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Building *Nunavut* Together
Nunavut liuqatigiingniq
Bâtir le *Nunavut* ensemble

Business Plan Territorial Corporations 2013-2016



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Housing
Corporation**

**Business
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2013-2016

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INTRODUCTION

The Nunavut Housing Corporation (NHC) is a public agency of the Government of Nunavut (GN) created through the Nunavut Legislature by the *Nunavut Housing Corporation Act*. As such an agency, the NHC is at arm's-length from the GN, and its operating boundaries are set out in Part IX of the *Financial Administration Act* the section specifically devoted to public agencies.

The NHC reports to the Legislative Assembly of Nunavut, Executive Council, and to Nunavummiut through its President, Board of Directors and the responsible Minister. This approach allows the Minister to maximize the effectiveness of the Corporation for the present and future benefits of Nunavummiut.

The advantages of being a Territorial corporation include:

- The ability to enter into funding partnerships independently, principally with the Canada Mortgage and Housing Corporation (CMHC), outside of the GN's financial structure. This means that Nunavut's transfer payments from the federal government are not affected by the funding the NHC receives.
- The ability to carry over funds from one year to the next, ensuring funds from all sources designated for housing initiatives remain dedicated to housing solutions.
- The stewardship of funds appropriated for Capital and Operating and Maintenance, which gives the NHC full authority for the delivery of housing initiatives.
- The creation of an entity that is focused specifically on meeting housing challenges within Nunavut and providing housing solutions using a one-window approach.

Our Mission

To provide opportunities for all residents of Nunavut to have homes that support a healthy, secure, independent and dignified lifestyle through working with our communities to allow them to assume the role of providing housing to Nunavummiut.

Our Vision

To ensure families and individuals in Nunavut have access to a range of affordable housing options.

ENVIRONMENTAL SCAN

Delivery

Adequate, affordable and appropriate shelter is a key factor in achieving well-being, including the ability to participate and to achieve success in economic activities. Housing is also an important economic sector that responds to new and ongoing infrastructure needs. It is a source of employment and a driver for the market for materials and services.

New construction by the private sector is usually responsive rather than proactive. The continued training of Nunavummiut in the construction fields is a cornerstone to economic well-being in the housing construction industry. Over time, as more Nunavummiut become skilled in these trades, the overall economic impact of the housing industry within Nunavut will increase.

There is an extremely limited private market in Nunavut: most landlords/developers only respond to tenders, or initiate new development, that in turn promises long-term government leases. The cost to transport materials, obtain developed land, and construct and operate dwellings, makes building on speculation unpalatable for most.

Nunavut's climate and geography also present unique challenges to the construction industry. The territory's 25 communities are remote, with no road or rail access. All construction materials must be transported by air or on the annual summer sealift. As a result, the cost of landed goods is substantially higher than elsewhere in Canada.

Adequate and secure storage facilities must be available to accommodate a 12-month supply of materials. As such, the NHC will continue to lobby for improved storage facilities and increased capacity for Local Housing Organizations (LHOs) to address these challenges.

The NHC relies on its community partners, the LHOs, to provide maintenance and administration services on housing units. The NHC looks to these partners for valuable insight on community priorities and concerns.

The NHC recognizes the value of enhancing LHO capacity and has therefore identified maximizing support to them within limited resources as a critical priority for 2013-2016. At present, many of the LHOs operate out of facilities originally built to support and maintain a much smaller housing inventory. Furthermore, few investments have been made to enhance the LHOs, beyond their regular operating funding. For example, the condition of certain LHO warehouses and *Nunavut Housing Corporation* storage facilities is identified as a critical issue by both the Corporation and by the Office of the Auditor General. Inspections and a multi-year upgrade and replacement plan will be developed for inclusion in the 2014 to 2019 5-year capital plan.

Supply

The GN is the principal supplier of the over 10,000 dwelling units in the territory. As of March 31, 2012, the government, through the NHC, maintained 5,067 public housing units (of which 4,814 were NHC-owned and 253 were leased), 1,411 staff housing units (of which 354 were owned and 1,057 were leased) and held mortgages for 330 homeowners. This represents over sixty-eight percent of Nunavut's total housing stock. The remaining thirty-two percent of Nunavut's housing stock includes privately owned, federal/municipal staff accommodations, other private sector employers' staff accommodations, Nunavut Arctic College student housing and Income Support funded units.

According to the 2010 Nunavut Housing Needs Survey, public housing accounts for 51% of Nunavut's housing stock, 58% of Nunavummiut are public housing tenants, of which 99% are Inuit. Due to the absence of private affordable rental housing and given the high costs of independent homeownership, public housing units are home to approximately half of Nunavummiut.

Each Public Housing unit requires more than \$23,000 per year to operate and maintain. However, funding from CMHC for the social housing inventory that was transferred to the Corporation in 1996 is declining and will terminate completely in 2037. Additional resources will need to be identified and dedicated to the operations and maintenance of public housing.

The NHC is committed to delivering new and refreshing existing homeownership programs to assist people who are ready to gain the advantages of independence from the Public and Staff Housing Programs. Every new homeowner from these programs either frees up a rental unit in the public or staff housing portfolios, or reduces an existing home's occupancy level.

Despite public and staff housing portfolios and homeownership programs, overcrowding continues to be an issue of critical concern in the territory. The *Indigenous Children's Health Report* (2009) cites overcrowding and poor housing conditions as contributing to the high rates of infant mortality amongst Inuit.

The *Aboriginal Children's Survey* (Statistics Canada, 2006) reports that nearly half of young Inuit children live in crowded dwellings. In 2004, the *Ten-Year Inuit Housing Action Plan* estimated that 3,000 public housing units are required over a ten-year time span to alleviate current housing needs, and an additional 270 units per year are required to meet the needs of Nunavut's growing population. As per its commitment under Aajiqatigiinniq, the NHC will review the 2004 Nunavut Ten-Year Inuit Housing Action plan with NTI.

In 2010, the Nunavut Housing Needs Survey reported that 1,220 Nunavummiut were homeless, and 3,580 units were needed to address overcrowding and housing in major need of repair. The Conference Board of Canada also released *Sleeping on the Couch*, which clearly showed that Nunavut had the highest rates of overcrowding in Canada.

To help address this housing crisis, the NHC in close consultation with GN departments has developed a *Framework for the GN Comprehensive Long Term Housing and Homelessness Strategy* as a first step towards an overall strategy. The Framework examines Nunavut's current housing situation, identifying barriers, challenges and gaps to help structure the GN Comprehensive Long Term Housing Strategy.

The Strategy will build upon the framework's analysis and organize government action around the need to address housing demand and supply barriers, identifying and addressing housing cost drivers and increasing investment in housing in Nunavut. The Strategy must address known barriers and identify those that impede action for housing in Nunavut. Where possible, it needs to meet other government objectives through the resolution of specific housing needs. It must also maximize the use of the GN's resources.

As stated in Tamapta, the strategy will aim to address the entire continuum of housing, increasing public housing, strengthening the rental market and providing support for private homeownership.

INUIT EMPLOYMENT PLAN

Nunavut Housing Corporation Inuit Employment Goals

The Nunavut Housing Corporation is fully committed to reaching Article 23 of the Nunavut Land Claim Agreement goal for Inuit employment and plans to increase Inuit employment in the fiscal year 2013-2014.

To help achieve these objectives NHC formed an Inuit Employment Plan advisory committee. This committee is focusing on exploring flexible, creative solutions to address this priority. It is important to note, however, that the NHC must address certain challenges to achieve this target. These challenges are outlined in the following section.

The total number of NHC positions in 2012-2013 is 97, down from 108 in 2011-2012. This decrease is due primarily to the termination of technical term positions financed with the Canada Economic Action Plan funding which expired March 31, 2012.

The NHC has filled 77 of its 97 positions, with a vacancy rate of 21%. The total number of beneficiaries hired by the NHC stands at 25 for an IEP rate of 26%. A detailed analysis of this is in Appendix II.

Meeting the GN target of 53% Inuit employment by the end of fiscal 2013 would require hiring 26 beneficiaries to bring the total of Inuit staff up from 25 to 51. NHC currently does not have enough vacancies for 26 beneficiary hires. It is important to note that the forecasted Inuit Employment targets are based on the vacancy rate as of June 30, 2012 and does not reflect the hiring and job offers that have been completed after that date.

LHOs account for a significant portion of NHC's operating budget and are consolidated in the Corporation's financial reporting. As of September 30, 2012, there were 295 LHO positions funded by the NHC of which 290 positions were filled. Of these positions, 245 were filled by beneficiaries, which translates into an LHO IEP rate of 84%. Combining these figures with NHC's staffing levels results in 392 positions, of which 367 were filled, and 270 were beneficiaries, for a consolidated IEP rate of 74%.

NHC Engagement in GN-Wide Initiatives for 2013-2016 to meet Inuit Employment Goals

To meet the challenge of achieving a higher level of Inuit employment, the NHC will utilize such programs as the Department of Human Resources' Sivuliqtiksats (Internship) and Mentorship Programs. The NHC also makes use of tools, such as the training and development courses provided by the Department of Human Resources, to assist Inuit employees with the goal of advancing their employment within the NHC. Furthermore, the NHC supports continuous learning with the objective of providing opportunities to Inuit employees who wish to enhance their skills and pursue career opportunities. The development of Inuit staff will allow for the filling of positions that become vacant within the Corporation.

Corporate Initiatives for 2013-2016 to meet Inuit Employment Goals

The NHC is committed to supporting Inuit staff through performance management, on-the-job training and by encouraging continuous learning. It is important to recognize that the nature of many of the Community Development Officer (CDO) positions makes it a challenge to retain local applicants within the NHC. Namely, the intensive travel demands and heavy workloads, which include maintenance, technical, programs and finance responsibilities, are seen as an impediment to maintaining a healthy balance between work and traditional lifestyles/pursuits (including family life, hunting, and community engagement).

The NHC continues to ensure that all construction contracts include a requirement to hire local apprentices and works through its District Offices and LHOs to identify potential Inuit tradespeople with some of the required skill qualifications to work as journeypersons within the construction industry.

CORE BUSINESS

The following section is organized into four key areas of responsibility of the Nunavut Housing Corporation: Advisory and Administrative Services; Public Housing; Staff Housing, and Home Ownership. Status updates for the NHC priorities as outlined for the 2012/13 fiscal year are provided, and the NHC priorities for 2013 to 2016 are established.

Budget	(\$ 000)			
	2012-13	2013-14	2014-15	2015-16
Advisory and Administrative Services	14,280	15,211	14,761	14,761
Public Housing	98,060	105,500	106,419	106,757
Staff Housing	44,522	45,108	45,117	45,117
TOTAL	156,862	165,819	166,297	166,635

Advisory and Administrative Services

Advisory and Administrative services for the NHC are provided by a group of dedicated housing professionals. The NHC team works diligently to make the corporation an action-oriented service delivery agency. Through its Advisory and Administrative services, the NHC strives to deliver targeted housing solutions to all audiences and to provide the following services: education, training and support to Local Housing Organizations (LHOs) in the areas of administration, finance, program delivery and housing maintenance. It also develops services for homeowners in the areas of finance, education and technical assistance, as well as coordinates housing-related advocacy efforts on behalf of all Nunavummiut.

Objectives

- To ensure effective coordination of housing policies and procedures in Nunavut;
- To ensure appropriate levels of staffing, delivery capacity, training and professional development for Nunavut Housing Corporation and LHO staff;
- To increase the awareness and understanding of housing realities in Nunavut within the territory and nationally.

The organization includes a Directorate office, Headquarters and three District offices. The District offices provide support to 25 LHOs that deliver housing services. The following divisions of the NHC are responsible for the delivery of Advisory and Administrative Services:

Programs Budget (\$ 000)	2012-2013	2013-2014	2014-2015	2015-2016
Corporate Governance	1,212	1,241	1,241	1,241
Responsible for managing the NHC to ensure consistent and effective application of policy, standards, procedures, and program delivery throughout Nunavut.				
Corporate Operations	2,728	3,056	2,706	2,706
Responsible for the public housing, staff housing, and homeownership programs, as well the provision of related technical and maintenance services.				
Corporate Policy and Planning	709	769	669	669
Responsible for the administration of corporate policy, strategic planning and communications. This function is also accountable for the development and co-ordination of NHC policies in support of the Corporation's Vision, Mission, Mandate, and Goals and Objectives. This function is also responsible and accountable for socio-economic research, and financial planning for the NHC.				
Corporate Finance Administration	1,676	1,649	1,649	1,649
Accountable for the overall management of the Corporation's financial affairs, including safeguarding the NHC's assets, preparing and issuing financial reports, maintaining internal financial controls, and providing training and advice.				
District Program Administration	2,730	2,945	2,945	2,945
Responsible for the delivery of homeownership and housing repair programs, which includes financial counseling and home maintenance training of clients, and supporting the LHOs in the delivery of rental housing program through their management agreements. Also accountable for the management of the mortgage portfolio.				
District Financial Administration	2,330	2,511	2,511	2,511
Fulfills a dual function in providing financial support to the district offices, and in monitoring, evaluating and assisting LHOs with financial matters.				
District Technical Administration	2,895	3,040	3,040	3,040
Provides support and training to LHO maintenance staff. This function also manages the planning, implementation and administration of all capital construction and modernization and improvement projects. In addition, the provision of technical advice to homeowners supports delivery of the homeownership programs.				
Total, Advisory and Administrative Services	14,280	15,211	14,761	14,761

Priorities (2012-13)

- Building on the execution of the first phase of the NHC organizational structure review (*a review of the senior executive and governance structure*) which saw the creation of the NHC's first Board of Directors, implement approved recommendations of the second phase of NHC's organizational structure review. **Status:** *NHC's Board of Directors has established a recruitment committee for the hiring of a Chief Operations Officer as per the first phase of NHC's*

organizational review. NHC will consult with the departments of Finance and Human Resources prior to going forward with the business case to support the second phase of NHC's organizational structure review.

- Develop an action plan for implementation of the GN Comprehensive Long Term Housing Strategy in collaboration with GN departments and other housing stakeholders in Nunavut.

***Status:** In process; NHC has completed a Framework for the GN Comprehensive Long Term Housing and Homelessness Strategy as a first step toward the completion of the GN Comprehensive Long Term Strategy. Building on the Framework, the NHC will complete the Strategy by March 31, 2013*

- Develop a long-term financing plan to meet the requirements for implementation of the comprehensive housing strategy.

***Status:** In process; this objective has been identified as a critical component of the Strategy.*

- Continue lobbying efforts at the territorial and federal levels to seek support for the provision of suitable, adequate and affordable housing across Nunavut.

***Status:** In process; NHC continues to lobby for additional federal funding through CMHC, through its participation on the National Housing Research Committee and the Canadian Housing Renewal Association; through the development of a Tri-Territorial Northern Approach to Housing; and through participation in the Federal Provincial Territorial Housing Deputy Ministers forum.*

- Continue to undertake research activities that will assist NHC in demonstrating the social, economic and cultural impacts of housing issues across Nunavut.

***Status:** In process; the NHC continues to work through the Tri-Territorial Housing Socio-Economic Working Group and through the working groups of the Federal Provincial Territorial Housing Deputy Ministers forum on the Continued Viability of the Existing Social Housing Stock and on the Development of a Long Term Funding Solution. NHC also anticipates building on its close relations with the Societe d'habitation du Quebec towards the sharing of best practices regarding housing in Nunavik and Nunavut.*

- Renew joint efforts with NTI to revisit the 2004 Nunavut Ten Year Inuit Housing Action Plan in accordance with Aajiiqatigiinniq.

***Status:** In process; NHC and NTI have resumed their working relationship on housing matters in general and have agreed to collaborate in the production of the GN Comprehensive Long Term Housing Strategy. The reexamination of the 2004 Nunavut Ten Year Inuit Housing Action Plan will form a critical element of the long-term financing plan for the implementation of the GN Comprehensive Long Term Housing Strategy.*

- Continue to work with the Department of Culture, Language, Elders and Youth to develop action plan for the implementation of Inuit Language Protection Act (ILPA) and Official Languages Act (OLA).

Status: NHC has established an ILPA, OLA and ISV committee and is reviewing its ILPA and OLA implementation plan with the department of Culture and Heritage.

- Establish an Inuit Employment Plan advisory committee to continue to identify training, mentoring, development and staffing opportunities for beneficiaries within NHC.

Status: In process; NHC has appointed its Inuit Employment Plan advisory committee members. The committee is tasked with developing an action plan for the training, mentoring, development, and staffing of beneficiaries that will complement the NHC's organizational structure review.

Priorities (2013-2014)

- Develop an implementation and financial plan for the GN Comprehensive Long Term Housing Strategy, in collaboration with GN departments.
- Complete the implementation of approved recommendations of the second phase of NHC's organizational structure review.
- Continue lobbying efforts at the territorial and federal levels to seek support for the provision of suitable, adequate and affordable housing across Nunavut.
- Continue to undertake research activities that will assist NHC in demonstrating the social, economic and cultural impacts of housing issues across Nunavut.
- Continue work with NTI to address affordable housing needs in Nunavut in accordance with Aajiqatigiinniq.
- Continue to work with the Department of Culture and Heritage to implement the Inuit Language Protection Act (ILPA) and Official Languages Act (OLA).
- Continue to identify training, mentoring, development and staffing opportunities for beneficiaries within NHC, through the NHC's IEP committee.

Priorities (2014-2015)

- Continue to monitor the implementation of GN Comprehensive Long Term Housing Strategy, in collaboration with GN departments.
- Continue lobbying efforts at the territorial and federal levels to seek support for the provision of suitable, adequate and affordable housing across Nunavut.
- Continue to undertake research activities that will assist NHC in demonstrating the social, economic and cultural impacts of housing issues across Nunavut.
- Continue work with NTI to address affordable housing needs in Nunavut in accordance with Aajiqatigiinniq.
- Continue to identify training, mentoring, development and staffing opportunities for beneficiaries within NHC, through the NHC's IEP committee.

Priorities (2015-2016)

- Continue to monitor the implementation of the GN Comprehensive Long Term Housing Strategy, in collaboration with GN departments.
- Continue lobbying efforts at the territorial and federal levels to seek support for the provision of suitable, adequate and affordable housing across Nunavut.
- Continue to undertake research activities that will assist NHC in demonstrating the social, economic and cultural impacts of housing issues across Nunavut.
- Continue work with NTI to address affordable housing needs in Nunavut in accordance with Aajiiqatigiinniq.
- Continue to identify training, mentoring, development and staffing opportunities for beneficiaries within NHC, through the NHC's IEP committee.

Public Housing

The NHC delivers a community-sensitive Public Housing Program by providing financial resources and professional support to its local delivery agents, the 25 Local Housing Organizations. LHOs are responsible for the property management of 5,067 units in the public housing portfolio (as of March 31, 2012), from unit allocations and rental assessments/collections, to maintenance and repairs, and energy upgrading.

Objectives

- To provide training, development, and support to LHO staff for the delivery of public housing in Nunavut.
- To increase the number of adequate, suitable, and affordable dwelling units in Nunavut.

Programs Budget	(\$ 000)	2012-2013	2013-2014	2014-2015	2015-2016
Leased Units – Rent					
Supplement		7,039	7,395	7,395	7,395
There were 253 leased public housing units throughout the territory, as of March 31, 2012. They create an opportunity for the private sector to provide much needed public housing units without the capital expenditure required for the construction of new units.					
Administration and					
Maintenance		41,744	43,091	43,495	43,495
The Administration and Maintenance component includes such items as salaries and benefits, equipment and supplies.					
Utilities		77,028	81,178	81,178	81,178
Covers the cost of utilities for the Public Housing Program. Utility expenses include power, fuel, water and sewage, and garbage collection.					
Taxes and Land Leases		1,700	2,210	2,210	2,210
Covers the cost of taxes and land lease expenses.					

Debt Recovery	17,922	15,832	14,828	14,784
Remitted to CMHC to pay down the debt on the public housing portfolio, which was \$107 million as at March 31, 2012.				
Rental Revenue	(9,000)	(9,656)	(9,656)	(9,656)
LHOs assess public housing rents and are responsible for their collection. Revenues collected are discounted 3% as an allowance for bad debt. The remaining 97% is used to offset the cost of administering the Public Housing Program.				
Other Revenue	(38,373)	(34,550)	(33,031)	(32,649)
CMHC contributions for Social Housing and own source revenue.				
Total, Public Housing	98,060	105,500	106,419	106,757

Priorities 2012-13

- Implement recommended changes made to the public housing rent scale as per the results of the Public Housing Rent Scale Review.
Status: The NHC has reviewed the Public Housing Rent Scale and has produced options for consideration. Any changes will require a supporting implementation plan to be developed at a later date.
- Investigate means to further reduce administrative burdens placed on LHOs.
Status: NHC is currently examining ways to reinforce the relationship between LHOs and the NHC's district offices. NHC has initiated the process of acquiring a new financial and property management solution. NHC is currently developing the documentation necessary to proceed with an RFP prior to March 31, 2013.
- Develop an occupational health and safety plan in consultation with WSCC for both NHC and LHO operations.
Status: In process; NHC has prepared a final draft of its Health and Safety Manual for review by the Workers' Safety and Compensation Commission. This draft has been distributed for a field review. A phased implementation is being coordinated with WSCC.
- Finalize and implement revised Maintenance Management Program (MMP).
Status: Complete. The NHC Maintenance Management Program (MMP) Manual has been revised and is in use. The Manual is the centerpiece of the Maintenance Management Program.
- Update the Condition Rating System for improved planning and prioritization of modernization and improvement initiatives.
Status: Complete. NHC has finalized the implementation of the Condition Rating System and has trained and equipped all LHOs with Tablet Computers to ensure real time updating of the CRS database.
- Develop an internal plan to reduce LHO arrears, and continue to develop and implement LHO deficit recovery plans.
Status: NHC has hired a Manager of Mortgages and Collections who is tasked with developing both a collection policy and researching and recommending

appropriate collection mechanisms for rents and rental arrears to be used by LHOs. NHC expects to review a draft Public Housing Collections Policy and Procedures by summer 2013.

- Develop a plan to address LHO infrastructure needs.
Status: In process, NHC has begun the evaluation the infrastructure needs of LHOs across all three Districts. A multi-year upgrade and replacement plan will be developed by March 31, 2013 for inclusion in the 2014 to 2019 5-year capital plan.
- Support the newly established Cape Dorset Housing Authority.
Status: Complete. A new Board of Directors has been appointed for the Authority and all of the necessary staff hired. As of April 1, 2012, full responsibility for housing in Cape Dorset has been transferred to the CDHA; all funding for housing in Cape Dorset is now directed to the Authority.

Priorities 2013-14

- Begin implementing changes made to the Public Housing Rent Scale as per the results of the Public Housing Rent Scale Review.
- Implement the occupational health and safety plan in consultation with WSCC for both NHC and LHO operations.
- Develop and begin implementation of new financial and property management solution.
- Implement internal plan to reduce LHO arrears, and continue to develop and implement LHO deficit recovery plans.

Priorities 2014-15

- Complete the implementation changes made to the public housing rent scale as per the results of the Public Housing Rent Scale Review.
- Continue to implement occupational health and safety plan in consultation with WSCC for both NHC and LHO operations.
- Continue to implement new financial and property management solution.
- Implement internal plan to reduce LHO arrears, and continue to develop and implement LHO deficit recovery plans.

Priorities 2015-16

- Strengthen occupational health and safety plan in consultation with WSCC for both NHC and LHO operations.
- Implement internal plan to reduce LHO arrears, and continue to develop and implement LHO deficit recovery plans.

Staff Housing

Through the Staff Housing Program, the NHC provides owned and rented units to GN staff, as well as a range of housing-related programs and services to eligible staff. Currently, over 81% of staff housing stock is in the form of leased units, accounting for the majority of the staff housing budget.

Objective

- To provide subsidized rental housing to term and indeterminate GN employees to assist in the recruitment and retention of staff and to facilitate the provision of programs and services to Nunavummiut.

Programs Budget (\$ 000)	2012-2013	2013-2014	2014-2015	2015-2016
Operations Provides the day-to-day operations for the Staff Housing Program in a decentralized environment, including the cost of utilities for staff housing units.	7,233	7,784	7,784	7,784
Leases for Staff Housing Rental Units The staff housing portfolio provides 1,411 rental units (354 owned and 1,057 leased).	37,289	37,324	37,333	37,333
Total, Staff Housing	44,522	45,108	45,117	45,117

Priorities (2012-13)

- Conduct an internal review of the Staff Housing Policy. This review should incorporate issues and recommendations identified in the GN Comprehensive Long Term Housing Strategy and should include an increased range of options to GN employees to encourage homeownership.

Status: The NHC is co-chairing with the Department of Human Resources an interdepartmental committee to review the GN Staff Housing Policy. The committee is tasked with improving the administration of the program by separating the responsibility for property management and recruitment and retention policy between the NHC and the HR by March 31, 2013.

- Continue to enhance the staff housing portfolio, particularly in communities with growing staff housing requirements.

Status: Ongoing as part of annual 3 year expenditure forecasting. NHC continues to explore ways to ensure GN departments and agencies anticipate their staff housing needs beyond the current demand and include their additional staff housing requirements in their capital funding projections.

- Continue to work in close partnership with GN departments to meet their staff housing requirements

Status: The NHC works with GN departments to anticipate staff housing needs beyond the current demand through one-on-one meetings with departments and through senior official committees.

Priorities (2013-14)

- Continue to enhance the staff housing portfolio, particularly in communities with growing staff housing requirements.
- Continue to work in close partnership with GN departments to meet their staff housing requirements.

Priorities (2014-15)

- Continue to enhance the staff housing portfolio, particularly in communities with growing staff housing requirements.
- Continue to work in close partnership with GN departments to meet their staff housing requirements.

Homeownership

Through its Homeownership Programs and supports, the NHC assists residents who can afford the costs of homeownership to secure and maintain their own housing. As well, homeownership education and counseling services are provided to homeowners. These services include consultations regarding purchase of existing homes or new home construction, repairs, renovations, bank financing and energy conservation.

Objectives:

- To assist and support Nunavummiut to become and remain successful homeowners.
- To assist and support Nunavummiut to purchase, build, renovate, repair and maintain their homes.
- To work to improve the energy efficiency of private homes in Nunavut.

The Nunavut Down Payment Assistance Program (NDAP)

The Nunavut Down payment Assistance Program offers down payment assistance to eligible Nunavummiut in the form of a forgivable loan.

The Tenant to Owner Program (TOP)

The Tenant to Owner Program offers tenants in Public Housing the opportunity to become homeowners by purchasing the home that they are renting.

Government of Nunavut (GN) Staff Condominium Program (CONDO)

The GN Staff Condominium Program offers an opportunity for GN Staff to purchase an affordable Condominium unit.

The Interim Financing Program (IFP)

The Interim Financing Program provides construction loans to Nunavummiut who are unable to secure interim financing from a private lender to construct a new home.

The Home Renovation Program (HRP)

The Home Renovation Program assists eligible Nunavut homeowners to complete repairs, renovations and additions to existing homes. HRP assistance is a forgivable loan up to maximum of \$50,000. An additional \$15,000 is available for energy efficiency related items.

The Senior Citizens Home Repair Program (SCHRP)

The Senior Citizens Home Repair Program supports senior homeowners with repairs and home adaptations. The maximum contribution available is \$15,000 plus eligible freight costs.

The Emergency Repair Program (ERP)

The Emergency Repair Program assists eligible homeowners for emergency repairs that are required for the continued safe occupancy of their home. The maximum contribution available is \$15,000.

Seniors and Disabled Persons Preventative Maintenance Program (SDPPMP)

The Senior and Disabled Persons Preventative Maintenance Program provides support to senior or disabled homeowners for preventative maintenance and minor repairs. The assistance is an annual grant of up to \$1,500.

The Heating Oil Tank Replacement Program (HOTRP)

The Heating Oil Tank Replacement Program (HOTRP) assists homeowners to replace their home heating oil tank in the form of a grant of up to \$5,000.

Priorities (2012-13)

- Develop a database to gather more information on homeowners in Nunavut and as well to track more efficiently the NHC's homeownership programs delivery.
Status: The NHC has begun development of a Homeownership Applicant Database, which is expected to be completed in 2013/14.
- Proceed with action items identified in the GN Comprehensive Long Term Housing Strategy, which will include completing a review of the existing homeownership programs.
Status: Complete. NHC has reviewed its suite of homeownership programs and identified gaps in homeowner assistance where realistic and meaningful action can be taken to support both homeowners and the development of a private real estate market. NHC will continue to work on the development of new programs to meet these objectives as part of the overall GN Comprehensive Long Term Housing Strategy.
- Provide additional training opportunities to improve the effectiveness, efficiency and consistency of program homeownership delivery.
Status: Complete. NHC held a program workshop in September 2012
- Review and revise promotional materials and ensure availability in all four official languages.
Status: All NHC Homeownership brochures are available in two of Nunavut's four official languages, Inuktitut and English with translations in French and

Inuinnaqtun underway. The NHC is reviewing its visual identity standards and expects to issue a request for proposals to revamp its corporate image by March 31, 2013. Promotional material for all NHC programming will be a major focus of this initiative.

- Increase the availability of resources for homeownership education and counseling.
Status: Homeownership education and counseling will be addressed as part of the development of the GN Comprehensive Long Term Housing Strategy
- Continue to monitor the success and impact of the homeownership programs.
Status: The NHC has begun development of a Homeownership Applicant Database, which is expected to be completed in 2013/14.

Priorities (2013-14)

- Finalize Homeownership Applicant Database.
- Continue to implement changes to NHC's home ownership programs resulting from the GN Comprehensive Long Term Housing Strategy.
- Monitor the success and impact of the homeownership programs.
- Promote homeownership in Nunavut through publicity and promotion as well as through education and counseling.

Priorities (2014-15)

- Continue to implement changes to NHC's home ownership programs resulting from the GN Comprehensive Long Term Housing Strategy.
- Monitor the success and impact of the homeownership programs with data collected from the Homeownership Applicant Database
- Promote homeownership in Nunavut through publicity and promotion as well as through education and counseling.

Priorities (2015-16)

- Monitor the success and impact of the homeownership programs.
- Promote homeownership in Nunavut through publicity and promotion as well as through education and counseling.

APPENDIX I. Financial Summary

Branch	2012 – 2013		2013 – 2014		2014 – 2015		2015 – 2016	
	Main Estimates		Main Estimates		Planned		Planned	
	\$000	PYs	\$000	PYs	\$000	PYs	\$000	PYs
HEADQUARTERS								
Salary	4,279	30	4,290	30	4,220	30	4,220	30
Grants & Contributions	-		-		-		-	
Other O&M	2,045		2,425		2,045		2,045	
Subtotal	6,324		6,715		6,265		6,265	
DEBT REPAYMENT								
Salary	-		-		-		-	
Grants & Contributions	-		-		-		-	
Other O&M (includes CMHC contributions)	17,922		15,832		14,828		14,784	
Subtotal	17,922		15,832		14,828		14,784	
DISTRICT OFFICES								
Salary	6,178	46	6,718	46	6,718	46	6,718	46
Grants & Contributions	-		-		-		-	
Other O&M	1,778		1,778		1,778		1,778	
Subtotal	7,956		8,496		8,496		8,496	
AFFORDABLE HOUSING – PUBLIC HOUSING								
Salary	-		-		-		-	
Grants & Contributions	118,511		124,218		124,622		124,622	
Other O&M	-		-		-		-	
Subtotal	118,511		124,218		124,622		124,622	
AFFORDABLE HOUSING – STAFF HOUSING								
Salary	1,584	14	1,943	14	1,943	14	1,943	14
Grants & Contributions	-		-		-		-	
Other O&M	42,938		43,165		43,174		43,174	
Subtotal	44,522		45,108		45,117		45,117	
TOTAL FUNDED	195,235	90	200,369	90	199,328	90	199,284	90
*Less CMHC Contribution and Other Revenue	38,373		34,550		33,031		32,649	
TOTAL GN FUNDED	156,862		165,819		166,297		166,635	

APPENDIX II. Inuit Employment Targets

NUNAVUT HOUSING CORPORATION	As of June 30, 2012		For March 31, 2014	
	# of Positions	Capacity %	# of Positions	Capacity %
Total Department Positions	97		90	
Total Filled Positions	77	79%	80	89%
Total Vacancies	20	21%	10	11%
Total Beneficiaries	25	26%	26	29%
Total Executive Positions	4		3	
Total Filled Executive Positions	3	75%	3	100%
Total Vacant Executive Positions	1	25%	0	0%
Total Beneficiaries in Executive Positions	2	50%	1	33%
Total Senior-Management Positions	6		6	
Total Filled Senior-Management Positions	6	100%	6	100%
Total Vacant Senior-Management Positions	0	0%	0	0%
Total Beneficiaries in Senior-Management Positions	0	0%	0	0%
Total Middle-Management Positions	20		19	
Total Filled Middle-Management Positions	15	75%	17	89%
Total Vacant Middle-Management Positions	5	25%	2	11%
Total Beneficiaries in Middle-Management Positions	0	0%	1	5%
Total Professional Positions	27		23	
Total Filled Professional Positions	21	78%	20	87%
Total Vacant Professional Positions	6	22%	3	13%
Total Beneficiaries in Professional Positions	5	19%	4	17%
Total Paraprofessional Positions	27		26	
Total Filled Paraprofessional Positions	22	81%	23	88%
Total Vacant Paraprofessional Positions	5	19%	3	12%
Total Beneficiaries in Paraprofessional Positions	9	33%	10	38%
Total Administrative Positions	13		13	
Total Filled Administrative Positions	10	77%	11	85%
Total Vacant Administrative Positions	3	23%	2	15%
Total Beneficiaries in Administrative Positions	9	69%	10	77%



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Nunavut
Arctic College

Nunavut Arctic College

Business Plan

2013-2016

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INTRODUCTION

Nunavut Arctic College is a major contributor to the development of Nunavut and Nunavummiut. Our core business is education and training for employment. Our goal is building self-reliant families and communities through training and employment.

Mission

The mission of Nunavut Arctic College is to strengthen the people and communities of Nunavut by providing life-long learning opportunities for adult Nunavummiut by appropriately delivering quality career programs developed with input from our partners throughout the Arctic and Canada, and by making the benefits of Inuit traditional knowledge and southern science more accessible.

Vision

Nunavut Arctic College will strive to be the college of choice for the people of Nunavut by offering culturally relevant programs of the highest national standard. In the advancement of their language and culture, our graduates will value education and will be proud to take their place in Nunavut and beyond.

Values

Nunavut Arctic College is a creative community of educators and learners. We are proud of our essential role in providing education that bridges the Nunavut of yesterday, today, and tomorrow.

We value our learners and are committed to their success by:

- Engaging and challenging our students in learner-centered programs;
- Supporting learners through personal interaction, small scale learning environments, and sensitivity to the needs of students;
- Integrating Inuit culture and knowledge in our programs.

We value a positive and productive learning and working environment by:

- Offering innovative programs to meet the requirements of a wide range of learners;
- Providing services that acknowledge learners as multi-faceted individuals and promote student success in all areas of life, as workers, community members, volunteers, family members, and parents;
- Establishing and achieving College objectives through the application of research and transparent practices, and through the services of Nunavut Research Institute establishing the highest research standards.

We value strong connections to the communities we serve by:

- Utilizing community-based delivery models for programs;
- Valuing exchange and interaction with communities and acknowledging the community's role in establishing educational priorities for the College.

We value our partnerships by:

- Collaborating with other institutions and organizations in order to provide a broad range of programs and services for the people of Nunavut.

Principles

Our principles serve as guideposts to create a learning-centered institution that reflects Inuit values, beliefs, and knowledge. Nunavut Arctic College is an inclusive institution that:

- Respects and honors Inuit languages and culture.
- Involves Elders as an integral part of College life.
- Promotes an understanding of Inuit culture and languages.
- Values students' connections to family and community.
- Prepares students for meaningful careers and healthy lives.
- Places the well-being of students first and provides a strong caring network of support.
- Promotes learning as a positive life-changing experience, involving the whole person body-mind-spirit.
- Encourages the personal, professional, and academic development of students and staff.
- Engages learners as active participants in all aspects of learning and evaluation.
- Ensures our graduates meet national standards.

STRATEGIC LINK TO TAMAPTA/CL^{CC}:

Nunavut Arctic College is committed to working with the Government of Nunavut to achieve the objectives and priorities of *Tamapta/CL^{CC}: Building our future together*.

Improve Education and Training Outcomes: Nunavut should have a wider range of options for education, adult learning and training.

- *Work on the Equipment Training Centre and Mine Training Centre of the Nunavut Trade School and Trades Training Strategy will continue. Subsequent initiatives will expand training capacity for mining occupations and Heavy Equipment operation and repair.*
- *Through Nunavut Arctic College and its partners, we will increase post-secondary opportunities in all occupational categories from career training to professional education. Work on the development and delivery of the applied Bachelor of Business degree with Accounting Concentration.*

Strategic Goals

The Board of Governors of Nunavut Arctic College has established four strategic goals. The strategic goals will be achieved within the broader context of the vision, principles and priorities of *Tamapta/CL^{CC}: Building our future together*.

- **Communities: Improving Programs and Services to Communities**
The continuing need for more adult learning opportunities accessible in the communities is found in *Tamapta/CL^{CC}: Building our future together*, *Pinasuaqtavut*, and the 2006 Report by the Standing Committee on Health and Education. The Nunavut Adult Learning Strategy further identifies literacy and adult basic education as a strategic priority so that Nunavummiut can be fully engaged in adult learning.
- **Culture: Building a Culturally Responsive College**
The Board of Governors wishes to ensure that Inuit language and culture are the foundation for adult learning at Nunavut Arctic College. The Board welcomes partnership opportunities with communities, schools, regional Inuit associations and *Piqqusilirivvik*. The Board values the participation of Elders in the learning of its students. The Board of Governors considers the establishment of bilingual learning environments to be an urgent need and supports the development of bilingual learning materials.
- **Excellence: Achieving Academic Excellence**
The Board of Governors supports appropriate academic standards for all programs. The Board values entrance standards that recognize the different abilities and accomplishments of adult learners and exit standards recognized by employers and the College's post-secondary partners. Recognition of Prior Learning will be incorporated into all programs. All programs are expected to provide appropriate Inuit content, community access, and transition-to-work experiences; and undergo periodic quality review and meet acceptable performance standards. It is an important priority to provide the necessary support to students when they attend Nunavut Arctic College. The Board of Governors has made it a priority to ensure that our student services division receives the necessary resources to reflect and provide student services to a national standard.
- **Strength: Strengthening College Systems and Operations**
The Board of Governors recognizes its duty to oversee the management of Nunavut Arctic College in the best interests of both the College and Nunavummiut at large, while recognizing its accountability to the Minister. Arctic College works with the Public Agency Council to maintain accountability and address any issues raised by the Auditor General. Arctic College is forming partnership committees with GN departments to coordinate adult learning and training activities in Nunavut.

ENVIRONMENTAL SCAN

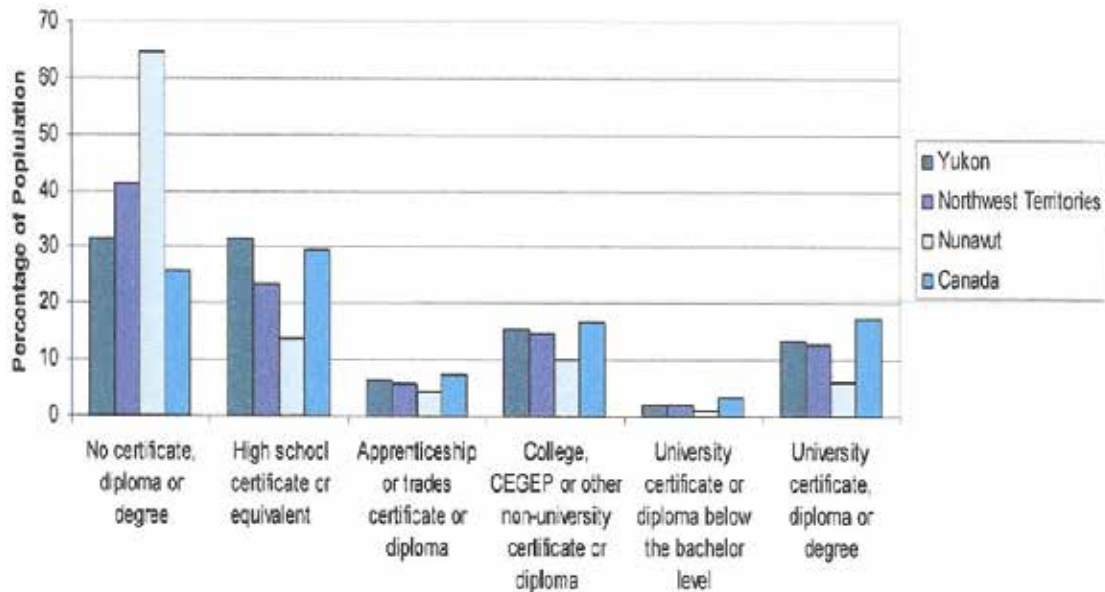
The core business of Nunavut Arctic College is education and training for employment. In carrying out its core business, Nunavut Arctic College faces unique challenges and opportunities. Five critical challenges influence future decision-making. Responding to these challenges and turning them into opportunities will shape the strategic direction of Nunavut Arctic College during the coming years.

- **Inuit Languages and Culture**

The Board of Governors wishes to build a college that mirrors Nunavut in terms of its adherence to Inuit societal values, culture, and language. This is reinforced by the requirements of the *Inuit Language Protection Act* to deliver bilingual services and training, as well as, meet the demands of the *Education Act* to train bilingual teachers. Tamapta also calls for the incorporation of Inuit societal values in all government services and programs. Nunavut Arctic College will be a key stakeholder in supporting capacity building initiatives for the implementation of the Uqausivut Plan. The transfer of Piquusilirivvik has enhanced the College's capacity to deliver culturally appropriate programs.

- **Educational Attainment**

Nunavut lags in comparison with the rest of Canada in educational attainment (2006 Census). About 60% of adult Inuit Nunavummiut does not have a high school diploma or equivalency. Only 4% have some university. Lower educational attainment is reflected in lower employment and earnings. There is a pressing need to encourage and enable mature students to acquire the academic foundations needed to be successful in higher education and employment. This will focus efforts on community delivery of programs. Federal funding of Adult Basic Education will enable the development and implementation of relevant community program delivery.

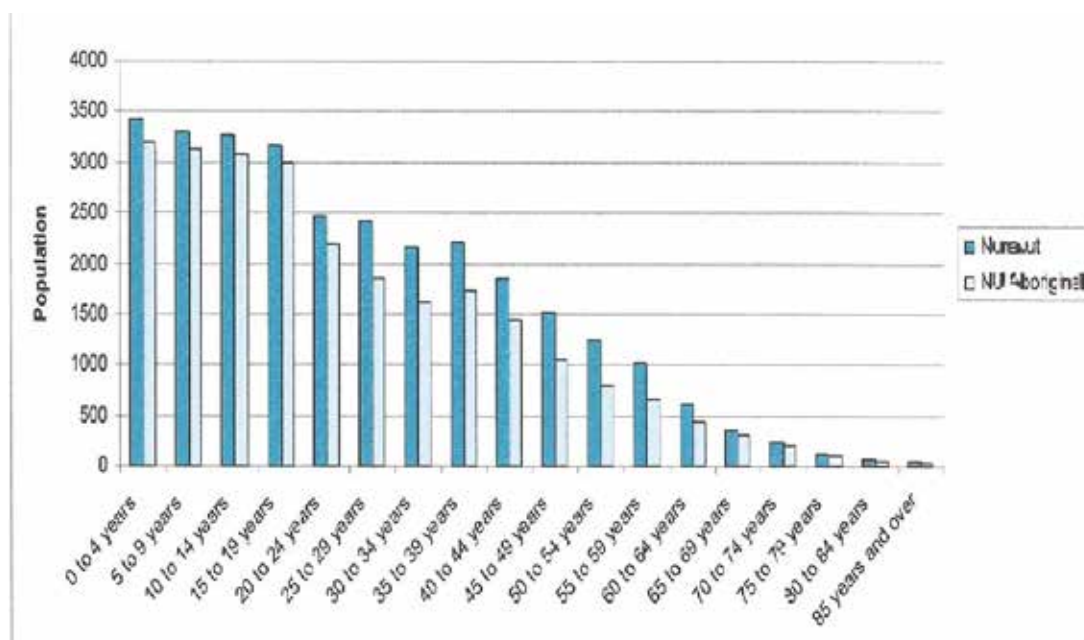


- **Economic Growth**

There is an ongoing demand in the construction industry. The Government of Nunavut continues to need trained employees to serve Nunavummiut, particularly in health and education. Much of the future economy will be driven by the mining industry. The demands of the transportation industry are also increasing. In contrast to the traditional economy, the emerging contemporary economy expects a high school diploma as a basic job entry requirement and college or university for career advancement.

- **Demographics**

Unlike the rest of Canada (2006 Census), the 20-40 year-old population is being followed by a larger 0-19 year-old population. In order to be proactive, it is necessary to build the adult learning and training capacity needed in the near future to serve the Nunavut society and economy.



- **Geography**

Nunavut has the most widely dispersed population in Canada. Arctic College's major programs and facilities are centered in three communities – Iqaluit, Rankin Inlet and Cambridge Bay – comprising about one-third of Nunavut's population. The remaining two-thirds of Nunavummiut have limited access to adult learning through their local Community Learning Centres unless they move to a regional campus. Making more adult learning and training accessible in the communities will reduce the relocation and dislocation of students and their families. It will enable more Nunavummiut to get employment and advance their careers. Though distance learning technologies, methodologies, and curriculum exist, current cost and lack of bandwidth limit full Nunavummiut participation in e-learning. The completion of the Knowledge Infrastructure Program (KIP) will mitigate some of the bandwidth issues.

- **Institutional Development**

The updating of the Public Colleges Act November 2011 now being the Nunavut Arctic Colleges Act further clarifies the responsibilities and authorities of the college. The ability to work with other post-secondary institutions in delivering university courses and the eventual granting of a degree positions the college for strong future program delivery in the territory.

INUIT EMPLOYMENT PLAN

Nunavut Arctic College shares the objective of Article 23 of the *Nunavut Land Claims Agreement* "to increase Inuit participation in government employment in the Nunavut Settlement Area to a representative level." Arctic College contributes in two ways. First, it strives to increase the employment of Beneficiaries in the college. Second, it strives to increase the number of Beneficiary graduates from its programs thereby enabling more Beneficiaries to be eligible for employment in Nunavut.

Inuit Employment Goal

The goal of Nunavut Arctic College is to increase Inuit employment. (See Appendix II). The focus is on the Professional (instructors) category. The Professional category is critical because the Board of Governors considers a bilingual learning environment to be an urgent need. It is difficult to fill because eligible instructors require formal qualifications and positions must be filled before the instructional term begins.

Inuit Employment Targets

To increase Inuit employment significantly, the attrition rate has to increase and/or the vacancy rate has to decrease. However increasing the attrition rate would mean losing experienced employees and reducing the quality of our capacity to train Nunavummiut for employment. Therefore, the focus is on reducing the vacancy rate by increasing Inuit employment, particularly in the professional category.

The next critical area is management. However, the factors are different. The executive, senior, and middle management categories have comparatively few vacancies and therefore fewer opportunities for Inuit employment. However, in the five-year future several managers will be eligible for retirement, which will create opportunities for increasing Inuit employment through succession planning.

Inuit Employment Initiatives

To increase Inuit professional employment in response to the Board's statement that "a bilingual learning environment is an urgent need," Nunavut Arctic College is taking two significant steps. First, Arctic College annually sponsors the Instructor Development Program recognized by the University of New Brunswick. The program will help qualify Inuit candidates for employment in selected instructional positions. The Nunavut Trades Training Centre and Community Aerodrome Radio Services program instructional positions and Community Adult Educators remain a priority. Second, we strive to recruit bilingual Adult Educators and at least one bilingual instructor for the diploma and degree career programs. Management is the next critical category. Anticipating future retirements, Nunavut Arctic College has initiated succession planning and mentorship for this category.

Part of the long-term solution to achieving representative Inuit employment is for Nunavut Arctic College to convocate more bilingual graduates and encourage more of them to seek employment opportunities within the College.

CORE BUSINESS

The core business of Nunavut Arctic College is training for employment through the delivery of adult learning and training to adult Nunavummiut throughout Nunavut. Our goal is building self-reliant communities and families through training and employment.

Nunavut Arctic College's programs and services are accessible from many different locations throughout Nunavut. There are Community Learning Centres in all Nunavut communities. Other facilities include headquarters in Arviat, the Nunavut Research Institute in Iqaluit, the Igloodik Oral History Research Centre, Piqqusilirivvik and the regional campuses in Cambridge Bay, Iqaluit, and Rankin Inlet.

The programs and services of Nunavut Arctic College are significantly decentralized. For the purposes of this Business Plan, they are grouped together into nine business lines. The table below includes both Main Estimates core funding (\$35,864) and Third Party funding (\$8,541) for a total College budget in 2013-14 of \$44,405. The seven academic program lines together represent 75% of the total 2013-14 budget of Nunavut Arctic College.

	Budget (\$000)			
	2012-13	2013-14	2014-15	2015-16
Inuit Language & Culture	5,869	6,017	6,017	6,017
Community & Distance Learning	6,249	10,657	10,731	10,644
Business & Leadership Careers	2,452	2,354	2,354	2,354
Education Careers	4,722	4,834	4,834	4,834
Health & Wellness Careers	3,357	2,883	2,883	2,883
Trade & Technology Careers	6,540	5,147	5,147	5,147
Nunavut Research Institute	1,753	1,628	1,628	1,628
Student Services	4,305	4,364	4,364	4,364
Administration Services	6,477	6,521	6,521	6,521
Total	41,724	44,405	44,479	44,392

Inuit Languages and Culture

The Inuit Languages and Culture division has both specific program delivery responsibilities and general program quality responsibilities. Its general responsibility is to support and ensure appropriate Inuit language and culture content in all College programs. Its activities are supported with advice from the Language and Culture Committee.

Objectives

- To lead the building of a culturally responsive college.
- To support the establishment of bilingual learning environments.
- To support the inclusion of appropriate Inuit content in all programs.
- Collect Inuit oral histories.

Programs	Budget (\$000)	2012-13	2013-14	2014-15	2015-16
Language Programs		745	906	906	906
This division includes Inuit language programs such as the Traditional Knowledge and Culture and the Interpreter/Translator Diplomas.					
Culture Programs		890	932	932	932
This division includes Inuit culture-based programs such as the Jewelry and Metalwork and the Fur Production and Design Diplomas.					
Curriculum Development		210	214	214	214
The Curriculum Development Office (Arviat) reviews all curricula for appropriate Inuit language and culture content.					
Oral History Project		295	302	302	302
The Igloolik Oral History Research Centre collects and documents traditional Inuit knowledge by interviewing Elders.					
Piqqusilirivvik Centre		3,579	3,663	3,663	3,663
The Centre is dedicated to teaching traditional culture, knowledge, life style, skill sets and values, taught in the Inuit language and based on Inuit Qaujimajatuqangit guiding principles.					
Total, Base Programs		5,719	6,017	6,017	6,017
Third Party Contracts		150			
The Funding supports the Learning Materials Centre and the delivery of Language Training and Cultural Orientation for GN employees.					
Total, Programs		5,869	6,017	6,017	6,017

Priorities (2012-13)

- Conceptualize and develop an Inuit Language and Culture Centre which will consolidate all language and culture programs offered by Nunavut Arctic College
Status: The conceptual paper has been started and the first draft will be finalized in January 2013.
- Expand the reach and scope of the Inuit Oral History Project to more communities and provide more opportunity for distribution of collected materials.
Status: Digitizing of learning materials for programs will be ongoing.

Priorities (2013-14)

- Continue building Inuit language capacity by expanding thus increasing delivery of the Interpreter/translator program to all regions.

- Establish an Inuit Language and Culture Centre within the College.
- Expand Piquusilirivvik satellite community programming to other communities.

Priorities (2014-15)

- Increase the production of learning and teaching materials and publications through the Learning Materials Centre.
- Expand delivery of the Interpreter/Translator Program to the Rankin Inlet, Iqaluit and Cambridge Bay campuses.

Priorities (2015-16)

- Develop and deliver advanced program at Piquusilirivvik.
- Integrate the Learning Material Centre into the Language and Culture Centre.

Community and Distance Learning

The 25 Community Learning Centres (CLCs) are each staffed with an Adult Educator. They initiate and coordinate programs, support adult learners, assess community needs, and are the first point of contact for those wanting information or access College programs and services. Adult Educators offer Adult Basic Education, literacy training, and pre-employment and upgrading programs in preparation for the College career training programs. Selected CLCs offer the College Foundations Program, which prepares students for careers in environmental technology, nursing and teaching.

Objectives

- To lead the improvement of programs and services to communities.
- To develop community-based distance learning capacity.
- To increase accessibility of career programs in the communities.

Programs	Budget (\$000)	2012-13	2013-14	2014-15	2015-16
Kitikmeot CLCs Supports CLCs in Cambridge Bay, Gjoa Haven, Kugaaruk, Kugluktuk, and Taloyoak.		998	1,079	1,079	1,079
Kivalliq CLCs Supports CLCs in Arviat, Baker Lake, Chesterfield Inlet, Coral Harbor, Rankin Inlet, Repulse Bay, and Whale Cove.		1,274	1,636	1,636	1,636
Qikiqtani CLCs Supports CLCs in Arctic Bay, Cape Dorset, Clyde River, Grise Fiord, Hall Beach, Igloolik, Iqaluit, Kimmirut, Pangnirtung, Pond Inlet, Qikiqtarjuaq, Resolute Bay, and Sanikiluaq.		2,835	3,271	3,271	3,271

PASS - **1,113** 1,187 1,100
 The new Pathway for Adult Secondary School Graduation (PASS) will provide adult learners with an option to earn the same Nunavut Secondary School Diploma as those students who have achieved their Diploma through the traditional high school route.

Total, Base Programs	5,107	7,099	7,173	7,086
Third Party Contracts	1,142	3,558	3,558	3,558
Supports the delivery of literacy, pre-employment and pre-trades training programs.				
Total, Programs	6,249	10,657	10,731	10,644

Priorities (2012-13)

- Deliver the research curriculum to support and promote community based research in Community Learning Centres.
Status: The research curriculum will be delivered in Iqaluit in February 2013. A potential second delivery is being considered for delivery in Arviat to promote student based research.
- Renew the Academic Studies curriculum in English and Inuktitut.
Status: The renewed curriculum is anticipated for completion by March 31, 2013.
- Continue ongoing student assessment training for adult educators.
Status: Student assessment training for adult educators will be offered in October 2012.

Priorities (2013-14)

- Expand delivery of on-line learning courses to more programs and courses.
- Update the Adult Basic Education Program curriculum to improve delivery of the program and to increase student retention in the program.

Priorities (2014-15)

- Continue enhancing community access to career programs through distance learning.
- Deliver literacy and adult education in conjunction with Nunavut Adult Learning Strategy and the Nunavut Literacy Strategy.

Priorities (2015-16)

- Deliver adult basic education and Pathway for Adult Secondary School Graduation programs by distance learning.

- Enhance the Adult Basic Education program in all Community Learning Centres with an increase in instructors to sustain delivery.

Business Careers and Workforce Development

The principal career programs in this division are Management Studies and Office Administration. It includes the management of the Municipal Training Organization and GN Staff Training contracts.

Objectives

- To train qualified candidates for employment by Nunavut businesses and the Government of Nunavut.

Programs	Budget (\$000)	2012-13	2013-14	2014-15	2015-16
Business Programs		1,080	1,072	1,072	1,072
The principal career programs are Management Studies and Office Administration.					
Total, Base Programs		1,080	1,072	1,072	1,072
Third Party Contracts		1,372	1,282	1,282	1,282
Supports delivery of training for computer systems technicians, municipal and government employees, and the Nunavut Fisheries Training Consortium.					
Total, Programs		2,452	2,354	2,354	2,354

Priorities (2012-13)

- Establish an Inuit Tourism Program.
Status: The program outline and curriculum have been developed. The program will be offered subject to availability of third party funding.
- Delivery of Bachelor of Business Administration - Concentration in Accounting program.
Status: The College signed an MOU with Grant MacEwan University for delivery of this program in January 2013. The program is meant to bridge courses required for entry into the Applied Accounting Degree program. Credits will be granted for the Management Studies curriculum reviewed by CGA Association.

Priorities (2013-14)

- Continue building capacity for workforce development in the public and private sector.

Priorities (2014-15)

- Deliver First Year Management Studies at the community level in each region.

Priority (2015-16)

- Develop and update coursework related to the Entrepreneurship
- Complete the preparation of Management Studies and Office Administration Courses for an online platform.

Education Careers

The principal career program of this division is the Nunavut Teacher Education Program. It prepares bilingual elementary and middle school teachers for employment in Nunavut schools. These offerings are overseen by the Teacher Education Partnership Committee with the Department of Education, which coordinates the training and employment of graduates. The Division also takes a leadership role in promoting and expanding delivery of the Early Childhood Education Program which prepares graduates to work with children from infancy to the age of six in both formal and informal settings.

Objectives

- To train qualified bilingual candidates for employment in Nunavut schools.

Programs	Budget (\$000)	2012-13	2013-14	2014-15	2015-16
Teacher Education		2,790	2,902	2,902	2,902
The Teacher Education Program trains bilingual elementary and middle schoolteachers in partnership with the University of Regina. It offers all four years of the B.Ed. at Nunatta Campus as well as a Degree after Education Program for students who already hold an undergraduate degree It is developing regional capacity to offer the B.Ed. in the Kitikmeot (Cambridge Bay) and Kivalliq (Rankin Inlet, Arviat and Baker Lake).					
Total, Base Programs		2,790	2,902	2,902	2,902
Third Party Contracts		1,932	1,932	1,932	1,932
The funding supports the delivery of the Nunavut Teacher Education Program in, Cape Dorset, Gjoa Haven, Hall Beach, Pangnirtung, Pond Inlet, Qikiqtarjuaq, and Taloyoak.					
Total, Programs		4,722	4,834	4,834	4,834

Priorities (2012-13)

- Establish a Master of Education in partnership with a degree granting institution.
Status: The College is working on the development a Master of Education Program with a university partner.
- Establish a Middle School Degree Program as a component of the Nunavut Teacher Education program.

Status: The Middle School Program has been established and is currently being implemented.

Priorities (2013-14)

- Continue building capacity to support community-based teacher education in the Kitikmeot, Kivalliq and Qikiqtaaluk.
- Increase the use of Inuktitut as the Language of Instruction to students in the Nunavut Teacher Education Program.
- Develop a Business Case for the core-funded delivery of the Early Childhood Education Program at the community level in alternating locations.

Priorities (2014-15)

- Deliver a joint Bachelor of Education degree program with existing partners.
- Establish an Early Childhood Education Curriculum Specialist position to help broaden the NTEP offerings.

Priorities (2015-2016)

- Deliver a Master of Education degree program with a university partner.
- Establish a working group to develop a Bachelor of Education degree with a concentration in Inuit Language and Culture.
- Increase community delivery of Early Childhood Education certificate program and offer training workshops to train Early Childhood Education Board members.

Health and Wellness Careers

The principal career programs of this division are Social Services Worker Certificate and Diploma and the Nursing Degree. These offerings are overseen by the Health and Social Services Careers Partnership Committee with the Department of Health and Social Services, which coordinates the training and employment of graduates.

Objectives

- To train qualified candidates for employment in improving the health and wellness of Nunavummiut.

Programs	Budget (\$000)	2012-13	2013-14	2014-15	2015-16
Nursing Degree Program		1,974	2,003	2,003	2,003
Nunatta Campus offers four years of a B.Sc. in Nursing in partnership with Dalhousie University.					

Social Services Worker Program	519	520	520	520
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The Kitikmeot Campus offers the Social Services Worker Certificate and Diploma programs. The diploma includes specialties in addictions counsellor and social worker.

Total, Base Programs	2,493	2,523	2,523	2,523
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Third Party Contracts	864	360	360	360
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The Campus also supports the training of various health care careers as identified and funded by the Department of Health and Social Services.

The Midwifery Diploma Program is currently offered in Cambridge Bay, funded by the Department of Health and Social Services and the Kitikmeot Inuit Association.

Total, Programs	3,357	2,883	2,883	2,883
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Priorities (2012-13)

- Deliver the Practical Nurse Education Diploma Program in Cambridge Bay.
Status: Due to the low number of applicants meeting the admission criteria in Cambridge Bay and Iqaluit, the delivery has been postponed to 2013-2014 in Iqaluit.
- Develop and deliver the Pre Nursing Program in Iqaluit and other communities using distance education.
Status: The program is currently in development and will require the approval of curriculum committee and Board of Governors. The program will then be offered in Iqaluit and other communities through distance learning.
- Establish university partnership for a Bachelor of Social Work to be delivered in a community still to be determined.
Status: The College is currently in discussions with potential universities for delivery of this program.

Priorities (2013-14)

- Increase degree transferability of diploma programs with other post-secondary institutions.
- Initiate the plan for renewal of the accreditation of the Nursing Program.

Priorities (2014-15)

- Establish an internship instructor position for a bilingual nursing graduate to co-teach and study for a Master's Degree in Nursing.

Priorities (2015-16)

- Offer the Pre-Nursing program in Cambridge Bay to increase the number of Inuit nursing students from the Kitikmeot.

Trade and Technology Careers

Principal initiatives in trades are the training centre in Rankin Inlet, for construction and equipment training, and for the mine training centre proposed for Cambridge Bay. This division works closely with the Nunavut Apprenticeship, Trade and Occupations Board and EDT’s Nunavut Mining Round Table. Apprenticeship training is overseen by the Adult Learning Partnership Committee with the Department of Education.

Objectives

- To train qualified candidates for employment in Nunavut’s construction and mining industries.

Programs	Budget (\$000)	2012-13	2013-14	2014-15	2015-16
Trades Programs		4,009	4,083	4,083	4,083
<p><u>Nunatta Campus</u> delivers a Hairstyling certificate and diploma program, all 4 levels of Carpentry and level 3 Housing Maintainer apprenticeship programs, and Trades Access. <u>Kivalliq Campus</u> delivers the initial 2 levels of apprenticeship programs for Electrical, Housing Maintainer, Oil Burner Mechanic and Plumbing trades, and a Trades Access program. Additionally, Pre-trades is provided for the Electrical, Plumbing and Oil Burner Mechanic trades.</p> <p><u>Kitikmeot Campus</u> delivers Trades Access, Camp Cook and Culinary Arts out of the Community Learning Centre.</p>					
Total, Base Programs		4,009	4,083	4,083	4,083
Third Party Contracts		2,531	1,064	1,064	1,064
<p>Supports Community Aerodrome Radio Services, Mine Training and Camp Cook.</p>					
Total, Programs		6,540	5,147	5,147	5,147

Priorities (2012-13)

- Establish and develop training programs for Qulliq Energy Corporation and Nunavut Airports in Apprenticeship Trades
Status: Delivery of first year electrical apprenticeship program was offered to Qulliq Energy Corporation staff.

Priorities (2013-14)

- Develop and deliver equipment and operator programs for Phase 2 of the Nunavut Trades Training Centre.

Priorities (2014-15)

- Continue capital planning to establish a Mine Training Centre/Kitikmeot Campus.

Priorities (2015-16)

- Continue capital planning to establish an Equipment Training Centre in Rankin Inlet.

Nunavut Research Institute

Nunavut Research Institute (NRI) is the lead agency for science, research and technology development in Nunavut. It is mandated to liaise and coordinate broad-scale science projects in Nunavut and plays a key role in the development of northern research. It is managed by the Senior Research Officer who is also the Science Advisor for Nunavut.

Objectives

- To provide leadership in developing, facilitating and promoting traditional knowledge, science, and technology as a resource for Nunavummiut.
- To license all qualified research projects in Nunavut not regulated under the *Wildlife Act* or by archeological site regulations.
- To put Nunavut research into the hands of Nunavummiut.

Programs	Budget (\$000)	2012-13	2013-14	2014-15	2015-16
Nunavut Research Institute Nunavut Research Institute is responsible for licensing all research projects, which fall under the <i>Scientist Act</i> . It also provides logistical support to researchers.		854	915	915	915
Environment Technology The Institute delivers the Environmental Technology Diploma in Iqaluit. For 2010-11, an ETP Certificate is being delivered in Pond Inlet.		349	369	369	369
Total, Base Programs		1,203	1,284	1,284	1,284
Third Party Contracts Funding supports activities for science education.		550	345	345	345
Total, Programs		1,753	1,629	1,629	1,629

Priorities (2012-13)

- Expand delivery options for Environmental Technology Program (ETP) in other regions.

Status: There was successful delivery of ETP community program in Pond Inlet.

- Establish a joint MOU with Natural Resources Canada for the development teaching and learning opportunities for staff and students.
Status: The College has signed an MOU with Polar Continental Shelf Program. Also, discussions are progressing for a potential MOU with Canada-Nunavut Geoscience office.

Priorities (2013-14)

- Undertake the development of College science agenda to focus applied research and development activities.
- Complete the certification of the Iqaluit water and soil laboratories and increase utilization of the mobile laboratories for applied research activities.

Priorities (2014-15)

- Undertake applied research projects that will be consistent with Nunavut Arctic College Science Agenda.

Priorities (2015-16)

- Build capacity in the College for employment opportunities with Canadian High Arctic Research Station and participate in applied research projects.
- Deliver Environmental Technology Program in Cambridge Bay.

Student Services

Student Services includes residences, cafeteria, counseling, transportation, recreation, daycare and security at the regional campuses. Student Services is spread over the three regional campuses and managed by their respective Deans, except for library services, which are managed by the Senior Academic Officer.

Objectives

- To enhance quality of student life and academic success by addressing the social, personal, recreation and accommodation needs of students.
- To bridge the gaps between students, staff, campus, and community resources.

Programs	Budget (\$000)	2012-13	2013-14	2014-15	2015-16
Kitikmeot Campus		416	473	473	473
Kitikmeot Campus has 20 student family housing units. It does not have daycare or housing for single students.					
Kivalliq Campus		571	611	611	611

Kivalliq Campus has 12 student family housing units and accommodations for 44 singles. It also has a daycare and limited recreation.

Nunatta Campus 3,318 **3,280** 3,280 3,280
 Nunatta Campus has a full suite of student services, including counselling, single and family accommodations, daycare and recreation. The campus has 88 student family housing and accommodations for 60 singles.

Total, Base Programs	4,305	4,364	4,364	4,364
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Priorities (2012-13)

- Develop a student counseling and recreation strategy for all campuses.
Status: A student counseling and recreation strategy has been developed. The College will seek funds to implement the strategy.
- Expand the capacity of College staff to provide counseling and recreation services.
Status: The Director of Student Services is responsible for ensuring that all student services are consistent across all campuses and Community Learning Centres.

Priorities (2013-14)

- Expand career learning centre services in other communities to promote student intake and assessment.
- Implement the comprehensive student counseling and recreation strategy.

Priorities (2014 – 15)

- Conceptualize and develop a health and wellness strategy for students.

Priorities (2015-16)

- Restructure Student Services as part of implementing the student health and wellness strategy.

Administration Services

Administration Services is composed of three offices: President’s Office, Academic Affairs Office, and Business Services Office.

Objectives

- To provide strategic leadership and administrative management for the College.
- To satisfy the requirements of the Government of Nunavut and the Auditor General of Canada.
- To lead the achievement of academic excellence.
- To lead the strengthening of college systems and operations.

Programs	Budget (\$000)	2012-13	2013-14	2014-15	2015-16
President's Office		627	638	638	638
<p>The President's Office (Iqaluit) supports the Board of Governors and is responsible for the overall direction and management of the College. It includes the Public Affairs Officer (Arviat) who provides communication services and maintains www.arcticcollege.ca, and the Coordinator of Policy and Planning (Iqaluit) who manages policy development, business and capital planning processes.</p>					
Academic Affairs Office		970	1,000	1,000	1,000
<p>The Academic Affairs Office (Arviat) is responsible for program quality assurance, needs assessment, institutional transfer agreements, academic partnerships, and university studies. The Office is also responsible for college-wide prior learning recognition strategies, professional development, and library services. The Academic Affairs Office is managed by the Senior Academic Officer.</p>					
Business Services Office		4,880	4,883	4,883	4,883
<p>The Business Services Office (Arviat) is responsible for the delivery of finance, human resource, registrar, and information technology services. The Office also has staff in Cambridge Bay, Iqaluit, and Rankin Inlet. The Business Services Office is managed by the Senior Business Officer.</p>					
Total, Base Programs		6,477	6,521	6,521	6,521
Total, Programs		6,477	6,521	6,521	6,521

Priorities (2012-13)

- Update the Nunavut Arctic College policy manual.
Status: Policy manual has been updated to reflect organizational changes as well as changes necessary under the new Nunavut Arctic Colleges Act
- Implement a new web based curriculum management system for the College.
Status: Curriculum management system has been developed and is currently being implemented.

Priorities (2013-14)

- Develop key performance indicators for quality assurance of the delivery of programs and services offered by the College.
- Deliver a new University Studies Diploma.

Priorities (2014-15)

- The College will deliver their first joint degree program. Planning consideration is favouring a Bachelor of Business –with accounting specialization.

Priorities (2015-16)

- Establish a working group to plan for transition to University College Status.

College	Budget (\$000)	2012-13	2013-14	2014-15	2015-16
College Total, Base Programs		33,183	35,864	35,938	35,851
College Total, Third Party		8,541	8,541	8,541	8,541
College Total, Programs		41,724	44,405	44,479	44,392

Appendix I: Financial Summary

DISTRIBUTION OF OPERATION AND MAINTENANCE BUDGET – ALL SOURCES

	Headquarters (\$000)	Qikiqtaaluk (\$000)	Kivalliq (\$000)	Kitikmeot (\$000)	Total (\$000)
Compensation and Benefits	3,319	14,348	6,458	2,270	26,395
Grants and Contributions	-	-	-	-	-
Travel and Transportation	340	1,404	71	89	1,904
Materials and Supplies	47	943	166	66	1,222
Purchased Services	45	475	124	25	669
Utilities	20	147		8	175
Contract Services	481	3,073	419	84	4,057
Fees and Payments	474	697	12	9	1,192
Other Expenses	75	145	10	20	250
Total Operations and Maintenance	4,801	21,232	7,260	2,571	35,864
Third Party Funding	-	6,986	605	950	8,541
Total	4,801	28,218	7,865	3,521	44,405

Branch	2012-13		2013-14		2014-15		2015-16	
	Main Estimates		Main Estimates		Planned		Planned	
	\$000	PYs	\$000	PYs	\$000	PYs	\$000	PYs
HEADQUARTERS								
Compensation and Benefits	3,479	19.0	3,319	19.0	3,319	19.0	3,319	19.0
Grants and Contributions	-		-		-		-	
Other O&M	1,543		1,482		1,482		1,482	
Subtotal	5,022		4,801		4,801		4,801	
NUNAVUT RESEARCH INSTITUTE								
Compensation and Benefits	1,130	8.5	1,085	7.5	1,085	7.5	1,085	7.5
Grants and Contributions	-		-		-		-	
Other O&M	623		544		544		544	
Subtotal	1,753		1,629		1,629		1,629	
REGIONAL CAMPUSES								
Compensation and Benefits	23,277	169.4	24,353	178.1	24,353	178.1	24,353	178.1
Grants and Contributions	200		-		-		-	
Other O&M	11,472		13,622		13,696		13,609	
Subtotal	34,949		37,975		38,049		37,962	
TOTAL FUNDED	41,724	196.9	44,405	204.6	44,479	204.6	44,392	204.6
Less								
Non-GN Third Party Funding	2,494	1.0	4,266	4.0	4,266	4.0	4,266	4.0
Less								
Non-GN Non Base Funding	10,037		8,264		8,264		8,264	
TOTAL	29,193	195.9	31,875	200.6	31,949	200.6	31,862	200.6

Appendix II: Inuit Employment Targets

Nunavut Arctic College	As of Sept. 30, 2012		For March 31, 2013	
		Capacity %		Capacity %
Total Department Positions	182.6		196.9	
Total Filled Positions	145.6	79%	173.90	88%
Total Vacancies	33	18%	23	11%
Total Beneficiaries	79	43%	81.4	47%
Total Executive Positions	1		1	
Total Filled Executive Positions	1	100%	1	100%
Total Vacant Executive Positions	-	-	-	
Total Beneficiaries in Executive Positions	-	-	-	
Total Senior-Management Positions	8		6	
Total Filled Senior-Management Positions	7	88%	6	100%
Total Vacant Senior-Management Positions	1	12%	-	-
Total Beneficiaries in Senior-Management Positions	4	57%	4	50%
Total Middle-Management Positions	24		22.5	
Total Filled Middle-Management Positions	20	83%	20.5	91%
Total Vacant Middle-Management Positions	4	17%	2	9%
Total Beneficiaries in Middle-Management Positions	6	30%	8	39%
Total Professional Positions	94.6		117	
Total Filled Professional Positions	78.6	83%	99	84%
Total Vacant Professional Positions	15	17%	18	15%
Total Beneficiaries in Professional Positions	37	47%	40	40%
Total Paraprofessional Positions	25		24	
Total Filled Paraprofessional Positions	16	64%	22	92%
Total Vacant Paraprofessional Positions	8	32%	2	8%
Total Beneficiaries in Paraprofessional Positions	9	56%	14	64%
Total Administrative Positions	30		26.4	
Total Filled Administrative Positions	23	77%	25.4	96%
Total Vacant Administrative Positions	7	21%	1	4%
Total Beneficiaries in Administrative Positions	20	100%	24.4	96%

Note:

2012 table includes 167.60 PYs for Vote 1 and 15.0 PYs for Votes 4/5.

2013 table includes 172.9 PYs for Vote 1 and 24.0 PYs for Vote 4/5.

Qulliq Energy Corporation

Corporate Plan 2013-2017



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1.0 Introduction

Qulliq Energy Corporation (QEC) is a Crown Corporation wholly owned by the Government of Nunavut (GN). The Corporation was originally established in 2001 as the Nunavut Power Corporation (NPC) under the *Nunavut Power Utilities Act*, and subsequently renamed Qulliq Energy Corporation in 2003. The *Nunavut Power Utilities Act* was also renamed the *Qulliq Energy Corporation Act* as the result of legislation passed in March of 2003, which broadened the Corporation's mandate to respond to a range of energy use and conservation issues within Nunavut.

QEC generates and distributes electrical energy to Nunavummiut through the operation of twenty-six diesel generation plants in twenty-five communities, provides mechanical, electrical and line maintenance from three regional centres, and administers billings and the Corporation's human resource and financial activities from offices in Baker Lake.

QEC attends to the overall objectives provided by legislation, supports the Minister responsible for Qulliq Energy Corporation on intergovernmental issues, has the mandate to manage the capital projects of the Corporation, and respond to issues of alternative generation sources.

1.1 Vision

The Corporation's vision is to provide to the communities of Nunavut a safe, reliable, sustainable and economical energy supply and service. The foundation of our vision is an empowered and accountable workforce, representative of Nunavut's population, and reflective of Inuit societal values, Inuit Qaujimagatuqangit and *Tamapta*. We operate as an enterprise with transparency, accountability and integrity.

1.2 Mission

The Corporation's Mission Statement is as follows:

QEC provides safe, reliable and efficient electricity and plans long term affordable energy for Nunavummiut.

1.3 Values

The Values included within the Mission Statement are:

Safety is and will continue to be the Corporation's first priority. This fact is communicated to and reflected in policies and procedures for the Corporation's employees clearly and consistently.

Reliability is second only to safety. The focus of the Corporation's day-to-day operations is the provision of safe and reliable service to customers.

Efficiency is applicable to all of the Corporation's operational and administrative activities. Efficiency indicates QEC's intention to respect the investment in the Corporation made by Nunavummiut, and to use resources with clear attention to reasonableness and value.

1.4 Corporate Objectives and QEC's Commitment to Nunavummiut

The vision, mission, and values of Qulliq Energy stem from the corporate objectives, as prescribed in section 5 of the *Qulliq Energy Act*:

Section 5(1) The objects of the Corporation are:

- (a) to generate, transform, transmit, distribute, deliver, sell and supply energy on a safe, economic, efficient and reliable basis;
- (b) to plan and provide for Nunavut's long term needs for affordable energy, taking into consideration Nunavut's desire to enhance energy self-reliance and to conserve energy and energy resources;
- (c) to purchase, store, process, distribute, deliver, sell and supply petroleum products and other fuels;
- (d) to undertake programs to maximize efficiency of fuel and other energy consumption and to provide advice and information to consumers to enable fuel and energy conservation;
- (e) subject to the *Utility Rates Review Council Act*, to set rates and tariffs for energy and services supplied by the Corporation and its subsidiaries; and
- (f) to undertake any other activity directed or authorized by order of the Commissioner in Executive Council.

As a Crown Corporation of the Government of Nunavut, QEC is committed to working with the GN to meet the requirements of its mandate, *Tamapta/CL^{CC} : Building our future together* (Tamapta). *Tamapta* is based in large part on what Nunavummiut had to say about the GN through the “*Qanukkanniq Report Card*”, which was conducted in the spring and summer of 2009 and made public on October 1, 2009. The vision of *Tamapta* looks towards where Nunavummiut and the Territory will be in the next twenty years, and pronounces the vision of Nunavut in the year 2030.

The Guiding Principles that will bring QEC and the GN to meeting their visions are the same Inuit societal values that have led Nunavummiut and will continue to guide the GN and QEC into the future:

Inuuqatigiitsiarniq:	respecting others, relationships and caring for people.
Tunnganarniq:	fostering good spirit by being open, welcoming and inclusive.
Pijitsirniq:	serving and providing for family and/or community.
Aajiiqatigiinni:	decision making through discussion and consensus.
Pilimmaksarniq/Pijariuqsarniq:	development of skills through observation, mentoring, practice, and effort.
Piliriqatigiinni/Ikajuqtigiinni:	working together for a common cause.

Qanuqtuurniq: being innovative and resourceful.

Avatittinnik Kamatsiarniq: respect and care for the land, animals and the environment.

The Corporation's objectives include and are consistent with the objectives of the Third Legislative Assembly of Nunavut. The priorities set out within *Tamapta*, and inherited from *Pinasuqtavut*, that the GN and QEC are committed to supporting are as follows:

- Reduced dependency on diesel through heat recovery and distribution systems, and alternative generation planning;
- Environmental protection and monitoring of fuel purchasing, storage and supply;
- Beneficiary apprenticeship and internship employment programs that remove barriers to employment;
- Beneficiary recruitment, retention, education and training programs that remove barriers to employment;
- Responses and solutions relating to the recommendations of the Office of the Auditor General and Legislative Assembly Standing Committees;
- Services to the public in Nunavut's languages;
- Administration of electricity rate subsidy programs for the GN;
- Capital planning to support territorial and municipal infrastructure improvements; and
- Improved accountability and managing in a fiscally responsible manner.

1.5 Logo

The Corporation's logo, adapted from the previous QEC logo, was unveiled by the Board of Directors in 2011. It was created to keep the Corporation compliant with language legislation recently passed in the Legislative Assembly of Nunavut, while rebranding QEC for its next 10 years of service. The logo is a symbol that incorporates one of the most traditional of all Inuit tools, the Qulliq, the historic source of light and heat for Inuit.



The symbolism of the qulliq is clear and while subtly different from our previous logo, still keeps its relevance to our Corporation's name. The means of providing heat and light in the 21st century may have changed, but the importance has not diminished.

2.0 Environmental Scan

QEC operates within a broad spectrum of social, political, geographical, environmental and economic conditions specific to the unique challenges of generating and distributing electricity in Nunavut.

2.1 Social

Nunavut is the newest of Canada's territories, with a young and growing population of approximately 33,700 individuals, situated in 25 widely distanced and isolated communities. The largest communities have between two and seven thousand people, while the smallest have just over one hundred. While employed Nunavummiut are typically well remunerated, wage-economy opportunities and economic activity in Nunavut are limited.

QEC operates within the context of an 85% Inuit population, and the framework built by the Nunavut Land Claims Agreement. In particular, the Corporation works to implement Article 23 of the NLCA which requires efforts to create a representative public service.

2.2 Political

The Corporation's sole shareholder is also its largest customer, its largest supplier, its ultimate regulator and the source of consumer subsidy regimes. The GN and the Minister responsible for QEC play a significant role in the Corporation's activities.

The Corporation's Board of Directors is appointed by the Minister responsible and QEC must submit applications for rate changes to the Minister, who may then seek the advice of the Utility Rate Review Council (URRC).

The URRRC is created by an act of the same name. Its purpose is to make rate recommendations to the responsible Minister. The responsible Minister determines whether to implement the regulator's recommendation, the Corporation's request, or may instruct that the process begin again.

Since 2005-2006, the Minister responsible for QEC has provided to the Corporation an annual Letter of Expectation. The purpose of this letter is to help provide the Board of Directors and the President of QEC direction in defining the priorities and desired outcomes of the Corporation while reinforcing the importance of QEC's relationship with the GN.

In 2007, the Government of Nunavut released *Ikummatiit: An Energy Strategy for Nunavut*. This strategy focuses on reducing Nunavut's reliance on fossil fuels, finding alternative energy sources, and promoting the efficient use of energy in the territory.

The same mandate has continued into the current government. The most recent mandate from the GN is stated in the aforementioned *Tamapta* document, and covers the period from 2009-2013. The *Tamapta* Action Plan states that

With our vision set on the future, Nunavut, with its federal and land claims partners, will look at alternative forms of energy to reduce our reliance on fossil fuels.

Therefore, QEC must continue to seek alternatives to diesel fuel for electricity generation, concentrating on renewable energy sources in Nunavut such as hydro, wind and solar power while promoting efficient energy use.

QEC will continue to work to build its relationship with its shareholder the GN. Connections within the GN Departments of Finance, Environment, Economic Development and Transportation and Culture and Heritage have been built and continue to strengthen through regular discussions and communication.

2.3 Rate Regulation Activity

QEC's 2010-2011 General Rate Application (GRA) was delivered in two phases. Phase I was submitted October 4, 2010, and determined the overall level of revenue requirement for the Corporation to operate based on the 2010-2011 test year. After reviewing Phase I and the Utility Rates Review Council's report, and seeking the advice of the Executive Council of the GN, the Minister responsible for QEC authorized the Corporation to impose an 18.88% rate increase, effective April 1, 2011, across all customer classes.

The Fuel Stabilization Fund was reset to zero at this time, making the net increase to the residential customer approximately 2.5 per cent more than their March 2011 bill. Also, rather than collecting the \$13.12 Million revenue shortfall for 2010-2011 from customers, as is the norm in other jurisdictions, QEC received an infusion of funds from the GN. This greatly reduced the financial burden on customers in 2011-2012.

On September 9, 2011, QEC filed the Phase II portion of the 2010-2011 GRA to determine how the new base rates approved in Phase I were to be applied. Phase II was not intended to increase the revenue of the Corporation. Community consultations were held in November 2011.

QEC was authorized by the Minister to move towards territorial power rates, effective April 1, 2014. Territorial rates will be phased in over a number of years, with limits placed on the maximum increase or decrease that domestic and commercial customers will experience during this period. The URRC agreed with the Corporation's proposal to phase in territorial rates over a number of years, limiting the maximum increase for the domestic and commercial rate classes in any community to 5% and the maximum decrease to 4%.

Moving towards territorial rates will help reduce severe rate increases in communities if the Corporation were to adjust to true community based rates. The phased in approach will lessen the

impact on customers across Nunavut by spreading out the process over many GRA cycles. Delaying the move towards territorial rates allowed customers time to adjust to the rate increase implemented in April 2011. It also provided the Government of Nunavut an opportunity to review its electrical subsidy programs to ensure they provide maximum benefit to Nunavummiut.

In September 2012, QEC started developing its next GRA application for the 2014-2015 test year. The Corporation plans to submit both Phases I and II of this application concurrently in September 2013.

2.4 Geographic

QEC serves twenty-five locations, all but one located north of 60°. There are no roads linking communities, and there is no shared transmission grid. Nunavut is unique in that it spans three time zones and covers 1.994 million square kilometres of land mass, with a population estimated at 33,697 (July 1, 2012). Supplies and fuel arrive either by boat in the limited Arctic shipping season, or by air when deemed necessary.

Outdoor work continues to be necessary for many QEC employees, even as Arctic winters and darkness create hardships and hazards. QEC delivers electricity to communities under what are arguably the world's harshest environmental conditions.

Using the decentralized model initiated under the GN *Footprints in New Snow* document, the Corporation has regional offices in Rankin Inlet and Cambridge Bay, Corporate Headquarters located in Baker Lake, as well as executive and regional offices in Iqaluit.

2.5 Environmental

QEC operates in some of the most rigorous environmental conditions of any utility in the world. Weather, distance and darkness generate stresses on employees, assets and equipment. Operating standards tend to be set based on general Canadian conditions and resources, and the expectation of a pristine Arctic often raises the bar. Most corporate employees live and work in their home communities across Nunavut, participate in the traditional economy with its dependence on the land and sea, and feel a strong personal commitment to sustainable use.

The original operator at most QEC power plants was the federal crown corporation, the Northern Canada Power Commission (NCPC) that had responsibility for generation from 1949 to 1988. After that date, operations were managed by Northwest Territories Power Corporation (NTPC). At the time of division in 2001, the two corporations each agreed to manage environmental issues in their respective territories and to work together to obtain accountability from prior operators.

QEC has inventoried its sites for environmental issues, and has two full time staff from the Health, Safety and Environment department engaged in prevention and remediation. The Board has taken a strong interest in site remediation, and through the Minister responsible for QEC, in coordination with NTPC, and utilizing the Intergovernmental Affairs offices in Ottawa, is actively seeking the resolution of contamination issues. The Corporation is anticipating that the Federal Government of Canada will take responsibility for remediation of these inherited sites.

In recent remediation attempts in Baker Lake, QEC's Environment team has had great success with soil and water remediation techniques that had never before been tested in the Arctic. The unexpected results have fueled the Corporation's interest in ensuring that site remediation projects are completed where applicable.

In 2013-2014, the water remediation system will be reactivated from June through to November. QEC's Environmental staff will also continue detailed delineation studies at three plant sites to determine the amount, type and concentration levels of any contamination on corporate property, which are precursors to remediation projects.

2.6 Economic

The largest item in QEC's current budget is fuel. All fuel is purchased through the Petroleum Products Division (PPD) of the GN Department of Community and Government Services. About half of this is purchased and stored by the Corporation using PPD as the agent, paying "off the boat" prices. The other half is purchased from PPD throughout the year at GN-set prices. The combination of these purchasing methods in each community depends on the existence or locations of pipelines and the storage capacity of tanks. Fuel prices in Nunavut are dependent on the price of crude oil on world markets and the American versus Canadian foreign exchange rate.

In the longer term, higher or fluctuating fuel prices will make diverse alternatives to diesel generation increasingly viable across Nunavut. Although creating a stressful transition, the long-term diversity of generation and supply will eventually be seen as a positive impact of fuel pressures, both economic and environmental.

2.7 Load Growth

QEC continues to operate in a time of significant load growth. Across Nunavut, Government departments and municipalities are mobilizing to provide improved infrastructure to Nunavummiut. The Corporation is working hard to keep up with load growth with limited resources – financial and personnel wise. The economies of scale, a limited revenue stream from a small customer base, and short shipping and construction windows make it difficult to maintain or expand QEC's infrastructure to meet growing customer demand.

Load growth in each of the respective Nunavut regions has been significant and is forecast to continue into the near future. Load growth for the 20-year period from 1998/99 to 2019/20 is between 2% and 2.5% per year in each of the Regions. Growth within the Qikiqtaaluk Region is being spurred by the 4-5% load growth in Iqaluit.

The GN's Capital Plan to upgrade, expand, or replace infrastructure in communities is a significant driver in load growth. QEC's Senior Management relies upon its relationship with the GN Department of Community and Government Services, and the analysis of the GN's annual Main Estimates, to gather information on the various major projects scheduled over the coming years. In addition to government driven major projects, there are new homes being added in each community

along with private enterprise initiatives, which are adding to demand on the generating capacity of each community.

There continues to be exploration and subsequent evaluative activity in the mining sector, which will challenge the ability of the Corporation to respond to resource development activities in communities and to the issues surrounding potential corporate participation. QEC continues to investigate opportunities to participate as the operator in generation activities in the mining sector and may be developing or proposing such operating relationships in the coming years. Our first priority is supplying electricity to residential and commercial customers. We will ensure that any future generation and distribution for industrial customers will have no detrimental effect on the electrical supply to Nunavummiut.

Continuing national dialogue around arctic sovereignty and military activity in Nunavut has the potential to lead to capacity demands and load growth in Nunavut and for QEC. In the past, military activity has been accompanied by financial support in return for capacity enhancement and resulting demand delivery guarantees. The Corporation has provided energy and capacity information to projects contemplating port construction, military training operations and other key infrastructure. These military requirements for energy will be monitored and may eventually be quantified in ways that balance impacts for Nunavummiut and QEC with the needs of sovereignty projects and resulting demand growth.

2.9 Inuit Employment Plan (Article 23)

QEC continues to be one of the most successful Nunavut organizations in hiring, training and retaining beneficiary employees with an Inuit employment rate of 54% (September 2012).

The organization has developed and implemented a unique Education and Development program that complements the Inuit Employee Development and the Inuit Apprenticeship programs. The new program will be led by the IEP Administrator, who will be responsible for designing and driving each stage of the program's business activities. This program's intent is to target and attract high performing Beneficiary graduates of Nunavut High Schools and Nunavut Arctic College (NAC); as well as Nunavut Beneficiaries Scholarship (NBS) recipients for consideration in future employment and long-term career opportunities with QEC.

The career streams that the selected Beneficiaries would move into include Engineering, Finance, Human Resource Management, Information Technology, Logistics Management, Purchasing, Project Management and Operations. The new program will create a strong recruitment action roadmap clarifying the steps which will guide and support prospective Beneficiary hires - Grade 12 graduate students, NAC graduates and NBS recipients - in building a graduated career path with QEC. From assessment of their interests, aptitudes and abilities; to developing actual career ladders including the enrollment in those academic programs that meet their individual interests, aptitudes and abilities; to summer internships/mentorships with QEC; to completion of their academic programs; to employment with QEC.

The program will be pivotal in building human resource capacity and a pipeline of educated Inuit

graduates, a pool of potential candidates that will enable and assist QEC in achieving our vision of “*an empowered and accountable workforce that is representative of Nunavut’s population*”.

The new IEP Administrator will also work with our IEP Committee Chair in exploring ways in which to refresh the committee’s expectations, actions and expected outcomes.

The Inuit Employee Development program continues to grow with 28% of QEC beneficiary employees enrolled in a variety of both long and short term academic business programs.

The most recent employment statistics for the Corporation are attached as Appendix C.

3.0 Critical Issues

3.1. Operational and Decision-making Accountability

Continuing improvements in financial reporting have ensured that the Board of Directors has the information necessary to continue refining corporate governance, and public and shareholder accountability.

QEC is now able to accurately predict and report load growth, operating expenditures and capital costs, translating this information into annual revenue requirements. The Corporation can provide timely information to impacted stakeholders. The equity position is solid and improving.

The previous years of reduced revenue and limited access to capital has meant that there are still significant capacity issues in many Nunavut communities, and that plants requiring replacement are still being delayed pending access to the necessary Capital funds. Projects in these areas will be a significant portion of the capital budgets for QEC in the next years, while valuable diesel replacement projects also demand high amounts of capital investment. In 2013-2014, continued emphasis will be placed on prioritizing required plant and equipment replacements, upgrades and expansions, as well as identifying funding sources and leveraging funding arrangements.

3.2 Income

All Nunavut communities, regardless of population, require similar power infrastructure. Due to a lack of corporate and private ratepayers, there is an inability to charge suitable rates to generate the necessary revenue in small communities to properly fund the required maintenance on and capital improvements to the power infrastructure. The Corporation continues to address the lack of revenue and filed a GRA in October 2010. This GRA led to the direction to move towards a territorial rate, as noted in section 2.3. QEC plans to file its next GRA in November 2013 for the 2014-2015 test year.

The combination of aging infrastructure requiring replacement and the worldwide volatility of fossil fuel prices will overreach the cash flow produced from the income that the Corporation creates. Without surplus income, there is little ability to borrow incremental amounts. The ability to borrow is further constrained by the regulated debt to accumulated surplus ratio (debt-to-equity) and the

size of the GN's guaranteed debt cap allocated to the Corporation, which inhibits QEC's ability to comfortably move forward on potential large-scale projects aimed at minimizing Nunavut's dependency on fossil fuels and providing an affordable energy supply to Nunavummiut.

This lack of surplus cash flow or access to debt capital also precludes the ability to research and implement alternative energy projects designed to reduce Nunavut's overall carbon footprint. QEC's recent and future projects in residual heat and hydroelectricity raise new questions regarding the apportionment of costs, risks and revenues between communities and among revenue sources. These issues will come under renewed and continuous discussion and development in 2013 and beyond.

3.3 Generation Mandate

The Corporation is facing population driven demands, resulting from new infrastructure requirements as well as from requirements to replace aging infrastructure. Some of the major drivers for capital expenditures are:

- Duty to Serve;
- Integrity of Infrastructure;
- Equipment Life Cycle;
- Need;
- Priority;
- Year-to-Year Stability;
- Asset Base Sustainability; and
- Resource Availability.

Typically, a power plant is designed to function for 40 to 50 years. The Corporation owns and operates 26 diesel power plants across Nunavut. This means that every two to three years a new power plant or major reconstruction of the existing facility should be undertaken to maintain the integrity of the existing generating infrastructure. The Corporation has built one new power plant in the past 11 years (Baker Lake). Many existing plants were built by NCPC using federal funds and the existing community-based rate structure relies heavily on this inherited infrastructure. As previously stated, the financial capacity of some of Nunavut's smallest communities may be inadequate to support a replacement plant.

In order to maintain reliability and meet increasing load demand across QEC's system, a number of genset replacements/additions have been undertaken in the past 5 years. This was a short-term solution to a long-term problem of excessive load growth coupled with unfunded long-term capital requirements. This practice was clearly not sustainable. In order to maintain reliability and meet load requirements, QEC has prioritized its capital plan to include genset replacements, capacity increases, and environmental and regulatory requirements to address safety concerns over the past few years. In 2013-2014, QEC has major infrastructure expansions and plant replacements in its capital plans, and will also be increasing capacity/replacing gensets and upgrading residual heating systems (See Appendix A).

The Corporation is responsible to Nunavummiut to advance economically viable renewable energy opportunities. QEC is currently involved in a number of initiatives that will assist in reducing Nunavut's dependence on fossil fuels.

Some of these initiatives include:

- The investigation of hydro-electric power generation for Iqaluit;
- The creation of an Arctic Wind Test facility in Arviat;
- Optimizing fuel efficiency in diesel plants by incorporating Programmable Logic Controllers/automation into the design;
- Utilizing residual heat from the diesel gensets to provide block heating/plant heating in order to reduce station service loads; and where feasible
- The construction of residual heat distribution systems to third party customers such as in Rankin Inlet, Iqaluit, and Arviat.

All of these initiatives are targeted at reducing fuel consumption, reducing Greenhouse Gas Emissions, and minimizing the environmental impact on the communities in which we live and work.

QEC is actively seeking funding for hydroelectric development in Iqaluit. Initial studies indicate that the Jaynes Inlet and Armshow South sites have potential but require in-depth feasibility studies to help determine the overall socioeconomic and environmental viability of the development. In order to undertake the studies, substantial funding is required to define the basic parameters of the project – hydrology, geography, power plant design estimates, transmission line design, routing and estimate, environmental studies, regulatory approvals, etc. Based on the requirements for permitting, design, environmental studies, land negotiations, and construction, hydro development projects are extremely capital intensive initially and take several years to implement from the concept stage.

The QEC Board directed the Corporation to move forward with the feasibility work for Iqaluit hydro in 2012; this work will continue throughout 2013-2014. QEC is directed to continue to seek outside funding sources to offset this substantial investment. Each year project reviews will be initiated and the list of tangible and committed renewable energy projects will grow in size and impact. The Corporation will use both its available capital budget and funds solicited from outside sources to advance the infrastructure goals of Nunavut.

4.0 Priorities 2013-2017

The priorities are delineated by functional department and derived from the Corporation's core mandate, by direction received by the QEC Board of Directors and the Government of Nunavut, as well as the goals laid out in the QEC 2012-2015 Strategic Plan.

4.1 Administration

Administrative services include three main areas: the Office of the President/CEO, Corporate Affairs, and in-house Corporate Counsel. Working closely with the Board of Directors and Senior Management the Office of the President/CEO provides for the overall leadership and management of the Corporation while ensuring ongoing implementation and integration of government priorities into corporate operations. Corporate Affairs is responsible for the administration and evaluation of corporate policy, strategic planning, policy and legislative development, communications, risk management, and providing support to other divisions of the Corporation. Corporate Counsel provides internal legal services in order to help protect the corporation's legal interests. In-house Legal Counsel is involved in numerous matters including risk management, strategic development, crisis management, regulatory compliance, human resources and corporate financial budgeting.

Priorities (2012-2013)

- Complete Phase I and Phase II of the General Rate Application process, and establish the appropriate rate classes.

Status: In February 2012, QEC was directed to adopt a territorial wide cost of service approach for establishing rates, to phase in a move towards territorial rates and to implement the proposed rate adjustments effective April 1, 2014.

The Corporation commenced development of its latest GRA in September 2012. The GRA will be submitted in September 2013 for the 2014-2015 test year.

- Evaluate and realign the corporate and strategic planning processes utilized by the Corporation.

Status: The 2012-2015 Strategic Plan was approved by the QEC Board in June 2012. The goals and objectives of the strategic plan were incorporated into the QEC 2013-2017 Corporate Plan.

- Commence the critical review and updating of corporate policies.

Status: Corporate policies continue to be reviewed and updated. All policy changes are reviewed by Senior Management and approved by the President/CEO.

- Initiate application of standard risk management processes for utilization across the entire functional organization.

Status: Project initiated. QEC now has a Risk Manager on staff who is responsible for developing and implementing a risk mitigation program to effectively act upon

recommendations made by Internal Audit, Senior Management, and the QEC Board, to safeguard the organization, its customers, reputation, assets, and the interests of stakeholders by identifying and managing all threats to the achievement of its business objectives and strategy.

- Implement a Corporate Communications strategy.

Status: Internal and external communications strategies have been developed and implemented.

- Collaborate with QEC Finance to develop and implement a customer service plan and program.

Status: Work is ongoing. Anticipate a roll-out of customer service strategy in 2013/14 – 2014/15.

- Collaborate with QEC Engineering to initiate feasibility studies for the Iqaluit Hydroelectric Project, once funding is secure.

Status: The QEC Board approved funds to commence feasibility in winter 2012 with direction to continue to seek outside funding sources to offset the costs of this initiative. The project is ongoing.

- Collaborate with GN to implement the Comprehensive Implementation Plan for OLA and ILPA.

Status: The Uqausivut Plan was tabled in the Legislative Assembly during the fall session. The Corporation is working with all stakeholders to implement the plan.

- In collaboration with the QEC Board, establish and implement an annual Directors and Board Evaluation Process.

Status: The QEC Board Governance committee was struck in the fall Board meeting. Work initiated on the evaluation process in winter 2013. Anticipated rollout of the evaluation process in 2013-2014.

- In collaboration with the QEC Board, update Board governance and operating policies.

Status: The QEC Board Governance committee was struck in the fall Board meeting. Work initiated on the update of governance and operating policies during in winter 2013. Anticipated rollout of the updated policies in 2013-2014.

Priorities (2013-2014)

- Obtain a mandate and reach a collective agreement with the QEC unionized workforce.
- File the Corporation's General Rate Application.
- Continue the critical review and updating of corporate policies.
- Working with QEC Finance and HR/OD, develop and implement a customer service strategy.
- Implement Key Performance Indicators (KPI's)/Balanced Scorecard performance measures into all business plans and reporting platforms.

- Implement an Enterprise Risk Management program across the entire functional organization.
- Complete a critical review and update of the corporate procurement manual.
- Continue the implementation of the Comprehensive Implementation Plan for OLA and ILPA.
- Implement a quality control process for audit projects, as required by IIA Standards, including external review and client satisfaction feedback.

Priorities (2014-2015)

- Complete the critical review and updating of corporate policies.
- Investigate the feasibility of hydro-generation projects in the Kitikmeot and Kivalliq regions.
- Develop a new Strategic Plan for the Corporation.

Priorities (2015-2016)

- Complete Phase I and Phase II of the General Rate Application process and establish the appropriate rate classes.
- Complete an internal review of the Internal Audit Function, including client feedback.

Priorities (2016-2017)

- Complete an independent review of the KPI/Balanced Scorecard performance measures to ensure the system is meeting corporate needs.

Priorities (2017-2018)

- Complete an external quality assurance review of the Internal Audit function, as required by IIA Standards.

4.2 Engineering

The Engineering Department's primary function is to provide engineering design and technical support services for the Corporation. It also develops and maintains Engineering Standards and is the primary vehicle for developing and implementing the capital plan. Engineering strategically supports and partners with QEC Operations in ensuring that corporate business goals are consistently achieved at the lowest cost while achieving the highest possible standards. The Engineering Department is located in Iqaluit.

Throughout all years, the number one priority is to operate safely and attempt to achieve zero lost time accidents.

Priorities (2012-2013)

- Complete 25 kV Distribution System Upgrade in Iqaluit.

Status: As of October 2012, the 25 kV Distribution System Upgrade is substantially complete. All customers have been converted from 5 kV to 25 kV. There are minor seasonal deficiencies that will need to be addressed over the next 12 months.

- Complete Phase II of the Iqaluit Plant Expansion and capacity upgrade.

Status: The Iqaluit Plant Expansion is progressing well. The project is ahead of schedule with anticipated substantial completion by April 2013. The architectural / building upgrades are anticipated to be complete in January 2013 and the 10.4 megawatts of new capacity brought into service in April 2013.

- Continue with power plant replacement/infrastructure renewal program by completing civil construction of the new power plants in Cape Dorset, Qikiqtarjuaq and Taloyoak.

Status: Good progress is being made with Taloyoak and Qikiqtarjuaq. Land for the new facilities has been identified, power plant designs are nearing completion, and major components (engines, radiators, air handling units, etc.) with long lead times have been ordered. It is anticipated that the pre-fabricated modular plants will be erected on-site between September and December 2013.

Little progress has been made with respect to Cape Dorset due to difficulties identifying and acquiring a suitable piece of land on which to construct the new power plant. New potential lots were identified in October 2012. QEC will work with the Hamlet to ensure the lots are acceptable and acquire the identified land.

- Continue with further updating and developing of engineering department standards.

Status: Progress has been slow with respect to this initiative due to workload and vacancies. This initiative will receive more focus as the construction season winds down.

- Develop and implement a mentoring/development program for EITs.

Status: Draft guidelines have been developed for Engineers-in-Training. The document needs to be reviewed further within Engineering and Human Resources to ensure it covers all aspects of what was envisioned and is required. Completion anticipated by March 31, 2013.

- Investigate utilization of Smart and Automatic Meter Reading metering for larger centres.

Status: QEC applied and received funding for the implementation of an Automated Metering Infrastructure program within Iqaluit. NRCan will fund up to 50% of the cost to research, design, and implement a SMART GRID. Planning began in the fall to identify needs and initiate design and procurement of equipment through the winter / spring 2013.

- In conjunction with other QEC departments, develop a long term capital planning document (40-year horizon) identifying major capital projects.

Status: Draft document has been initiated for the Kitikmeot Region. Focus is on identifying major capital items and capital that occurs based on a specified life (vehicles, power poles, gensets). These items will be identified on a time scale to illustrate peaks and valleys in capital requirements. The goal is to provide a long term sustainable capital plan that is relatively flat. This will be beneficial from a financial, maintenance, and resource planning perspective. Complete draft by March 31, 2013.

- Collaborate with QEC Corporate Affairs to initiate feasibility studies for the Iqaluit Hydroelectric Project, once funding is secured.

Status: Despite direction and unrealized efforts to identify sources to help fund the completion of Environmental and Feasibility Studies for Iqaluit Hydro Development, QEC has moved the studies forward by providing funding from within its own capital program. A consultant has been hired through a RFP process to identify gaps in existing studies and establish scopes of work to complete the Environmental and Feasibility Studies for Jaynes Inlet and Armshow South. For the duration of 2012/13, the focus will be on desk studies, consultation, applying for appropriate permits, project definition and information dissemination. Field work will begin in April 2013 for geotechnical drilling, environmental baseline studies and engineering work.

Priorities (2013-2014)

- Complete Phase III of the Iqaluit Plant Expansion.
- Complete the mechanical and electrical phases of the new power plant construction for Qikiqtarjuaq and Taloyoak.
- Pending successful acquisition of land, Initiate design and construction of new Cape Dorset Power Plant.
- Continue Hydro Feasibility Studies and negotiations with land owners and regulatory bodies.
- Work with Hamlets and GN on identifying land for construction of new power plants in each community.
- Finalize the 40 Year QEC Capital Planning document.
- Undertake a Supervisory Control and Data Acquisition (SCADA) study and implementation in Kitikmeot and Kivalliq Regions

Priorities (2014-2015)

- Identify power plant replacement priorities for the next 5-Year Capital Plan.
- Finalize Hydro Feasibility Studies.
- Install new power plant in Grise Fiord; initiate design for Gjoa Haven
- Initiate regulatory process to construct hydro facility to serve Iqaluit.
- Finalize AMI Program with all systems being in service.
- Undertake SCADA study and implementation in Qikiqtaaluk Region.

Priorities (2015-2016)

- Continue power plant replacement program.
- Replace identified Iqaluit gensets based on service life and demand.

Priorities (2016-2017)

- Initiate design / construction of new power plants in Chesterfield Inlet, Arctic Bay, and Pangnirtung

Priorities (2017-2018)

- Continue power plant replacement program

4.3 Finance

The QEC Finance department is located in Baker Lake, with remote Customer Services offices in Cambridge Bay, Iqaluit and Rankin Inlet. Finance also has an office in Iqaluit responsible for budgeting, planning and analysis, and administration of regulatory, inter-department, Government and external affairs that are pertinent to Finance. Key Functions of the Finance department are: Purchasing & Procurement, Accounts Payable, Billing & Collections, Customer Service, Accounts Receivable, Financial Reporting, General Finance, and Regulatory Affairs. Finance is viewed by the Corporation as a critical department requiring significant effort and resources to meet its corporate service requirements. Its priorities focus on making the finance department more efficient as it strives to improve functional requirement and services.

Priorities (2012-2013)

- Develop and implement a plan to have effective financial systems, program software and programs in place to meet present and future needs.

Status: Plan developed. Implementation resulted in the development of asset sub ledger. A Project sub ledger and improvements to program software scheduled for completion by March 31, 2013.

- Develop and implement a Customer Service Plan and Program.

Status: Work is ongoing. Anticipate a roll-out of customer service strategy in 2013/14 – 2014/15.

- Through the General Rate Application Process, establish the appropriate rate to cover all costs associated with operating the utility and providing for all capital infrastructure expenditures utilizing test year 2013/2014.

Status: The Corporation commenced development of its latest GRA in September 2012. The GRA will be submitted in September 2013 for the 2014-2015 test year.

Priorities (2013-2014)

- Develop and implement a plan to meet the financial requirements of the annual capital budget until the implementation of the new utility rates goes into effect in 2015.
- Implement new sea lift procedures and provide training to internal and external stakeholders.
- Submit GRA for the 2014-2015 test year.
- Reduce territorial collection cycle to 1 month from 3 and reduce Accounts Receivable days outstanding to 65 days.
- Complete the distribution assets reconciliation into the fixed asset sub ledger.

Priorities (2014-2015)

- Investigate partnering with other organizations to deliver services that anticipate customers' changing expectations.
- Develop marketing plan for alternate sources of revenue.
- Determine how the Corporation will finance the five years of required capital infrastructure.

Priorities (2015-2016)

- Conduct a territory wide audit of commercial meters.
- Conduct a depreciation study to examine the appropriateness of asset depreciation rates.
- Conduct a cost benefit analysis of the construction of office in Baker Lake and the purchase of additional housing units for QEC staff.

Priorities (2016-2017)

- Determine how the corporation will finance the five years of required capital infrastructure.
- Through the General Rate Application Process, establish the appropriate rate to cover all costs associated with operating the utility and providing for all capital infrastructure expenditures utilizing test year 2017/2018.

Priorities (2017-2018)

- Conduct a complete evaluation of the finance section to analyze present operational functions and identify areas for improvement.
- Conduct a customer service study to measure improvements resulting from the roll out of the customer service training program.

4.4 Health, Safety and Environment

The Health, Safety and Environment department is responsible for the overall administration of the Corporation's environment and safety management practices. This includes ensuring the utility operates in an environmentally conscience and responsible manner; responding to and coordinating the clean-up of any environmental incidents; ensuring all employees understand their rights and responsibilities on issues that have an impact on their health and safety; establishing a functioning

safety program; providing health and safety training to all employees; and reviewing all applicable federal and territorial acts/regulations and ensuring the Corporation is in compliance with those acts and regulations.

Priorities (2012-2013)

- Finalize Phase III of the development of the Emergency Management System (EMS).
Status: Delayed until 2013-2014
- Complete three Environment Delineation Studies (Phase I, II & III) at QEC power plant properties throughout Nunavut. Communities are determined according to the assessment priority list.
Status: Three Delineation studies completed in Igloolik, Hall beach and Cape Dorset
- Complete development of new Occupational Health and Safety Manual and roll-out to all QEC.
Status: New Occupational Health and Safety manual has been finalized and rolled-out to all QEC staff in fall 2012.

Priorities (2013-2014)

- Finalize Phase III of the development of the EMS.
- Complete three Environment Delineation Studies (Phase I, II & III) at QEC power plant properties throughout Nunavut. Communities are determined according to the assessment priority list.
- Develop a waste oil reduction/recycling plan.

Priorities (2014-2015)

- Implementation of the EMS.
- Complete three Environment Delineation Studies (Phase I, II & III) at QEC power plant properties throughout Nunavut. Communities are determined according to the assessment priority list.
- Develop decommissioning plans for on-site infrastructure such as power plants, pipelines, fuel tanks, etc.

Priorities (2015-2016)

- Complete three Environment Delineation Studies (Phase I, II & III) at QEC power plant properties throughout Nunavut. Communities are determined according to the assessment priority list.

Priorities (2016-2017)

- Complete three Environment Delineation Studies (Phase I, II & III) at QEC power plant properties throughout Nunavut. Communities are determined according to the assessment priority list.

Priorities (2017-2018)

- Complete three Environment Delineation Studies (Phase I, II & III) at QEC power plant properties throughout Nunavut. Communities are determined according to the assessment priority list.

4.5 Human Resources and Organizational Development

Responsible to the President/CEO and Board of Directors, Human Resources and Organizational Development provides expert advice, support, counsel and decision making in all human resources matters. This includes the designing, building and delivery of a sound, sustainable and progressive HR/organizational development infrastructure that identifies business risk, actions and implements corporate improvements, creating a stronger, more agile and higher performing business culture for the benefit of Qulliq Energy Corporation.

Priorities (2012-2013)

- Assess Inuit employment and development programs; ensure beneficiaries are being introduced to the kinds of development opportunities that exist within QEC; create long term career paths for those individuals who identify specific business growth interests and commit to a 'job-readiness', long-term development investment.

Status: QEC has recruited an IEP Administrator who will focus on the recruitment of high-performing high school students who will move into post-secondary education that will allow the students to be mentored into various critical supervisory and management areas of QEC.

- Engage-high potential employees through the development of individualized career paths that focus on opening up opportunities for next level position possibilities.

Status: QEC has 28% of Beneficiary employees registered in either short or long-term departmental specific academic programs for career growth opportunities.

Priorities (2013-2014)

- Review and compare 'transformational' Performance Management Program with best practices.
- Develop a training program for the Billings department and Plant Supervisors.

Priorities (2014-2015)

- Review and assess Strategic HR/OD goals. Redesign, recreate as required to align with changing organizational needs.

- Provide customer service training program to Billings department and Plant Supervisors.

Priorities (2015-2016)

- Development and review of Departmental Succession Plans in anticipation of baby boomer retirement.

Priorities (2016-2017)

- Analyze, assess the priority(s) from 2015-2016 that met with obstacles in achievement.
- Establish solution-based partnerships with internal clients to design mutually agreed upon action-plans that move to overcome roadblocks, or, to alter strategic direction of goal to make achievement of priority more accessible.

4.6 Information Technology

The Information Technology Department serves other corporate departments through a series of services including data communications, enterprise applications, application development, integrated computer systems and technology assistance and support. The goal of the department is to enable QEC to achieve its business objectives using Information Technology.

Priorities (2012-2013)

- Finalize and implement disaster recovery planning and policies.
Status: Ongoing project; Expected to be completed summer 2013.
- Continue Document/Records management implementation.
Status: Multiyear project; RFP completed and to be sent out early November 2012.
- Review telephony requirements and evaluate VOIP technologies.
Status: Ongoing project; Telephony upgrades and VOIP rollout to be completed by March 31st 2013 within Baker Lake. Cambridge Bay and Rankin inlet to be completed in fiscal year 2013-2014.
- Upgrade community power plant IT infrastructure and services.
Status: 9 out of 21 communities completed with remainder to be completed by March 31st 2013.
- Implement change management processes.
Status: Development completed; Implementation to be finalized by March 31st 2012.
- Implement satellite communications optimizations.
Status: Optimization technology testing complete. Capital expenditures budgeted for fiscal year 2013/2014.

Priorities (2013-2014)

- Complete disaster recovery planning and policies.
- Continue Document/Records management implementation
- Implement telephony upgrades and VOIP technologies in Cambridge Bay and Rankin Inlet.
- Review corporate IT processes and procedures and compare to industry best practices.
- Evaluate feasibility of bringing community power plants into core satellite network.

Priorities (2014-2015)

- Review IT department strategic goals.
- Re-evaluate core financial software system.

Priorities (2015-2016)

- Review satellite communications network.

Priorities (2016-2017)

- Upgrade core IT infrastructure.

4.7 Operations

The Operations group of QEC, the largest division of the Corporation, is tasked with the mandate of generating and distributing safe, reliable electric energy in all Nunavut communities. Each community has its own generating plant staffed by employees who live in the community. Local staff is supported by electrical, mechanical and line trades staff based in the regional centers of Cambridge Bay, Iqaluit and Rankin Inlet.

Operations strategically supports and partners with QEC Engineering in ensuring that corporate business goals are consistently achieved at the lowest cost while achieving the highest possible standards.

Priorities (2012-2013)

- Continue implementation of a maintenance management system to assist in resource planning and forecasting.

Status: Ongoing – currently in data standardization mode by region in separate databases. With an upgraded supervisory control and data acquisition (SCADA) system and utility standard Computerized Maintenance Management System (CMMS) in place, compilation and migration into one territorial database will be phased in by region.

- Continue updating skills/abilities of Technologists, Electricians and Linemen to ensure timely and effective maintenance of new 25kV distribution system and substation through MEARIE / IHSA.

Status: Technologists and Linemen are complete. Electricians have been identified for breaker/substation maintenance training to be scheduled in 2013.

- Provide trades apprentices with meaningful and effective instruction to assist in their development to graduate nine apprentices to the 3rd level; one apprentice will achieve Journeyman status in this time.

Status: One apprentice will be in second year, 7 apprentices will be in third year and one apprentice will have attained journeyman status.

- Continue working with HR to develop module based Plant Superintendent, Plant Operator and Assistant Operator training.

Status: Ongoing as training is made to suit requirements. Working with Hydro One, COGUA and collaborate with HR/OD to develop certified plant operator training.

- Collaborate with Engineering for the standardization of new power plants and equipment.

Status: Complete with standards for small and medium size power plants.

- Collaborate with Finance and Engineering to develop and implement more efficient meter reading methods (Automatic Meter Reads, bi-monthly billing, etc.).

Status: Ongoing with Smart Metering project for Iqaluit and bi-monthly billing.

- Collaborate with IT to develop automatic month end reports with Key Performance Indicators (KPI) for generation and distribution data.

Status: Ongoing – Manual monthly reporting complete and automatic reports tied into the SCADA system and CMMS upgrade.

Priorities (2013-2014)

- Design SCADA system, procure hardware/software and install in 5 Kitikmeot and 7 Kivalliq power plants.
- Train Iqaluit electricians in breaker/substation maintenance for 25kV.
- Collaborate with Finance and Engineering to implement Smart Metering system in Iqaluit.
- Identify plans to reduce station service and line losses.
- Continue to evaluate emergency generation and preparedness procedures.

Priorities (2014-2015)

- Design SCADA system, procure hardware/software and install in 13 Qikiqtaaluk power plants.
- Tie regional SCADA and CMMS systems together for recording/transferring data to a common server/database.
- Collaborate with Finance and Engineering to implement Smart Metering system in Iqaluit.

Priorities (2015-2016)

- Research operating and maintenance requirements for hydro plant operation.

- Review territorial needs for SCADA and CMMS.

Priorities (2016-2017)

- Identify and develop hydro plant O&M training.

Priorities (2017-2018)

- Train hydro plant operators and upgrade skills / abilities of QEC's trade staff to meet the challenges of hydro plant and transmission line maintenance.

5.0 Conclusion


QEC continues to operate in a unique environment, in a demanding climate, under difficult regulatory conditions, none of which are conducive for financial success.

In 2013-2014, the Corporation continues to demonstrate the resiliency and the capacity to manage the challenges presented in each of these areas, and is well on its way to changing the corporate culture to be representative and respectful of Nunavummiut and our land. The transition from a corporation dealing solely in diesel generation, to a modern utility capable of delivering alternative energy options to Nunavummiut is truly underway.

The replacement of electrical infrastructure, including the adaptation of renewable generation resources, improved and updated customer service, more timely financial reporting, and enhanced internal and external communications are vital and will form the basis of QEC's priorities the next 5 years.

We feel that Qulliq Energy Corporation is continuing on the path to delivering on options and opportunities envisioned when Nunavut decided to take up its own energy challenge, beginning in April 2001.

Simon Merkosak



Chair, Qulliq Energy Corporation

APPENDIX A: QEC - 2013/14 Capital Plan Summary							
Region	Community	Type	Description	Current 2012/13	Annual 2013/14	Future 2014/15	
Kitikmeot	Kitikmeot	F	Cam Bay Telephone System Replacement		\$ 57,000		
		F	Quonset Type Garage / Warehouse	\$ 53,000			
	Cambridge Bay	G	Vehicle Replacement		\$ 50,000		
		G	Vehicle Replacement		\$ 50,000		
	Gjoa Haven	B	Design & Construct New Power Plant			\$ 500,000	
		C	Re-Sag / Storm Guy Feeder		\$ 53,000	\$ 113,000	
	Taloyoak	G	Vehicle Replacement	\$ 47,000			
		B	Power Plant Replacement		\$ 8,875,000	\$ 1,607,000	
	Kugaruk	G	Vehicle Replacement		\$ 46,000		
		C	Substation / Feeder Upgrade		\$ 525,000		
	Kugluktuk	G	Vehicle Replacement			\$ 47,000	
		B	PLC / Automation Upgrade		\$ 45,000		
Subtotal - Kitikmeot Region				\$ 100,000	\$ 9,701,000	\$ 2,267,000	
Kivalliq	Kivalliq	A	Manlifts at 4 Plants	\$ 55,000			
		F	New Telephone System		\$ 57,000		
	Rankin Inlet	A	Installation of Mesh / Security Gates on Plants	\$ 54,000			
		B	Genset Replacement (G1 - Cat 3516)			\$ 225,000	
	Baker Lake	G	Vehicle Replacement			\$ 55,000	
		G	Vehicle Replacement - Line Truck		\$ 65,000		
	Arviat	B	Install New Air Handling Unit		\$ 400,000		
		C	Replace 60 Poles in Downtown Core		\$ 1,167,000		
	Coral Harbour	B	Genset Replacement (G1 - Cat 3512)			\$ 225,000	
		G	Vehicle Replacement			\$ 55,000	
	Chesterfield Inlet	C	Feeder Addition & Load Transfer		\$ 183,000	\$ 407,000	
		B	Airport Feeder Rebuild		\$ 320,000	\$ 1,085,000	
	Whale Cove	B	Replace G3 - Cat 379			\$ 850,000	
		B	Power Plant - Foundation		\$ 300,000		
	Whale Cove	B	Plant Wall - Investigate & Repair		\$ 65,000		
		C	Airport Feeder Replacement		\$ 315,000	\$ 620,000	
	Whale Cove	B	Protection & Control Upgrade			\$ 250,000	
		Subtotal - Kivalliq Region				\$ 109,000	\$ 2,872,000
Qikiqtaaluk	Iqaluit	B	Plant Expansion (Add 2 Bays) / Facility Upgrades	\$ 30,000,000	\$ 5,500,000		
		D	Decommission EMD			\$ 175,000	
	Iqaluit	D	Parts Washer		\$ 52,000		
		D	Valve Seat Lathe		\$ 27,000		
	Iqaluit	D	Digital Meters / AMR Conversion **	\$ 173,000	\$ 1,172,000	\$ 1,560,000	
		G	Line Truck - RBD		\$ 305,000		
	Iqaluit	G	Vehicle Replacement (4711)	\$ 52,000			
		G	Vehicle Replacement (4731)	\$ 47,000			
	Iqaluit	G	Vehicle Replacement (4710)	\$ 47,000			
		G	New Vehicle - Plant Supt.	\$ 47,000			
	Pangnirtung	C	River Crossing Span Rebuild		\$ 65,000		
	Cape Dorset	B	New Power Plant Design / Build		\$ 650,000	\$ 9,645,000	
		G	Replace Plant Vehicle		\$ 50,000		
	Resolute Bay	C	Pole Replacement		\$ 320,000	\$ 1,090,000	
		G	Replace Plant Vehicle		\$ 50,000		
	Resolute Bay	G	Line Truck - RBD		\$ 175,000		
		F	Transient Trailer	\$ 193,000			
	Pond Inlet	B	Replace Cat D399	\$ 150,000	\$ 1,756,000		
		G	Line Truck - RBD	\$ 172,000			
	Igloolik	B	Replace G1 - D398 (Based on Hrs.)	\$ 218,000	\$ 2,218,000		
		F	Install Transient Trailer	\$ 195,000			
	Hall Beach	F	Transient Trailer		\$ 225,000		
		G	Line Truck - RBD			\$ 180,000	
	Qikiqarjuaq	B	Plant Replacement	\$ 4,356,000	\$ 3,240,000		
		G	Line Truck - RBD			\$ 180,000	
	Kimminit	B	DC System Upgrade		\$ 115,000		
	Arctic Bay	F	Building Lot Purchase	\$ 50,000			
		G	Replace Plant Vehicle		\$ 45,000		
	Clyde River	F	Quonset Type Garage / Warehouse		\$ 90,000		
		F	Transient Unit		\$ 225,000		
	Grise Fiord	B	New Power Plant			\$ 500,000	
		C	Distribution System Conversion			\$ 350,000	
Grise Fiord	F	Transient Unit		\$ 225,000			
	G	Replace Plant Vehicle	\$ 48,000				
Sanikiluaq	F	Transient Trailer			\$ 225,000		
	F	Quonset Type Garage / Warehouse	\$ 45,000	\$ 45,000			
Sanikiluaq	G	Replace Plant Vehicle		\$ 50,000			
	C	Distribution Upgrade	\$ 192,000	\$ 810,000	\$ 363,000		
Subtotal - Qikiqtaaluk Region				\$ 35,985,000	\$ 17,410,000	\$ 14,268,000	
Nunavut	Nunavut / Corporate	F	Electronic Document Management System	\$ 300,000			
		A	Fire Alarm Systems	\$ 75,000		\$ 175,000	
		D	Fuel Cooler Upgrades			\$ 200,000	
		G	New 1 Ton Flat Deck - IQ Warehouse	\$ 57,000			
		G	Replace Vehicle 4708 - Fibre Ops	\$ 53,000			
		H	Residual Heat System Upgrades	\$ 250,000	\$ 250,000	\$ 250,000	
		I	Wind Monitoring Towers / Program	\$ 88,375			
		F	New Phone System - Baker Lake	\$ 57,000			
		F	IT Disaster Recovery Equipment	\$ 71,500			
		B	Kivalliq & Kitikmeot SCADA System		\$ 255,000		
		B	Qikiqtaaluk SCADA Project			\$ 250,000	
		G	IT Vehicle Replacement		\$ 45,000		
		F	WAN Accelerator Hardware		\$ 57,000		
		F	Spare Satellite Dish		\$ 23,000		
		F	Upgrade CADD Software		\$ 54,000		
		A	Oil filter crushers - 5 communities		\$ 40,000	\$ 40,000	
	Unidentified Capital Projects**				\$ 141,000	\$ 500,000	\$ 500,000
	Subtotal - Corporate / Head Office Projects				\$ 1,092,875	\$ 1,224,000	\$ 1,415,000
	Total for Thermal Projects					\$ 31,207,000	
	Hydro	Hydro	I	Iqaluit Hydro - Environmental Assessment Studies Year 1	\$ 350,000		
I			Iqaluit Hydro - Environmental Assessment Studies Year 2		\$ 1,200,000		
I			Iqaluit Hydro - Feasibility Studies		\$ 3,000,000	\$ 1,000,000	
I			Iqaluit Hydro - Regulatory Prep / Filings			\$ 750,000	
I			Can Nor Funding for Hydro	\$ (200,000)	\$ (80,000)		
Subtotal - Hydro Studies				\$ 150,000	\$ 4,120,000	\$ 1,750,000	
Total 2013/14 Capital Plan					\$ 35,327,000		

Appendix B – 2013-2014 Operations & Maintenance Budget

**Qulliq Energy Corporation
2013-2014 Budget
Summary Report**

TOTAL REVENUE	121,041,107
Fuel & Lubes	50,220,635
GROSS MARGIN	70,820,472
Payroll	28,488,261
Supplies & Services	23,562,368
Travel & Accommodation	5,141,217
TOTAL OPERATING EXPENSES	57,191,846
EBITDA	13,628,627
Amortization & Interest	13,692,912
NET INCOME	(64,285)

Appendix C - Employment Summary:

	Total Positions				Beneficiaries	
	Total Positions	Vacancies	Filled	% Capacity	Hired	% IEP
Executive	2	0	2	100%	1	50%
Senior Management	7	0	7	100%	0	0%
Middle Management	18	0	18	100%	2	11%
Professional	73	18	55	75%	16	29%
Paraprofessional	45	2	43	96%	29	67%
Administrative Support	51	3	48	94%	46	96%
Total Department	196	23	173	88%	94	54%
Employment Summary, by Community:						
Arctic Bay	2	1	1	50%	1	100%
Qikiqtarjuaq	2	0	2	100%	2	100%
Cape Dorset	2	0	2	100%	2	100%
Clyde River	2	0	2	100%	2	100%
Grise Fiord	2	0	2	100%	2	100%
Hall Beach	2	0	2	100%	2	100%
Igloolik	2	0	2	100%	2	100%
Iqaluit	84	14	70	83%	17	24%
Kimmirut	2	0	2	100%	1	50%
Pangirtung	2	1	1	50%	1	50%
Pond Inlet	2	0	2	100%	2	100%
Resolute Bay	2	0	2	100%	2	100%
Sanikiluaq	2	0	2	100%	2	100%
Arviat	2	0	2	100%	2	100%
Baker Lake	36	1	35	97%	22	63%
Chesterfield Inlet	2	0	2	100%	2	100%
Coral Harbor	2	0	2	100%	2	100%
Rankin Inlet	17	1	16	94%	10	63%
Repulse Bay	2	0	2	100%	2	100%
Whale Cove	2	0	2	100%	2	100%
Cambridge Bay	17	5	12	71%	6	50%
Gjoa Haven	2	0	2	100%	2	100%
Kugluktuk	2	0	2	100%	2	100%
Kugaaruk	2	0	2	100%	2	100%
Taloyoak	2	0	2	100%	2	100%
Total Community	196	23	173	88%	94	54%

Nunavut Business
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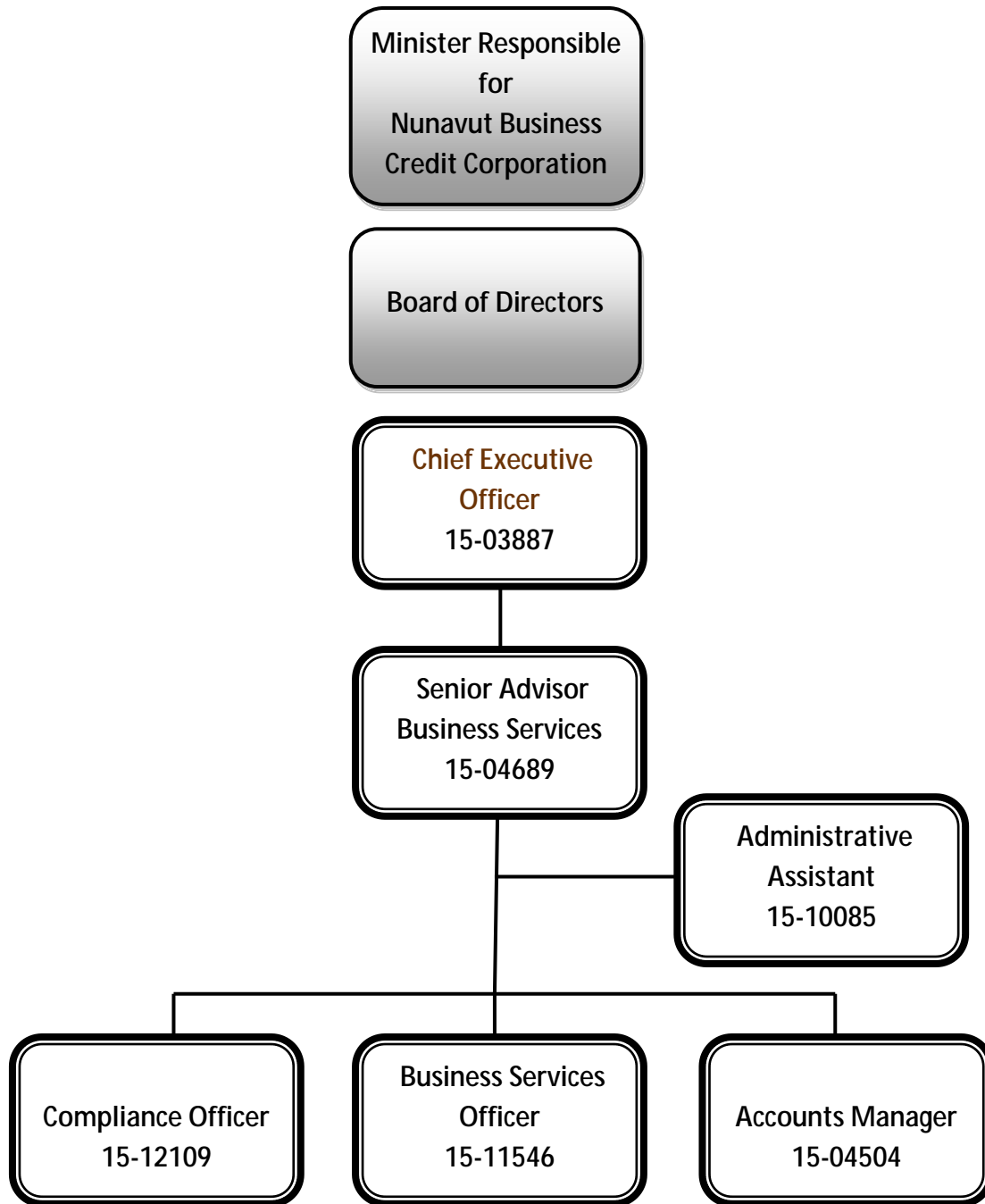
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OUR VISION

NBCC is the Lender of Northern Opportunity

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CORPORATE ACCOUNTABILITY CHART



Note: All positions are located at NBCC's headquarters in Iqaluit.

INTRODUCTION

The Nunavut Business Credit Corporation (NBCC) was created through the Nunavut Business Credit Corporation Act with a mandate to function as an agent of the Government of Nunavut (GN) to stimulate economic development and employment in Nunavut. As a Territorial Corporation, NBCC is an arms-length Public Agency of the GN and as such is bound by Part IX of the Financial Administration Act, the section specifically devoted to public agencies.

NBCC reports to the Legislative Assembly through the Minister responsible for the Nunavut Business Credit Corporation and its Board of Directors. The Board consists of seven to twelve directors, appointed by the Commissioner in Executive Council on the recommendation of the Minister Responsible for NBCC (Minister Responsible). The Board directs the business of the Corporation by exercising the powers and performing the duties of the Corporation in accordance with the written directions and policy guidelines established or issued by the Minister Responsible.

Based in Iqaluit, Nunavut, NBCC is managed by the Corporation's Chief Executive Officer (CEO), appointed by the Minister Responsible for NBCC in consultation with the Board. The CEO supervises, manages, and directs the business of the Corporation in performing its duties. All employees of NBCC are members of the Public Service of the GN and are bound by the Public Service Act.

NBCC is run by a staff of five employees who report to the CEO. The Senior Advisor, Business Services manages the Corporation's lending portfolio and ensures the proper due diligence of the Corporation in performing its duties with the assistance of a four person support staff including the Administrative Assistant; Business Services Officer, Compliance Officer and Accounts Manager. The Senior Advisor, Business Services also acts as Corporate Secretary.

OUR VISION

NBCC is the Lender of Northern Opportunity.

NBCC can move forward as the “*Lender of Northern Opportunity*” in Nunavut, creating value by building relationships, networks and knowledge which enable its clients to prosper. NBCC will actively promote the business success of its network of clients and organize its activities around this central objective.

To accomplish this vision, NBCC will work closely with its clients to improve their capabilities and their access to resources and opportunities. NBCC will build linkages within local business communities, with other agencies of economic development, and with other providers of public and private capital.

This vision of opportunity and success is based on fundamental values of viable, self-sufficient economic development in Nunavut as well as on sound principles of business management.

KEY APPROACH

NBCC's key approach to lending is ensuring an approach that works for Nunavut. NBCC aims to provide lending opportunities to those Nunavut residents and businesses that have been declined by other lenders such as the major banks. NBCC works closely with its clients in partnership with other lending agencies to provide much-needed financial services that are unavailable through traditional banking channels. NBCC does not consider itself in competition with other lenders but in partnership with them to the betterment of its client. Different clients have different needs and NBCC ensures its clients are served by the agency in a collaborative manner that has the best services to meet their needs. Consistent with this approach, NBCC has recently entered into a Memorandum of Understanding (MOU) with Atuqtuarvik Corporation, an Inuit-owned investment company serving Nunavut, to formalize the relationship between the two lending agencies and is in the process of entering into an MOU with Baffin Business Development Corporation and Kitikmeot Community Futures Inc.

TAMAPTA – Building Our Future Together

NBCC supports the GN's vision of *Tamapta - Building Our Future Together* -- for its approach to economic development.

At the heart of NBCC's mandate is a requirement to support the Territory's business community and thereby foster opportunities for Nunavummiut. This focus is consistent with *Tamapta* priorities as it directly supports community-based sustainable opportunities while broadly contributing to the reduction of poverty. Both of these objectives depend on providing viable businesses with access to the appropriate financing to stimulate the economy and create jobs.

Consistent with other key priorities under *Tamapta*:

- NBCC is aware of the need to improve educational and training outcomes in Nunavut in order to enhance the Territory's labour force and encourage greater participation. This serves to enhance the attractiveness of Nunavut's investment environment and provides greater recognition of Nunavut's place within Canada and the broader global economy. For NBCC this highlights the need for an educational curriculum aimed at developing skills that support sound business development and sound financial management.

- NBCC supports the goal of better and more diversified housing for Nunavummiut under *Tamapta* and will continue to support local businesses in the construction industry and encourage stakeholders to consider new and innovative options to meet the Territory's urgent housing needs.
- A strong supporter of Nunavut's tourism industry, NBCC will continue to work with those businesses involved in showcasing what Nunavut has to offer in terms of its landscape, activities, culture and the arts.
- NBCC supports broadband development to reduce geographical challenges of this vast Territory. Yet the rugged terrain also provides a wealth of opportunity for local businesses to participate in Nunavut's burgeoning resource sector by providing on-the-ground logistics and support services.

In focusing its energies on supporting *community-based sustainable economies*, NBCC will achieve its primary mandate to foster opportunities for Nunavummiut. NBCC also recognizes the need to forge strategic partnerships and work together with other economic development organizations to achieve a greater quality of life for Nunavummiut overall.

ENVIRONMENTAL SCAN

A STRONGER FOUNDATION

NBCC is a much stronger corporation today having successfully emerged from a troubled history of successive years of denied audit opinion by the Auditor General of Canada (AG) and allegations of poor business practices. For a number of years, the Corporation struggled to address significant concerns and deficiencies initially raised by the Auditor General with respect to its 2005-2006 fiscal year. Despite these efforts, the progress had been insufficient to fully alleviate concerns raised about the Corporation and therefore such issues continued to impact NBCC's reputation and distract from its normal operations.

Through a focused coordinated approach initiated in 2009 and agreed by its Board and overseen by the Public Agencies Council and the Departments of Economic Development and Transportation and Finance, NBCC's senior management successfully rebuilt the organization. Such efforts included a critical examination of its structure, resources and operating practices.



This culminated in the development of a set of approved policies and procedures covering the breadth of credit, financial, governance and administrative practices – forming NBCC’s policy framework. This is subject to annual review and updated as required. A new organizational structure was also established with new job descriptions. With the exception of an administrative assistant position, NBCC is now fully staffed. All of these efforts have led to a stronger organization capable of meeting its mandate to assist new and expanding businesses in Nunavut.

These improvements were recognized when, in early 2011, the AG issued a positive audit opinion with respect to NBCC’s 2009-2010 fiscal year. This was a significant milestone for the Corporation and was closely followed by a revocation by the Minister of Finance of the 2008 Directive placing NBCC under close scrutiny of the Department of Finance and a later order placing NBCC under the administrative control of the Department of Economic Development and Transportation.

While this achievement was considerable, another matter remained outstanding and yet essential toward achieving an unqualified audit opinion – otherwise referred to as a “clean” audit opinion. NBCC had not yet complied with its statutory reporting deadline under its legislation and this was critical toward fully restoring itself. Coincident with this, a requirement was also imposed on all GN territorial corporations to transition to Public Sector Accounting Standards (“PSAS”) due to broader changes impacting accounting standards under which Canadian entities report. Shortening the reporting cycle while incorporating these changes would be a daunting challenge for most organizations. However, NBCC achieved this dual objective for the 2011-12 fiscal year, meeting its statutory reporting requirement well ahead of its stated timeframe. With the past issues resolved, NBCC’s resources can now be fully dedicated to its core business and strengthening relationships with the Nunavut business community and lending partners.

A BROADER REACH

Nunavut’s economy is considered a mixed economy. It is characterized by traditional land use, and a wage based economy. This means NBCC must be able to target its services to two very broadly different sets of clients. Many economic sectors are underdeveloped and NBCC must address these specific industries to assist in the development. The entrepreneurial sector, arts and crafts sector, tourism sector and the film sector are all underdeveloped in Nunavut. By

assisting with the development of these sectors while encourage ongoing development in others, it will increase employment opportunities for Nunavummiut.

NBCC must now focus its attention in the medium to long term to other sectors it is currently less involved in. Specifically, NBCC needs to look at how best it can support an increase in private sector participation in those industries critical to macroeconomic growth. Of course, NBCC cannot lose sight either of the resource development industries tied to the Territory's natural capital and land-based economy.

Through its rebuilding efforts, NBCC also established more effective communications with its existing loan clients and undertook necessary steps to address impaired or non-performing loans. Through these proactive efforts, some loans were recovered while other loans clients opted to repay the loans held with NBCC. While NBCC's loan portfolio is smaller, it contains fewer doubtful loans and the proceeds from payouts are now available for new and existing businesses. Now operating on a more solid basis, NBCC must make more concerted efforts to negotiate new loans to new and existing loan clients and broaden its reach across sectors and across the territory.

SUSTAINING INTERNAL CAPACITY

NBCC is at critical turning point in its history and, building on all its achievements, it must now work to maintain its internal capacity, its effectiveness and its reputation in order to better meet its mandate for improving economic opportunity which supports greater job creation, employment and training.

For NBCC to effectively contribute to the GN's goal of supporting community based sustainable economies, the Corporation must capitalize on its recent transformation and strive to be an organization which provides financial leadership to the community it serves, is responsive to its stakeholders' and clients' needs and contributes as a positive change agent to the burgeoning business enterprises of Nunavut.

Most recently, NBCC has strengthened its internal capacity through successful recruitment of permanent staff and mentoring and development of staff. With the exception of one position, NBCC's staff complement has been in transition for several years and internal capacity was severely limited by significant turnover and vacancies in key roles. Undoubtedly NBCC's poor reputation and tarnished public image in view of an ongoing RCMP investigation, denied

audit opinions and concerns raised about its business practices impacted the Corporation's ability to secure dedicated staff. Further, without a full set of approved policies and procedures in place, staff did not have the necessary resource material to do their jobs and did not receive sufficient management time and focus to support on-the-job training and development.

NBCC must now ensure the sustainability of the internal capacity it has achieved through its rebuilding efforts. NBCC is now fully staffed with the exception of an administrative role and staff members are provided formal and on-the-job training necessary to develop specific skill sets to support NBCC's business operations under its mandate. Mentoring and cross-training initiatives are part of ongoing efforts to strengthen this capacity.

INUIT EMPLOYMENT OBJECTIVES

NBCC is committed to increasing its Inuit employment levels to meet the GN's objective of 85% by 2020 in keeping with the composition of the population. This will be achieved primarily through long-term training and mentorship initiatives.

NBCC has a commitment to increase its Inuit employment through its recruitment efforts to address vacancies within its six-person staff complement. Working closely with the Department of Human Resources, NBCC follows GN established recruitment and hiring practices to ensure qualified beneficiaries are appropriately considered. Consistent with current practices, NBCC's senior management is committed to identify training and development opportunities with staff and encourage career aspirations.

Currently, NBCC has achieved an interim target of 40% (excluding vacancies). This is a considerable achievement considering that just two years ago, NBCC only had one staff member and Inuit employment was at 0%.

OFFICIAL NUNAVUT LANGUAGES

NBCC is committed to respecting the Nunavut's culture, language and traditional Inuit knowledge – *Inuit Qaujimagatuqangit*. The Corporation recognizes the strength and perseverance of Nunavummiut, the wisdom of its elders and the potential of its youth. It

acknowledges the traditional languages of Inuktitut and Inuinnaqtun as well as French and English – which together are the four official languages of Nunavut.

LOOKING AHEAD

With the oversight of its Board and the Departments of Economic Development and Transportation and Finance, NBCC’s management has successfully rebuilt the Corporation. With the internal operations now successfully re-established, it is time for NBCC to start actively seeking new lending opportunities.

A key component of NBCC’s plan is to actively engage in marketing and outreach activities, such as:

- Building client capacity through workshops and trade shows;
- Working with partners and stakeholder to ensure seamless delivery;
- Approaching Nunavut’s training and education community to build a learning environments that will support the commercial lending sector and meet the needs of Nunavut’s business community; and;
- Engaging stakeholders to ensure transparency to build trusting collaborative relationships with collaborators.

Implementing better communication strategies to reach stakeholders through a multi-pronged approach including onsite meetings, informative newsletters and an updated corporate website will help achieve a stronger, more responsive organization better able to meet its client needs.

CORE BUSINESS

NBCC is a lending institution and does not offer grants or forgivable loans and cannot make equity investments. Its core business is to provide appropriate financing solutions to small and medium enterprises (SMEs) in Nunavut who require between \$150,000 and \$1 million in loans or guarantees.

Credit applications up to \$500,000 are approved by the Board of Directors. Credit amounts exceeding this threshold must be approved by the Minister Responsible for NBCC. The Corporation's maximum borrowing limit is set at \$50 million of working capital from the Government of Nunavut. NBCC's borrowing limit is currently capped at \$25 million.

Security is a requirement for all financing. The Corporation's policy on the amount of security is conservative and consists for the most part of a combination of a mortgage on real property, a pledge on personal property, and a personal/general guarantee from the principals of the business enterprise applying for credit.

NBCC loans are structured to allow for a comfortable cash flow through such strategies as:

- *Interest only payments for up to three years;*
- *Payments only to match cash rich periods of the business cycle;*
- *Graduated payments;*
- *Balloon payments; and*
- *Suppliers' credit.*

The types of projects that NBCC considers from small and medium sized businesses include:

- *The purchase of fixed assets;*
- *Leasehold improvements;*
- *Consolidation of debt;*
- *Bid bond security for contractors;*
- *Providing working capital for inventory acquisition; and*
- *Interim or bridge financing.*

NBCC works in partnership with the majority of other lending organizations in the territory to support enterprises doing business in Nunavut. NBCC's major partners are the Community Future organizations in each region of Nunavut and the Atuqtuarvik Corporation in Rankin Inlet.

In the past, NBCC has worked closely with Community Future organizations such as Baffin Business Development Corporation in the Qikiqtaaluk Region to service clients which fell below NBCC's lower threshold of \$150,000. Working in tandem with NBCC, Community Future organizations often referred their larger clients to NBCC, while some NBCC clients have been referred to their regional Community Future organization for more appropriate financing solutions. Community Future organizations are more adept at meeting small business needs. More recently, however, BBDC has increased its threshold to \$250,000.

Atuqtuarvik Corporation, a subsidiary of Nunavut Tunngavik Incorporated (NTI), focuses on supporting Inuit-owned firms only. NBCC, as a Territorial Corporation, must make itself accessible to all applicants doing business in Nunavut. As strategic partners, NBCC and Atuqtuarvik communicate regularly. It is common for the two organizations to provide loans to those projects with significant financing needs. As mentioned earlier, NBCC has recently formalized its relationship with Atuqtuarvik by means of an MOU and is developing MOUs with its other partners.

As NBCC cannot fulfill loan requests exceeding \$1 million, the Corporation refers such requests to the Business Development Bank of Canada (BDC). However, there is no BDC office and therefore no northern presence to deal with clients directly in Nunavut.

THREE YEAR EXPENDITURE FORECAST FOR FISCAL YEARS 2013-2014 THROUGH 2015-2016

Operational Budget

	BUDGET 2012-2013	BUDGET 2013-2014	BUDGET 2014-2015	BUDGET 2015-2106
Revenues				
Interest Income on Loans Receivable	1,040,000	1,040,000	1,350,000	1,350,000
Interest expense on advance from GN	-320,000	-360,000	-630,000	-630,000
	720,000	680,000	720,000	720,000
Add: Recovery of losses on impaired loans				
Less: Provision for Losses on Impaired Loans	-60,000	-60,000	-60,000	-60,000
Net Income from Lending	660,000	620,000	660,000	660,000
Other interest income	25,000	25,000	25,000	25,000
Total Income	685,000	645,000	685,000	685,000
Expenses				
Amortization	10,000	10,000	10,000	10,000
Loan administration expense	100,000	100,000	100,000	100,000
Salaries and benefits	803,000	712,000	712,000	712,000
Advertising and promotion	50,000	70,000	70,000	70,000
Professional development	25,000	25,000	25,000	25,000
Professional fees & expenses	200,000	180,000	160,000	140,000
Travel	50,000	50,000	50,000	50,000
General & Administrative	55,000	55,000	55,000	60,000
Board meetings	50,000	50,000	100,000	100,000
Board honorarium	50,000	50,000	60,000	75,000
Facility rental	90,000	80,000	80,000	80,000
Total Expenses	1,483,000	1,382,000	1,422,000	1,422,000
Earnings before other items	-798,000	-737,000	-737,000	-737,000
Other				
Administrative Contribution from GN	600,000	600,000	600,000	600,000
In-kind from GN	198,000	137,000	137,000	137,000
Total Contribution	798,000	737,000	737,000	737,000
Net comprehensive income (loss)	0	0	0	0
	Forecast	Forecast	Forecast	Forecast
Loan Portfolio	16,000,000	16,000,000	18,000,000	18,000,000
Increases in Loan Portfolio by year	0	0	2,000,000	0
Increases in Loan Portfolio by percentage	0.00%	0.00%	12.5%	0.00%
Average Loan Interest Rate	6.5%	6.5%	7.5%	7.5%

STATUS OF 2012-2013 PRIORITIES

1. **Develop new cost-effective opportunities to reach current and potential clients such as a quarterly newsletter along with further enhancements to NBCC's website.**

Status: The intention is to move forward with a multi-pronged cost-effective communication approach in 2012-2013 which includes a quarterly newsletter, updated website and informative brochures to complement existing interaction with clients via onsite visits, telephone and email contact. A newsletter template has been developed and is awaiting Board review and approval.

2. **Assess whether NBCC's threshold for funding may be increased to provide greater funding to meet Nunavummiut's needs and play a larger role in assisting northern business.**

Status: The NBCC will undertake an assessment to determine whether the lending threshold should be increased. Any increase will require a legislative amendment to the NBCC Act.

3. **Develop a strong mentoring and training program that includes cross-training to ensure internal capacity is maintained.**

Status: NBCC staff has already received formal and on the job training which is fully intended to continue. The formalization of NBCC policies and procedures has also enabled more effective training. With the exception of the two most senior positions, staff members are relatively new into their respective roles. Therefore it was necessary to mentor and train staff into their roles prior to initiating significant cross-training although such efforts has taken place for significant administration functions through 2011-12.

4. **Initiate periodic audits of loan files (to be conducted internally of a random sample) to assess reliability of procedures and ongoing compliance.**

Status: Given the emphasis on staff training and cross training through the year, this initiative has not been fully implemented but will be addressed in advance of the 2012-2013 year end.

- 5. Work with other funders to become a one-stop information resource for funding options in Nunavut and introduce measures to enhance and streamline the application process.**

Status: NBCC has entered into a Memorandum of Understanding with Atuqtuarvik Corporation and is in the process of same with Community Future organizations. This will forge the way for a more cooperative relationship between northern lenders for the new and existing clients and an opportunity to work together to improve the application process for lenders.

- 6. Ensure active participation in Nunavut based trade shows and consider sponsorship opportunities**

Status: NBCC has had a presence at the Trade Shows in all three Regions in 2012-2013 as well as Northern Lights in Ottawa in 2011-2012. Such events provide opportunities to re-connect with existing clients and develop new clients. NBCC is actively looking for opportunities to heighten awareness of its activities through sponsorship of workshops at northern-focused Trade Shows.

PRIORITIES FOR 2013-2014

1. Consider results from the assessment to increase NBCC's thresholds and establish future direction for its service offerings.
2. Work with the GN and other lenders to obtain clarification and consistency in the meaning of "jobs created" and "community benefits obtained" for performance measurement reporting.
3. Develop in-house presentations and/or host workshops, webinars and conferences on business development and best practices for small to medium sized businesses.
4. Schedule regular site visits by partnering with other economic development agencies such as Community Futures, Chambers and other government departments to broaden NBCC's outreach to existing and potential clients.
5. Develop a new corporate logo.

PRIORITIES FOR 2014-2015

1. Develop a user-friendly electronic application submission process.
2. Introduce a coordinated marketing scheme which includes a new logo and website design.
3. Consider option to enhance Board capacity by possibly increasing the number of Directors as allowed under existing legislation and providing additional Board training.

PRIORITIES FOR 2015-2016

1. Lead a business-focused workshop at the regional Trade Shows.
2. Build awareness of NBCC activities in each of the Nunavut communities by working with the hamlets and schools.
3. Develop a strategy to seek new business by adopting targeting sector or priority areas.
4. Create a series of practical guides for northern business.



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NUNAVUT DEVELOPMENT CORPORATION
LA CORPORATION DE DÉVELOPPEMENT DU NUNAVUT
NUNAVUNMI PIVALLIAJJUTIKHALIRINIRMUT KUAPURIISINGAT

Nunavut Development Corporation

2013/2014

Corporate Plan

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The Purpose

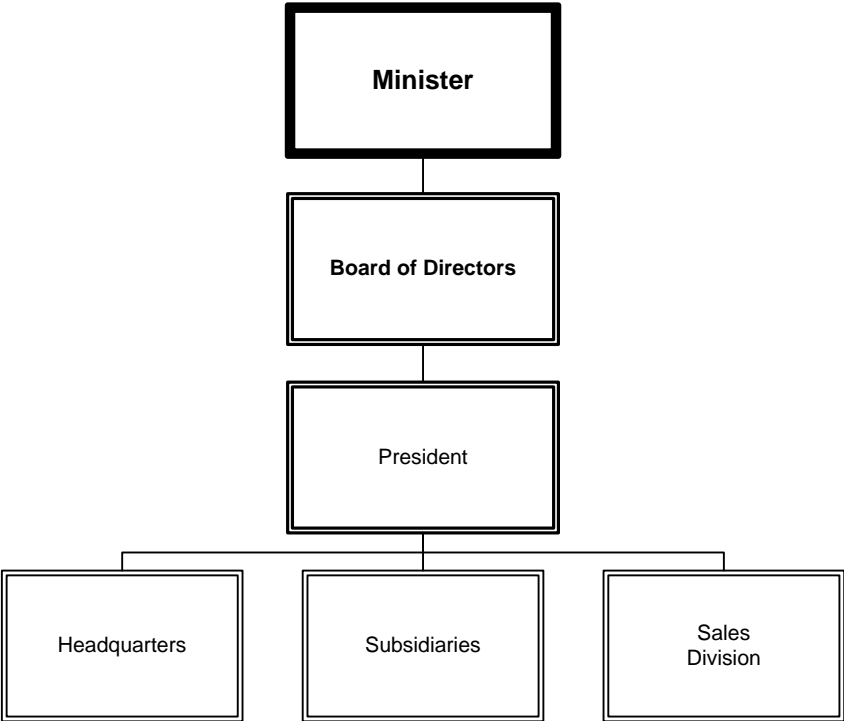
The Nunavut Development Corporation (the “Corporation” or “NDC”) is a Public Agency of the Government of Nunavut (the “Government”) named in Schedule B of the *Financial Administration Act* (“FAA”), and operates in accordance with Part IX of the FAA, the *Nunavut Development Corporation Act* (the “Act”) and the *Business Corporations Act*.

Section 25 of the Act pertains to the submission of an annual corporate plan, operating budget, and capital budget as described in sections 91 to 93 of the FAA. Section 25 of the Act also requires that the Corporation disclose projected investments, borrowings and the amount of subsidies to be paid to subsidiary companies and NDC projects.

The legislated objectives of the Corporation, as stipulated in section 3 of the Act, are as follows:

- “(a) to incorporate, establish and carry on the business of companies and to develop, establish, operate, manage and carry on the business of projects, directly or indirectly, within the Corporation in order to:*
- (i) create employment and income for residents of the Territory, primarily in small communities;*
 - (ii) stimulate growth of businesses in the Territory; and,*
 - (iii) promote economic diversification and stability.*
- (b) to invest in business enterprises in order to:*
- (i) stimulate growth of businesses in the Territories; and,*
 - (ii) promote economic diversification and stability; and,*
- (c) promote the economic objectives of the Government of Nunavut.”*

Accounting Structure



Tamapta

The Corporation places a high value on Inuit qaujimajatuqangit - Inuit traditional knowledge. The Corporation will strive to work in unity with businesses, entrepreneurs, harvesters, craftspeople, and artists to help stimulate key sectors of the Nunavut economy with accessible economic development initiatives and efficient sector development efforts. The Corporation, within its approved policies and guidelines, will use its programs and resources to support Nunavut-based commercial activities that demonstrate strong employment returns and potential economic viability paying special attention to those opportunities that may benefit small communities. Employment positively influences quality of life and leads to healthy communities. Job creation and maintenance, along with the cost associated with the creation of these opportunities, will be key measurers of our success.

Operations

The Corporation is currently invested in nine subsidiaries throughout the Territory and operates a Sales Division in the Greater Toronto area. The Corporation also manages a venture investment fund placing equity investments in qualifying Nunavut business enterprises. The Corporation's headquarters are located in Rankin Inlet.

2013-14 Critical Issues / Challenges

- *High Operating Costs*
NDC will continue to incur high operational expenses stemming from transportation and utility costs. These higher expenses will challenge NDC to find new ways of operating – for example reducing expenses by using collector boats versus using a float plane to transport char and continuing to incorporate energy saving technology. Left unattended, these expenses can quickly make a project a drain rather than a source of income, regardless of whether there are strong markets, available raw materials and trained and motivated workers
- *Lack of a Defined Public Relations Strategy*
NDC works in a very difficult environment with significant transportation and logistical obstacles. In spite of these obstacles NDC has developed unique products and services that help, create jobs and income opportunities, supports Inuit culture and promotes self-sufficiency, all at a net benefit to the Government of Nunavut. NDC needs a defined public relations strategy to promote its accomplishments and increase awareness of its importance as an agent for economic growth in Nunavut communities
- *Succession Planning*
The small corporate staffing compliment makes proper succession planning challenging. Further the inability to secure staff housing for senior HQ staff and

subsidiary general managers further exacerbates this process and makes it especially challenging to fill vacancies with qualified staff.

- *Fewer Skilled and Motivated*
The draw from other sectors will mean fewer skilled and motivated carvers, sewers and harvesters. Both Kitikmeot Foods and Pagnirtung Fisheries have already experienced a shortage of workers. Without trained and motivated workers it will be very difficult for NDC to increase sales and work to improve gross margins.

Corporate Objectives & Strategic Approaches

1. Foster Partnerships

The Nunavut Development Corporation is small with few staff and a limited program budget. In order to be effective the Corporation must continue to actively seek out partnerships in all Nunavut regions that advance the core objectives of:

- creating employment and income opportunities
- stimulating the growth of business; and
- promoting the economic objectives of the Government of Nunavut

The Corporation will be a catalyst for the formation of partnerships supporting the advancement of employment and income earning opportunities in the following economic sectors:

- Arts & Crafts
- Business Development
- Commercial Fishing
- Food Production
- Fur and Fashion
- Sealing
- Tourism
- Traditional Economy

2. Utilize Hub and Spoke Approach to Meat and Fish Processing

The Corporation will continue to advance a spoke and hub approach supporting the purchasing, processing and distribution of commercially harvested country food items in Nunavut.

The Corporation's processing plants will continue to seek partnerships across Nunavut in order to both enable income earning opportunities for hunters and fishermen as well as increase country food supply options. Environmental sustainability is essential and all harvesting initiatives take place within the allowable

commercial harvesting limits as established by the respective regulatory body. The overall approach of the hub and spoke model supports two key strategic objectives:

- Advancing income earning opportunities for commercial fishermen and harvesters
- Enabling the safe and high quality supply of country food for residents of Nunavut

Partnerships with communities, hunter and trapper organizations, individual hunters, Nutrition North Canada, commercial airlines, the Department of the Environment and the Department of Economic Development are important pillars supporting the spoke and hub model.

3. Build on NDC Knowledge and Expertise - Commercial Fishing and Tourism

Attained through ongoing involvement with the subsidiary company portfolio the Corporation has become familiar with many of the technical, financial and business aspects that impact Nunavut's Commercial Fishing and Tourism sectors. Although challenges, both sectors offer opportunity for sustained growth and also yield the potential for strong employment returns. NDC's Venture investment fund is small in comparison to other pools of debt and equity capital held by other agencies. However the equity driven nature of the fund can be an import catalyst in helping to firm up much larger financing commitments from other investors in potential projects. Given the fund's capital limitations along with NDC's knowledge of both the sectors, the Corporation is choosing to focus any new investments in either the commercial fishery or the tourism sector.

4. Employ Foundation Building Approaches to Business Development

The Corporation will seek to empower its partners promoting a foundation approach to business development. The Corporation brings a strong background in business development, financial administration and small business planning. NDC is also acutely aware of the challenges faced by medium and small businesses operating in the sectors to which our programs are targeted. Facilitating access to training opportunities and basic skill development specific to these core sectors will help ensure the client is prepared to assume control over the operating of their business.

5. Raise Public Image

NDC must do more to raise its public image within Nunavut. The Corporation needs to do a better job to promote and quantify the overall benefit NDC brings to the residents of the territory in areas such as job creation, market development, training and advancing self sufficiency among residents in core economic sectors that are still of vital importance to the Nunavut economy.

Working closely with the board of directors the Corporation will develop a more refined and effective public relations approach.

As well, for future fiscal years, the Corporation will meet with ED&T to evaluate the possibility of having its Corporate Plan tabled directly with the Standing Committee on Oversight of Government Operations and Public Accounts as oppose to the current practice of rolling-up under ED&T's Business Plan. In so doing it would allow the Corporation to directly speak to its Corporate Plan at the legislative committee level and in turn enable a more thorough understanding of NDC's programs, services and operational objectives.

6. Reporting to Nunavummiut

The Corporation will provide comprehensive reports on its procurement, contracting and leasing activity undertaken for tabling in the Legislative Assembly. NDC will also continue to ensure its business planning and approval process aligns closely to that of the government allowing for timely tabling. As well, NDC will ensure formal responses to letters of expectation, letters of instruction and Ministerial directives are provided for tabling in the Legislature.

Working closely with the Department of Finance the Corporation will present quarterly variance reports and expense projections for both operations and capital items. Audit schedules and working papers required for the preparation of the consolidated public accounts will also be forwarded as requested. Finally management letters issued by the Corporation's auditors will also be provided to the Department.

The Corporation will work to continue to be a timely reporter of financial information. NDC will also use its website as a tool to make available to the Nunavut public both financial and operation information.

NDC's Subsidiary Companies – 2013/14 Overview

Section 16(2) of the Act enables the Corporation to make capital investments in subsidiary companies controlled by the Corporation. Section 16(4) of the Act enables the Corporation to pay annual operating subsidies to its subsidiary companies up to the prescribed maximums or as approved by Financial Management Board.

Presently the Corporation has nine operating subsidiary companies located in six Nunavut Communities maintaining the equivalent of 100 full-time positions, a summary of their operations follows:

Ivalu Ltd – Rankin Inlet

Ivalu carries a representative selection of high quality craft items produced by artisans from across the Kivalliq and Nunavut. Ivalu has proven successful in its marketing and retailing of arts and crafts to visitors and residents of Rankin Inlet. Sales at Ivalu continue to be healthy supported in part by an influx of new customers working in the region's growing mining sector. The Ivalu Online retail store will continue to evolve into a web-based retail and educational site supporting artists

from the Kivalliq and across Nunavut. In an effort to further meet the needs of local producers, Ivalu will begin to carry a broader selection of sewing supplies which are presently unavailable locally.

Jessie Oonark – Baker Lake

This company, through its procurement activity, will continue to serve the community's many artists. JOL will continue to work with Agnico Eagle's Meadowbank mine in an effort to further build on the soapstone initiative and possibly look to distribute stone to other hamlets and artists in the Kivalliq Region. JOL will work to support the many individuals in Baker Lake who remain actively committed and involved in Nunavut's arts and crafts sector. The company will establish commercial rental spaces in the facility as a means to generate additional revenue from the company. In response to growing local demand, the company will also bring in a small selection of artists supplies, carving tools and hunting supplies.

Kiluk – Arviat

Kiluk will continue to advance its Northern Product Placement Strategy and further establish retail partnerships in key markets such as in Iqaluit and Yellowknife. Kiluk Ltd will also continue working toward a partnership with Agnico Eagle Mines that would see the company undertake AEM's commercial tailoring, sewing repair and embroidery functions for its Meadowbank and Meliadine West operations. The company is developing a new line of products including sealskin ties, purses and handbags. In an attempt to add value to its current line of sealskin items the company will also add an embroidery component in 2013-14 that will allow clients additional customization options. Kiluk will continue to partner closely with the Maplelea Doll Company of Canada,

Kitikmeot Foods – Cambridge Bay

Kitikmeot Foods (KFL) will continue to work with fishermen to harvest char quota from rivers and lakes in the Cambridge Bay area. The company would also like to expand its char and muskox purchasing into other Kitikmeot communities. Dependent on prior year harvest results, KFL may shift from federal to territorial registration for muskox processing in order to open up the harvest to other Kitikmeot communities and also reduce harvest costs. KFL is a registered food processor and distributor under Nutrition North Canada's food subsidy program. The company's marketing approach is geared heavily towards serving the Nunavut market place.

Kivalliq Arctic Foods – Rankin Inlet

The company will continue to develop its country food spoke and hub purchasing and distribution framework. Kivalliq Arctic Foods (KAF) is targeting 150,000lbs of winter char from the communities of Igloolik, Repulse Bay, Coral Harbour, Qikiqtarjuaq and Rankin Inlet. Other Nunavut communities such as Hall Beach, Taloyoak, Arctic Bay and Gjoa Haven continue to express varying levels of interest in participating in the winter char fishery. KAF is further targeting 12,000 lbs. of summer char from the communities of Chesterfield Inlet and Whale Cove. KAF

may also purchase char from Pangnirtung Fisheries to help meet production targets. KAF will undertake a regional caribou harvest and plans to commercially purchase caribou from hunters in Arviat, Whale Cove, Chesterfield Inlet and possibly Repulse Bay. KAF is a registered food processor and distributor under Nutrition North's food subsidy program. The company's marketing approach is geared heavily towards serving the Nunavut market place.

Pangnirtung Fisheries - Pangnirtung

Pangnirtung Fisheries (PFL) will continue to support and invest in the development of the inshore summer and winter turbot fishery. The employment and economic returns associated with the local turbot fishery are anticipated to grow supported by the completion of Pangnirtung's small craft harbor, ongoing fisheries research and increased investment in suitable, locally owned vessels. Arctic char will continue to be purchased from fishermen in both the summer and winter seasons. PFL will develop "Truly Wild" turbot packaging and devise a marketing strategy in an effort to begin selling more locally caught turbot within Nunavut.

PFL will continue to work closely with Cumberland Sound Fisheries under the Partnership Agreement to develop a broad range of fishery related opportunities of benefit to Pangnirtung and the Nunavut fishery as a whole. PFL will become a registered food processor and distributor under Nutrition North's food subsidy program.

Papirug Fisheries – Whale Cove

The Whale Cove facility will open in July and August supporting a local summer char fishery. Although primarily fished by local Whale Cove fishermen, harvesters from Arviat and Rankin Inlet occasionally deliver fish to the facility as well; Papirug anticipates seasonal landings of 7,000 lbs. In order to maintain efficiencies Kivalliq Arctic Foods will continue to directly administer plant operations. Papirug Fisheries, the Issatik HTO and Kivalliq Arctic Foods will continue to discuss and assess other possible harvesting and processing options for the facility.

Taluq Designs – Taloyoak

Taluq Designs will work to advance NDC's Northern Product Placement Strategy and seek additional retail partnerships in important northern retail markets such as Iqaluit and Yellowknife. The company will also continue generating local income earning opportunities by having seamstresses produce amautiks and hats to support the company's commercial partnership with the Maplelea Doll Company. Taluq is also planning to develop a new line of embroidered duffel socks and long mitts in 2013-14. The company will continue to work directly with artists in Taloyoak and Kugaaruk.

Uqqurmiut Arts & Crafts – Pangnirtung

Uqqurmiut Arts & Crafts, the only commercial tapestry studio in Canada and one of only four known to exist in the world, is targeting enhanced job growth and job training in 2013-14 by establish partnerships with funders and experienced artists in

an attempt to elevate interest among younger residents in the print and tapestry making craft. The company will look to incorporate an apprenticeship approach to facilitate a knowledge transfer between experienced artisans their younger apprentices. Working with the printmakers the company plans to release a 2013 print collection building on the trend of more modern and contemporary themes. UAC, working with its partner galleries will continue to actively pursue tapestry exhibitions which are essential to both the sale of limited edition tapestries and the securing of the more viable “one of a kind” tapestry commission. The center plans to convert an underutilized area in the print shop into an art gallery where prints, tapestries drawings and sculpture can be regularly displayed. Finally building on existing core printing capacities UAC may incorporate a silk screen line t-shirts and other items on a test basis to determine local and regional response. UAC also plans to work with other funders to update its website.

Sector Development Initiatives

The Corporation, as a result of its investment activities and through the work of its subsidiary companies, contributes directly to the development of numerous important territorial economic sectors. Contributions are diverse and can include research and development programs to support new sector initiatives or specialized undertakings such as territorial product branding and export development efforts. A summary of sector development initiatives involving NDC is set out below:

Arts & Crafts Sector

This sector is a key contributor to the Nunavut economy valued recently in excess of \$30 million annually. NDC’s arts and crafts based purchasing and marketing initiatives directly contribute to the success of this important economic sector. “Sanaugait”, the Government’s arts and crafts strategy, is embedded in the overall approach of the Corporation.

Facilitate Sector Growth

The Corporation believes that there are sector opportunities in Nunavut that are presently not being adequately serviced. More can be done to ensure every community has adequate retail and display space along with point of sale material to support the sale and distribution of Nunavut produced art and craft items. Nunavummiut along with visitors to our communities are a significant market component whose needs are frequently not met. Weather sculpture, jewelry, sewn goods or other unique art and craft items produced in Nunavut, the Corporation will work with sector stakeholders such as hotels, local retailers or individuals, to help expand local marketing and selling opportunities.

There seems to be consensus among sector participants that current economic factors such as the high Canadian dollar and a persistently sluggish American economy are making market growth challenging. Again though, opportunities remain and the Corporation will facilitate solutions to enable sector stakeholders to take advantage of the opportunities and grow their business. The sector needs to

broaden direct marketing efforts in Canada partnering with established galleries and wholesalers to support existing marketing efforts. Artists must be the face of the sector and they need to be more actively included in future marketing initiatives. Initiatives need to be coordinated, measurable and inclusive, working to draw in partners and stakeholder from throughout the arts and crafts sector. The Corporation will facilitate a more comprehensive marketing approach by working to better involve key stakeholders, such as artists, suppliers and other sector agencies to support galleries and sector partners operating in Canadian centers ensuring the emphasis is on Nunavut's artists and their talents.

Internationally NDC deals regularly with five established international Inuit galleries all of whom are located in large European centers where awareness of Canadian Inuit artist is known to be high. NDC will continue to working closely with our international partner galleries as the Corporation works to further promote Nunavut art abroad in order to build on existing market links.

Working to Increasing the Quality of Nunavut Art

The Corporation, through its subsidiary companies, buying partners and Sales Division, work with artists and territorial artist organizations to provide feedback aimed at improving the quality of Nunavut art. Enhanced local bandwidth in the territory also allows the Sales Division to view a carving in real time and provide immediate artist feedback enabling important dialogue between producers and trained sales staff.

Secure market share through International brand recognition

NDC utilizes the traditional Igloo tag and the Nunavut Brand tag on all of its sculpture and Nunavut produced craft items. NDC, both within Canada and beyond our borders', employs its trained sales professionals to positively differentiate Nunavut produced sculpture and craft items from similar items produced elsewhere. Important attributes supporting Nunavut brand recognition abroad include high quality, harsh climate, pristine conditions, environmental sustainability and Inuit culture.

Provide Current and Accurate Information about the Arts Sector

One subsidiary General Managers (Kiluk) along with the General Manager of the NDC Sales Division sit as directors with the Nunavut Arts and Crafts Association (NACA). Through this affiliation NDC can help ensure its corporate initiatives complement those of territorial association. This partnership also enables the sharing of current information such as market trends and pricing information.

Building Strategic Purchasing Partnerships

Through the NDC Sales Division, continue to advance independent buying partnerships across Nunavut to support enhanced selling and distribution opportunities for Nunavut artists and participating organizations. Partners can include local businesses, hamlets, and non-government organizations and

participants can realize positive returns, supporting existing business operations, in the purchasing and selling of arts & crafts on behalf of NDC.

Fisheries Sector

The Corporation through its four processing facilities, venture capital investments and numerous sector partners is a significant stakeholder representing an aggregate of 70 jobs and in excess of \$5 million in sector spending and investment annually.

NDC, through its processing plants, continue to seek out sustainable and feasible char harvesting partnerships with other Nunavut communities. NDC recognizes the importance and the need to make its char fishery opportunities accessible to harvesters from across Nunavut

NDC, primarily through Kivalliq Arctic Foods, will continue to develop the spoke and hub model supporting char purchasing initiatives in numerous Nunavut communities and char distribution targeted specifically at the Nunavut market.

Kitikmeot Foods and Kivalliq Arctic Foods are both Nutrition North registered distributors of country food supporting the NDC objective of eventually placing of all char, muskox and caribou products processed at the facilities back into the hands of Nunavut consumers where demand is greatest.

Pangnirtung Fisheries plans to develop a packaging and marketing program supporting the commercial introduction of turbot / Greenland halibut to Nunavut grocery stores. This is a plentiful and high quality resource; more will be done to promote the product to local consumers.

NDC will continue to direct venture equity investments towards qualifying sector applicants. NDC, in discussion with private operators, anticipates additional investment opportunities supporting the continued growth and level of local vessel ownership in this sector.

NDC and its processing plants will continue to support the efforts of the Nunavut Fisheries Training Consortium and Nunavut Exploratory Fisheries Fund through contributions both financial and in-kind.

NDC will continue to administer the license “Nunavut’s Truly Wild Arctic Char” brand. The brand will be further refined to incorporate turbot as the PFL looks to increase promotion of this product with in Nunavut.

Business Development Sector

The Corporation, partnering with other debt and equity financing agencies will more specifically target its equity investments in qualifying business enterprises operating in Nunavut’s fishing and tourism sectors.

The Venture Investment Fund is mandated to undertake minority ownership investments of an equity-oriented nature in Nunavut based business enterprises with a

strong emphasis on businesses that benefit smaller communities. All applicants to the fund need to demonstrate that their business has a reasonable opportunity to become commercially viable and can generate a positive rate of return within three-years of the date of the investment.

The Corporation may also be able to offer an element of mentoring and business aftercare to invested businesses because of its expertise built upon the administrative supports regularly provided by the Corporation to its small to mid-sized subsidiary companies.

Food Processing Sector

NDC, through its subsidiary companies, KAF, KFL and PFL have led in the development of this sector. Drawing on the traditional harvesting methods, the Corporation places emphasis on meeting growing territorial demand for its char, muskox and caribou items. It is a fully integrated Nunavut sector with the economic benefits remaining primarily within the territory. NDC also looks forward working with other stakeholders to help address matters of food security KAF and KFL are both Nutrition North registered and food subsidies are available for all food items sold and exported within Nunavut. The objective for both organizations is to sell all of their products back into the Nunavut market place.

All NDC processing facilities operate under federal processing standards for arctic char and turbot allowing for domestic use or national and international export.

Caribou is processed at Kivalliq Arctic Foods under territorial harvesting guidelines as set out by Nunavut's Department of Health. The company will continue to operate under federal processing standards and practices that have been developed and implemented over many years as an assurance of food quality. Muskox is presently processed under federal license, which permits export of muskox nationally. However consideration is also being given to move towards a territorial licensing approach allowing the harvest to potentially open up to more Kitikmeot communities.

Commercial Harvesting (Muskox and Caribou)

NDC commercial harvesting initiatives encompass the winter harvesting of muskox in Cambridge Bay and caribou in the Kivalliq region. The commercial muskox harvest takes place in Cambridge Bay in February and March and generates seasonal employment for 20 harvesters and plant workers. The harvest targets 300 muskox, which yield approximately 30,000 lbs. of meat.

The commercial caribou harvest takes place in the Kivalliq from January through March and has the potential to generate seasonal employment for 20 harvesters and plant workers at Kivalliq Arctic Foods. The 2013 harvest will be small in scope and the target 500 animals under the allowable commercial tag limit for the communities of Arviat, Whale Cove and Chesterfield Inlet.

Fur Fashions and Sealing Sectors

Kiluk Ltd, based in Arviat, produces an array of sealskin fashions and accessories. Its unique sealskin collections have been showcased at events throughout the north and across Canada. All items produced at Kiluk incorporate Nunavut ringed seal and are designed, cut and sewn by Nunavut seamstresses/tailors. The most important market for sealskin garments and accessories is Nunavut.

NDC and Kiluk will continue to support research and development initiatives that advance aspects of the fur fashion sector. Ongoing research work in the area of sealskin leather production will continue.

Kiluk and NDC will continue to work with DOE's Sealing Division and other important sector participants such as Nunavut Arctic College and private producers to help support this sector in the ongoing production of new and innovative clothing designs. Kiluk, working in partnership with others in the sector will again advance a sealskin fur sewing workshop in 2013.

Pangnirtung Fisheries and NDC will also work with the Department of the Environment to continue to formally assess the possibility / feasibility of seal processing in Nunavut

Tourism Sector

NDC and all of its arts and craft subsidiaries are members of Nunavut Tourism. The companies support a vibrant and professional tourism sector both in the communities and across the territory. All of the NDC subsidiaries are key components of the Nunavut tourism experience, whether on or off hour, and are important stops for any visitor to the communities. The Corporation's Venture Investment Fund will also specifically seek out new equity investments in qualifying business enterprises operating in Nunavut's tourism sector.

Traditional Economy Sector

Although NDC's economic development programming and services do not directly impact Nunavut's traditional economy we believe that indirectly the benefits are important. Fishermen or hunters harvesting for NDC's processing plants are essential partners in ensuring adequate raw material is available to support the ongoing production of country food which in turn creates income earning opportunities for the professional harvesters, many of whom being active participants within this sector. The additional income generated via the partnership between the plants and the harvesters allows for potential reinvestment and recapitalization of the harvesters equipment and machinery necessary to operate safely and efficiently with this sector.

Measures of Success — Efficiency, Economy and Effectiveness

Financial Reporting	*2013-14	* 2012-13	* 2011-12	2010-11
Date of board approval - audited financial statements	Aug 15	Aug 15	Aug 10	Aug 03
Compliant - Sec100 FAA Submission of Annual Report	Yes	Yes	Yes	Yes
Audit Qualifications	None	None	None	None

“*” identifies forecasted estimate

Reflection of the Corporation effectiveness in meeting its statutory reporting obligations

Jobs created or maintained	*2013-14 Forecast	*2012-13 Forecast	2011-12 Actual	2010-11 Actual
Ivalu	2.00	2.00	2.12	2.03
Jessie Oonark	9.00	9.00	8.96	9.62
Kiluk	4.50	4.50	5.85	3.87
Kitikmeot Foods	9.00	9.00	11.20	10.30
Kivalliq Arctic Foods	9.00	9.00	12.16	5.91
Pangnirtung Fisheries	23.00	23.00	35.42	17.21
Papiruaq Fisheries	0.40	0.40	0.66	.29
Taluq Designs	2.50	2.50	3.03	2.22
Uqqurmiut Arts & Crafts	12.00	12.00	12.15	13.71
Venture Investments	10.00	10.00	9.78	2.61
NDC	28.00	28.00	31.50	33.22
Total	109.40	109.40	132.83	100.99

“*” identifies forecasted estimate

In 2011-12 the Corporation updated its cost per job figure asset out in the Investment Guidelines from \$27,650 to the Statistics Canada indicator of \$37,997 as recorded to be Nunavut’s “average 2006 employment income”. The 2010-11 and 2009-10 figures have been restated accordingly using the updated cost per job figure.

Reflection on the Corporation’s effectiveness in delivering job creation

Diversifying Investments – access to equity	*2013-14 (\$000)	*2012-13 (\$000)	2011-12 (\$000)	2010-11 (\$000)
Forecasted new venture investments	500	500	-	-

“*” identifies forecasted estimate

Reflects equity investments from the Venture Investment Fund in qualifying Nunavut business enterprises.

Government funding	*2013-14 (\$000)	*2012-13 (\$000)	2011-12 (\$000)	2010-11 (\$000)
Core Government of Nunavut Funding	3,358	3,188	3,188	3,188

*** identifies forecasted estimate

Reflects core Vote-1 annual contributions from Government

Measures of Success - Efficiency, Economy and Effectiveness (cont)

Financial performance	*2013-14 (\$000)	*2012-13 (\$000)	2011-12 (\$000)	2010-11 (\$000)
Net sales	7,127	6,820	7,422	6,238
Profit (loss)	44	33	(36)	29

*** identifies forecasted estimate

Reflects the actual consolidated financial performance of the Corporation

Fund Summary

Section 16(1) of the Act requires the Corporation to establish a Subsidy Fund, Capital Fund and Capital Reserve Fund. Section 17(1) further requires the Corporation to establish a Venture Investment Fund and a Venture Reserve Fund. The Corporation also maintains a General Operating fund.

Subsidy Fund

Allows the Corporation to pay an operating subsidy to a subsidiary for each job directly or indirectly created or maintained up to a prescribed maximum or for a greater amount with the approval of the Financial Management Board.

Subsidiary Company	Subsidiary Forecasted Employment 2013-14	Prescribed Maximum \$37,997	Subsidy Budgets 2013-14	Within Prescribed Maximum
Ivalu	2.00	\$ 75,994	\$ 15,000	Yes
Jessie Oonark	9.00	\$341,973	\$150,000	Yes
Kiluk	4.50	\$170,986	\$120,000	Yes
Kitikmeot Foods	9.00	\$341,973	\$330,000	Yes
Kivalliq Arctic Foods	9.00	\$341,973	\$160,000	Yes
Pangnirtung Fisheries	23.00	\$873,931	\$100,000	Yes
Papiruaq Fisheries*	0.40	\$ 15,198	-	n/a
Taluq Designs **	2.50	\$ 94,992	\$130,000	No
Uqqurmiut Arts & Crafts	12.00	\$455,964	\$190,000	Yes

*** will be operated directly by Kivalliq Arctic Foods

**** a/p section 4(b) of the Act an FMB Submission will be prepared seeking authorization to exceed the Prescribed Maximum

Capital Fund

Allows the Corporation to pay a capital subsidy to a subsidiary for each job directly or indirectly created or maintained up to a prescribed maximum or for a greater amount with the approval of the Financial Management Board.

Subsidiary Company	Subsidiary Forecasted Employment 2013-14	Prescribed Maximum \$37,997	Capital Budget Budgets 2013-14	Within Prescribed Maximum
Ivalu	2.00	\$ 75,994	\$ 0.00	Yes
Jessie Oonark	9.00	\$341,973	\$25,000	Yes
Kiluk	4.50	\$170,986	\$60,000	Yes
Kitikmeot Foods	9.00	\$341,973	\$50,000	Yes
Kivalliq Arctic Foods	9.00	\$341,973	\$50,000	Yes
Pangnirtung Fisheries	23.00	\$873,931	\$50,000	Yes
Papirug Fisheries	0.40	\$ 15,198	-	n/a
Taluq Designs	2.50	\$ 94,992	\$10,000	Yes
Uqqurmiut Arts & Crafts	12.00	\$455,964	\$12,000	Yes

*** will be operated directly by Kivalliq Arctic Foods

Capital Reserve Fund

Ten percent of the sum paid from the Capital fund is to be directed to the Capital Reserve fund. The Capital Reserve fund can be used to make additional investments or as short term financing to provide a subsidiary with sufficient sums to carry on its business up to a prescribed maximum or in an amount greater with the approval of the Financial Management Board.

Venture Investment Fund

Allows the Corporation to purchase shares or otherwise invest in a business enterprise up to a prescribed maximum or in an amount greater with the approval of the Financial Management Board.

Venture Reserve Fund

Ten percent of the sum paid from the Venture Investment Fund is to be directed to the Venture Reserve Fund. The Venture Reserve Fund can be used to make additional investments in a business enterprise in which it has invested in return for shares or a larger proportion of ownership in the business enterprise or as short-term or long-term financing in an amount up the prescribed maximum or in an amount greater with the approval of the Financial Management Board.

General Operating Fund

This fund allows the Corporation to fund its Headquarter and Sales Division operating activities. The Corporation identifies its General Operating Fund requirements annually in the corporate plan.

Source and Use of Funds —Three-Year Forecast (\$000)

	Budget 2015/16	Budget 2014/15	Budget 2013/14	Total
Opening Balance	0	0	0	0
Sources of Cash				
GN Contribution	3,358	3,358	3,358	10,074
Uses of Cash				
Ivalu	15	15	15	45
Jessie Oonark	150	150	150	450
Kiluk	120	120	120	360
Kitikmeot Foods	330	330	330	990
Kivalliq Arctic Foods	160	160	160	480
Pangnirtung Fisheries	100	100	100	300
Papiruaq Fisheries	-	-	-	-
Taluq	130	130	130	390
Uqqurmiut Arts & Crafts	190	190	190	570
Subsidiary Operations	1,195	1,195	1,195	3,585
Headquarters	1,455	1,455	1,455	4,365
Sales Division	100	100	100	300
Total Operational Use of Funds	2,750	2,750	2,750	8,250
Capital Expenditures	260	260	260	780
Venture Equity	348	348	348	1,044
Total Use of Cash	3,358	3,358	3,358	10,074
Closing Balance	0	0	0	0

Main Estimates — Operating Budget – Vote 1 (\$000)

	Operating Budget 2015/16	Operating Budget 2014/15	Operating Budget 2013/14	Revised Operating Budget 201 2/13	Operating Budget 2012/13	Actual Expenditures 2011/12
Compensation & Benefits	879,000	851,500	835,500	794,000	767,000	768,350
Grant & Contributions	1,295,000	1,295,000	1,295,000	1,295,000	1,295,000	1,260,138
Travel & Transportation	240,000	235,000	245,000	222,000	182,000	219,523
Materials & Supplies	16,000	16,000	15,000	14,000	16,000	13,587
Purchases Services	172,000	170,000	178,000	136,000	181,000	97,585
Utilities	23,000	21,500	21,500	22,000	20,000	21,029
Contract Services	100,000	100,000	100,000	90,000	100,000	88,567
Fees & Payments	6,000	6,000	6,000	6,000	6,000	5,225
Other Expenses	19,000	55,000	54,000	1,000	13,000	495
Total Operations & Maintenance	2,750,000	2,750,000	2,750,000	2,580,000	2,580,000	2,474,499
Capital Expenditures	260,000	260,000	260,000	260,000	260,000	310,000
Venture Equity	348,000	348,000	348,000	348,000	348,000	323,000
Total Expenditures	3,358,000	3,358,000	3,358,000	3,188,000	3,188,000	3,107,499

Priorities

Priorities 2012-13

1. In consultation with the Board, incorporate recommendations from the strategic review into the operations of the Corporation.

Status Update – The Corporation’s Strategic Review was prepared by RT & Associates and was accepted by the Board of Directors in May 2012. The recommendations and strategies set out in the Report are presently being advanced and are also reflected throughout the 2013-14 Corporate Plan

2. Pursue strategic commercial partnerships with the subsidiaries in sectors such as mining or fisheries.

Status Update - The Jessie Oonark Center has partnered with Agnico Eagle’s Meadowbank Mine to secure a healthy supply of soapstone for the community’s artists. The NDC Sales Division has partnered with the Sanikiluaq Soapstone Artists Ltd to coordinate the local soapstone harvesting and the purchasing of sculpture from the community’s artists. The Sales Division is also working to advance existing buying partnerships in Cape Dorset, Iqaluit and Gjoa Haven with new purchasing projects planned for Repulse Bay. Working through NDC, Kiluk, Taluq and Uqqurmiut Arts and Crafts continue to work closely with the Maplelea Doll Company in the provisioning of accessories for the company’s Saila doll. Kiluk Ltd will also continue working toward a partnership with Agnico Eagle Mines that would see the company undertake AEM’s commercial tailoring, repair and embroidery functions for its Meadowbank and Meliadine West operations. Uqqurmiut Arts and Crafts also has in place commercial partnerships with key Canadian galleries such as the Inuit Gallery of Vancouver and the Canadian Guild of Craft who help promote the company’s tapestries and prints. Kivalliq Arctic Foods has numerous partnerships in place with many HTO’s across Nunavut support the country food hub and spoke model of supply and distribution. Both Kitikmeot Foods and Kivalliq Arctic Foods also partner directly with the federal department of Fisheries and Oceans to help research and establish base line data on the health of Nunavut’s fisheries. NDC, through its Venture Equity Fund, continues to be a supporting catalyst in drawing together partnerships supporting investment in Nunavut. NDC’s operational understanding of its target investment sectors coupled with the Atuqtuarvik’s established investment framework brings elevated analysis and awareness to each joint project. This informal partnership also brings about increased cost savings throughout the process supported by shared legal counsel and external review costs.

3. Strive to ensure that the Corporation’s purchasing initiatives, services and investment programs funds bring benefit to as many Nunavummiut as possible, regardless as to where in the territory they reside.

Status Update–NDC, through its subsidiaries and Sales Division is actively operating or has buying initiatives in place for either art, fish or meat in three Kitikmeot communities, seven Kivalliq communities, and five Baffin Communities. There are numerous other smaller arrangements and initiatives with Nunavut communities and individuals as NDC continues to work to expand opportunities to more Nunavummiut.

4. Place investments totaling \$500,000 into venture capital projects.

Status Update – NDC has recently finalized a \$300,000 equity investment in a business enterprise operating in Nunavut’s fishing sector. NDC’s Venture Capital Fund is small in comparison to other pools of debt and equity financing available in Nunavut. As a result, NDC focuses its investing activity on sustainable business enterprises that operate in sectors where the Corporation maintains a sound operational understanding and that demonstrate the potential for strong employment returns. Additional investment opportunities supporting qualifying business enterprises operating in Nunavut’s tourism and fishery will be sought out going forward in 2012-13 and beyond.

5. Prepare successful transition plans for departing subsidiary managers.

Status Update – Since April 1st, new general managers have been successfully transitioned in to Kivalliq Arctic Foods, Pangnirtung Fisheries and Uqqurmiut Arts and Crafts.

6. Build stronger commercial partnerships with retailers in key Northern centers such as Iqaluit, Yellowknife, Inuvik and potentially other centers in Nunavik and Greenland for the sale/promotion of NDC/Nunavut produced items.

Status Update – Important partnerships have been formed with arts and crafts retailers in Iqaluit; more needs to be done however to ensure arts and crafts are visible and available to visitors in every Nunavut community. On the meat and fish side, it is the objective of the Corporation to eventually place all of its meat and fish products back into Nunavut where demand remains high. Working with groups such as Nunavut Anti-Poverty Secretariat, existing Nunavut retailers, restaurants, hotels, HTO’s and others, the Corporation is making progress in this regard. On the cost side, having both Kivalliq Arctic Foods and Kitikmeot Foods registered with Nutrition North Canada’s food subsidy program is also facilitating price reductions making country food items more accessible to Nunavummiut.

7. Initiate a financial training session for management and finance personnel NDC, the Sales Division and the subsidiaries.

Status Update – The Corporation is planning on bringing in key finance staff from throughout the organization into Rankin Inlet in November 2012 to hold a financial management workshop where financial training and hands-on support will be offered in key areas. The agenda is presently being finalized and planning is underway to ensure the workshop is a success and the

desired results of more accurate and timely reporting, enhanced communication & support, and a more aligned and open finance function are achieved.

8. Pursue divestment of majority ownership at Pangnirtung Fisheries.
Status Update –The minority partner Cumberland Sound Fisheries Ltd (CSFL) recently elected a new Board Executive. The CSFL board is in the process of reviewing what has been done to date in regards to the divestment initiative. Meetings are tentatively planned for later in the fall where the initiative will be revisited in detail and interest reevaluated.

Priorities 2013-14

1. Pursue strategic partnerships in sectors such as arts & crafts, business development, food production, fur and fashion, sealing, tourism and the traditional economy.
2. Place all food production, whether char, muskox or caribou, back into Nunavut.
3. Place investments totaling \$500,000 with qualifying business enterprises operating in Nunavut's commercial fishing and tourism sectors.
4. Continue to develop the country food hub and spoke model supporting sustainable commercial harvesting and complete distribution of finished products within Nunavut.
5. Develop an improved public relations strategy.
6. Critically assess the performance of any existing subsidiary company from a cost per job creation position and take corrective action necessary for those companies deemed ineffective according to the Corporation's own investment guidelines.
7. Pursue divestment of NDC majority ownership at Pangnirtung Fisheries.

Priorities 2014-15

1. Pursue strategic partnerships in sectors such as arts & crafts, business development, food production, fur and fashion, sealing, tourism and the traditional economy.
2. Place all food production, whether char, muskox or caribou, back into Nunavut.
3. Place investments totaling \$500,000 with qualifying business enterprises operating in Nunavut's commercial fishing and tourism sectors.

4. Continue to develop the hub and spoke model supporting the sustainable commercial harvesting and complete distribution of finished products within Nunavut.
5. Critically assess the performance of any existing subsidiary company from a cost per job / job creation position and take corrective action for those companies deemed ineffective according to the Corporation's own investment guidelines.
6. Pursue divestment of NDC majority ownership at Pangnirtung Fisheries.

Priorities 2015-16

1. Pursue strategic partnerships in sectors such as arts & crafts, business development, food production, fur and fashion, sealing, tourism and the traditional economy.
2. Place all food production, whether char, muskox or caribou, back into Nunavut.
3. Place investments totaling \$500,000 with qualifying business enterprises operating in Nunavut's commercial fishing and tourism sectors.
4. Continue to develop the hub and spoke model supporting the sustainable commercial harvesting and complete distribution of finished products within Nunavut.
5. Critically assess the performance of any existing subsidiary company from a cost per job / job creation position and take corrective action for those companies deemed ineffective according to the Corporation's own investment guidelines.
6. Pursue divestment of NDC majority ownership at Pangnirtung Fisheries.



Business Plan
Territorial Corporations
2013-2016