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The Honourable Michael A. Ballantyne, Speaker

Members Present

Hon. Titus Allooloo, Mr. Antoine, Mr. Amgna'naaq, Hon. Michael Ballantyne, Hon. Nellie Coumoyea, Mr. Dent, Hon. Stephen Kakfwi, Mr. Koe, Mr. Lewis, Mrs. Marie-Jewell, Hon. Rebecca Mike, Hon. Don Morin, Hon. Richard Nerysoo, Mr. Ningarik, Hon. John Pollard, Mr. Pudlat, Mr. Pudluk, Hon. John Todd, Mr. Whitford, Mr. Zoe

--Prayer

SPEAKER (Hon. Michael Ballantyne):

Good afternoon. I hope everyone had a restful weekend. Orders of the day. Item 2, Ministers' statements. Mr. Morin.

ITEM 2: MINISTERS' STATEMENTS

Minister's Statement 37-12(3): Response To Member's Statement From Thebacha

HON. DON MORIN:

Thank you, Mr. Speaker. Mr. Speaker, on Friday, February 19, the Member for Thebacha rose and made a Member's statement regarding concerns she had with the way in which an issue she had raised with me was dealt with. I accept responsibility for the fact that the issue was not dealt with properly.

What I do not accept, however, is the tone and the manner in which the Member chose to communicate her displeasure. In the space of a two and a half page statement she claims that I am not taking my job seriously, I am cavalier, unprofessional, forgetful, unhelpful, lazy, irresponsible and unconscientious.

MR. SPEAKER:

Point of order. Mrs. Marie-Jewell.

MRS. MARIE-JEWELL:

Point of order, Mr. Speaker. I wanted to ask clarification, the Minister is making ...

MR. SPEAKER:

Mrs. Marie-Jewell, Members cannot ask for clarification. What is your point of order, Mrs. Marie-Jewell?

MRS. MARIE-JEWELL:

Mr. Speaker, the Minister rose under Ministers' statements. I received a copy of the Minister's statement as put forth. Under the rules of this House, a Minister is to speak to a Minister's statement on a policy issue. Thank you.

MR. SPEAKER:

Up to this particular point, I am unable to rule on your point of order. I will say, though, the issue at hand here is, I believe, to be that of policy inasmuch as it deals with how the government and the government Ministers deal with concerns of MLAs. Up to this point, you do not have a point of order, Mrs. Marie-Jewell. Please continue, Mr. Morin.

HON. DON MORIN:

Thank you, Mr. Speaker. She claims that I am not taking my job seriously, I am cavalier, unprofessional, forgetful, unhelpful, lazy, irresponsible and unconscientious.

Mr. Speaker, I am none of those things, the Member knows it as do the other Members of this House. I have tried as best as I know how to deal with Members' issues in a timely and conscientious way. This issue was dealt with the way in which most issues are dealt with. Staff are asked to research facts and provide answers and options available to the Minister at which point in time direction is given. There were two basic mistakes made in this case, the way in which the client was dealt with, and the way in which the corporation officials dealt with the Member's letter of complaint. Both of these have been dealt with and, hopefully, the issue is resolved.

I welcome constructive criticism from Members of this House, but I will not allow mysett to be abused in an irresponsible manner by a Member who, on one hand, expects to be dealt with in a courteous and professional manner but, on the other hand, is not willing to act that way herself.

Perhaps, Mr. Speaker, this is why the reputation and conduct of Members of this House is being perceived by the public in an increasingly cynical manner. Thank you, Mr. Speaker.

MR. SPEAKER:

Ministers' statements. Mr. Nerysoo.

Minister's Statement 38-12(3): Canada Scholars

HON. RICHARD NERYSOO:

Thank you, Mr. Speaker. Mr. Speaker, I am pleased to announce that seven students who graduated from NWT high schools last year have been named Canada scholars. These seven students are enrolled in university programs in science or engineering. They have all demonstrated high academic standards and we are very proud of all of them. We need to develop a strong resident population of scientists and engineers in the Northwest Territories.

AN HON. MEMBER:

Hear, hear.

--Applause.

I hope all seven of these new Canada scholars will excel in their studies and return to the Northwest Territories where they can help us build our future. For the record, Mr. Speaker, I would like to read the names of our 1992 Canada scholars. Our congratulations go out to Katherine Searle, a graduate of Samuel Hearne Secondary School; Jonathan Hazenburg of Fort Simpson; Robert Hewlett of Hay River, and Yellowknife students Brian Auge, Michel Haener, Josip Peleskei and Ivan Tolentino.

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My best wishes go out to all these students and I, along with my Cabinet colleagues, and all of the Members of this Assembly, encourage them to continue their achievements by setting outstanding educational standards and examples for students of the Northwest Territories. Thank you, Mr. Speaker.

---Applause.

MR. SPEAKER:

Thank you, Mr. Nerysoo. Ministers' statements. Ms. Cournoyea.

Minister's Statement 39-12(3): Hondo Oil And Gas

HON. NELLIE COURNOYEA:

Thank you, Mr. Speaker. An announcement was made recently by a US based company, Hondo Oil and Gas, that it has created a subsidiary, the Mackenzie-Porcupine Pipeline Company, to pursue the development of a large scale project to take natural gas from the Mackenzie Delta by pipeline to a new terminal near Anchorage, Alaska. From there, the gas would be liquefied for shipment to markets in China, Korea, Japan and Taiwan.

Mr. Speaker, this is an ambitious project, and it is at a very preliminary stage. The proponents will need sales contracts in several different countries, purchase agreements with the Delta producers, environmental and regulatory approvals, and billions of dollars of debt financing. Discussions on these basic requirements for a successful project have only just begun.

We should also note that gas from the Delta would have to compete with gas reserves in the Persian Gulf and Indonesia, which could be developed and transported to Asian markets at a much lower cost.

Natural gas prices, and growth in the demand for natural gas, should continue to be much higher in the Far East than in North America. It, therefore, makes sense for industry to investigate the concept of bringing gas from the Delta to these markets. If this particular project looks realistic, then it is also possible that other proponents will come forward with different ideas about how natural gas might be transported from the Delta to the Far East. If this type of project were to be constructed, it would probably displace any large scale gas pipeline from the Delta up the Mackenzie Valley to Alberta. However, it is difficult to foresee when gas markets in North America could justify the development of a Mackenzie Valley gas pipeline. The project proposed by Hondo could open up the north to a potentially better gas market.

This proposed pipeline would not cross any caribou calving areas that we are aware of. It would be buied for most of its length, and would follow the Dempster Highway corridor as much as possible. The project would also involve the construction of a small diameter liquids pipeline from the Delta to Norman Wells.

Mr. Speaker, at this point there is not enough information for the government to take a position on the proposal. It will take the companies involved several years to bring the project to the point where it could be reviewed by the appropriate regulatory agencies. In the meantime, we intend to keep an open mind and work cooperatively with the proponents. Next week representatives from Hondo Oil and Gas are planning to visit Old Crow in Inuvik to discuss their proposals with community leaders, the Gwich'in Tribal Council and the Inuvialuit Regional Corporation. The company appreciates the importance of an open dialogue with the affected communities and aboriginal organizations whose support will be of critical importance to the success of this venture. Thank you, Mr. Speaker.

MR. SPEAKER:

Thank you, Ms. Coumoyea. Item 2, Ministers' statements. Item 3, Members' statements. Mrs. Marie-Jewell.

MRS. MARIE-JEWELL:

Thank you, Mr. Speaker. I was home on the weekend and it was indicated to me that at the beginning of my Member's statement on Friday, my constituents were unable to hear my Member's statement because at that time the radio was cut off. Therefore, my constituents wondered why the Minister of the Housing Corporation was using the tone that he did, saying I was conducting myself in an irresponsible manner as a Member. I resent that. In fact, Mr. Speaker, I am thinking of requesting an apology. I would like to re-read my statement.

Mr. Speaker, on Friday I expressed my disappointment and concern in the actions undertaken by the Minister responsible for the Housing Corporation in dealing with a serious matter, which I brought to his attention. Mr. Speaker, on November 12, I wrote to the Minister to indicate that one of my constituents had approached me in exasperation and frustration with the attitudes of Housing Corporation personnel in the Hay River district office. In doing so, I had faith that the Minister would take the issue seriously and take responsibility to find an appropriate resolution.

I remember clearly, on November 13, 1991, in reviewing the edited Hansard, the honourable Member for Tu Nedhe said some things when he asked Members of this House to select him for a Cabinet position. He said, in this House, and I quote, "I am still committed to working with all 24 Members of this Assembly in the next four years, whether I be a Cabinet Member or an ordinary Member, guaranteed. You are going to hear from me because I am here to represent my people who are aboriginal from small communities." He also said, "When you vote today, my friends, vote for someone who is here to do a job and not someone who is just here for the job." That is why, Mr. Speaker, I am disappointed and concerned with the cavalier manner in which the Minister conducted himself when he dealt with my constituent's concern.

The constituent who approached me...

MR. SPEAKER:

Your allotted time has elapsed, Mrs. Marie-Jewell.

SOME HON. MEMBERS:

Agreed.

MR. SPEAKER:

The honourable Member is seeking unanimous consent. Are there any nays? There are no nays. Please proceed, Mrs. Marie-Jewell.

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MRS. MARIE-JEWELL:

Thank you, Mr. Speaker. The constituent who approached me had a serious problem with his housing unit and had waited months for an answer to queries placed with the Housing Corporation. He found corporation personnel unresponsive and negative in their dealings with him. These are the sort of concerns that I believe the Minister should know about. I believe that he would take a professional approach and attempt to resolve the problem. However, he did not.

Mr. Speaker, what did he do? It seems that he delegated and then he forgot about it because I did not hear from him again until just the day before session started. He delegated the matter to one of his senior officials in the Housing Corporation. That person delegated it to the district manager. The district manager delegated it to the staff person who had caused the problem in the first place. This person took the matter to his lawyer. Instead of getting help from the Minister, which Members expect, we did not, in resolving a particular attitude problem within the corporation. What I did get though, was a cease and desist letter from an employee's lawyer. Who knows what they might have in store for the constituent who brought the original concern to me in the first place. What was the Minister thinking about when he responded in this way? I wondered where his management skills were. Where was his commitment to working together and his concern for constituents that he told us about on November 13? Perhaps, Mr. Speaker, as I said on Friday, his teflon is rubbing off.

I recognize the Minister wrote and apologized, Mr. Speaker, the day before the session. However, Mr. Speaker, I want the Minister and the people who he is allowing to do his job for him to know that I will not cease and desist from continuing to express my concerns on behalf of my constituents. The fact that one of his employees tried to hire a local lawyer to

intimidate me makes no difference. Should other constituents come and raise their concerns with respect to the behaviour of a civil servant, I will not hesitate to communicate those concerns to the appropriate people. My privilege to do so, as a Member of this House, is clearly defined and has been protected by court decisions in countries served by parliaments all over the world.

To confirm what type of privilege I have, through legal counsel, I was advised it was called "qualified privilege," when it is outside of the House. However, in researching cases in 1972, judgement of a case in England, the court found, and I quote, "It will be a sad day when a Member of Parliament has to look over his shoulder before ventilating to the proper authorities criticism about the work of a public servant, which he honestly believes to merit investigation." I strongly believe that all Members of this House would do no less in bringing the concerns of their constituents to the appropriate Minister. I trust that their issues will receive a more conscientious treatment than what was displayed towards me by the Minister responsible for the Housing Corporation.

I also bud when we bring forth our concerns in this manner, that Ministers will not get so defensive to the point where they are calling Members on this side of the House "irresponsible." I find that type of conduct ignorant, at the very least. of a Minister. Thank you.

MR. SPEAKER:

Item 3, Members' statements. Mr. Antoine.

Member's Statement On Workers' Compensation Board

MR. ANTOINE:

Mahsi, Mr. Speaker. (Translation) Today I would like to say a few things about the Workers' Compensation Board. For a long time many of the ordinary Members have been concerned about the Workers' Compensation Board. We have known it was too closely tied to Yellowknife and that members of the board do not understand what it is like to be a worker in a small community. We are concerned about the policies that have been developed. Sometimes it seems like those policies have lost sight of the fact that injured workers are human beings and they have feelings and fears.

We have also been concerned about the way money was spent on the administration of the Workers'

Compensation Board. These concerns are outlined in the report of the Standing Committee on Agencies, Boards and Commissions. I think all Members of the House are aware that some major changes have been made. What I want to say today is John Todd is doing a good job of addressing these problems. I agree with the decisions he made about the people who should be appointed to the Workers' Compensation Board. I also agree with his statement that he will put a stop to the run away administrative costs of the board. (Translation ends)

... challenges facing him. These are difficult financial times and the workers' compensation system needs much work. I look forward to seeing the report of this special advisor and I would urge him, as I am sure my honourable colleague for Deh Cho will also do, to finalize a workable plan for providing compensation to injured harvesters and traditional artists and carvers.

I am confident the Minister will be able to move ahead to deal with these and other issues. He has certainly gained my support of the approach he has taken so far. Mahsi cho, Mr. Speaker.

MR. SPEAKER:

Item 3, Members' statements. Mr. Pudlat.

Member's Statement On Additional Runway Lighting For Lake Harbour

MR. PUDLAT:

(Translation) Thank you, Mr. Speaker. I would like to express my concerns regarding the airstrip in Lake Harbour. I am requesting that this concern be solved by the Minister of Transportation. There is mountainous country surrounding my community. We are requesting, from the Minister of Transportation, more runway lighting for the runway in Lake Harbour. We would like runway lighting above the mountain at the end of the runway in Lake Harbour. Some of the pilots who go to Lake Harbour have been complaining. In the months of October, November and December, it is very dark in my community and there are always planes coming in, except for Fridays. Thank you, Mr. Speaker. I would like the Minister to consider putting extra runway lighting in my community. Thank you.

MR. SPEAKER:

Thank you, Mr. Pudlat. Item 3, Members' statements. Item 4, returns to oral questions. Ms. Mike.

ITEM 4: RETURNS TO ORAL QUESTIONS

Return To Question 243-12(3): Social Assistance options For Traditional Harvesters

HON. REBECCA MIKE:

Thank you, Mr. Speaker. I have a return to oral question asked by Mr. Antoine on February 17 regarding assistance to traditional harvesters.

The Department of Social Services' staff are aware of the problems raised by the honourable Member and have been working with the Department of Renewable Resources' officials, who have the lead role in developing strategies to assist traditional harvesters.

The Department of Renewable Resources is currently developing a fur strategy. Their consultant is expected to submit his report by the end of March. This report will include recommendations about price stabilization, which, together with other options also being considered will be carefully reviewed in order to develop alternatives for ensuring maximum benefits to traditional harvesters.

The Department of Social Services has the mandate to ensure that the basic financial needs of all NWT residents are met. This is done by providing social assistance to people in need regardless of their circumstances. The department also works with other departments, Education, Culture and Employment, and Canada Employment and Immigration, to develop job creation opportunities. The employment enhancement initiatives which were recently transferred to the Department of Education, Culture and Employment Programs and which is managed jointly by all departments, is a prime example. Education, Culture and Employment Programs, together with Social Services, is working on development enhancement of social assistance recipients, including those whose income is effected by the low fur yield.

The impact of this low yield on social assistance has not yet been analyzed, however, early in the next fiscal we will be undertaking a complete analysis of the recent increases in social assistance. This will include the review of the trends in the fur industry. Officials will continue to monitor any changes in social assistance and factors that impact on costs.

MR. SPEAKER:

Item 4, returns to oral questions. Item 5, oral questions. Mr. Koe.

ITEM 5: ORAL QUESTIONS

Question 294-12(3): Status Of Application For Construction Of Gas Pipeline

MR. KOE:

Mahsi, Mr. Speaker. I have a question for the Minister of Energy, Mines and Petroleum Resources. I would like to thank the Minister for making a statement today on Hondo Oil and Gas. The Mackenzie-Porcupine Pipeline Company, according to their press statement, has filed a notice of intent with the state of Alaska for a pipeline right-of-way to transport gas from the Mackenzie Delta to Alaska. In their press statement they also stated they want construction to start sometime this year with a goal to commence gas delivery in mid to late 1997. What is the status of this application to construct a gas pipeline?

MR. SPEAKER:

Ms. Cournoyea.

Return To Question 294-12(3): Status Of Application For Construction Of Gas Pipeline

HON. NELLIE COURNOYEA:

Mr. Speaker, it is true there has been a filing of intent with the state of Alaska, however, as I noted in the statement on Hondo Oil and Gas, it is in the very preliminary stage. When we first heard about this venture we indicated to Hondo Oil and Gas that they should be consulting with the claimant groups in that particular area as they could possibly have their project on stream next year, but I think that would be highly unlikely and it is very ambitious. I am sure once consultation takes place with the Delta people and the north Yukon, Old Crow people, they will find there are various environmental concerns as well as participation of these groups which will have to be considered. I would think it would be highly unlikely that their schedule to begin construction in 1994-95 is realistic. We are going to be monitoring this very consistently. I think it could be a good thing for the groups of people who could be participants in this venture, however we all realize how difficult it is to get the funding for such a project, let alone the environmental approval and regulatory approvals that would be required. Thank you.

MR. SPEAKER:

Supplementary, Mr. Koe.

Supplementary To Question 294-12(3): Status Of Application For Construction Of Gas Pipeline

MR. KOE:

Mahsi, Mr. Speaker. Has the company filed notice of intent with the Government of Canada, the Government of the Northwest Territories, the Yukon and with any of the aboriginal groups?

MR. SPEAKER:

Ms. Cournoyea.

Further Return To Question 294-12(3): Status Of Application For Construction Of Gas Pipeline

HON. NELLIE COURNOYEA:

Mr. Speaker, no, they have not. The advice we have given to them is that it would be in their best interest to have informal, preliminary talks with the claimant groups within the particular area that they want to export gas from. They are taking that advice but there have been no applications filed at this point.

MR. SPEAKER:

Supplementary, Mr. Koe.

Supplementary To Question 294-12(3): Status Of Application For Construction Of Gas Pipeline

MR. KOE:

With a project of this type and once we receive an application, there will be a need for the governments and the aboriginal groups to have public hearings. What initiatives will this government be taking to ensure there will be effective public consultation on this project?

MR. SPEAKER:

Ms. Cournoyea.

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Further Return To Question 294-12(3): Status Of Application For Construction Of Gas Pipeline

HON. NELLIE COURNOYEA:

Mr. Speaker, I believe we do not have a great deal of information on the particular project and we will have

to gather more. This week, the deputy minister of Energy, Mines and Petroleum Resources will be meeting with Hondo Oil. As well, there are scheduled meetings with the Gwich'in, Inuvialuit and individuals from Old Crow. However, once the company decides to file, the normal process will be instituted whereby the regulatory process will take over. At that point in time built into the regulatory process is the involvement of all concerned parties to take part in the hearings. However, I believe this will be determined once these informal meetings have taken place to see precisely what is being planned by the company. We will, as a government, ensure, as with all projects of this nature, that the concerns and the involvement of the people in those areas are fully informed and involved. Thank you.

MR. SPEAKER:

Oral questions. Mr. Ningark.

Question 295-12(3): Bussing Services In Gjoa Haven

MR. SPEAKER:

Ms. Cournoyea.

Return To Question 295-12(3): Bussing Services In Gjoa Haven

HON. NELLIE COURNOYEA:

Thank you, Mr. Speaker. Mr. Speaker, I spent a day with the people of Gjoa Haven and attended the opening of their community complex. However, the issue of bussing did come up. The concern of the community and their requirements were sent to the Department of Education. I believe the Minister responsible is looking at an overall bussing policy. This would take in the needs of not only Gjoa Haven, but also other communities with a similar situation. Thank you.

MR. SPEAKER:

Supplementary, Mr. Ningark.

Supplementary To Question 295-12(3): Bussing Services In Gjoa Haven

MR. NINGARK:

Thank you, Mr. Speaker. The Premier has indicated that the Minister of Education will be developing a policy. When can we expect to see this policy? Thank you.

MR. SPEAKER:

Ms. Cournoyea.

made by Mr. Nerysoo, so I would refer that to the Minister responsible.

MR. SPEAKER:

The Premier may refer questions to appropriate Ministers. Mr. Nerysoo.

Further Return To Question 295-12(3): Bussing Services In Gjoa Haven

HON. RICHARD NERYSOO:

Thank you, Mr. Speaker. As I indicated to Mr. Arngna'naaq previously, I was hoping to have a draft bussing program before the end of this fiscal year. If not, I will report back to my colleagues as to the reasons why that particular policy is not going to be considered.

MR. SPEAKER:

Oral questions. Mr. Koe.

Question 296-12(3): Discussing Staff Housing Strategy Concerns With MLAs Versus Constituents

MR. KOE:

Thank you, Mr. Speaker. I have a question for the Minister of Personnel. In the Minister's statement on February 18 regarding the long-term staff housing strategy, the Minister stated and I quote, "Finally we welcome the Assembly's review of the strategy and want Members to know that our staff is prepared to sit down with each Member of this Legislature to review the concerns of individual constituents, house by house, or case by case." I am very pleased that the Minister and his staff are willing to discuss these issues, however late, on a case by case basis. This offer bodes well to more open government. However, why is the Minister's staff willing to sit down with each MLA to discuss individual constituents' concerns, rather than taking the time to sit down and meet with each constituent in his/her own home?

MR. SPEAKER:

Mr. Kakfwi.

Return To Question 296-12(3): Discussing Staff Housing Strategy Concerns With MLAs Versus Constituents

HON. STEPHEN KAKFWI:

Thank you, Mr. Speaker. We made the offer because there are individual cases which have come to our attention and legitimate concerns which are anomalies that we need to deal with. There are cases where, for instance, power bills are unusually high and tenants have brought those to our attention. We have other cases where commitments were understood to have been made to certain tenants only to be changed, such as the case as the Member for Iqaluit brought forward last week. The reason for making the offer, as well, is to bring to the attention of MLAs and to the tenants that they have written letters in which they make certain assertions. For instance, in my review of letters there are two which I remember of government employees who say they live in staff housing and, in fact, they do not. There are cases where very minimal rent is being paid by people who are paid very good salaries. In the course of the outcry we think there are extreme cases which the government should properly deal with. Also, there are extreme cases of people overstating the case and not presenting the full facts which should be brought to the attention of MLAs. We think this is the proper way to do it. This is the reason the suggestion was made. Thank you.

MR. SPEAKER:

Supplementary, Mr. Koe.

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Supplementary To Question 296-12(3): Discussing Staff Housing Strategy Concerns With MLAs Versus Constituents

MR. KOE:

To me, it makes more sense to talk directly to the tenants to clear up these misunderstandings or overstatements. Will the Minister make a commitment to have his staff available to meet with each tenant to discuss individual concerns?

MR. SPEAKER:

Mr. Kakfwi.

Further Return To Question 296-12(3): Discussing Staff Housing Strategy Concerns With MLAs Versus Constituents

HON. STEPHEN KAKFWI:

Mr. Speaker, yes. We are offering to do it at this level with the MLAs so that the MLAs who have specific cases, which they have questions or concerns about, can be dealt with on a case by case individual basis. The tenants who have raised the concerns will also be dealt with by the appropriate staff in the communities and regions. Thank you.

MR. SPEAKER:

Oral questions. Mr. Lewis.

Question 297-12(3): Opposition To Long-Term Staff Housing Strategy

MR. LEWIS:

Thank you, Mr. Speaker. I have a question for the Minister of Personnel. I would have hoped this issue would have been dead by now but, dearly, it is not. Today, all Members received a letter from David Sudlovenick from Pond Inlet about the now staff housing policy. It says, 'This policy, to be blunt and to the point, is irresponsible, dishonourable and has been hastily executed because any reasonable person can see it will destroy the eastern Arctic.' Mr. Speaker, this has been an issue for the past week. On February 16, 1993, the Minister was interviewed on CBC radio and Members now have a transcript as Tabled Document 38-12(3). The transcripts show the Minister stated that this policy has been well accepted by the public. Recognizing that a record number of petitions opposing this policy have already been tabled in this House and we continue to get letters, and recognizing that there continues to be an outcry from employees and the unions across the territories, can the Minister explain why he has made public statements indicating the policy has been well accepted?

MR. SPEAKER:

Mr. Kakfwi

Return To Question 297-12(3): Opposition To Long-Term Staff Housing Strategy

HON. STEPHEN KAKFWI:

Mr. Speaker, with the exception of a few letters, such as the one the Member is referring to, the overwhelming majority of letters and statements which have been made suggest that employees and the public accept that the government has for some years now begun to move out of staff housing and move toward creating market rents which are equitable and fair across the territories. We are in the middle of finalizing this initiative which was started some 12 years ago. The general sentiment we get from the majority of employees, again through letters and other forms of communication, is that the public and the employees in particular are not debating the intent of the strategy, which is for government to get out of staff housing and for the government to implement equitable market

rents. The focus of the controversy and the criticism is that as a government we are perceived as moving too fast. People are asking for more time. This was the intent behind the comments I made at that time. Thank you.

MR. SPEAKER:

Supplementary, Mr. Lewis.

Supplementary To Question 297-12(3): Opposition To Long-Term Staff Housing Strategy

MR. LEWIS:

Mr. Speaker, recognizing this policy includes a provision whereby the government is going to save a great deal of money if everything goes according to plan, I would like to ask the Minister whether his department has carried out any studies on the potential costs of staff turnover related to the implementation of this policy, which would have the opposite effect? In fact, instead of saving money it is going to cost you more. Thank you.

MR. SPEAKER:

Mr. Kakfwi.

Further Return To Question 297-12(3): Opposition To Long-Term Staff Housing Strategy

HON. STEPHEN KAKFWI:

Mr. Speaker, it is our view, based on the statistics of the past couple of years, that the percentage of turnovers which this government enjoys or suffers every year is already at about the 20 per cent range. It would almost have to come close to doubling that

figure for us to question the financial value of this strategy. It is my view that the removal tariff rules and guidelines set in place a month or two ago, are going to reduce the cost of removals this year. It is going to help substantially. We are also of the view that the majority of government employees are going to begrudgingly accept the strategy we have set out, and that it will be seen, in the course of the next few months, that the job prospects in southern Canada are dismal, to say the least.

I have asked for an informal check of the situation in other provinces. It is dismal. There are other governments which are in financially difficult times. The fact is, we are a country suffering financially. We are in a recession even though it is recorded as being over. In the end, employees will see that strategy as a fair and equitable move to put them on par with their other neighbours and friends in the communities they live in. Everyone has to pay a fair, equitable market rent and they have to accept that. It may have been better received if we had given them more time, but it will be done in any case. Thank you.

MR. SPEAKER:

Item 5, oral questions. Supplementary, Mr. Lewis.

Supplementary To Question 297-12(3): Opposition To Long-Term Staff Housing Strategy

MR. LEWIS:

Thank you, Mr. Speaker. It is very evident that some people prefer death to dishonour because, as I understand, Mr. Bell has left a very good job as fire marshal to return to Saskatchewan rather than stay in the Northwest Territories. Is he assuming that there will be no more than the 20 per cent removal of people from the territories in protest against the staff housing policy?

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MR. SPEAKER:

Mr. Kakfwi.

Further Return To Question 297-12(3): Opposition To Long-Term Staff Housing Strategy

HON. STEPHEN KAKFWI:

Mr. Speaker, the majority of employees who are being affected by this, find it as an acceptable initiative. However, there are hardship cases that have to be

dealt with. For those people who feel like they are hard done by because we are asking them to pay a fair rent, they have options to move to greener pastures. I believe they will do that. I do not begrudge it. I believe that, in the end, people who want to stay in the north, who love the north and have a commitment to the north, will stick with that commitment. I believe that the number of people who resign may publicly be perceived as leaving as a result of this strategy. In fact, there has been a high unacceptable level of turnovers for years. My view is, in the long-term this housing initiative will help stabilize the employees of the Northwest Territories. When people start to see they can make long-term commitments, they can receive an opportunity to buy the houses that they are assigned, they will have assurance that the government will buy back their units, people will, in the end, start to see it as a real benefit to make long-term commitments to the north and not just come here for two or three years. Our own home-grown northern and aboriginal employees will also start to stabilize as they see the benefits of this initiative and reap the benefits through the home ownership programs and the sale of staff houses. Thank you.

MR. SPEAKER:

Item 5, oral questions. Point of order, Mrs. Marie-Jewell.

Point Of Order

MR. SPEAKER:

Mr. Morin, point of order.

Point Of Order

HON. DON MORIN:

Point of order, Mr. Speaker. I do not have the book to refer to, but I believe that calling a Member ignorant, which the Member did call me, is also unparliamentary, so I request an apology as well. Thank you.

MR. SPEAKER:

We have two requests for apologies. I will consider both points of order and will relay my decision to the House. I would like to say that this, again, is another example of a point of privilege that was made last week, which I will be giving my judgement in the next couple of days. It comes to the very fundamental way a Legislative Assembly works. It comes to a matter of

common sense and politeness. This is a political process, it is not a debating society. However much latitude the Speaker decides to allow, it must be fair for both sides of the House. I will get back to the House as soon as possible with my judgement. Thank you. Mrs. Marie-Jewell.

MRS. MARIE-JEWELL:

Thank you, Mr. Speaker. Perhaps calling the Minister ignorant was unparliamentary. I have not been able to see it in...

MR. SPEAKER:

Excuse me, Mrs. Marie-Jewell. Point of order, Mrs. Marie-Jewell.

Point Of Order

MRS. MARIE-JEWELL:

Point of order, Mr. Speaker. I cannot see the word "ignorant" in Beauchesne's, however I apologize for using that word. I should have said that I found the Minister's reply to be appalling. Thank you.

MR. SPEAKER:

Item 5, oral questions. Mr. Pudlat.

Question 298-12(3): Shipwreck In Sanikiluaq

MR. PUDLAT:

(Translation) Mr. Speaker, my question is to the Minister of Economic Development and Tourism regarding the shipwreck in Sanikiluaq. I had asked this question earlier. Has anyone been sent to look at the shipwreck in Sanikiluaq? I would like a response to that question. Thank you.

MR. SPEAKER:

Mr. Pollard.

Return To Question 298-12(3): Shipwreck In Sanikiluaq

HON. JOHN POLLARD:

Mr. Speaker, I believe that was done, but I will provide the Member with the dates, the person and the report. Thank you, Mr. Speaker.

MR. SPEAKER:

Item 6, oral questions. Mr. Lewis.

Question 299-12(3): GNWT Negotiated Contracts

MR. LEWIS:

Thank you, Mr. Speaker. On Friday, I asked Question 285-12(3), the government policy on contracts. In reply, the Minister of Public Works, Government Services and the Housing Corporation, indicated there was no policy but, normally, a community requests to negotiate a contract. Later he indicated that a development corporation may ask to negotiate a contract. Would the Minister indicate that this forms the basis of a policy that a community and a development corporation may ask to negotiate a contract, but no one else? Is this the policy?

MR. SPEAKER:

Mr. Morin

Return To Question 299-12(3): GNWT Negotiated Contracts

HON. DON MORIN:

Thank you, Mr. Speaker. Normally, it is a community or a development corporation that requests a negotiated contract, but anyone may ask for a negotiated contract. The process is, they ask and I take a paper to Cabinet to get approval to negotiate. Once Cabinet gives approval to negotiate, then my department negotiates with the community. Once they finish negotiating, it goes back to Cabinet for approval.

MR. SPEAKER:

Supplementary, Mr. Lewis.

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Supplementary To Question 299-12(3): GNWT Negotiated Contracts

MR. LEWIS:

Since there is a process whereby someone can ask to negotiate a contract, on what basis does Cabinet decide whether something should be negotiated or not? What are the parameters? What is the policy? How many groups can be invoked?

MR. SPEAKER:

Mr. Morin.

Further Return To Question 299-12(3): GNWT
Negotiated Contracts

HON. DON MORIN:

Thank you, Mr. Speaker. Normally there are certain guidelines to negotiate a contract. These include, if a community is going to train a local work-force, if it is going to help the community develop a business and if all the jobs and benefits from that contract stay local or in the north. They are not allowed to use southern people in a negotiated contract. Thank you.

MR. SPEAKER:

Mr. Lewis.

Supplementary To Question 299-12(3): GNWT
Negotiated Contracts

MR. LEWIS:

Since Mr. Todd is not involved in the Evaz Group of Companies any more, I will ask you this. Can the Evaz Group of Companies negotiate a contract with this government, or would it be an automatic, "No, this is not a group that could be involved in negotiating a contract with this government?"

MR. SPEAKER:

Mr. Morin.

Further Return To Question 299-12(3): GNWT
Negotiated Contracts

HON. DON MORIN:

Thank you, Mr. Speaker. Yes, we could negotiated with that company. Presently, we are not. Thank you.

MR. SPEAKER:

Item 5, oral questions. Mrs. Marie-Jewell.

Question 300-12(3): Review Of The Education Act

MR. SPEAKER:

Mr. Nerysoo.

Return To Question 300-12(3): Review Of The
Education Act.

HON. RICHARD NERYSOO:

Thank you, Mr. Speaker. I would like to indicate to the honourable Member that I am preparing the documentation to take to Cabinet for review so that we can get the direction and approval of Cabinet to proceed with the review of the Education Act.

MR. SPEAKER:

Supplementary, Mrs. Marie-Jewell

Supplementary To Question 300-12(3): Review Of
The Education Act

MRS. MARIE-JEWELL:

Mr. Speaker, with respect to students' school attendance, under section 131 (1), is the definition of a child. 'Child means a person who, on December 31 of an academic year, is between the ages of six and 15 years inclusive: 'compulsory school attendance' means the attendance of a child at school that is required by this act." According to this act, the compulsory age requirement to attend school is between the ages of six and 15. In reviewing the Education Act, would the Minister consider raising that requirement of the age to, at the very least, 17 years of age as opposed to 15 years of age? Thank you.

MR. SPEAKER:

Mr. Nerysoo.

Further Return To Question 300-12(3): Review Of
The Education Act

HON. RICHARD NERYSOO:

Thank you, Mr. Speaker. All ideas and suggestions with regard to those particular issues will be sought from the people in the communities, the local education authorities, including school boards and also Members of this Assembly. It is my view that there is an obvious need to amend the Education Act, to modernize it and to recognize some of the charter responsibilities we have for providing education. Any changes that will accommodate those are in the interest of improving the educational system and the offers of good schooling and good programs and services to our students.

MR. SPEAKER:

Supplementary, Mrs. Marie-Jewell.

Supplementary To Question 300-12(3): Review Of The Education Act

MRS. MARIE-JEWELL:

Thank you, Mr. Speaker. Further to my comments with respect to the Education Act, I would like to ask the Minister, under section 111, respecting vocational education, it indicates "Any person who has attained the age of 17 years and has been resident in the territories for at least two years is eligible to make application for admission to an adult or vocational program." Would the Minister consider, in his review of the Education Act, looking at raising that age from 17 to 19 years? Thank you.

MR. SPEAKER:

Mr. Nerysoo.

Further Return To Question 300-12(3): Review Of The Education Act

HON. RICHARD NERYSOO:

Again, Mr. Speaker, I would suggest that if there are any suggestions in which we can improve the Education Act, certainly those considerations will be given to the suggestions that are being made. I welcome the constructive ideas and thoughts Members have with regard to amending the Education Act. Those issues will be considered.

MR. SPEAKER:

Item 5, oral questions. Mr. Antoine.

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Question 301-12(3): Pay Equity Negotiations

MR. ANTOINE:

Mahsi, Mr. Speaker. My question is for the Minister of Personnel. On February 18, the Minister gave a Minister's statement regarding pay equity. I understand to deal with the pay equity the government was negotiating with the union. These negotiations have fallen apart because the positions were over \$50 million apart. The Minister informed Members of this House that there was potential for substantial liability. Could the Minister tell the House what the plan is for dealing with this pay equity situation? Thank you.

MR. SPEAKER:

Mr. Kakfwi.

Return To Question 301-12(3): Pay Equity Negotiations

HON. STEPHEN KAKFWI:

Mr. Speaker, the intent from the beginning was to arrive at a negotiated settlement with the union. The intent is still to see whatever is available to help us get back to the negotiating table to try to come to a settlement. In the event that does not happen, I believe we would be looking at issues such as arbitration and legal proceedings to advance our own particular arguments in the hope that we can arrive at a situation where we can look at a potential deal that would be fair and equitable to both sides. Thank you.

MR. SPEAKER:

Supplementary, Mr. Antoine.

Supplementary To Question 301-12(3): Pay Equity Negotiations

MR. ANTOINE:

The Minister was informing Members of this House that there is potential for substantial liability. I wanted to know if the Minister could tell the House how he is going to deal with this pay equity situation? Thank you.

MR. SPEAKER:

Mr. Kakfwi.

Further Return To Question 301-12(3): Pay Equity Negotiations

HON. STEPHEN KAKFWI:

Mr. Speaker, the intent from the beginning was to arrive at a negotiated settlement with the union. The intent is still to see whatever is available to help us get back to the negotiating table to try to come to some sort of settlement. In the event that does not happen, I believe we would be looking at issues such as arbitration and legal proceedings to advance our own particular arguments in the hope that we can arrive at a situation where we can look at a potential deal which would be fair and equitable to both sides. Thank you.

MR. SPEAKER:

Item 5, oral questions. Supplementary, Mr. Antoine.

Supplementary To Question 301-12(3): Pay Equity Negotiations

MR. ANTOINE:

For clarification, Mr. Speaker, could the Minister tell the House which union we are talking about? In his statement he mentioned a union, but he did not specify which one. Thank you.

MR. SPEAKER:

Mr. Kakfwi.

Further Return To Question 301-12(3): Pay Equity Negotiations

HON. STEPHEN KAKFWI:

It is the Union of Northern Workers.

MR. SPEAKER:

Item 5, oral questions. Supplementary, Mr. Antoine.

Supplementary To Question 301-12(3): Pay Equity Negotiations

MR. ANTOINE:

Thank you, Mr. Speaker. Can the Minister tell the House what kind of time frame we are looking at in terms of deciding whether we are going to arbitrate or take legal proceedings? Thank you.

MR. SPEAKER:

Mr. Kakfwi.

Further Return To Question 301-12(3): Pay Equity Negotiations

HON. STEPHEN KAKFWI:

Mr. Speaker, we are currently doing an assessment of the situation and I will be briefing the Cabinet shortly on the options which I think are available and the implications of the various options we may have. I am really not at liberty to get into detail because it is still, in my view, a subject of negotiations. With those general comments, that is the best I can respond to the Member at this time.

MR. SPEAKER:

Item 5, oral questions. Mr. Ningark.

Question 302-12(3): Additional Social Services Counsellor For Gjoa Haven

MR. NINGARK:

(Translation) Thank you, Mr. Speaker. I would like to direct my question to the Minister of Social Services. My question is in regard to Gjoa Haven. In Gjoa Haven there is a social worker who only deals with social assistance. Presently, because the community is growing, I think they should deal with counselling. Has the Minister received a letter from the hamlet of Gjoa Haven requesting three counsellors in the community? Has she received that letter and will she look into this further? Thank you.

MR. SPEAKER:

Ms. Mike.

Return To Question 302-12(3): Additional Social Services Counsellors For Gjoa Haven

HON. REBECCA MIKE:

(Translation) Thank you, Mr. Speaker. I have not received the letter to date, but I will look into it further. Thank you.

MR. SPEAKER:

Item 5, oral questions. Mrs. Marie-Jewell.

Question 303-12(3): Ministers' Travel Throughout The NWT

MRS. MARIE-JEWELL:

Mr. Speaker, I have a question for the Government Leader. Mr. Speaker, some time in December I asked the Government Leader for a duty travel list of the previous Minister of Culture and Communications, the Minister of Education and the current Minister of Renewable Resources, and that was provided to me last week by the Government

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Leader. Mr. Speaker, in reviewing this list I have noticed an extensive amount of travel to the east by this particular Minister. I would like to ask the Government Leader, does she have a mechanism in place that ensures her Ministers travel in an equitable

manner to both the eastern and western parts of the territories? Thank you.

MR. SPEAKER:

Madam Premier.

Return To Question 303-12(3): Ministers' Travel Throughout The NWT

HON. NELLIE COURNOYEA:

Mr. Speaker, no, we do not have a guideline or a policy that tells the Minister where and when to travel. Each Minister, within his portfolio, should be looking at the global situation in the Northwest Territories and be responsible to take into consideration the requests that he or she has in responding to the various meetings and activities they have been requested to attend, but there is no quota system. Thank you.

MR. SPEAKER:

Supplementary, Mrs. Marie-Jewell.

Supplementary To Question 303-12(3): Ministers' Travel Throughout The NWT

MRS. MARIE-JEWELL:

Thank you, Mr. Speaker. In reviewing the reply to my written question, I have looked at, for example, six trips to Iqaluit alone compared to one trip or even three trips to the western part of the Arctic. I would like to ask the Government Leader if she would consider setting up some type of guideline that would allow Ministers to make sure they look at their travel, and travel just as extensively to the west as opposed to one particular area in the territories? Thank you.

MR. SPEAKER:

Ms. Cournoyea.

Further Return To Question 303-12(3): Ministers' Travel Throughout The NWT

HON. NELLIE COURNOYEA:

Mr. Speaker, I can certainly do that, but in this last year we have been meeting quite often in Yellowknife. I know many meetings have been held with the Ministers during session, with delegations either coming from the Sahtu, the Delta and Dogrib areas, so many meetings have been held in Yellowknife because many Ministers have been here in the past

year and a half. We can look at that. I think everybody would want to be sure when they are holding certain portfolios that they treat each region in the Northwest Territories fairly. I know the Kitikmeot has raised some questions on why we do not go to that particular area more often. In the coming months we will be looking at travel schedules to see that we more evenly distribute the presence of the government within the different regions. Thank you.

MR. SPEAKER:

Item 5, oral questions. Mr. Koe.

Question 304-12(3): Incurred Costs For Proposed Payroll Tax

MR. KOE:

Mahsi, Mr. Speaker. My question is for the Minister of Finance. In the last session, under Bill 14, Supplementary Appropriation Act, No. 3, 1992-93, the Minister requested some start-up funding for the proposed Payroll Tax Act, specifically .3 PYs and \$155,000. Subsequently, in committee of the whole, by Motion 47-12(3), this request was deleted. Can the Minister advise this House whether or not the Department of Finance has incurred any costs in the 1992-93 fiscal year for the development and/or pre-implementation of the proposed payroll tax?

MR. SPEAKER:

Mr. Pollard.

Return To Question 304-12(3): Incurred Costs For Proposed Payroll Tax

HON. JOHN POLLARD:

Mr. Speaker, beyond preparing information for the Standing Committee on Finance, for this Legislature, for the budget speech or beyond answering questions which have come in from either companies or individuals, no, there has not been anything further done in this regard.

MR. SPEAKER:

Supplementary, Mr. Koe.

Supplementary To Question 304-12(3): Incurred Costs For Proposed Payroll Tax

MR. KOE:

Mahsi, Mr. Speaker. Has anyone been hired specifically to work on the Payroll Tax Act?

MR. SPEAKER:

Mr. Pollard.

Further Return To Question 304-12(3): Incurred Costs For Proposed Payroll Tax

HON. JOHN POLLARD:

Mr. Speaker, not to my knowledge. Thank you.

Supplementary To Question 304-12(3): Incurred Costs For Proposed Payroll Tax

MR. KOE:

If the Minister is not currently aware, will he make a commitment to us to find out whether anyone has been hired to work on the payroll tax?

MR. SPEAKER:

Mr. Pollard.

Further Return To Question 304-12(3): Incurred Costs For Proposed Payroll Tax

MR. SPEAKER:

Item 5, oral questions. Mr. Ningark.

Question 305-12(3): Cost Of Living Research

MR. NINGARK:

Thank you, Mr. Speaker. I have a question for the Premier. In the past few weeks we seem to be comparing prices between Yellowknife and the smaller communities. I wonder if the government is prepared to do research in the area of cost of living between Yellowknife and the smaller communities and to report to this House on its finding? Thank you.

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MR. SPEAKER:

Madam Premier.

Return To Question 305-12(3): Cost Of Living Research

HON. NELLIE COURNOYEA:

Mr. Speaker, yes we can do this.

MR. SPEAKER:

Item 5, oral questions. Mr. Lewis.

Question 306-12(3): Accumulated Surplus In 1992

MR. LEWIS:

Thank you, Mr. Speaker. I refer to the budget address, a graph on page 20 indicates that in 1992 we had an accumulated surplus of over \$30 million. What has reduced this \$30 million of accumulated surplus which we had last year?

MR. SPEAKER:

Mr. Pollard.

Return To Question 306-12(3): Accumulated Surplus In 1992

HON. JOHN POLLARD:

Mr. Speaker, we will run a deficit in this fiscal year of some \$26.8 million, which is \$1.8 million higher than I had anticipated. This will eat away at the \$20 million surplus. Thank you, Mr. Speaker.

MR. SPEAKER:

Item 5, oral questions. Item 6, written questions. Mrs. Marie-Jewell.

ITEM 6: WRITTEN QUESTIONS

Question 19-12(3): Business Travel Undertaken By Cabinet Ministers

MRS. MARIE-JEWELL:

Thank you, Mr. Speaker. Would the Government Leader provide to this House a detailed list of all business travel for the past 12 months done by all her Ministers? Thank you.

MR. SPEAKER:

Item 6, written questions. Item 7, returns to written questions. Item 8, replies to opening address. Item 9, replies to budget address. Item 10, petitions. Mr. Kakfwi.

ITEM 10: PETITIONS

HON. STEPHEN KAKFWI:

Thank you, Mr. Speaker. I wish to table Petition 10-12(3) from the constituents of the Sahtu. The petition states, Whereas the need for a ground transportation system in the western Arctic has been identified by all levels of government since the early 1960s and continues to be a priority today. Whereas the Canadian government announced the commencement of the Mackenzie Valley Highway in 1972 and construction was started on this important transportation link to the north. Whereas the economic need for a highway system has never been greater than it is today. Whereas the government has transferred responsibility for northern road construction but not funding to the Government of the Northwest Territories. Therefore we request that both the federal and territorial governments accept their joint responsibilities to the residents of the Mackenzie Valley Corridor and commence discussions now to prepare the phased implementation plan for completion of the highway to Fort Norman, Norman Wells, Fort Good Hope and north to tie in with the existing highway south of Inuvik. Furthermore we recommend that these discussions take place with the involvement of northerners and include a construction time table to completion."

Mr. Speaker, the petition is signed by 363 residents of the Sahtu and western Arctic. There are signatures of people from other parts of the Northwest Territories. The petition has also been tabled in the House of Commons by the Member of Parliament, Ethel Blondin.

MR. SPEAKER:

Item 10, petitions. Item 11, reports of standing and special committees. Mr. Antoine.

ITEM 11: REPORTS OF STANDING AND SPECIAL COMMITTEES

Committee Report 11-12(3): The Standing Committee On Finance, Report On The Review Of 1993-94 Main Estimates

MR. ANTOINE:

Thank you, Mr. Speaker. The Standing Committee on Finance is pleased to submit its report on the review of the 1993-94 Main Estimates for the Government of the Northwest Territories.

MR. SPEAKER:

Please proceed, Mr. Antoine.

MR. ANTOINE:

Thank you. Members of the Standing Committee on Finance believe the comments and recommendations contained in this report are critical to the positive evolution of the Legislative Assembly. This review has been comprehensive. Our previous review occurred in the context of a new government, a short time frame and a focus on major restructuring.

The Standing Committee on Finance recognizes the government's initiatives in reducing the deficit and tackling a number of emerging issues. We acknowledge the new government was hit with many difficult issues, a number of which were financial. The financial pressures are being managed and for that the government deserves credit. In making our general comments and recommendations in this report, we wish to remind the public that some positive steps are being taken. The Government of the Northwest Territories is in a better fiscal position than any other jurisdiction in the country. We need to ensure this trend continues and focus our efforts in providing our citizens with the programs and services they require. If the changes recommended throughout this report are taken seriously by the government, we believe the communities have reason to be confident about the future.

There has been an improvement in the presentation of information contained in the 1993-94 Main Estimates. However, we believe there is still room for improvement. Some Ministers were not well prepared. Ministers and department officials, when appearing before the committee, must provide sufficient information and be prepared to answer Members' questions.

A Shared Vision

Now is a time for a shared vision to be developed. We, as a Legislative Assembly, are running out of time to make important changes. This Legislature is going to be known for what it has accomplished. It is not yet clear what the

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Legislature wishes to achieve. Apart from managing the finances and dealing with crisis, we are not sure what this government represents.

It is hard to pick out the themes. We believe the development of the Coronation Gulf, including construction of a road from Yellowknife to the Arctic

coast, mineral exploration and the creation of a port, has the potential to create training opportunities and jobs for northerners. We believe major developments such as this should be part of an overall territorial strategy.

We are expecting broader directions to emerge and to be shared. The public and the Legislature have to know and understand this broader direction.

Government departments and agencies have to understand the overall territorial strategy. There must be stated goals and objectives, a target and a shared vision so that we all know where we are headed.

The Standing Committee on Finance believes it can help to point the way.

A Time For Leadership

During the committee's deliberations, Members talked about the need for leadership. The Government Leader is expected to provide leadership to the Cabinet, and Ministers are expected to provide guidance to their departments. While we hope Ministers would cooperate with the various committees of the Legislature and to take advice given, we expect them to take responsibility for conducting the business of government.

Too many departments do not have adequate plans. The plans and planning process must be initiated by the Minister. It may happen that after a plan is initiated, a committee will offer constructive criticism. However, if the department has a plan of action it will be in a better position to satisfy the committees of the Legislature that it is headed towards reasonable and realistic goals. Our committee insists that every department have a realistic plan of action to support specific goals. We will comment on each department's performance in its area and make recommendations for priority action.

We expect to see Ministers, who have shown a lack of leadership in planning, improve their performances. We would like to encourage Ministers to insist that their department develop realistic, workable plans, not plans that sit on the shelf. The plan provides direction. Without a plan, no one knows where they are going. Staff throughout the department may think they know what the goal is when, in fact, they are working at cross purposes.

Last year the committee recommended that the Executive report indicators which demonstrate success at providing support and direction to

departments. Their response left the impression that there was no clear understanding of the Executive's role in providing support and direction to departments.

Specifically, the standing committee does not believe that deputy ministers and senior departmental managers are getting enough support and direction from the Executive or central agencies. It comes back to leadership. If a department is

performing at peak levels, it can manage with minimal support and direction. If on the other hand, departmental staff are not as well developed, they need and appreciate enhanced levels of direction and support to enable them to operate more independently. This is true for the boards, agencies, hamlets and housing associations as well. Different leadership styles will be required depending on experience and skill of directors, managers and staff. Adequate preparation and ongoing support is critical for the successes of community transfer initiatives and the development of new aboriginal managers.

Cabinet Consensus

The committee understands that when the Premier was elected she had very strong ideas about what she wanted to accomplish. However, it appears there was never really a consensus among the Cabinet on a clear course of action. If there is a plan, it has not been coherently communicated. There does not seem to be strong, solid agreement among Cabinet Members about goals which must be met during the life of this Legislative Assembly.

The result is that shared strategies have not been developed for departmental programs and services, or for the government as a whole. Until consensus is reached and strategies are created, there is a risk of more crises and turnover at ministerial level.

We have never agreed on a method we want to use in achieving consensus. We need to set clear priorities in order to accomplish positive change within our four year term.

Measuring Performance

In reviewing departmental budgets and in questioning Ministers on their departments, we sense a hesitation and a lack of direction. Leadership is needed in each department. Until this happens departments will do whatever they want without their activities being part of a coherent overall strategy.

The committee observes that the departments' definitive objective, those things that they wish to accomplish in the fiscal year, do not appear to be measurable. If they are measurable, departments have not demonstrated how this measurement has taken place. Performance measures are important to determine if goals are being met.

The Standing Committee on Finance and ordinary Members are determined to hold departments accountable to achieve key results with the resources provided to them. Last year we recommended a short list of key indicators of success for each department to measure and report. Overall, the committee is not satisfied with departmental responses. This year we have an appendix to this report, a series of focus reports to help departments understand what is important to the committee. Although these focus reports need refinement, they provide departments with an idea of the type of information the committee expects to see collected and reported. The committee would like Ministers and their respective senior managers to develop focus reports and submit them in support of future main estimates.

Cabinet knows that this committee is concerned about the number of people in the civil service and the costs of operating

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government. The government is continually saying they are strapped for funds and yet they continue to allocate a large portion of scarce resources to build the bureaucracy and keep the government operating. It is frustrating for people who live in the north to see that such a large portion of the budget goes just to operate government. Cabinet needs to be creative in allocating limited resources in tough times.

Rethinking The Old Ways

The government has not been doing its work wisely enough. They think, "Our resources are scarce so we will cut." Cuts were implemented and revenue initiatives devised, yet these decisions were taken without the benefit of impact analysis or operational deficiency studies. The committee does not believe that a coherent strategy supports to develop this budget. It appears to our committee that these significant decisions were taken in absence of an overall strategy.

For example, we are frustrated by the proposed cuts in fees paid to people called but not selected for jury

duty. We feel that some of these people will have to incur expenses such as getting a cab to go to the courthouse, which they really cannot afford. It may be easy for civil servants to say the fee is only \$25, but to people with limited financial resources \$25 means a lot. Yet, what the government sees is an opportunity to save money. On the other hand, we note that not much consideration appears to have been given to awarding a virtually automatic increase in merit pay to senior civil servants.

it is also dear to the committee, observing the major hiccoughs which have marked the introduction of the government's staff housing policy to date, that the government could be doing a far more effective job of explaining and answering questions about this new policy and its implication to all employees.

We understand, very dearly, the tight fiscal position of this government. However, in order to create and pursue a vision, we need to determine what the people of the north require in order to lead productive lives and to prepare the young for the future they will face. If we sit back and took at the north, like many other jurisdictions, we see an alarming growth in social assistance expenditures whether we like to admit it or not. If we do not do something about these trends now, we can foresee that by the time our children grow up our communities will be like ghettos. We must start budding the foundation of self-reliance for the sake of our youth. Our government is young and still addresses these issues.

Managing Change

The committee struggled with determining how to bring about much needed change in this government. We know Cabinet is striving to work hard. We recognize that there are tremendous financial pressures which government may have found overwhelming. The reality is that we are faced with a whole different climate.

We have over \$1 billion to look after approximately 60,000 people. We have to make the most of with what we have. The committee believes that change is a theme we must pursue, and manage well, to meet the changing times.

Some Cabinet Ministers are operating too independently, some are managing well and there is no collective sense. We understand there has been one Cabinet strategy session and that it was limited to considering issues of restraint and reorganization. There are broader issues that have to be considered

at the same time. Some important themes are emerging.

We need to think about what we can do to reduce people's dependency on social assistance and move toward leading productive, healthy lives. Some of the threads which can be woven together to formulate a strategy which addresses these concerns include: in-service training and affirmative action, harvester incentive programs and construction training. These are the threads, but they are not being clearly articulated nor are they being effectively woven together to provide much needed direction to the government. We need to meet the challenge of developing an economic strategy which will support our social goals.

We think Cabinet should be developing strategies and creating master plans. They should go into retreat and come back with some clear priorities for action.

--Applause

Joint Strategic Planning Workshop

Following up on the previous committee recommendation, work is under way to conduct a joint Assembly/Cabinet strategic planning workshop. The purpose of the workshop is to develop a shared vision of what good government looks like and to develop in consensus a new government model. This would provide the foundation to implement fundamental changes on a timely basis. This notion of a joint Assembly/Cabinet workshop on government organization, to be held soon, is a good one. We think it should lead to a public statement that can be tabled and agreed upon as an indication of the priorities that have been accepted by the Legislature.

However, in this report we talk about a broader vision as well, including initiatives such as employment, training, reducing welfare dependency, resource development and community transfer. The committee feels that a joint Assembly/Cabinet workshop on key programs should follow. In the meantime, we want the Cabinet to proceed to develop its own strategy, set priorities and develop a collective vision. This could then be presented to the Legislative Assembly and the result could form the basis of a future joint workshop.

A Key Strategy: Training And Affirmative Action

All committee Members agree that the key strategy is training and affirmative action. We will, therefore,

recommend the development of a management training program for the civil service which must focus on education and continuous improvement.

We learn that aboriginal senior managers are absent from certain departments, most notably Education, Health, Social Services and Housing, and that there is a general lack of Inuit managers in headquarters. This government must do a better job with affirmative action. Cabinet must set and monitor specific annual goals.

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We also note a disturbing trend of senior aboriginal managers departing from government employment. It seems we are losing ground. Young aboriginal people are not encouraged to pursue higher education or they see no role models in government. If our government is not good enough for senior aboriginal leaders, what is our government good for?

--Applause

Standing Committee On Finance Themes

The committee appreciates that the government has difficulty in responding to a large number of recommendations. The desired impact can be obscure. Rather than overwhelm the government with recommendations, we focus our attention on three themes

Our first theme is to create a vision. As government leaders, we must know where we want to go, how we are going to get there, when and how we know we will have succeeded. This expectation spans each department, board, agency and territorially-funded organizations including municipalities and housing associations. However, the committee already recognizes that as elected representatives, we must provide support and direction to help this organization do their job and move toward their visions.

Second, we all must remember that our government is here 'to serve the people'. Our vision and every day actions, at every level of government, must be driven by what the public needs. In turn, the public must understand the constraints within which we have to work. The committee expects each department to know, for their programs, what their clients need and whether these needs are being satisfied in the most efficient and effective manner.

Third, it takes well-trained, motivated and focused staff to produce the program results the Legislature

demands. They are the ones who will get the work done whether they are the senior civil servants or front line staff. They need our support in setting goals and establishing direction. We should be aiming for a civil service in which aboriginal people are proportionately represented such that our local human resources are provided with employment and personnel development opportunities. The committee expects each department to demonstrate what they are doing to hire, train and otherwise inspire their staff towards superior performance.

These three fundamental themes must drive everything we do if we are going to get the most out of the \$1.2 billion we spend annually. It must guide our specific program themes.

Conclusion

As a now chairperson, I wish to express my appreciation to the Members of the committee for their strong efforts and long hours. I would also like to express my appreciation to those Ministers and civil servants who were well-prepared and are working towards improving conditions in the north.

To the public, the Standing Committee on Finance believes we are on the right track. Our committee has reached agreement on some of the critical elements required for the development of our master plan. We will pursue the development of that

plan and the committee wishes to invite all members of the public to write to us with your comments and suggestions for improvement. Mahsi.

-Applause

MR. SPEAKER:

Thank you, Mr. Antoine. Mr. Antoine.

MR. ANTOINE:

Mr. Speaker, that concludes the introductory comments to the Standing Committee on Finance Report on the 1993-94 Main Estimates.

Motion To Move Committee Report 11-12(3) To Committee Of The Whole

I therefore move, seconded by the honourable Member for North Slave, that Committee Report 11-12(3) be received and moved to committee of the whole for consideration. Mahsi.

MR. SPEAKER:

Your motion is in order. To the motion.

AN HON. MEMBER:

Question.

MR. SPEAKER:

Question has been called. All those in favour? All those opposed? Motion is carried.

--- Carried

Committee Report 11-12(3) is moved to committee of the whole today. Item 11, reports of standing and special committees. Item 12, reports of committees on the review of bills. Item 13, tabling of documents. Mr. Todd.

ITEM 13: TBLING OF DOCUMENTS

HON. JOHN TODD:

Mr. Speaker, I wish to table Tabled Document 50-12(3), Workers' Compensation Board board and committee members 1992 members' honorarium/retainer and other fees.

MR. SPEAKER:

Item 13, tabling of documents. Mr. Kakfwi.

HON. STEPHEN KAKFWI:

Mr. Speaker, I wish to table two documents. The first document is Tabled Document 51-12(3), which is a toiler sent by Mr. Tim Garrish, the owner of Wolverine Air in Fort Simpson, who congratulates the government on its housing strategy.

I also wish to table Tabled Document 52-12(3), an article in the Globe & Mail that appeared today offering an opinion from another part of the country that may be of interest and concern to people of the Northwest Territories. Thank you.

MR. SPEAKER:

Item 13, tabling of documents. Mr. Kakfwi.

HON. STEPHEN KAKFWI:

Mr. Speaker, the article is filled 'Northern Legislature Turns Frosty.'

MR. SPEAKER:

Item 13, tabling of documents. I have three. Pursuant to section 75 of the Plebiscite Act, I wish to table Tabled Document 53-12(3), the report of the chief plebiscite officer to the Legislative Assembly on the administrative conduct of the May 4, 1992 plebiscite.

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Pursuant to section 21(i)(c) of the Legislative Assembly Retiring Allowances Act, I wish to table Tabled Document 54-12(3), a report on the audits of the accounts and financial transactions of the Legislative Assembly retiring allowances fund for the year ending March 31, 1992, prepared by the Auditor General of Canada.

Pursuant to section 21(1)(a) of the Legislative Assembly Retiring Allowances Act, I wish to table Tabled Document 55-12(3), the actuarial evaluations as of April 1, 1992, of the Northwest Territories Retiring Allowances Act and Supplementary Retiring Allowances Act.

Item 13, tabling of documents. Item 14, notices of motion. Mr. Lewis.

ITEM 14: NOTICES OF MOTION

Motion 15-12(3): Tabled Document 3-12(3) The Report Of The Commission For Constitutional Development To Committee Of The Whole

MR. LEWIS:

Mr. Speaker, I give notice that on Wednesday, February 24, 1993, I will move the following motion.

I move, seconded by the honourable Member for Yellowknife South, that Tabled Document 3-12(3) titled "Report of the Commission for Constitutional Development" be moved into committee of the whole for consideration.

MR. SPEAKER:

Item 14, notices of motion. Mr. Koe.

Motion 16-12(3): Tabled Document 49-12(3) Long-Term Staff Housing Strategy To Committee Of The Whole

MR. KOE:

Mr. Speaker, I give notice that on Wednesday, February 24, 1993, I will move the following motion.

I move, seconded by the honourable Member for Yellowknife Frame Lake, that Tabled Document 49-12(3) titled "Long-Term Staff Housing Strategy" be moved into committee of the whole for consideration.

MR. SPEAKER:

Item 14, notices of motion. Item 15, notices of motions for first reading of bills. Item 16, motions. Item 17, first reading of bills. Item 18, second reading of bills. Item 19, consideration in committee of the whole of bills and other matters: Tabled Document 2-12(3), The Justice House - Report of the Special Advisor on Gender Equality; Bill 5, an Act to Amend the Social Assistance Act; Bill 16, Norman Wells Natural Gas Distribution System Act; Bill 17, Appropriation Act, No. 2, 1993-94; Ministers Statement 34-12(3), Long-Term Staff Housing Strategy; Committee Report 10-12(3), Report on Tabled Document 21-12(3), Payroll Tax Act; Committee Report 11-12(3), Standing Committee on Finance Report on the Review of the 1993-94 Main Estimates, with Mr. Pudluk in the chair.

ITEM 19: CONSIDERATION IN COMMITTEE OF THE WHOLE OF BILLS AND OTHER MATTERS

CHAIRMAN (Mr. Pudluk):

This committee will now come to order. What is the wish of this committee? Mr. Ningark.

MR. NINGARK:

Thank you, Mr. Chairman. Mr. Chairman, we would like to deal with Bill 16, Bill 17, and other matters thereafter. Thank you.

CHAIRMAN (Mr. Pudluk):

Thank you. Is the committee agreed?

SOME HON. MEMBERS:

Agreed.

-Agreed

CHAIRMAN (Mr. Pudluk):

Thank you. We will also deal with Committee Report 11-12(3). We Will take a short break.

--- SHORT BREAK

CHAIRMAN (Mr. Pudluk):

I would like to call the committee back to order. Bill 16, Norman Wells Natural Gas Distribution System Act. Mr. Morin, do you have any opening remarks?

Bill 16: Norman Wells Natural Gas Distribution System Act

Introductory Remarks

MR. MORIN:

Thank you, Mr. Chairman. We have a unique situation in Norman Wells where the only natural gas system in the NWT is also part of the municipal water and sewer utilidor. For several years the Departments of Municipal and Community Affairs, Government Services and Public Works have been working with the town to transfer the water and sewer system and the natural gas system. Although the town has already assumed full responsibility for the water and sewer services, a normal municipal function, the new legislation is required before we can proceed with the transfer of the gas system. The water and sewer system and the gas...

MR. ARNGNA'NAAQ:

Mr. Chairman, my apologies, my microphone turns on when Mr. Morin's turns on.

--- Laughter

HON. DON MORIN:

Thank you, Mr. Chairman. The new legislation is required before we can proceed with the transfer of the gas system. The water and sewer system and the gas system share a common utilidor structure, therefore, in order for the town to assume full responsibility and ownership of the infrastructure and lands, a transfer of both systems is necessary. I am confident the town is ready, willing and able to take on these additional responsibilities, and in the spirit of the government's community transfer initiative, I give the transfer my full support. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Pudluk):

Thank you. Does the Chairman of the Standing Committee on Legislation have any comments? Mr. Arngna'naaq.

Comments By Standing Committee On Legislation

MR. ARNGNA'NAAQ:

Thank you, Mr. Chairman. The Standing Committee on Legislation reviewed Bill 16, Norman Wells Natural Gas Distribution System Act at its public meeting in Norman Wells on January 12, 1993, and at its public meetings in Yellowknife on January 22 and February 16, 1993. The committee would like to thank the Minister of Government

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Services and Public Works, the Honourable Don Morin, and his officials from the Department of Government Services and Public Works, and the Department of Justice for presenting this bill and responding to committee Members' questions and concerns.

The committee also received witness presentations from the representatives of the Public Utilities Board and of the town of Norman Wells. Bill 16 would authorize the town of Norman Wells to make by-law for the purchase and operation of the system that delivers natural gas to Norman Wells consumers. This is the only natural gas system in the Northwest Territories. At present the natural gas distribution system is owned by the Government of the Northwest Territories. However, natural gas is delivered to Norman Wells consumers through the utilidor system which the town uses to provide water and sewer services under the Cities, Towns and Villages Act.

The town has also already been carrying out a significant portion of the administration of the natural gas distribution system through a service contract with the department. The Public Utilities Act, which gives the Public Utilities Board jurisdiction to oversee the activities of public utilities and to approve or set just and reasonable rates for public utilities, would apply to the natural gas distribution system if this bill is passed.

As a result of evidence provided during public hearings in Yellowknife by the Public Utilities Board, the Standing Committee on Legislation focused on two significant issues in its review. This resulted in the identification and resolution of two problems with the bill at the committee stage. As a result, amendments have been made to the bill at the committee stage under our new legislative process.

The original bill contained a clause which would have authorized the town of Norman Wells to make by-laws to enter into agreements with the Government of the

Northwest Territories setting standards and conditions for the management and operation of the natural gas distribution system. The committee was concerned that the standards and conditions of such an agreement might become too limiting in changing economic circumstances and might interfere with normal utility practice. As well, there was a potential for conflict if such an agreement contained terms which were not consistent with the regulatory requirements of the Public Utilities Board under the Public Utilities Act.

The committee also questioned the Minister about another issue raised by the Public Utilities Board. The committee was concerned that the bill did not contain a provision which would specifically require the town to provide the Public Utilities Board with the information necessary for the board to determine an appropriate rate base for the natural gas distribution system upon the town's purchase of the system. At its meeting on February 16, 1993, the committee invoked the procedure available under the new legislative process and carried a motion to amend Bill 16 to delete the sub-clause authorizing the town to make by-laws for the making of agreements with the Government of the Northwest Territories, which would set standards and conditions for the operation and maintenance of the natural gas distribution system. A second amendment was passed to add a sub-clause requiring the town to provide to the Public Utilities Board all information

necessary for the board to determine an appropriate rate base for the utility.

CHAIRMAN (Mr. Pudluk):

Thank you. Does the Minister wish to invite his witnesses into the committee? Mr. Morin.

HON. DON MORIN:

Thank you, Mr. Chairman. Yes, I would like to invite in Les Clegg, acting deputy minister, Merv Homenuik, director of petroleum products and Diane Buckland, legislative counsel.

CHAIRMAN (Mr. Pudluk):

Thank you. Is the committee agreed?

SOME HON. MEMBERS:

Agreed.

--Agreed

CHAIRMAN (Mr. Pudluk):

Please proceed. For the record, Mr. Minister, would you please introduce the witnesses?

HON. DON MORIN:

Thank you, Mr. Chairman. Mr. Les Clegg, the acting deputy minister, Merv Homenuik, director of petroleum products, and Diane Buckland, legislative counsel.

CHAIRMAN (Mr. Pudluk):

Are there any general comments? Mr. Whitford.

General Comments

MR. WHITFORD:

Thank you, Mr. Chairman. I have a couple of questions before we go clause by clause. This bill deals with the eventual take over of assets and the supply of gas. I have no problem with the general direction of this venture. I did have some questions during our committee meetings and at our meeting in Norman Wells also. The system has been there for a while. It is good the town is taking it over as part of the utilidor. I guess they have water and sewer running in the same area. I would like to know if anyone else was interested in this business, Mr. Chairman. It is good that one level of government gets rid of some business, but what we have here

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is another level of government taking it over. I was wondering whether this was a business which the private sector might have been interested in. Would the Minister be able to enlighten me on whether this was sole-sourced? Were they the only people who wanted it? Was opportunity given to other business people in the territories to get into the business of natural gas? There is another business, I think in Hay River, where a private firm is distributing gas to parts of that community, I wondered whether anyone else was interested in this opportunity.

CHAIRMAN (Mr. Pudluk):

Thank you, Mr. Minister.

HON. DON MORIN:

Thank you, Mr. Chairman. The transfer of this legislation has been common knowledge in and

around the community of Norman Wells for some time now. The Standing Committee on Legislation had a public meeting in Norman Wells and no one expressed any interest at that time. No one has expressed interest at all other than the community. Thank you.

CHAIRMAN (Mr. Pudluk):

Thank you. Mr. Whitford.

MR. WHITFORD:

Thank you, Mr. Chairman. It is true there was a meeting, but this was after the fact, the committee was going in there to discuss the legislation. I am sure this is not something that just came up, but I wondered if there was any opportunity for the private sector to get into the business? If there was an ad put in the newspaper or somewhere else that says government is interested in getting out of the gas distribution business in the community of Norman Wells, is there anyone else out there wanting to do this? I realize it has been in the works for some time, but I wondered if anyone else had an opportunity to get into this business through some other form of advertisements, a call for proposal, sale of assets or something like that.

CHAIRMAN (Mr. Pudluk):

Thank you. Mr. Minister.

HON. DON MORIN:

Thank you, Mr. Chairman. My understanding is that this has been an ongoing issue since 1988 and no one has expressed any interest to date. It is a request from the community to take it over. It is a unique situation because it is a utilidor with water and sewer and it happens to have a gas line in it. In order for the community to have full responsibility for that utilidor they have to take over the gas fine as well. Thank you.

CHAIRMAN (Mr. Pudluk):

Thank you. Mr. Whitford.

MR. WHITFORD:

Thank you, Mr. Chairman. It is a business that the community wants to take over with all of its benefits and problems too, I am sure. They do not know what the price is or the value of the assets. We looked at it when we were in Norman Wells and it is very

straightforward. There is a main gate and pipeline that runs into the ground. I was curious as to what the value of the assets were. By what I read, it was anywhere from \$1 to \$650,000. As in any other business one would want to know how much you are going to have to pay for something so they can come up with a cost to the community and to the consumer. I wondered if a price had been established yet and if not, when would a price for the transfer of the assets be determined so the consumers in that area would have an idea of what their utility is going to cost and how this will impact on businesses and home owners in that community?

CHAIRMAN (Mr. Pudluk):

Thank you. Mr. Minister.

HON. DON MORIN:

Thank you, Mr. Chairman. PUB is doing some research on different rate prices in the community. Hopefully, if legislation does pass, the Department of Government Services and Public Works will be negotiating with the community in order to take a recommendation to the FMB to establish a price. The book value of the asset is \$650,000, but we could sell for \$650,000 or \$1. That is to be determined yet in a negotiation session with the community. Thank you.

CHAIRMAN (Mr. Pudluk):

Thank you. Mr. Whitford.

MR. WHITFORD:

It is curious to have something up for sale when we do not know what the price is. We are going into a fairly time-consuming item passing legislation. What happens now if the price is too high and the community says, "We do not really want this now"? I would think that before you are going to get rid of something and sell something or negotiate a price you should have an idea of what the asset costs are and what it is going to cost. The community of Norman Wells is going to be buying a pig in a poke. They do not really know what the cost is. As I said, the dollar amount varies. I am sure the legislation will pass and they will get down to the negotiating table where they can bargain on that, but it seems an odd way of going about it and I am curious as to why they have not set a dollar value at this point in time.

CHAIRMAN (Mr. Pudluk):

Thank you. Mr. Minister, would you like to respond?

HON. DON MORIN:

Thank you, Mr. Chairman. We are waiting for the PUB to complete their analysis of the pricing structure in Norman Wells, and that will basically dictate the price of what you can sell the asset for because you want them to be able to deliver that gas at a price that PUB would recommend. We are hoping to have this finished by April 1. If we pass legislation now, by the time PUB assesses the price we will be able to take a price on the asset to FMB. Thank you.

CHAIRMAN (Mr. Pudluk):

Thank you. Mr. Whitford.

MR. WHITFORD:

Thank you, Mr. Chairman. I am confused now as to who is determining the price of the assets, whether it is PUB or the territorial government. My understanding was that the PUB would determine a rate, but the rate should be based on what the company, corporation or town would be having to consider in payback. For example, if the community ends up paying \$650,000, top price for it, they would have to recover their money. Consequently, the rate would be higher than 9 they would have to pay \$1 for it. My question was not so much about the rate, that goes along with everything else, but it was the dollar figure of what it was going to cost the community of Norman Wells to buy the assets, the pipes, valves, meters and the franchise. I wondered if there was a book value on it before a price was established, per cubic metre or whatever they charge, because I think these things go hand in hand. How much would the municipality have to pay for these assets?

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CHAIRMAN (Mr. Pudluk):

Thank you. Mr. Minister.

HON. DON MORIN:

Thank you, Mr. Chairman. We do not want a big jump in the rates in Norman Wells if the community takes over this infrastructure. We have to establish what the current rate is and what it would support for the price of the asset. That is how you establish the asset and then negotiations would include how it would be financed by the community.

CHAIRMAN (Mr. Pudluk):

Thank you. Mr. Whitford.

MR. WHITFORD:

Thank you, Mr. Chairman. I guess I am not going to get an answer on the cost of the assets. We have pipes and whatever is there, the rates are based on what the borrowing cost of money would be and a fair return on the money that is established by this business.

I will move onto another question. The natural gas is a by-product of the oil reservoir in Norman Wells. The territorial government must have had some arrangements with the supplier, Esso, for the purchase of this gas, because this is the only place you can buy it.

Are there any guarantees as to the length of time this agreement will apply? Is there an agreement in place for how long the supplier, Esso, would have to provide gas to the territorial government, in this case, but the town in the next instance when they buy this? Is there a length of time in which this agreement is for?

CHAIRMAN (Mr. Pudluk):

Thank you. Mr. Minister.

HON. DON MORIN:

Thank you, Mr. Chairman. The agreement with the territorial government and Esso is for one year. There is enough gas there for a minimum of ten years. Any agreements will be transferred to the community.

CHAIRMAN (Mr. Pudluk):

Thank you. Mr. Whitford.

MR. WHITFORD:

Mr. Chairman, the agreement which the territorial government has with the supplier, Esso, is on a one year basis. This is what I understand to be true from the Minister's response. The town itself would take over this system with the remaining year, or they can go into additional years. I can understand the Minister's answer about the supply, which has probably been predicted for ten years or more. Although the supply might be there, a one year agreement is hardly long enough to guarantee return on an investment. I do not know too many businesses, in this field, that would want to get into a business on a year to year basis. You spend nearly \$1 million on infrastructure and you only have a one

year guarantee on supply. Can longer term agreements be entered into, for example ten years? Knowing that there is at least a ten year forecast of supply for natural gas, would the community have an opportunity to get into a longer term arrangement to buy gas?

CHAIRMAN (Mr. Pudluk):

Thank you. Mr. Minister.

HON. DON MORIN:

Thank you, Mr. Chairman. The cost to ship the gas anywhere else other than to use it in that system is far too costly to be economical. There is potential for the community to enter into longer term agreements with Esso, and the government would support this. Thank you.

CHAIRMAN (Mr. Pudluk):

Thank you. Mr. Whitford.

MR. WHITFORD:

Thank you, Mr. Chairman. I would be cautious if I were going into a business on a one year basis. I wondered if this would be to the community's benefit to enter into or have provisions for longer terms than one year. I realize that it is a small field in the grand scheme of things compared to Delta gas or offshore supplies, nonetheless it is still a source. I wondered if it would be to the community's benefit to be guaranteed the sole rights to the gas for a period of longer than one year. Something could happen to the value of the gas and I wondered if it would be in the community's best interests to secure a supply for a longer period of time than 12 months. Is this a concern of the GNWT on behalf of the consumers in that area?

CHAIRMAN (Mr. Pudluk):

Thank you. Mr. Minister.

HON. DON MORIN:

Thank you, Mr. Chairman. It was not an issue which was of great concern because of it being uneconomical to ship it anywhere else, other than using it within the system. I agree with the Member that longer term agreements should be in place and we will pursue that right away with Esso on behalf of the community.

CHAIRMAN (Mr. Pudluk):

Thank you. Mr. Whitford,

MR. WHITFORD:

Thank you, Mr. Chairman. I am glad to hear this. Esso could step up their consumption. There is a refinery there and they may wish to do other things, utilizing the supply. I wanted to make sure the town of Norman Wells was guaranteed, at least, for the predicted life of the field, a supply of gas so that they can get back their investment, be it \$1 or \$650,000, whichever the case may be. This concludes my general comments and questions. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Pudluk):

Are there any general comments or questions? Mr. Ningark.

MR. NINGARK:

Thank you, Mr. Chairman. Mr. Chairman, I always support local initiatives. When a local municipality or business takes over a business, it is good for the community. They will buy local, hire local and have local training. I am sure the town of Norman Wells is aware of what they are getting into. I think details and agreements can be worked out later. All that is required at this point in time is a mechanism whereby the government can sell and the community of Norman Wells can buy. Having said this, I support the bill. It is straightforward.

CHAIRMAN (Mr. Pudluk):

Thank you. Are there any further general comments? Is the committee agreed we go clause by clause?

SOME HON. MEMBERS:

Agreed.

--Agreed

Clause By Clause

Thank you. Clause one. Agreed?

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SOME HON. MEMBERS:

Agreed.

--Agreed

CHAIRMAN (Mr. Pudluk):

Thank you. Clause two. Agreed?

SOME HON. MEMBERS:

Agreed.

--Agreed

CHAIRMAN (Mr. Pudluk):

Thank you. Clause three. Agreed?

SOME HON. MEMBERS:

Agreed.

--Agreed

CHAIRMAN (Mr. Pudluk):

Clause four. Agreed?

SOME HON. MEMBERS:

Agreed.

--Agreed

CHAIRMAN (Mr. Pudluk):

Thank you. Clause five. Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Pudluk):

Thank you. Clause six. Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Pudluk):

Thank you. The bill as a whole. Agreed?

SOME HON. MEMBERS:

Agreed.

-Agreed

CHAIRMAN (Mr. Pudluk):

Is this committee agreed Bill 16 is ready for third reading?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Pudluk):

Thank you. Mr. Minister.

HON. DON MORIN:

Thank you, Mr. Chairman. I would like to thank the Members of SCOL and Members of the Assembly, on behalf of the staff, for passing this bill. Thank you.

CHAIRMAN (Mr. Pudluk):

Thank you. I would also like to thank the witnesses.

We are going to deal with the 1993-94 Main Estimates. Do any Members have general comments? Mr. Antoine.

Comments By Standing Committee On Finance

MR. ANTOINE:

Thank you, Mr. Chairman. I have a general comment on the main estimates. The Standing Committee on Finance has a short list of specific government-wide recommendations.

Government-Wide Issues And Recommendations

- Merit increases should only incur for superior performance.

- The Financial Management Board should set and monitor annual affirmative action goals.

- The government should publicize a five year capital plan and contracts separately listing southern contracts.

There are also some observations the committee wishes to make, without specific recommendations.

From a financial perspective, the Government of the Northwest Territories is better off than any other jurisdiction in Canada. At the same time, the committee has noted that there are a number of

unresolved issues such as the payroll tax, negotiations on pay equity, RCMP costs and health billings which could seriously impact the overall surplus/deficit position of the government. Hence, we encourage the government, in developing its master plan, to be aware of the imminent dangers of incurring a deficit.

Controlling the cost of government and public services is a continuing concern. Departments need to determine what the necessities are and, based on this determination, to set priorities. They need to consider what can be cut, what is necessary and what is not. The committee would like government to rethink its programs and expenditures in these terms. Think productivity and think about how to continuously improve the way we conduct our business. We expect more than simply protecting the status quo.

Attitudes are poor in some departments. Resistance to change by bureaucrats will make things more difficult for Ministers. As one Member remarked, the bureaucrats sometimes remind me of an old dog. Cabinet is trying to go forward, and the old dog is dragging back and does not want to go. We have a newly elected government, anxious and wanting to go forward with this new era, coming up with new initiatives and ideas, serving the public rather than the bureaucracy, but there is still dragging and reluctance to move on. We must let the civil service know that the Cabinet and the Legislative Assembly want to move forward. The committee would like to see an immediate improvement in attitude throughout the civil service.

Another concern that Members noted is a lack of coordination across government, particularly in two areas. The first area that the lack of coordination was noted was in the provision of inservice training. In-service training is provided by the Department of Personnel and by many other departments on their own behalf. These efforts are not well coordinated.

The other area in which the committee noted a lack of coordination is the community transfer initiative. We honestly do not believe that many departments or communities

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understand the government's grand scheme for implementing the initiative.

Finally, a process must be established by the Assembly to consider the effects of division on this

government. We must also consider what might be done to facilitate division. The Standing Committee on Finance should have the opportunity to review any proposed commitments in this regard.

The committee has noted that certain government-wide motions of the Assembly regarding the 1992-93 Main Estimates require more satisfactory responses. For example, the response to recommendation number three -that representation of aboriginal peoples in the government must increase dramatically by 1997 was not satisfactory.

Similarly, the committee was not satisfied with the government's response to the 1992-93 recommendation number five. It directed the Financial Management Board to institutionalize broad scope, value for money auditing in all government departments and to work with the Standing Committees on Finance and Public Accounts to articulate concerns and develop a matrix.

The Premier should approach the Minister of Indian Affairs and ask him to request an order-in-council formally asking the Auditor General to do a comprehensive audit of the Northwest Territories Power Corporation under section 11 of the Auditor General Act. This would allow the office to request additional resources from parliament to fund the audit.

The committee finds that the response to our 1992-93 recommendation number nine was not complete. This recommendation suggested that Cabinet coordinate a review of all legislation to determine whether the underlying spirit and intent are still valid. We suspect that some of our legislation may have outlived its original purpose. This exercise is required in order that realistic priorities can be set.

Recommendation one is that the committee recommends that merit pay increases should only occur for superior performance.

CHAIRMAN (Mr. Ningark):

Mr. Antoine, is that a motion or just a recommendation?

MR. ANTOINE:

I will make a motion.

CHAIRMAN (Mr. Ningark):

Proceed.

Committee Motion 68-12(3): To Adopt
Recommendation 1

MR. ANTOINE:

I move that this committee recommends that merit pay increases should only occur for superior performance.

CHAIRMAN (Mr. Ningark):

The motion is in order. To do motion.

AN HON. MEMBER:

Question.

CHAIRMAN (Mr. Ningark):

Question has been called. AD those in favour of the motion? Thank you. Do we have a quorum here? Do we have anyone who is good at mathematics? I am not.

SOME HON. MEMBERS:

There is a quorum.

CHAIRMAN (Mr. Ningark):

All those opposed? The motion is carried.

--- Carried

Proceed, Mr. Antoine.

Committee Motion 69-12(3): To Adopt
Recommendation 2

MR. ANTOINE:

Thank you. I move that this committee recommends that the Financial Management Board set and monitor annual affirmative action goals.

CHAIRMAN (Mr. Ningark):

Thank you. The motion is in order. To the motion.

AN HON. MEMBER:

Question.

CHAIRMAN (Mr. Ningark):

Question has been called. All those in favour? All those opposed? The motion is carried.

--- Carried

Proceed.

Committee Motion 70-12(3): To Adopt
Recommendation 3

MR. ANTOINE:

I move that this committee recommends that the government publicize, on a timely basis, the proposed five year capital plan and contract listing, separately listing southern contracts.

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Antoine. The motion is in order. To the motion.

AN HON. MEMBER:

Question.

CHAIRMAN (Mr. Ningark):

Question has been called. All those in favour? All those opposed? The motion is carried.

--- Carried

Mr. Antoine, general comments on Bill 17.

MR. ANTOINE:

Mr. Chairman, that concludes the Standing Committee on Finance's general comments.

CHAIRMAN (Mr. Ningark):

Since there are no other general comments on the bill, the government will proceed with the departments. Mr. Minister.

HON. JOHN POLLARD:

Mr. Chairman, the first department will be the Department of Finance, if Members are agreed in that regard.

CHAIRMAN (Mr. Ningark):

Does the committee agree we will go with the departmental order of appearance of Bill 17 as written in your paper? Agreed?

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SOME HON. MEMBERS:

Agreed.

--- Agreed

Thank you. Proceed, Mr. Minister.

Department Of Finance, Introductory Remarks

HON. JOHN POLLARD:

Thank you, Mr. Chairman and Members of the committee. Mr. Chairman, the Department of Finance's 1993-94 expenditure budget will increase by \$265,000 and three person years over the 1992-93 Main Estimates.

In total, revenues budgeted in the Department of Finance, are expected to increase by \$42.7 million. Of this, \$32.1 million is from the expected increase in the grant from Canada; \$1.4 million is from the expected increase in taxation revenue; \$1.6 million is the expected increase in interest income; and, \$8.2 million is from the payroll tax scheduled to be implemented on July 1, 1993.

Partially offsetting these revenues is the estimated administration cost of the payroll tax of \$322,000 and three person years.

Budgeted expenditures and revenues from the Department of Finance have been decreased equally by \$589,000 to reflect the reduced interest expense resulting from the redemption of \$5.35 million of Northwest Territories Power Corporation bonds and a corresponding reduction in interest revenue from the power corporation.

The 1993-94 budget does not include a provision for interest on short-term borrowing. A supplementary estimate will be submitted later in the fiscal year when the short-term borrowing requirements and related interest expenses can be more accurately estimated.

Effective July 1, 1993, power utility costs will be paid by GNWT staff located in staff housing. It is hoped that this measure will encourage tenants to be more prudent in their use of electricity. As a result of implementing a user-pay policy, tenants of staff housing will become eligible for the government subsidy on domestic power. The anticipated increase in subsidy costs is included in the department's budget in the approximate amount of \$1 million. Thank you, Mr. Chairman. That concludes my opening remarks

CHAIRMAN (Mr. Ningark):

Thank you, Minister of Finance. Do we have any opening remarks by the Standing Committee on Finance? Mr. Dent.

Comments By Standing Committee On Finance

MR. DENT:

Thank you, Mr. Chairman. I will be presenting Standing Committee on Finance general comments on the Department of Finance. Mr. Chairman, the initiatives being undertaken by the Minister of Finance to deal with current financial constraints, such as the expenditure management program, are very good. However, it should not require facing a deficit to force government to take these measures. The committee could not help but wonder what previous governments were doing. We have lost opportunities that have cost us dearly.

These initiatives should be a way of life for everyone. Everyone including Ministers, staff, boards and agencies should be working continuously to improve in all areas.

This committee has previously made recommendations aimed at making the managing for results system work; developing a proper human resources management system; and, improving productivity and measuring results. We have not seen evidence in the main estimates that these recommendations have been implemented. We were very concerned when the government admitted, in its responses to the 1992-93 SCOF recommendations, which are in appendix three, "large deficiencies still exist in the basic management information that is required to do adequate planning and to perform performance measurement and program evaluation. Significant steps must be taken to eliminate this information deficiency if continuing improvements are to be made in the area of results measurement." The committee can only say, Mr. Chairman, "If you cannot measure results, you cannot effectively manage government programs."

The Minister of Finance is responsible for ensuring that this happens. The committee will continue to stress this, monitor progress and spur more action. Our people deserve better. Everyone has a responsibility to ensure that there are no more missed opportunities for improvement.

Committee Motion 71-12(3): To Adopt Recommendation 7

Therefore, Mr. Chairman, I move that this committee recommend that the Department of Finance conduct a comprehensive review of the cost of running the government, that is the directorates, administration, finance and human resource functions. The analysis should include an assessment of each program and activity with a view to determining which elements are directed at providing public service and which ones are primarily devoted to operating government. Performance goals aimed at reducing the proportion of expenditures devoted to operating government, should be established. The department should measure and report, as part of the main estimates, the government's success in reaching these goals.

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Dent. The motion is in order. To the motion.

AN HON. MEMBER:

Question.

CHAIRMAN (Mr. Ningark):

Question has been called. All those in favour? All those opposed? Motion is carried.

--- Carried

Proceed, Mr. Dent.

MR. DENT:

Thank you, Mr. Chairman. The committee had one more recommendation.

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Committee Motion 72-12(3): To Adopt Recommendation 8

I move that this committee recommends that the Department of Finance review its financial information system to ensure that it is effective, efficient and economical.

CHAIRMAN (Mr. Ningark):

Thank you. The motion is in order. To the motion.

AN HON. MEMBER:

Question.

CHAIRMAN (Mr. Ningark):

Question has been called. All those in favour? All those opposed? Motion is carried.

--- Carried

Does that conclude the presentation from the Standing Committee on Finance? Mr. Dent.

MR. DENT:

Mr. Chairman, that concludes general comments on the Department of Finance from the Standing Committee on Finance.

CHAIRMAN (Mr. Ningark):

Do we have other general comments from anyone? I believe that concludes this. We are on page 04-8 of Finance. Mr. Koe.

General Comments

MR. KOE:

As much as I know the Minister of Finance would like to get this approved quickly, I have a few comments. In the Department of Finance, under the operation and maintenance revenues, we still have an item that has been outstanding for a while and is still the subject of some considerable debate, the payroll tax. There is a revenue item, on page 4-17, of \$8.2 million. We are all aware that the proposed Payroll Tax Act has had first reading and has not gone any further and that the Standing Committee on Finance made a report and did not support the Payroll Tax Act as it existed in its present form. If that is the case and events unfold as they should, how is the Minister going to be dealing with this item in this budget if the Payroll Tax Act is not approved?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Pollard.

HON. JOHN POLLARD:

Thank you, Mr. Chairman. Mr. Chairman, if the committee would indulge me, I will just back up a bit. I think in the Standing Committee on Finance's report, they were not against the principle of the payroll tax. I talked to the chairman this morning and I believe he is going to raise with his committee the fact that I am requesting to appear before the Standing Committee on Finance to try and resolve our differences with regard to the payroll tax. I am hoping that will take place next week, Mr. Chairman. I am still hoping to

resolve that issue with the Standing Committee on Finance.

However, in the event that this Legislative Assembly does not approve the Payroll Tax Act, which Mr. Koe mentioned, then we will lose, out of our revenues this year, about \$8.2 million. What that will do is add it on to the \$885,000 already, as I mentioned in the budget speech that we are in deficit, then we will be at a \$9 million deficit for this year. One of the things I could do is recommend to Cabinet that we take some action on the expenditure side of the budget that is presented in order to come in with a balanced budget. First of all, Mr. Chairman, I would like to meet with the Standing Committee on Finance and see if we can resolve the issue. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Are there any further general comments? Mr. Koe.

MR. KOE:

Thank you, Mr. Chairman. In which activity in this department are the payroll tax dollars identified in?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JOHN POLLARD:

Mr. Chairman, if we are going to get into more detailed questions then I would ask if I could bring in witnesses. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. Does the committee agree that the Minister of Finance bring in his witnesses?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Thank you. Sergeant-at-Arms, please bring in the witnesses.

Thank you. For the record, Mr. Minister, would you like to introduce the witnesses to the committee?

HON. JOHN POLLARD:

Mr. Chairman, I have with me Mr. Eric Nielsen, the deputy minister of Finance, and Mr. Bill Setchell who is the director of finance for the Department of Finance. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. Just before the Minister brought in the witnesses, there was a question on the table by Mr. Koe. Mr. Minister, if you remember the question would you like to respond to it?

HON. JOHN POLLARD:

Mr. Chairman, that falls under the tax administration activity. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

That is on page 04-12. When we go into detail, we will go to that page and perhaps that will be the appropriate time for Mr. Koe to ask the question. Mr. Koe.

MR. KOE:

Thank you, Mr. Chairman. I just wanted that information, so when that activity comes up we do not skip by it because it is not noted in the narrative under that section, or at least I did not see it. From past experience, which is very brief, I know we do not get into line by line when we get into the revenues, recoveries and transfer payments. Apparently they are there as information. I want to make sure we address this when the time comes.

The other comment I would like to make is one that the Minister just made. If the amounts of revenues that we expect to generate this year in this budget do not come to be, then we have to look at other methods. One other method is looking at further reductions in O and M. My question is how much, or what work has been done in the past year leading up to this budget in terms of reviewing operations and maintenance of

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departments to find the slack and define areas which can be reduced?

CHAIRMAN (Mr. Ningark):

Thank you. Minister of Finance.

HON. JOHN POLLARD:

Mr. Chairman, we have been through a considerable, exhaustive expenditure management program during the past year. The results of that I am sure Members are well aware of. What other areas are available to us? We could look at down-sizing government and eliminating some more positions. I think most of the departments have been through that before, and that would be an exercise where we could drag up the old information and look at it again. We could look at, as we are, further privatization of aspects of the government. We could look at the effectiveness of programs. Are there some programs that are no longer effective that we could dispose of? We could look at the new NWT OPS training program that is in the budget, and say, "Can we really afford that if we cannot meet our revenues?" I think most of the departments are pretty well cut back at the present time, and I would be hesitant to go back to them simply because we are going through decentralization. We are going through some aspects of consolidation which will have some longer-term savings to us. I would be hesitant to go back to them at the present time, but if it is necessary, I am sure departments could come forward with more suggestions on how we could reduce our O and M budget. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. Are there any further general comments from the committee? Shall we go detail by detail?

SOME HON. MEMBERS:

Agreed.

--- Agreed

Directorate

CHAIRMAN (Mr. Ningark):

Thank you. Directorate. Total O and M, \$2.313 million. That is on page 04-08.

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Koe.

MR. KOE:

Which department and under which activity are the increases which are going to be realized from the staff housing strategy identified in?

CHAIRMAN (Mr. Pudluk):

Thank you. Mr. Minister.

HON. JOHN POLLARD:

The majority will be in Government Services and Public Works, Mr. Chairman. Part of the liability on the liability side will be through the Department of Finance and that is if there is a bigger uptake on our power subsidy program. I mentioned that before that will be \$1 million.

CHAIRMAN (Mr. Pudluk):

Thank you. Mr. Koe.

MR. KOE:

Are those costs identified in this package under this department? If they are, where?

CHAIRMAN (Mr. Pudluk):

Thank you. Mr. Minister.

HON. JOHN POLLARD:

Mr. Chairman, it is on page 04-10, government accounting.

CHAIRMAN (Mr. Pudluk):

Thank you. Are there any further comments on the directorate? Mr. Koe.

MR. KOE:

For clarification, what amount is included under this government accounting activity and for what?

CHAIRMAN (Mr. Pudluk):

Thank you. Mr. Minister.

HON. JOHN POLLARD:

Mr. Chairman, the power subsidy support program is \$1.154 million, because effective April 1, 1993, user-pay would be implemented for GNWT stall housing. That has now been set back, Mr. Chairman, but we still anticipate a larger uptake on the power subsidy

support program in the amount of approximately \$1 million.

CHAIRMAN (Mr. Pudluk):

Thank you. Directorate, page 04-08. Total O and M, \$2.313 million. Mr. Koe.

MR. KOE:

Thank you, Mr. Chairman. The Standing Committee on Public Accounts, in its last review, had some concern regarding the role of the deputy minister and the role of the comptroller general, especially where they seem to overlap. Has this been resolved?

CHAIRMAN (Mr. Pudluk):

Thank you. Mr. Minister.

HON. JOHN POLLARD:

I think it has been resolved in the short-term, Mr. Chairman. However, there is still the larger problem of the reorganization of the Department of Finance. There is a plan which has been put together. It rests with Madam Premier and myself at the present time. As I promised Mr. Zoe last year, it will be reported to this Assembly this session, Mr. Chairman. In the short-term, it has been resolved but there needs to be some larger reorganization in order to address the long-term. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Pudluk):

Thank you. Directorate, total O and M, \$2.313 million. Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

Revenue And Assets Management

CHAIRMAN (Mr. Pudluk):

Thank you. Page 04-9, revenue and assets management, \$5.376 million. Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

Government Accounting

CHAIRMAN (Mr. Pudluk):

Thank you. Page 04-10, government accounting, total O and M, \$9.9 million. Mr. Koe.

MR. KOE:

Regarding the issue of the new staff housing strategy, \$1.154 million has been referred to in this budget for

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the power subsidy support program. Are those under grants and contributions? Where is this money identified in this activity?

CHAIRMAN (Mr. Pudluk):

Thank you. Mr. Minister.

HON. JOHN POLLARD:

Mr. Chairman, the Member is correct it is under grants and contributions. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Pudluk):

Thank you. Mr. Koe.

MR. KOE:

Thank you, Mr. Chairman. Can I get more detail? I am more confused now. There is \$4.354 million currently in the budget. Is the Minister saying the budget has been increased by \$1.154 million to cover anticipated costs of the staff housing strategy?

CHAIRMAN (Mr. Pudluk):

Thank you. Mr. Minister.

HON. JOHN POLLARD:

Thank you, Mr. Chairman. Mr. Chairman, knowing Mr. Koe's ability with numbers I am sure he is figuring out that what I am saying is not balancing. It does not balance in the books. It is \$3.5 million, less \$300,000 because the domestic subsidy will not be paid on residential units held in business names effective April 1, 1993, which will be a savings of \$300,000, then plus the power subsidy support program of \$1.154 million, which will be the user-pay for GNWT staff housing. I think those number should now balance, Mr. Chairman.

CHAIRMAN (Mr. Pudluk):

Thank you. Mr. Koe.

MR. KOE:

Thank you, Mr. Chairman. Who is eligible for the power subsidy support program and what are some of the criteria?

CHAIRMAN (Mr. Pudluk):

Thank you. Mr. Minister.

HON. JOHN POLLARD:

Mr. Chairman, the power subsidy program has two components. The domestic power subsidy program gives a discount to all residential users outside of Yellowknife for the first 700 kilowatts hours used per month. The commercial subsidy program provides a discount to all northern businesses with gross revenue of less than \$2 million for the first 1,000 kilowatt hours used per month. The subsidy is established so that the rates paid would be equivalent to those paid within Yellowknife. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Pudluk):

Thank you. Government accounting, total O and M, \$9.900 million. Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

Fiscal Policy

CHAIRMAN (Mr. Pudluk):

Thank you. Page 04-11, fiscal policy, total O and M, \$738,000. Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

Tax Administration

CHAIRMAN (Mr. Pudluk):

Thank you. Page 04-12, tax administration, total O and M, \$833,000. Mr. Koe.

MR. KOE:

I am not sure of the proper words to use but I am a little astounded that under tax administration in the program description there is no reference to the payroll tax, yet it is your newest proposed revenue. I am wondering if this was an oversight.

CHAIRMAN (Mr. Pudluk):

Thank you. Mr. Minister.

HON. JOHN POLLARD:

Mr. Chairman, it was in fact an oversight. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Pudluk):

Thank you. Tax administration, total O and M, \$833,000. Mr. Koe.

MR. KOE:

Because of the status of the Payroll Tax Act, I would have great difficulty in approving this activity at this stage until we know the final result of the Payroll Tax Act. I am not sure whether I need a motion to defer this activity or how we deal with this. I need some advice.

CHAIRMAN (Mr. Pudluk):

I am wondering whether the Member would like to defer this one page or the whole department. Mr. Koe.

Motion To Defer Activity Of Tax Administration Under Department Of Finance

MR. KOE:

Mr. Chairman, I would like to move that we defer the activity of tax administration under the Department of Finance until we get clarification on the Payroll Tax Act.

CHAIRMAN (Mr. Pudluk):

Thank you. Your motion is in order. To the motion.

AN HON. MEMBER:

Question.

CHAIRMAN (Mr. Pudluk):

Question has been called. All those in favour? All those opposed? The motion is carried.

--- Carried

Page 04-12 will be deferred.

Management Accounting Services

CHAIRMAN (Mr. Pudluk):

We will go on to page 04-13, management accounting services. Total O and M is \$1.274 million. Mr. Koe.

MR. KOE:

The management accounting services provides financial services procedures and training essential to financial management administration of the government. That is spelled out on line one of the narrative. We are also aware, through our other committees some departments, the Department of Health to be specific, have all kinds of concerns and problems with their financial management systems. How is this group, in the Department of Finance, related in terms of the services they provide to other departments?

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CHAIRMAN (Mr. Pudluk):

Thank you. Mr. Minister.

HON. JOHN POLLARD:

Mr. Chairman, this group works mostly with boards and agencies. I will give you some idea of the kind of things they do. They do systems support for the Housing Corporation and the Keewatin, Kitikmeot, Inuvik and Mackenzie regional boards of health. Those people use a clone of our main financial system. They provide services to other public agencies and assistance in the use of other types of computerized financial systems. They provide assistance to all FAA scheduled agencies in terms of application of government financial legislation policies, directives, etcetera, to credit and collections and banking and investment. With regard to assistance in compliance with legislative requirements for public agencies and so on, I could provide the list to the committee. It does go on for one page, Mr. Chairman.

CHAIRMAN (Mr. Pudluk):

Thank you. Mr. Koe.

MR. KOE:

Thank you. Are the ten continuing PYs all located in headquarters or are some in the regions?

CHAIRMAN (Mr. Pudluk):

Thank you. Mr. Minister.

HON. JOHN POLLARD:

They are all in headquarters, Mr. Chairman.

CHAIRMAN (Mr. Pudluk):

Management accounting services, total O and M of \$1.274 million. Mr. Ningark.

MR. NINGARK:

Thank you, Mr. Chairman. I believe this activity for management accounting services also relates to the tax administration, especially when it comes to maintaining the payroll system. I wonder if Mr. Koe wants to defer this page as well? Thank you.

CHAIRMAN (Mr. Pudluk):

Thank you. Management accounting services, total O and M of \$1.274 million. Is that agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Pudluk):

Thank you. Page 04-14, Financial Management Board Secretariat, total O and M of \$1.504 million. Mr. Zoe.

MR. ZOE:

Mr. Chairman, under management accounting services, last year our standing committee made a recommendation to Finance to delete the boards and agencies team set up in this activity. I understand that this team still exists within the department. Could I get the Minister to comment on the boards and agencies team that is still in existence?

CHAIRMAN (Mr. Pudluk):

Mr. Minister.

HON. JOHN POLLARD:

Mr. Chairman, that is correct. After reviewing the documentation that was placed before the then, Standing Committee on Finance chairman, Mr. Todd, I was advised that the Standing Committee on Finance was satisfied that these people were justified. Consequently, we have not removed them from the budget. We consider them key in working with those health boards. I thought this problem had been resolved. Mr. Chairman.

CHAIRMAN (Mr. Pudluk):

Thank you. Management accounting services, total O and M of \$1.274 million. Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

Financial Management Board Secretariat

CHAIRMAN (Mr. Pudluk):

Thank you. Page 04-14, Financial Management Board Secretariat, total O and M of \$1.504 million. Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Pudluk):

Thank you. Details of grants and contributions, \$4.354 million. Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Pudluk):

Thank you. Grants and contributions, \$4.354 million.

Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Pudluk):

Thank you. Details of work performed on behalf of third parties, total department is \$7,000. Agreed?

SOME HON. MEMBERS:

Agreed.

---Agreed

CHAIRMAN (Mr. Pudluk):

Thank you. Does the committee agree that this department be deterred until the day is finished? Does this committee agree?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Pudluk):

Thank you. Does this committee wish to proceed with the Department of Economic Development and Tourism? Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed.

CHAIRMAN (Mr. Pudluk):

Then I would like to thank the witnesses at this time. Mr. Minister, do you have opening remarks?

Department Of Economic Development And Tourism, Introductory Remarks

HON. JOHN POLLARD:

Thank you, Mr. Chairman. Mr. Chairman, Economic Development and Tourism is projecting

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an increase of spending one per cent to \$33.7 million in 1993-94. Most of the projected increase is attributable to forced growth resulting from increased maintenance related to tourism infrastructure and to

costs associated with portfolio management at the Northwest Territories development corporation. The remaining increases can be attributed to wage and benefit adjustments.

Since the government's economic strategy was introduced in 1990, the department has concentrated on implementing business programs to stimulate growth making use of local labour, particularly in smaller centres. The department will continue to work with the private sector by investing in arts and craft, northern food production and tourism.

In the longer term, economic growth will depend on the larger sectors of the economy including government at all levels, mining and energy development to provide opportunities for northern private investment and allow for the maximum use of northern labour.

The Department of Economic Development and Tourism will work with aboriginal groups, industry and other government departments in realizing opportunities from industrial projects such as now energy and mineral developments, major public work projects and future housing development.

Stimulation Of Local Business

The department has several avenues to stimulate growth in business and employment. These include the business development fund, the economic development agreement, the Business Credit Corporation and the NWT Development Corporation.

Business Development Fund

The business development fund, created in 1991 to address deficiencies in previous business contribution policies, is the department's main tool to foster the development of small business and to create jobs in the Northwest Territories. The fund now addresses the complete life cycle of a business.

Funding is targeted to businesses in less advantaged communities. During the 1991-92 fiscal year, 72 per cent of the BDF funding went to level II and level III communities.

Based on information contained in applications, for every dollar contributed to businesses by the business development fund an additional \$1.77 in investment was generated from elsewhere, such as shareholder equity and other financing.

The business development fund venture capital component is designed to attract outside investors to specific projects. The attraction to investors is the 30 per cent refund of the investment, to a maximum of \$150,000, once the projects have been fully subscribed.

Venture capital companies can only invest to 49 per cent ownership keeping ownership in the hands of the principal investor. In 1991-93 VCP contributions levered \$1 million for two projects valued at \$3.1 million.

In 1991-92, BDF dollars contributed to the creation of 173 person years of employment with earnings totalling \$3.6 million and the retention of another 586 person years. Those years might have been lost had contributions not been made, with wages totalling \$13.3 million. The average cost of each person year created or retained was \$4669. Wages generated averaged \$22,000 per person year.

The program is meeting its objectives with respect to encouraging investment in those communities where unemployment is highest.

Economic Development Agreement

Implementation of the EDA will continue this year. We are anticipating that total expenditures will be approximately \$8.4 million dollars, cost shared between the GNWT, Indian Affairs and Northern Development, Industry Science Technology Canada and Forestry Canada.

Initiatives that are targeted for implementation this year include: the marketing, distribution and production of arts and crafts; activities to support performing artists; a number of initiatives to encourage communities to stimulate business activity through: the establishment of physical infrastructure; the delivery of business counselling services and skill upgrading; mineral exploration and development of technologies to improve mining and processing operations; assistance with renewable resources initiatives including: meat and fish processing and marketing; development of a commercial wildlife harvesting industry; technology transfer and education in the forestry industry; and, assessing the viability of a commercial fish industry; also marketing and training in the tourism sector.

Business Credit Corporation

Mr. Chairman, the business credit corporation is mandated to stimulate economic development and employment opportunities by encouraging business growth. It was created to put the small business loan fund on a more business like footing and at arm's length from the government. Although the department is providing office space and support staff for the corporation, the board is now composed entirely of individuals from the private sector. The chairmanship has been passed from the deputy minister to an individual from the private sector.

The corporation currently has a total lending and liability limit of \$20 million.

In the short-term, through changes and modifications in the internal processes, the corporation will seek to improve client services and turn-around time in processing loan applications.

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To reduce paper burden, a single application form, with schedules, has been developed for clients, making it easier to apply for funding. In addition, regional staff are receiving a special training course with the intention of giving regions credit granting authority on loans up to \$25,000.

Northwest Territories Development Corporation

The Northwest Territories development corporation operates at arm's length from the department and is mandated to invest primarily in and for the benefit of lesser developed communities, communities where jobs are needed the most. The corporation has investments in the production and sales of country foods, lumber and arts and crafts. The corporation has also invested heavily in commercial fisheries and operates retail stores. It is expected that the investment portfolio will increase by \$6 million in the coming fiscal year.

The development corporation is founded on the principle that increased local ownership and participation will lead to increased local success. Local participation is encouraged. Since start-up, the corporation has invested \$4.6 million as the minority partner in ten joint ventures, \$1.4 million in pilot projects and a further \$10.5 million in businesses that are majority-owned by the corporation. Last fiscal year and this year to date, \$2 million in subsidies have been given to majority owned businesses. Subsidies represent \$6,000 per employee.

Seventy five per cent, or 109 of the 146 development corporation employees are aboriginal. One hundred eight work in level II and III communities. If the definition of "employed" is extended to include fishermen, arts and crafts cottage workers and hunters, who are earning an income as a result of the corporation, the percentage of aboriginal workers increases to 91 per cent, 365 of 402 employees of whom 364 are in the smaller communities.

Program Delivery

Regional offices have been given authority for contributions for marketing, business expansion and management training up to \$25,000. Priority for program delivery has been, and will continue to be, transferring greater authority to the regions.

The relationship between headquarters and the regions will change with most decisions respecting program delivery being made in the regions. Headquarters will remain involved in broad policy development and setting standards, systems and procedures to ensure accountability and sound decision making within policy across the territories.

Personnel in the department will work closely with federal government economic development staff to ensure that the best use is made of resources available to both levels of government. Staff will also work more closely with other departments to ensure that maximum benefits are derived from government expenditures. For example, there will be closer cooperation between parks and visitors' services and the museums programs to ensure that the best use is made of facilities constructed. The regional office in the Fort Smith region is working closely with the Science Institute on wood pelletizing. As well, other departments will be encouraged to purchase northern goods and services when they are available.

In order to do this we are assessing our organizational structure to ensure that the department is open and adaptable to change and to ensure that accountability to clients and the public is maintained.

The role of the EDO will change to better accommodate community aspirations with respect to economic development. The department is introducing a test program to delegate responsibility for the delivery of economic development services to the local level. This will allow communities to set priorities for, and to generally oversee the work of, the economic development officer.

We will also continue to place a high priority on recruiting and training qualified aboriginal candidates for departmental positions. Through our affirmative action business and economic development program, financial assistance is made available to affirmative action candidates eligible for training at post-secondary institutions or other training relevant to further career advancement. Overall emphasis will continue to be placed on hiring northern residents. Southern recruitment will be considered only if no qualified northern candidates are found.

Product Development

The Northwest Territories is a land of potential. The department, in concert with communities and the private sector, is investing time, skills and money into the development of the tourism, arts and crafts and natural resource sectors.

Tourism

The Conference Board of Canada, Mr. Chairman, has reported preliminary data for 1992 indicating that travel activity has been flat or has declined nationally. The picture in the Northwest Territories appears to be better. Pleasure travel seems to be recovering, particularly in the Baffin and Mackenzie Delta. In the Baffin, 50 package tours were sold in 1992, an increase of 25 per cent over the previous year generating an increase in revenue of 21.5 per cent. Based on counts of vehicular traffic at the Peel River ferry crossing, travel up the Dempster Highway increased by 25 per cent last summer. Vehicles crossing the Mackenzie River at Fort Providence decreased by 21 per cent however, and traffic at Fort Liard was unchanged from 1991. Although river crossings decreased at Fort Providence, use of the visitors' centre at the 60th parallel increased by 28 per cent. Based on operator reports, there was little change in activity in the Kitikmeot and Keewatin.

To draw tourists we need destinations, attractions, and people have to know about them.

Product development assistance will be directed to respond to emergent market requests, specifically from Japan, the United Kingdom and Germany. Package tour developments will continue to focus on the Nahanni Ram, the Northwest Passage, Dempster Highway destinations and the Baffin.

To ensure that people are aware of our tourism products, the department, in cooperation with the private sector, will create a strong image of the NWT

through advertising, sales, promotion, merchandising, public and media relations and travel counselling.

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The major tools to expose northern products to the world are the "Explorers Guide" and the cooperative marketing program.

Every licensed operator in the Northwest Territories is listed in the "Explorers Guide." In addition, operators have the opportunity to purchase advertising space in the publication. Distribution of the guide is expected to reach 130,000 in 1993.

The cooperative marketing program is a joint effort of the department and operators.

Advertisements were placed in 36 different magazines in promotion of six product segments: naturalist, road touring, river adventure, hunting, fishing and special interest. All product segments have been fully subscribed. The core costs for the ads were borne by the department with 44 licensed operators buy in.

There has been 13.5 per cent of the cost of producing the "Explorer's Guide" and placing the ads for the cooperative marketing program has been recovered from operators.

Parks

Parks are a key component, Mr. Chairman, or a tourism development strategy. Perhaps the most striking tourism statistic for the current year relates to the Katanallik Park reserve on Baffin Island. There are no services, facilities or staff in the proposed park thus there has been no promotion. People were still drawn to the area by word of mouth. There were 66 people from outside the Northwest Territories who spent, on average, ten days hiking in the park last year. Each hiker probably spent \$1,000 to \$3,000 for their trip. Two American tour companies will be advertising tours accommodating a maximum of 75 people for next year. This suggests great potential for the area and for Lake Harbour when the park is more developed.

Detailed design work on Meliadine River Park, Mount Pelly Park and Paniksak Park will be undertaken while initial conceptual design of Campbell Lake Park and Hidden Lake Park will commence. This work will contribute to the establishment of a more complete network of parks in the Northwest Territories to ensure further expansion of the tourism sector.

During 1993-94, we will be developing better information sources for visitors. The Dempster/Delta visitor centre in Dawson City is scheduled for completion and a parallel information strategy is being developed including roadside and community display signs along the route which provide information on site. Advanced interactive technology will also be tested as a means of providing information to visits.

South of the lake work continues on the Fort Smith Mission Historic Park. The department also has committed to a number of projects driven by local residents to improve tourism products in the region. Construction of an arts and crafts booth at the airport is under way as is the procurement of a product. Equipment and materials have been purchased for the Slave River look-out and information and interpretive signage will be developed and installed.

Commercial Renewable Resources

Mr. Chairman, the department will continue to actively engage in partnerships with the private sector and other government agencies to stimulate the commercial renewable resource economy in the Northwest Territories, to increase food production and food process, to create jobs, wealth and to reduce imports. Production and marketing research, product testing and continued examination and exploration of existing and new stocks will take place in order to expand commercial production and increase sales of renewable resource products.

A committee has been established in the Inuvik region to look at the establishment of a tannery. The department will work with the committee to develop a proposal for a small scale pilot project in the region.

The department will continue to pursue the development of commercial muskox and caribou harvests and will work with the Department of Renewable Resources to develop standards for NWT meat inspection. We will also do the background work needed to develop an industry support program to facilitate expansion of the livestock industry. This will be done in conjunction with the development of an abattoir south of Great Slave Lake.

The department will continue to work with egg producers to get a quota allocation from the Canadian Egg Marketing Agency.

During the last year, the department provided support to NWT operators wanting to gain entry into the Davis Strait and Baffin Strait fisheries. This resulted in the

successful allocation of 5,500 tons of offshore species. The department will continue to assist northern operators to gain entry into the high competitive, but lucrative, offshore fishery.

The main thrust of the inland and inshore fisheries this year will be to identify opportunities for increased utilization of existing quotas through innovative harvesting practices and technology, and identification of new fish stocks. On the marketing side of the fishery, support will be given to the development corporation and the private sector in marketing Arctic char. The development corporation will be constructing a new fish plant in Rankin Inlet which will put it in a better position to process and purchase Keewatin fish. A program to process and market 100,000 pounds of Great Slave Lake species in the north will be developed and undertaken next summer.

Arts And Craft Production

Mr. Chairman, with respect to arts and crafts, in 1992 the department concentrated on marketing in the far east and in Europe. With the results of the recession still in evidence, industry participants are looking to the department for ongoing assistance to develop new markets. The development and delivery of marketing support programs continues to be a priority.

On the international side, there are two geographic targets for 1993-94, the far east and the United States of America.

Through the masters of the Arctic exhibit sponsored by the Amway environmental foundation and various partners including the United Nations environmental program, the

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department will support the development of the United States market for Northwest Territories arts and crafts. In Japan the department and the private sector will be co-sponsoring exhibits at museums and retail outlets. Our support will be through the publication of promotional materials in Japanese.

For the domestic market, new emphasis will be placed on the development of niche markets for NWT craft products. In fiscal year 1992-93, through the BDF, the department provided support to the establishment of a new business specializing in mail order marketing. Sales have reached as high as \$4,000 in a day. The use of mail order and other

innovative marketing techniques will continue to be explored and supported by the department in its efforts to develop new market niches for NWT craft products in the domestic market.

Through the department's new performing arts booking agency, new opportunities will be identified that will result in increased exposure and improved earnings for NWT's performing artists. The sponsoring of festivals will also provide commercial venues for performers as well as contributing to the overall tourism experience for visits to Canada's Northwest Territories.

Conclusion

In conclusion, Mr. Chairman, I would like to emphasize that program initiatives will centre on improving the delivery of existing programs. We want to increase efficiency and get more value, in terms of quantity and quality, from the dollars we spend.

Our specific areas of focus will be to reduce employment and income disparities between and within communities and regions; promote import substitution; promote growth and diversification; and, ensure that NWT residents receive a larger share of the benefits of economic development. I apologize for being so long-winded Mr. Chairman. Thank you very much.

CHAIRMAN (Mr. Pudluk):

Thank you, Mr. Minister. Does the Standing Committee on Finance have any comments? Mr. Dent.

Comments By Standing Committee On Finance

MR. DENT:

Thank you, Mr. Chairman. I will be presenting a much shorter version of comments on behalf of the Standing Committee on Finance on the Economic Development and Tourism budget. Mr. Chairman, the committee has made a number of recommendations to which the department has been slow in the past to react. This seems typical of the department's lack of follow through. For example, the SCONE report and NWT economic strategy have been in existence for some time, yet the department does not have a fully developed response to their implementation. In addition, the move to transfer responsibilities for development officers to communities is far too slow.

The Department of Economic Development and Tourism must provide the support needed to develop business and take advantage of opportunities. The department must be faster to react, must serve their public clients well, add value and lead the NWT into sustainable development and prosperity.

The committee noted a lack of coordination in relation to the work of Economic Development and Tourism and other government departments. For example, Economic Development and Tourism, through the NWT development corporation, may provide a loan for the start-up or maintenance of a local business, while at the same time, another department may inadvertently hire a southern contractor to provide services which will compete with the local business.

Further, the committee feels that this department must do more than provide financial assistance to businesses in the communities. It must also provide follow-up assistance and support as required.

More effort needs to be directed toward the development of our renewable resources. Economic Development and Tourism should work closely with the Department of Renewable Resources to direct efforts in this regard. This is an urgent matter. The many people and families currently unemployed in the NWT are suffering in many ways. Our students look forward to a bleak future if there are no jobs. We must drastically reduce unemployment. Change must occur at an accelerated pace. The Standing Committee on Finance will continue to prod this department toward greater accomplishments. We also wish to encourage the department to become involved in federally funded programs such as the aboriginal business development program, pathways and community futures, and the first peoples' fund.

Mr. Chairman, I will conclude the committee's remarks on this department with a motion.

Committee Motion 73-12(3): To Adopt Recommendation 4

I move, that this committee recommends that the Department of Economic Development and Tourism provide leadership, support and direction, as required, to communities and regions leading toward an integrated approach to the development of local economic development plans.

CHAIRMAN (Mr. Pudluk):

Thank you. Your motion is in order. To the motion.

AN HON. MEMBER:

Question.

CHAIRMAN (Mr. Pudluk):

Question has been called. All those in favour? All those opposed? The motion is carried.

--- Carried

Thank you. Does the Minister wish to bring in his witnesses?

HON. JOHN POLLARD:

Yes.

CHAIRMAN (Mr. Pudluk):

Is the committee agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Pudluk):

Thank you. Please proceed, Mr. Minister. For the record, can you please introduce your witnesses?

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HON. JOHN POLLARD:

Thank you, Mr. Chairman. Mr. Roland Bailey, deputy minister of Economic Development and Tourism, and Mr. Jim Kennedy, director of finance for the Department of Economic Development and Tourism. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Pudluk):

Are there any general comments? Mr. Ningark.

General Comments

CHAIRMAN (Mr. Pudluk):

Mr. Minister.

HON. JOHN POLLARD:

Mr. Chairman, the Kitikmeot region is a priority with us. Mr. Bailey has visited there recently and he will be going back again. I think we are getting a handle on

some of the problems that we have in this area. We will be trying to resolve them this year. As I have said, it is a priority with us, Mr. Chairman.

CHAIRMAN (Mr. Pudluk):

Thank you. Mr. Ningark.

MR. NINGARK:

For the record, I am not saying that the present Minister has been neglecting the region. It has been the previous Ministers. Thank you.

CHAIRMAN (Mr. Pudluk):

Are there any other general comments? Mr. Koe.

MR. KOE:

Thank you, Mr. Chairman. Recently the federal government announced reductions in funds for training for tourism, and for arts and craft groups. Has this been taken into consideration in developing this budget? What is the department doing, if anything, to offset the reductions from the federal government?

CHAIRMAN (Mr. Pudluk):

Mr. Minister.

HON. JOHN POLLARD:

Mr. Chairman, with regard to the tourism training aspect of the cutbacks from the federal government, we have been expressing our displeasure in this regard. They have told us that some of it has gone to pathways, and of course, this is a community administered program, so some of these things may be addressed through pathways. As far as being able to take up the stack of all of the cutbacks which the federal government is passing down to us or down to the people of the Northwest Territories, we are unable to do that, Mr. Chairman. I have to be quite frank about this.

Mr. Chairman, what we have to do is make better use of our dollars and encourage the federal government to allow us to make better use of their dollars that they have available. This is one of do things we are working on right now. Whereas, and I know I have said this before, and I have been laughed at for it, our turn around time is relatively fast when you compare the turn around time for contribution agreements from the federal government, whether it is CAEDS or some other program. We are trying to work with the federal

government to say if we bring these things together at the same time, then people can get on with businesses a lot faster. We are not able to replace the dollars which the federal government is cutting back, but we certainly are trying to make better use of the dollars we have and the ones that they have.

The other area is there is going to be a closure of some federal offices in the latest round of cutbacks. I have discussed with Mr. Siddon's office whether or not the Government of the Northwest Territories could deliver those programs on behalf of the federal government. I have not heard back on that one, Mr. Chairman. Thank you.

CHAIRMAN (Mr. Pudluk):

Are there any general comments? Mr. Koe.

MR. KOE:

Your departmental mandate is to promote and assist in the development of private publicly sponsored business enterprises that will create jobs and income for northern residents. The mandates and roles of other departments have changed, Education has some responsibility for jobs, and some of the programs which previously existed here in this department are moved or have moved. The concern is that there is still a need to develop our economy, create some wealth which is going to stay north, develop our northern businesses and ensure that our government's programs and services are utilized, and we use as much northern content and northern business as possible. Yet, every time we travel and talk with people we are always getting examples of things not going according to Hoyle, things are not working as well as we think. As mentioned earlier in the SCOF report, part of it is the seemingly lack of coordination or cooperation between government departments, joint consultation on projects and major initiatives. I would see this department as taking a major lead in many of these initiatives. Can the Minister briefly advise as to some of the initiatives which the department is taking in terms of developing our economy?

CHAIRMAN (Mr. Whitford):

Thank you. Mr. Pollard.

HON. JOHN POLLARD:

Thank you, Mr. Chairman. Mr. Chairman, the Member is correct about the lack of coordination in government for spending our own money. Many times

this department finds out after the fact that a business or a partnership was trying to get some government contracts, and we get told after the fact of the difficulties that they encountered. I think it is getting better. However, there are times when we can certainly act as an advisor to a person on how to do business with the government. I would stress this department is trying to make sure that where we spend money in the Northwest Territories as a government, that we ensure those departments do spend it in the north. There are all kinds of frustrating examples, as Mr. Koe has pointed out. We are endeavouring to address this. Mr. Bailey sits on the BIP committee, the EDA committee and he is playing an active role in any of the new things which the government is doing such as the committee of deputies who are going to review the way in which the Department of Renewable Resources fights forest fires. By having us around, we hope that we are able to

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influence those things and point out just how we should be looking at government spending of money and how it can influence our economy. Having a position at the table is doing us some good.

What are we doing in other areas? I have talked at length about some of the initiatives, whether it be forestry, fisheries, mining or looking at a tannery in the Delta. We are keenly interested in any of those things. I must say, Mr. Chairman, and I have said before in this House, and that is when you are looking at a business and you want to get someone going in a business or you want to start something, you want to be realistic about it also. Is it going to stand the test of time? They say that if a business has been around five years chances are it is going to survive. Most businesses fail in the first year or two or possibly three. In as much as we are going to be there assisting people and telling people we would like to help them, at the same time, we only want to do that in a realistic manner so that we know they are let with something meaningful and something which they are not going to come back to us several years later and say "I have lost all of that money and I need some more."

There are two ways to do this. One is to go in realistically, give them the facts so that they know what they are getting into, to look at the business plan and inform them this will work if they do certain particular things. The second thing is to follow-up with them on a regular basis so that we can help them

along the way. Sometimes we have to hold the hands of these people for a considerable time.

The other thing is to make all of the government departments aware of the fact that we have formed a new business, we have assisted them, and that it is together and it is operating, and try to encourage those government departments to use this business. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Whitford):

Thank you, Mr. Pollard. Mr. Koe.

MR. KOE:

One thing which seems to be standing the test of time is the department's reputation, especially within the business community. Wherever we go we always hear not overly positive comments about the department and how they do business, and how they provide help. I am glad to see there has been changes made in your senior management. I would give Mr. Bailey a lot of support and encouragement to continue to follow the track which he has taken on. At least he is getting out there and meeting the people in the smaller and larger communities. He is getting out and seeing what is happening and meeting with staff and the business community. I think this is a key component. There is a need for a major turn around. There is also a great deal of competition. Most of the aboriginal groups and some of the federal ones, the ones who are still in existence, also have grants, contributions and loan funds. Not only do we need coordination and continuing consultation with other government departments, but also with other federal government departments and also the aboriginal groups. As you mentioned in your budget speech, they are a major force and a major economic player, especially with the settlement of land claims. They now have land, money and wealth, and are ready and willing to do business. I want to provide this bit of advice. We have to expand our consultation networks. It is an ongoing task to keep current and up-to-date with all of the players in the economy.

CHAIRMAN (Mr. Whitford):

Thank you, Mr. Koe. Mr. Pollard, do you wish to add something to this?

HON. JOHN POLLARD:

Mr. Koe's advice is taken, Mr. Chairman, thank you.

CHAIRMAN (Mr. Whitford):

Are there any general comments? Mr. Arngna'naaq.

MR. ARNGNA'NAAQ:

Thank you, Mr. Chairman. Under the Department of Economic Development there are two secondments from the department. There had been two others over the past three or four years. Is the government getting any direct benefit from the secondments? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Whitford):

Thank you, Mr. Arngna'naaq. Mr. Pollard.

HON. JOHN POLLARD:

Mr. Chairman, I think both secondments end this year. Both parties that they are seconded to have been advised that we will not be extending those secondments, certainly not for periods of years. I think there is a certain element of unfairness which is expressed to us by many people who say "Why did this company or this group get the assistance of a government-paid person to be at their total disposal, and we did not?" That is a problem we are trying to address. As for do we get any benefit out of it, other than the fact that hopefully those people have worked for successful organizations, there is no direct benefit to us, Mr. Chairman.

CHAIRMAN (Mr. Whitford):

Thank you, Mr. Minister. Mr. Arngna'naaq.

MR. ARNGNA'NAAQ:

Thank you, Mr. Chairman. The question I have is under the definitive objectives, under policy activity, policy and planning. There is to provide on-the-job training for two trainees, and to place one trainee in an economic development officer position. Does this mean there are two trainees under policy and planning? Will the department have any more trainees? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Whitford):

Thank you. Mr. Minister.

HON. JOHN POLLARD:

Mr. Chairman, they can be in the communities or they can be in school. In this case, this is a new training position in Coppermine. This position was requested by the community.

In regard to the last question, I do not want to mislead the committee. With regard to those two secondments, we are thinking of moving one of those seconded people or moving the position to the Kitikmeot to address the issue of the mining industry in that particular region and how that region can get the best bang for its dollar out of the Izok Lake development, the Port development and the whole issue up there with Transportation. I do not want to say I am cancelling them out totally, but I would consider moving one into the Kitikmeot. Thank you, Mr. Chairman.

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CHAIRMAN (Mr. Whitford):

Thank you, Mr. Minister. Member for Kivallivik.

MR. ARNGNA'NAAQ:

Thank you, Mr. Chairman. I would take it that that would be, because there are only two secondments at the present time, there is one for...(inaudible)... and one for Cambridge Bay settlement council.

The second question I had about the trainees, did not get answered. I was wondering if the department is expecting to create any more trainee positions? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Whitford):

Thank you. Mr. Pollard.

HON. JOHN POLLARD:

Mr. Chairman, we are creating two this year. If they are successful then we will look at it again next year. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Whitford):

Mr. Arngna'naaq.

MR. ARNGNA'NAAQ:

One final question, Mr. Chairman. Under business development, one of the objectives is to develop arts and crafts marketing plans for the United States market. I would like to find out how that is going and if there is any involvement by any arts and crafts business in the Northwest Territories? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Whitford):

Thank you. Mr. Minister.

HON. JOHN POLLARD:

Mr. Chairman, I guess the main thrust we will take this year with the United States will be through Amway International. I think the intention is to have that agreement signed in Baker Lake when we come to agreement with Amway. That, we feel, will get us into a catalogue situation in the United States which will sell more arts and crafts from the Northwest Territories directly into the domestic market. Obviously we will be doing some more promotion with masters of the Arctic, and also there will be other shows we will be participating in. If there are arts and crafts entrepreneurs out there such as the group from Yellowknife who wanted to put together a catalogue to sell products out of the territories, then we will certainly be willing to entertain their application, Mr. Chairman. Thank you.

CHAIRMAN (Mr. Whitford):

Thank you, Mr. Pollard. Mr. Zoe.

MR. ZOE:

Thank you, I have some comments pertaining to Economic Development and Tourism, Mr. Chairman. Mr. Chairman, the chairman of the Standing Committee on Finance made a number of points in his comments today. I wanted to advise the Minister with regard to human resources, the standing committee made a number of recommendations under government-wide issues and recommendations. They talked about attitude and so forth, and talked about measuring performances and increasing aboriginal people within government as a whole. Just to remind the Minister, this same committee last year, Mr. Chairman, recommended that this department should try to significantly increase their numbers, particularly at the senior and middle management levels. The committee also asked about the department's plans of achieving this particular goal. Are they developing career pathing for their employees, et cetera? What I wanted to ask was although this year the Standing Committee on Finance suggested training and affirmative action, last year this department was targeted, and how is the department going to improve in this whole area of human resources? What is the definitive plan of the department? Last year they were targeted, and this year although the Standing Committee on Finance did not target them, they made a general remarks for across the government that they should improve their

affirmative action. I wanted to ask the Minister what the department's specific goals are for this coming year?

CHAIRMAN (Mr. Whitford):

Thank you, Mr. Zoe. Minister Pollard.

HON. JOHN POLLARD:

Thank you, Mr. Chairman. We are providing two training positions this year, we are making arrangements with communities whereby they can assist us in hiring people to work in their communities to be part of the decision-making process so they can tell us who they want to work in those communities. We are asking them to consider as many northern people as possible. The word to the department is, and as I said in the speech, that we hire north first, and it would only be when we cannot fill those positions from the north that we would hire in the south. I think the way to do this thing is to start inducting people into the bottom of the department, train them and, as Mr. Zoe says, career path them so they can get up into management and look at a career with the government in this particular department. This is what we are telling our staff we are doing. This is what we are telling the communities we are doing. This is what we intend to do, Mr. Chairman, to hire more people from the Northwest Territories.

CHAIRMAN (Mr. Whitford):

Thank you, Mr. Pollard. Mr. Zoe.

MR. ZOE:

Thank you, Mr. Chairman. Mr. Chairman, I want to make reference to last year's SCOF report. Last year the committee also recommended the department give increased financial authority to the regional officers, particularly as it relates to contributions and loans, with an objective to improve the turn around time of funding requests. What is the status of this particular recommendation from last year?

CHAIRMAN (Mr. Whitford):

Thank you, Mr. Zoe. Mr. Pollard.

HON. JOHN POLLARD:

Thank you, Mr. Chairman. Mr. Chairman, once they have completed training they will have the ability to make decision on loans up to \$25,000. We have taken notice of the recommendation and are giving

the regions increased authority. I will be very honest with you again, they have this authority as long as they use it properly. If they do not use it properly then the authority will be taken away and we will retrain them again until we believe they are acting properly. So far, Mr. Chairman, we have not had any problems. However, this is the move we are making.

CHAIRMAN (Mr. Whitford):

Thank you, Mr. Pollard. Mr. Zoe.

MR. ZOE:

Thank you, Mr. Chairman. Mr. Chairman, in this years Standing Committee on Finance report the committee was not happy with the management for results system, and the responses the committee received from a number of departments with regard to their actual indicators of accomplishments and targets for key results. The committee has indicated that many of the departments have tried to respond but they have not responded as good as we would

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like them to. This year, we have included a focus report in the Standing Committee on Finance. I have reviewed the current year proposed budget for Economic Development and Tourism. They have three or four pages of definitive objectives. Are these particular objectives adequate and measurable? If I recall correctly, when we asked this particular department to give us a report, the report which was submitted to us was not satisfactory. Are this year's objectives reasonable and measurable?

CHAIRMAN (Mr. Whitford):

Thank you, Mr. Zoe. Mr. Pollard,

HON. JOHN POLLARD:

I am assured by Mr. Bailey, Mr. Chairman, that these objectives are reasonable, attainable and will be attained. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Whitford):

Mr. Zoe, last question for today, it is almost 6:00 p.m.

MR. ZOE:

Mr. Chairman, I would hope the department would use our focus report which we provided as guidance when they are providing information to us next year.

Mr. Chairman, with regard to regional and community economic plans, could the Minister inform us of how many regions or communities have community or regional plans?

CHAIRMAN (Mr. Whitford):

Thank you, Mr. Zoe. Mr. Pollard, if you have a short response, given the time.

HON. JOHN POLLARD:

Mr. Chairman, I think Mr. Zoe is talking about economic plans for communities and regions. There are shelves of them, Mr. Chairman, for communities, regions, et cetera. How many of them have up-to-date plans? I think this is the thing which we are working on right now, to get those communities to tell us where they want to go. The way in which we are doing this is by giving them more control over the economic development officers they have in their communities. You may not see something which is structured, but you will see the EDO out there doing what the community wants him or her to do, Mr. Chairman. Thank you.

CHAIRMAN (Mr. Whitford):

Thank you very much, Mr. Pollard. It is now past 6:00 p.m. I thank Mr. Pollard and his witnesses and we will resume with this department tomorrow. We shall now rise and report progress.

MR. SPEAKER:

Mr. Chairman.

ITEM 20: REPORT OF COMMITTEE OF THE WHOLE

MR. WHITFORD:

Thank you, Mr. Speaker. Mr. Speaker, your committee has been considering Bills 16 and 17, and Committee Report 11-12(3) and would like to report progress with six motions being adopted and that Bill 16 is now ready for third reading. Mr. Speaker, I move that the report of the committee of the whole be concurred with.

MR. SPEAKER:

Secunder to the motion, Mr. Koe. The motion is in order. All those in favour? All those opposed? The motion is carried.

--- Carried.

Item 21, third reading of bills. Mr. Pollard.

ITEM 21: THIRD READING OF BILLS

Bill 11: An Act To Amend The Legislative Assembly And Executive Council Act

HON. JOHN POLLARD:

I move, seconded by the honourable Member for Nunakput that Bill 11, An Act to Amend the Legislative Assembly and Executive Council Act, be read for the third time. Thank you, Mr. Speaker.

MR. SPEAKER:

The motion is in order, Mr. Pollard. All those in favour? All those opposed? The motion is carried.

--- Carried

Bill 11 has had third reading. Item 21, third reading of bills. Ms. Cournoyea.

Bill 6: An Act To Amend The Commercial Tenancies Act

HON. NELLIE COURNOYEA:

Mr. Speaker, I move, seconded by the honourable Member for Tu Nedhe that Bill 6, An Act to Amend the Commercial Tenancies Act, be read for the third time.

MR. SPEAKER:

The motion is in order, Ms. Cournoyea. All those in favour? All those opposed? The motion is carried.

--- Carried

Bill 6 has had third reading. Item 21, third reading of bills. Item 22, orders of the day. Mr. Clerk.

ITEM 22: ORDERS OF THE DAY

CLERK OF THE HOUSE (Mr. Hamilton):

Mr. Speaker, meeting of the Ordinary Members' Caucus at 10:30 am tomorrow morning. Orders of the day for Tuesday, February 23, 1993.

1. Prayer
2. Ministers' Statements
3. Members' Statements

4. Returns to Oral Questions
5. Oral Questions
6. Written Questions
7. Returns to Written Questions
8. Replies to Opening Address
9. Replies to Budget Address
10. Petitions
11. Reports of Standing and Special Committees
12. Reports of Committees on the Review of Bills

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13. Tabling of Documents
14. Notices of Motion
15. Notices of Motions for First Reading of Bills
16. Motions
17. First Reading of Bills
18. Second Reading of Bills
19. Consideration in Committee of the Whole of Bills and

Other Matters

- Tabled Document 2-12(3) The Justice House - Report of the Special Advisor on Gender Equality
- Bill 5, An Act to Amend the Social Assistance Act
- Bill 12, An Act to Amend the Mental Health Act
- Bill 17, Appropriation Act, No. 2, 1993-94
- Minister's Statement 34-12(3), Long-Term Staff Housing Strategy
- Committee Report 10-12(3), Report on Tabled Document 21-12(3): Payroll Tax Act

- Committee Report 11-12(3), Standing Committee on Finance, Report on the Review of the 1993-94 Main Estimates

20. Report of Committee of the Whole

21. Third Reading of Bills

- Bill 16, Norman Wells Natural Gas Distribution System Act

22. Orders of the Day

MR. SPEAKER:

Thank you, Mr. Clerk. This House stands adjourned until Tuesday, February 23, 1993.

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