations do not become excuses. The Nunavut Housing Corporation's new leadership must adopt a more positive attitude in this area and acknowledge that while capacity issues must be addressed, the essential work of the corporation must be done.

Mr. Speaker, a number of themes and priorities emerged during the Standing Committee's review of the issues raised in the Auditor General's report. Accordingly, the Standing Committee recommends that the Nunavut Housing Corporation address the following ten critical areas for action:

1. The importance of developing and introducing a transparent, formal and independent appeals process for public housing applicants and tenants. This issue is of particular relevance to the public housing allocation process. An element of this process should include provisions whereby applicants are provided with a prescribed period of time following a housing allocation decision during which they may submit an appeal. Members were pleased to have received a commitment during the hearings that work will be undertaken by the Nunavut Housing Corporation in this area and will be closely monitoring progress. Members recommend that the Nunavut Housing Corporation examine the experience of such existing Nunavut bodies as the Social Assistance Appeal Board in developing a model for use in this area.

2. The importance of enhancing the training and orientation provided to members of the boards of directors of Local Housing Organizations. The Standing Committee noted that the manual provided to board members by the Nunavut Housing Corporation has not been updated since 1995. Given that it has been almost fifteen years since this manual was developed, it is essential that it be updated to reflect current standards and expectations. The Standing Committee also stresses the importance of providing clear guidance and training to board members with respect to the issue of conflict of interest.
3. The importance of working with Local Housing Organizations to review the eligibility criteria for election to their boards of directors. Members noted the desirability of ensuring that as many residents as possible have the opportunity to contribute to their communities through service on such boards.
4. The importance of partnering with such entities as the Municipal Training Organization to enhance the training and support provided to Tenant Relations Officers. During the Standing Committee's hearings, it was noted that these positions have historically experienced high turnover rates as a consequence of the stressful nature of the work and the relatively low remuneration. The Standing Committee is supportive of measures that will serve to enhance stability with respect to these important positions.
5. The importance of working with LHOs to address the issue of rental arrears. During the Standing Committee's hearings, Members were advised that between \$11.0 million and \$12.0 million is outstanding on a Nunavut-wide basis in rental arrears and tenant damages. This amount has increased significantly since November of 2004, when the Nunavut Housing Corporation, in response to a question posed by a Member of the Legislative Assembly, reported that the total amount owing to LHOs was approximately \$6.6 million.
6. The importance of enhancing the transparency of the Nunavut Housing Corporation's operations through the annual tabling in the Legislative Assembly of a report on the corporation's contracting, procurement and leasing activities. Members note that while such information is tabled annually with respect to the Government of Nunavut's departments, it is not done so for its Crown corporations and agencies. The Standing Committee also stresses the importance of tabling the corporation's statutorily-required annual reports on a timely basis. This is an essential component of accountability.
7. The importance of tabling in the Legislative Assembly a copy of the delivery strategy for the 285 new units that the Nunavut Housing Corporation has announced will be constructed between 2009 and 2011. During the Standing Committee's hearings, Members were advised that the Cabinet would be reviewing this strategy in May of this year. Members encourage the Nunavut Housing Corporation to consult closely with LHOs with respect to the mix of

housing types that are to be delivered. Members also stress the importance of close cooperation between the Nunavut Housing Corporation and such partners as Nunavut Arctic College, the Department of Education and the Nunavut Trades Training Centre, which is scheduled to open in the fall of 2010, with respect to enhancing training and apprenticeship opportunities for Inuit. While Members recognize that efforts have been made to provide apprenticeship opportunities, it is disappointing that no certified tradespeople have emerged from the Nunavut Housing Trust Delivery Strategy. Members recommend that the Nunavut Housing Corporation be open to innovative approaches in this area, including providing opportunities for apprentices to gain hours by working on projects in communities with longer construction seasons.

8. The importance of reducing the Nunavut Housing Corporation's reliance on consultants and casual employees by identifying and eliminating the barriers that exist to the successful filling of its positions on a permanent basis. During the Standing Committee's hearings, the issue of capacity was raised on a number of occasions. The Nunavut Housing Corporation advised that a third party organizational review was expected to have been completed in the spring of 2009. Members look forward to the tabling of the results of this review in the Legislative Assembly. The government's recently-announced "Report Card" initiative may also contribute to this process. The Standing Committee also acknowledges the necessity of reviewing the corporation's decentralized structure in order to improve its success in filling highly technical positions.
9. The importance of identifying opportunities to maximize the impact of Nunavut's scarce housing dollars by pursuing cost savings in relation to the delivery of housing materials on the annual sealift. Members encourage the Department of Community and Government Services and the Nunavut Housing Corporation to work together in this area.
10. The importance of tabling in the Legislative Assembly a copy of the framework for a strategic plan for housing delivery in Nunavut that the Nunavut Housing Corporation has indicated has been under development and which is expected to be finalized in the spring of 2009.

Mr. Speaker, pursuant to Rule 91(5), the Standing Committee formally requests that the government table a comprehensive response to this report within 120 days. I would also like to take this opportunity to note that the Standing Committee looks forward to holding hearings later this year on the Auditor General's recently-tabled reports, one of which addressed the financial management practices of the Department of Health and Social Services.

Mr. Speaker, I will conclude by moving that the report of the Standing Committee be received by the House. Thank you, Mr. Speaker.