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LEGISLATIVE ASSEMBLY**

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Speaker: The Hon. Jeannie Marie-Jewell

TUESDAY, OCTOBER 11, 1994

Page 171

MEMBERS PRESENT

Mr. Allooloo, Mr. Antoine, Hon. Silas Arngna'naaq, Mr. Arvaluk, Mr. Ballantyne, Hon. Nellie Cournoyea, Mr. Dent, Mr. Gargan, Hon. Stephen Kakfwi, Mr. Koe, Mr. Lewis, Hon. Jeannie Marie-Jewell, Hon. Rebecca Mike, Hon. Don Morin, Hon. Richard Nerysoo, Mr. Ningark, Mr. Patterson, Hon. John Pollard, Mr. Pudlat, Hon. John Todd, Mr. Whitford, Mr. Zoe

ITEM 1: PRAYER

---Prayer

MADAM SPEAKER (Hon. Jeannie Marie-Jewell):

Good afternoon. Item 2, Ministers' statements. Item 3, Members' statements. The honourable Member for Iqaluit, Mr. Patterson.

ITEM 3: MEMBERS' STATEMENTS

Member's Statement On Congratulating Award-Winning Joamie School In Iqaluit

MR. PATTERSON:

Thank you, Madam Speaker. Good afternoon. You may wonder why I'm wearing a green tie today, Madam Speaker. I've already received a compliment from a Minister about my tie. In fact, Mr. Nerysoo wants to know the name of my haberdasher. Madam Speaker, it is not St. Patrick's Day. I'm wearing my green tie today in honour of the greenest school in Canada which is Joamie School in Iqaluit.

---Applause

Thank you. Joamie School is at the forefront of the green movement in Canadian schools. They do environmental projects with a passion which is almost unmatched in the rest of the country. I'm pleased here today to recognize that Joamie became the first school in Canada to reach earth status in a program put on by the Seeds Foundation. Receiving an environmental earth school award, Madam Speaker, means that Joamie has conducted at least 1,000 projects concerning the environment.

Before that, the 208 student school was already the second in the country to earn emerald status for having completed 500 projects. Prior to that

achievement, it became only the fourth school in Canada to attain jade status for accomplishing 250 projects. The fact that the students reached their school's goal by Christmas is also remarkable, and they're still going strong with green projects, Madam Speaker.

Every class has participated in projects which include recycling, energy conservation and water conservation. One of the projects, for example, was a shortest shower contest. Madam Speaker, it gives me pleasure today to salute the students of Joamie School, their principal Ms. Florence Sliney, and the very supportive volunteer parent's advisory committee of that school. Congratulations. Thank you.

---Applause

MADAM SPEAKER:

Thank you. Item 3, Members' statements. The honourable Member for Inuvik, Mr. Koe.

Member's Statement On Canada/NWT Infrastructure Program

MR. KOE:

Mahsi, Madam Speaker. Madam Speaker, on August 24th, a significant news release was issued announcing the Canada/Northwest Territories infrastructure program. This is a \$10.8 million cost-shared program designed to meet the infrastructure needs and priorities of local communities.

I, for one, am very pleased at this announcement and wish to compliment the Ministers who were involved in negotiating this agreement. However, of course, we all wish that we could have received more money. Madam Speaker, I don't wish to reiterate the highlights of the program, which were detailed in the press release, but I do wish to flag some issues which may be of concern when implementing the program.

It always seems that when we establish new programs, especially federal/territorial ones, that we have to involve many layers of bureaucracy. In this case, the program will be administered by a joint federal/territorial management committee. Applications will flow through regional superintendents of Education, Culture and Employment. Applications will be assessed by officials in Municipal and Community Affairs and the other government departments which are involved. And, community consultation groups may be established.

Madam Speaker, I believe in getting things done simply, effectively and efficiently. I believe things should follow the KISS principle: keep it simple, stupid. In this case, especially with such a good initiative, the whole program could be bogged down being reviewed by committees. Madam Speaker, I believe it is incumbent upon all of us to ensure that this program doesn't get bogged down in bureaucracy. Let the communities and their residents decide what their priorities are, give them the resources and let them get on with the job. Mahsi.

---Applause

MADAM SPEAKER:

Thank you. Item 3, Members' statements. The honourable Member for Deh Cho, Mr. Gargan.

Member's Statement On Concerns Of Contaminants In Redknife And Trout Rivers

MR. GARGAN:

Thank you, Madam Speaker. Madam Speaker, during the week of August 8th this past summer, I

Page 172

had the opportunity to travel the Redknife and Trout Rivers, on to Jean Marie River and Fort Simpson; areas that my Dad -- bless his soul -- traditionally travelled, along with myself at a very young age. I have learned to appreciate the traditional areas that I grew up in, as countless others of my generation have done.

During my trip I saw something that really bothered me that I hadn't seen before in this area. In many areas there was a very noticeable brown-coloured foam on the water. Madam Speaker, I have travelled on many lakes and rivers in the Northwest Territories, and this is not a natural occurrence.

In my opinion, this foam did not look like it could be explained by a rise in the water temperature. In addition, in these same waters, I was very disturbed to see a great number of dead fish floating about. Most of them were suckers, northern pike and whitefish.

I do not know what caused the foam on the water or the dead fish, but I suspect that, from the look of things, it may have been the result of an increase in levels of toxic substances. If this is the case, then we must increase our efforts to protect our land from our

downstream neighbours who seem to have little or no regard for our land, our waters, our way of life, or our legacy to our children.

I wanted to let the Members of this House know, Madam Speaker, that perhaps more effort is needed to preserve our environment. I am aware of the monitoring programs and water quality studies carried out by the Department of Renewable Resources in cooperation with other jurisdictions, and I applaud their efforts. But I am saying that we cannot assume that those who do not have a stake in our future, namely our neighbours who share our waters, will be as concerned with the quality of our northern lakes and rivers.

I would like someone to tell me that this is a natural occurrence and my concern is misplaced, but I don't think that will be the case. I will be following up on this issue with the Minister of Renewable Resources to find out what has caused this particular problem in the Redknife and Trout rivers, and what is being done, or will be done, about it.

---Applause

MADAM SPEAKER:

Item 3, Members' statements. The honourable Member for Sahtu, Mr. Kakfwi.

Member's Statement On "Strings Across The Sky"

HON. STEPHEN KAKFWI:

Thank you, Madam Speaker. In 1987, a Member of the Toronto Symphony Orchestra, Andrea Hansen, came north on a tour and, at that time, initiated a project called "Strings Across the Sky" with Inuvik businessman, Frank Hansen. It was a project to bring music to the children of the north by teaching the skills, and to continue the tradition of fiddling, which is very strong in the Mackenzie Delta.

This woman has since paid the north annual visits, two or three times per year, to encourage young people of the Mackenzie Delta to renew interest in the tradition of fiddling. During the first weekend of September, the 2nd, 3rd and 4th of September, there was a fiddling festival organized by the performers of the Northwest Territories, under the organization of Darlene Mandeville. They organized a three-day festival with fiddling, calling dances and teaching square dancing and other dances done to a fiddle. Andrea Hansen was there and was incredibly enthusiastic. She threw some real energy into the

initiative. Following that, she made a visit again to Inuvik and indicated at that time if we could find someone to help her pay for the transportation on her visit to Norman Wells she would be prepared to stop in Fort Good Hope for two days. So the Sahtu divisional board staff got organized very quickly and took the initiative to find some money for it. The result was to the benefit of everybody in Fort Good Hope who also organized to provide room and board, transportation and accommodation for these people.

I want to compliment the Sahtu divisional board for their quick action and the people of Fort Good Hope to seize this initiative. I would also like to thank the people of the Strings Across the Sky. Thank you.

---Applause

MADAM SPEAKER:

Thank you. Item 3, Members' statements. Item 4, returns to oral questions. Madam Premier.

ITEM 4: RETURNS TO ORAL QUESTIONS

Further Return To Question 54-12(6): GNWT's Role In New Health Strategy

HON. NELLIE COURNOYEA:

Thank you, Madam Speaker. I would like to give a return to an oral question asked by Mr. Fred Koe on October 6th. I would like to provide further clarification on my responses to the questions raised on October 6th by Mr. Koe concerning the Government of the Northwest Territories role in the federal government's new health strategy.

The federal government plans to spend some \$243 million over five years on the national strategy to deal with urgent health priorities of First Nations and Inuit. Three main program areas will be addressed: mental health crisis management, solvent abuses and home care nursing.

The department has had discussions with the federal government on this initiative. The outcome has been positive in that the NWT will be eligible for funding. The exact amount of the Northwest Territories allocation, how the money will flow to the NWT, as well as the program parameters will be made known to the NWT in the next three to four weeks.

Return To Question 73-12(6): Social Worker For Arctic Bay

Madam Speaker, I have a further reply to an oral question asked by Ludy Pudluk regarding the social worker in Arctic Bay. The question was asked on

Page 173

October 7th. In reply to Mr. Pudluk's question about the social worker in Arctic Bay, I can advise that the competition has been completed and a candidate has been selected. There is no housing currently available, but it's expected that the house will be ready by late December or early January.

In the meantime, several options are being considered to ensure that social services remain available to the residents of Arctic Bay. There is a possibility that the social worker might be located in Nanisivik temporarily, commuting to Arctic Bay. Alternatively, the possibility of renting a house from the church in Arctic Bay is also being considered. These would only be temporary measures, Madam Speaker, and I can assure the Member that every effort will be made to locate the social worker in Arctic Bay as soon as housing is available.

Until then, social workers from other communities and from the regional office will continue to travel to Arctic Bay, as required, to maintain service delivery. Thank you, Madam Speaker.

MADAM SPEAKER:

Thank you. Item 4, returns to oral questions. Item 5, recognition of visitors in the gallery. Item 6, oral questions. The honourable Member for Deh Cho, Mr. Gargan.

ITEM 6: ORAL QUESTIONS

Question 86-12(6): Status Of Smouldering Forest Fires

MR. GARGAN:

Thank you, Madam Speaker. On Friday, before question period was over, I asked a question regarding the forest fire situation in the Northwest Territories to the Minister of Renewable Resources. In his response he said that there were still 80 areas where fires were still smouldering. I would like to ask the Minister whether or not last year...I'd like to ask the Minister what was the status of the fires last summer, compared to this year, of those that were left smouldering. How many actually restarted this summer?

MADAM SPEAKER:

Thank you. Minister of Renewable Resources, Mr. Arngna'naaq.

HON. SILAS ARNGNA'NAAQ:

Thank you, Madam Speaker. I do not know the answer to the question. I'll take the question as notice. Thank you.

MADAM SPEAKER:

Thank you. Question is being taken as notice. Item 6, oral questions. The honourable Member for Inuvik, Mr. Koe.

Question 87-12(6): Status Of Implementation Of NWT Infrastructure Program

MR. KOE:

Mahsi, Madam Speaker. On August 24th, an agreement on an NWT infrastructure program was signed. This was a \$10.8 million arrangement designed to meet the infrastructure needs and priorities of local communities. The Minister of Education, Culture and Employment is responsible for administering and implementing the agreement on behalf of the Government of the Northwest Territories.

My question is directed to the Minister of Education, Culture and Employment. What is being done to implement this program in the Northwest Territories?

MADAM SPEAKER:

Thank you. Minister of Education, Culture and Employment, Mr. Nerysoo.

Return To Question 87-12(6): Status Of Implementation Of NWT Infrastructure Program

HON. RICHARD NERYSOO:

Madam Speaker, the question requires a somewhat lengthy response. Just so there is no confusion about the whole management structure, first of all, because it is part of the process, the management committee that is the central agency responsible for managing and approving the project applications are the ADMs of Education, Culture and Employment, Municipal and Community Affairs, the regional director and the associate regional director of Indian and Northern Affairs.

Just to advise the honourable Member with regard to what has already been done, we have already worked at advising all the superintendents in the region. We've run workshops with the staff in the region so that they can be apprised of the program itself. Also, I've sent letters to most municipalities, most band councils and most aboriginal organizations in the communities to advise them about the project and the general terms of the project or the program itself.

MADAM SPEAKER:

Thank you. Supplementary, Mr. Koe.

Supplementary To Question 87-12(6): Status Of Implementation Of NWT Infrastructure Program

MR. KOE:

Thank you, Madam Speaker. Madam Speaker, the focus of this program is on communities. Just some short quotes from the press release, "It's to create short and long-term employment through investment in local communities. Program funding will be allocated to communities" and, "Program design is flexible so as to allow communities to determine their own priorities." So my supplementary is what consultation has been done with communities to ensure their involvement in the implementation of this program?

MADAM SPEAKER:

Thank you. Minister of Education, Culture and Employment, Mr. Nerysoo.

Further Return To Question 87-12(6): Status Of Implementation Of NWT Infrastructure Program

HON. RICHARD NERYSOO:

Thank you, Madam Speaker. Just to advise the honourable Member that all communities have been advised of the program. What is clear, Madam Speaker, is that we're using the same process that we used for the community works program last year. All communities and aboriginal organizations are aware of the process and we're continuing with that process because it was successful. It was very simple and in many respects it offered the opportunity for the communities to determine their capital priorities. So that same process is being used for this particular project.

MADAM SPEAKER:

Thank you. Supplementary, Mr. Koe.

Page 174

Supplementary To Question 87-12(6): Status Of Implementation Of NWT Infrastructure Program

MR. KOE:

Mahsi, Madam Speaker. One of the unique features of this program, again I quote, "blending of the national infrastructure program allocation and First Nations infrastructure initiative allocation into one group, and community consultation to ensure that all affected local governments and communities and aboriginal groups are represented and involved in the process of developing local community projects." My supplementary is, how can aboriginal groups get involved and receive program funding?

MADAM SPEAKER:

Minister of Education, Mr. Nerysoo.

Further Return To Question 87-12(6): Status Of Implementation Of NWT Infrastructure Program

HON. RICHARD NERYSOO:

Thank you, Madam Speaker. The process to be used is to work with the municipal council to identify priorities of infrastructure. Just to advise the honourable Members of this House that the important component to what we are trying to accomplish is to ensure that there is some consensus that is reached in terms of the priority of projects. Otherwise there is no need for communities to be duplicating initiatives that would contradict one another. I think the important thing for us is to ensure there's some consistency and support for the projects that are being proposed. The idea would be for the communities to work together to come to an agreement on the priorities.

MADAM SPEAKER:

Thank you. Item 6, oral questions. Final supplementary, Mr. Koe.

Supplementary To Question 87-12(6): Status Of Implementation Of NWT Infrastructure Program

MR. KOE:

Mahsi, Madam Speaker. My final supplementary is what time frame are we looking at to begin these

programs? Specifically, when can communities expect to receive money to begin some of the projects that they've identified?

MADAM SPEAKER:

Thank you. Minister of Education, Culture and Employment, Mr. Nerysoo.

Further Return To Question 87-12(6): Status Of Implementation Of NWT Infrastructure Program

HON. RICHARD NERYSOO:

Thank you, Madam Speaker. Just to indicate to the honourable Member that allocations have been identified based on the same kind of determinations we had with the community works program last year. While this is a two-year initiative, we're still using the same kind of criteria.

What I would suggest to the honourable Member and to the communities is that they have an opportunity now to identify and prioritize certain infrastructure needs in their community. They then can develop the proposals based on that. I think it's important that they work together to ensure that the projects we're talking about are of benefit to the community in total, and the results in the long term are going to be in the interests of the community, both aboriginal and non-aboriginal.

MADAM SPEAKER:

Thank you. Item 6, oral questions. The honourable Member for Yellowknife Centre, Mr. Lewis.

Question 88-12(6): Difficulties Of Small Businesses Obtaining Loans

MR. LEWIS:

Thank you, Madam Speaker. My question is to the Minister of Economic Development and Tourism. Last month, the Canadian Association for Independent Business published the results of a survey that it had done on business loans to businesses across the country. There was some alarming information that was reported, the main one being that although small businesses create all the jobs, there have been more loan applications turned down in the past fiscal year than in the year before. Many small businesses have gone under for that reason, they have no access to capital.

I would like to ask the Minister, there's no clear indication of what information was applied from the Northwest Territories, where small businesses are having difficulties in obtaining loans from our chartered banks.

MADAM SPEAKER:

Thank you. Minister of Economic Development and Tourism, Mr. Todd.

Return To Question 88-12(6): Difficulties Of Small Businesses Obtaining Loans

HON. JOHN TODD:

Thank you, Madam Speaker. I don't think there's any doubt. I've spoken on a number of occasions in the House about the need to improve access to capital. I know, in terms of the Mortgage Investment Corporation that we talked about last week, that's one means that we're looking at for residential and commercial mortgages. We have the Business Credit Corporation and its new approach to more authority at the regional level and a new approach in terms of the \$5,000 grants.

With respect to the chartered banks, I can't specifically say one way or the other whether they've shrunk their exposure when it comes to lending. I know that I can say one thing to the honourable Member, there has been tremendous pressure on the Business Credit Corporation over the last year, and that may be a reflection of the fact that our financial institutions aren't lending to the level and to the degree that we're accustomed to. But I don't have any specific data or research that indicates one way or the other. Thank you.

MADAM SPEAKER:

Thank you. Supplementary, Mr. Lewis.

Supplementary To Question 88-12(6): Difficulties Of Small Businesses Obtaining Loans

MR. LEWIS:

For some time, we've identified access to capital as one of the big problems facing our small businesses across the territories. So I would like to ask the Minister, since we can assume that the difficulty continues for our small businesses to get capital and access to loans and so on, what status is the discussion now at with regard to setting up our own credit union system in the Northwest Territories so

that there would be small pools of capital to serve our needs?

MADAM SPEAKER:

Thank you. Minister of Economic Development and Tourism, Mr. Todd.

Page 175

Further Return To Question 88-12(6): Difficulties Of Small Businesses Obtaining Loans

HON. JOHN TODD:

Thank you, Madam Speaker. If I may just go back to the original question, I would say to the honourable Member that I did recently seek an additional \$3 million for the Credit Corporation because all the funds we had in the past were taken up. That again, may be an indication of the activity as well as the possibility that the banks are not lending to the same degree as they have in the past.

With respect to the Arctic co-ops credit union initiative that's been going on for heaven knows how many years, we're currently putting forward an application to the EDA secretariat seeking some fiscal support for the ACL's application to seed or bridge-finance the dollars that are required for the establishment of an ACL-sponsored credit union. We're optimistic that the potential for that could be approved some time in November. Thank you.

MADAM SPEAKER:

Thank you. Supplementary, Mr. Lewis.

Supplementary To Question 88-12(6): Difficulties Of Small Businesses Obtaining Loans

MR. LEWIS:

This government has gone hot and cold on credit unions over the last 10 years, so I would like to ask the Minister since this seems to be the attitude that has some potential, whether the government in fact has a positive view towards the development of some kind of system so that we would have at least some access for our small businesses to get capital.

MADAM SPEAKER:

Thank you. Minister of Economic Development and Tourism.

Further Return To Question 88-12(6): Difficulties Of Small Businesses Obtaining Loans

HON. JOHN TODD:

Madam Speaker, I would say that the current temperature is very hot; that we're in the process of aggressively pursuing some seed money to assist ACL in the development of its credit union. However, I'm sure the honourable Member knows that they will require significantly more equity than what we're able to provide. But I made a commitment to the board of directors and to the president who has probably sent me more letters than Santa Claus with respect to this issue, that we're going to move quickly to provide him with the fiscal resources necessary to move forward on this credit union. It's an important initiative. Thank you.

MADAM SPEAKER:

Thank you. Item 6, oral questions. The honourable Member for Natilikmiot, Mr. Ningark.

Question 89-12(6): ECE Policy For Student Exchange Programs

MR. NINGARK:

Thank you, Madam Speaker. Madam Speaker, my question is directed to the Minister of Education, Culture and Employment. Madam Speaker, from time to time, students of the NWT take part in student exchange programs or trips to other jurisdictions and sometimes to other countries. In order to make such trips possible, they have to go through the ambitious fund-raising programs. One of the main obstacles that I know of is to accommodate the enormous airfare in going from one place to another. My question to the honourable Minister is, does the department have a policy or program to assist schools in making such a trip possible? Thank you.

MADAM SPEAKER:

Thank you. Minister of Education, Culture and Employment, Mr. Nerysoo.

HON. RICHARD NERYSOO:

Thank you, Madam Speaker. I don't know the details to that particular question, so I'll take the question as notice.

MADAM SPEAKER:

Thank you. Item 6, oral questions. The honourable Member for Aivilik, Mr. Arvaluk.

Question 90-12(6): Substance Of Keewatin Divisional Board Of Education Meetings

MR. ARVALUK:

(Translation) Thank you, Madam Speaker. I have a question to the Minister of Education, Culture and Employment. Recently, the Minister of Education, Culture and Employment attended meetings of the Keewatin Divisional Board of Education. Could the Minister advise whether he answered questions about the impact of the potential cuts in federal funding for aboriginal languages on the aboriginal languages program provided by the Keewatin Divisional Board of Education?

MADAM SPEAKER:

Minister of Education, Culture and Employment, Mr. Nerysoo.

Return To Question 90-12(6): Substance Of Keewatin Divisional Board Of Education Meetings

HON. RICHARD NERYSOO:

Thank you, Madam Speaker. I indicated to the board that there would be some very significant cuts to the funding provided for aboriginal languages programming.

MADAM SPEAKER:

Thank you. Supplementary, Mr. Arvaluk.

Supplementary To Question 90-12(6): Substance Of Keewatin Divisional Board Of Education Meetings

MR. ARVALUK:

(Translation) Thank you, Madam Speaker. In his response, did he mention the report of the Languages Commissioner, which highlighted the lapsed money for aboriginal languages?

MADAM SPEAKER:

Thank you. Minister of Education, Culture and Employment, Mr. Nerysoo.

Further Return To Question 90-12(6): Substance Of Keewatin Divisional Board Of Education Meetings

HON. RICHARD NERYSOO:

Thank you, Madam Speaker. I indicated to the board that one of the documents that was being used as an argument for the reduction of resources was the report of the Languages Commissioner.

MADAM SPEAKER:

Thank you. Item 6, oral questions. Supplementary, Mr. Arvaluk.

Page 176

MR. ARVALUK:

Thank you, Madam Speaker. We heard on the radio that the Minister inferred that the Languages Commissioner's report was, in part, responsible for highlighting the lapsed money to the federal government, which resulted in the proposed cuts.

MADAM SPEAKER:

Mr. Arvaluk, I didn't hear a question with your comments. Mr. Arvaluk.

Supplementary To Question 90-12(6): Substance Of Keewatin Divisional Board Of Education Meetings

MR. ARVALUK:

What I was trying to ask was, did the Minister imply or infer that the Languages Commissioner's report was, in part, responsible for highlighting the lapsed money to the federal government, resulting in the proposed cuts?

MADAM SPEAKER:

Thank you. Minister of Education, Culture and Employment, Mr. Nerysoo.

Further Return To Question 90-12(6): Substance Of Keewatin Divisional Board Of Education Meetings

HON. RICHARD NERYSOO:

Thank you, Madam Speaker. In fact, Madam Speaker, it has been indicated to me by staff that at meetings federal officials used that particular document as part of the information they were using to argue for the reduction of resources to our languages program. That was the issue.

MADAM SPEAKER:

Thank you. Final supplementary, Mr. Arvaluk.

Supplementary To Question 90-12(6): Substance Of Keewatin Divisional Board Of Education Meetings

MR. ARVALUK:

The federal and territorial governments are supposed to receive an audited report every year, explaining how the contributions were used, as required by the agreement. This was stated by the Minister on CBC and heard by my constituency. Is the Minister telling the public that the federal government wasn't able to get early information about the lapsed funds?

MADAM SPEAKER:

Minister of Education, Culture and Employment, Mr. Nerysoo.

Further Return To Question 90-12(6): Substance Of Keewatin Divisional Board Of Education Meetings

HON. RICHARD NERYSOO:

I think what is clear is that when that report was brought forward to this House, it was almost a year old. And, despite the efforts on my part to clarify some of the information, I was chastised by Members of this House. In fact, during the past year, we have overspent our aboriginal languages money in our department and, yet, we are unable to put forward an argument as to the need for more funding rather than the argument now being put forward by the federal government. Because of the report and because of other information that has been brought forward, they are using the arguments against us to reduce our overall resources in our area.

In most meetings, including the meeting I was attending, the boards of education ask for more money for languages and culture. At this particular juncture, I would have to say that, as a result of our most recent agreement, we are possibly going to be looking at less and not more.

MADAM SPEAKER:

Thank you. Item 6, oral questions. The honourable Member for Deh Cho, Mr. Gargan.

Question 91-12(6): Status Of Monitoring Water Quality

MR. GARGAN:

Thank you, Madam Speaker. Madam Speaker, I would like to direct my question to the Minister of

Renewable Resources. Madam Speaker, I made a statement today regarding the quality of water in the Mackenzie River. I would like to ask whether the monitoring of the river has resulted in revealing any toxins in the river, or the increase of toxins. What is the status of the monitoring that is being done of pulp mills upstream from the Mackenzie River?

MADAM SPEAKER:

Thank you. Minister of Renewable Resources, Mr. Arngna'naaq.

Return To Question 91-12(6): Status Of Monitoring Water Quality

HON. SILAS ARNGNA'NAAQ:

Thank you, Madam Speaker. The results of some of the consultation that has taken place about the Mackenzie River has resulted in a Mackenzie River Basin master agreement, which is an interjurisdictional agreement, whereby all jurisdictions agree to protect the quality and quantity of water. At this point, the agreement is going to the various jurisdictions for their approval. At this point, I'm not able to directly answer the question that the honourable Member is asking about the quality of water in the Mackenzie River.

If there is a specific area of the Mackenzie River he is asking about, I would be willing to provide that information to the Member. But, at this point, I am not certain of the answer to his question. Thank you.

MADAM SPEAKER:

Supplementary, Mr. Gargan.

Supplementary To Question 91-12(6): Status Of Monitoring Water Quality

MR. GARGAN:

Madam Speaker, the area I referred to in my statement is the area between Fort Providence and Fort Simpson. I also mentioned Trout River and Redknife River, but I didn't travel through those rivers. I just went by them. The only observation I can make is that the fish that are dead in the river are not coming from those rivers. I presume the toxins are coming from other sources. I am asking the Minister whether or not there has been some monitoring done in the Great Slave Lake to Inuvik? Are we experiencing any increase in toxins in the river, that are causing the fish to die?

MADAM SPEAKER:

Thank you. Minister of Renewable Resources, Mr. Arngna'naaq.

Page 177

Further Return To Question 91-12(6): Status Of Monitoring Water Quality

HON. SILAS ARNGNA'NAAQ:

Thank you, Madam Speaker. I thank the honourable Member for clarifying his question. From what I understand, the results of the fish dying in the specific area the honourable Member is asking about is a question that the Department of Fisheries and Oceans of the federal government is trying to answer. At this point, we have not yet heard what the results are. Thank you, Madam Speaker.

MADAM SPEAKER:

Thank you. Supplementary, Mr. Gargan.

Supplementary To Question 91-12(6): Status Of Monitoring Water Quality

MR. GARGAN:

Madam Speaker, I realize that there is still a master agreement that requires approval of other jurisdictions before finalization, but I would like to ask whether this government is also doing any type of monitoring, besides Fisheries and Oceans.

MADAM SPEAKER:

Thank you. Minister of Renewable Resources, Mr. Arngna'naaq.

Further Return To Question 91-12(6): Status Of Monitoring Water Quality

HON. SILAS ARNGNA'NAAQ:

Thank you, Madam Speaker. I think that the amount of toxins that go into the Mackenzie River are not controllable by this government. Therefore, we, as a government have been strongly pursuing the signing of the Mackenzie River Basin master agreement whereby fewer toxins would be allowed into the Mackenzie River. But the specific area in question is something that we are not able to answer with complete surety at this point. Thank you, Madam Speaker.

MADAM SPEAKER:

Thank you. Final supplementary, Mr. Gargan.

Supplementary To Question 91-12(6): Status Of Monitoring Water Quality

MR. GARGAN:

Madam Speaker, as a result of the concern I have, I've made a statement. I'm sure anybody who lives on the Slave River, Athabasca River, Slave Lake or Mackenzie River would have a concern about the amount of pollution that's being discharged into the river. I don't think that this is something I would like to take lightly or that the department should be taking lightly. I would like to ask the Minister, while there are discussions happening regarding the tripartite agreement, that we don't ignore this and leave it until it's too late. I would like to ask the Minister if he is conveying to the federal department of Fisheries and Oceans that the residents should be warned whether the water is safe or we should be concerned.

MADAM SPEAKER:

Thank you. Minister of Renewable Resources, Mr. Arngna'naaq.

Further Return To Question 91-12(6): Status Of Monitoring Water Quality

HON. SILAS ARNGNA'NAAQ:

Thank you, Madam Speaker. I agree with the honourable Member that the amount of discharge of toxin into any waters in the Northwest Territories is of great importance to the Government of the Northwest Territories. I would like to point out that when the master agreement was put together, I was the first to sign it and have been, since then, pressuring the Minister of Indian and Northern Affairs to sign the agreement and then to pass it on to the other jurisdictions which have part of the Mackenzie River in their jurisdiction. I have been pursuing this agreement, and I believe the Minister of Indian Affairs and Northern Development has now signed the agreement and is passing it on to the other jurisdictions which are Alberta, British Columbia and Yukon. Thank you, Madam Speaker.

MADAM SPEAKER:

Thank you. Item 6, oral questions. The honourable Member for Nahendeh, Mr. Antoine.

Question 92-12(6): Decision On Reorganization Of MACA

MR. ANTOINE:

Mahsi, Madam Speaker. My question is directed to the Minister responsible for Municipal and Community Affairs. Madam Speaker, we all know that this department is presently undergoing a major reorganization. However, the Premier's Return to Session statement didn't mention it nor was it covered in Mr. Pollard's budget address. I would like to ask the Minister whose decision it was to reorganize her department. Thank you.

MADAM SPEAKER:

Thank you. Minister of Municipal and Community Affairs, Ms. Mike.

Return To Question 92-12(6): Decision On Reorganization Of MACA

HON. REBECCA MIKE:

Thank you, Madam Speaker. The decision to reorganize the department was made by my deputy minister, Dave Ramsden.

MADAM SPEAKER:

Supplementary, Mr. Antoine.

Supplementary To Question 92-12(6): Decision On Reorganization Of MACA

MR. ANTOINE:

Thank you, Madam Speaker. The Members on this side of the House have always described this department as being one of the best departments in the government, and I know that none of the MLAs in this House have asked for any sort of reorganization of this department. The people who we represent in the municipal governments in the communities are quite satisfied with the way the services are delivered by this department. However, Madam Speaker, I would like to ask the Minister if any type of analysis or any type of questions were asked to the communities before this reorganization took place. Thank you.

MADAM SPEAKER:

Thank you. Minister of Municipal and Community Affairs, Ms. Mike.

Further Return To Question 92-12(6): Decision On Reorganization Of MACA

HON. REBECCA MIKE:

Thank you, Madam Speaker. This reorganization did not touch on programs and policies of the department. It was merely to realign the resources we have in the division of MCAP in the department. Therefore, the consultation did not take place with the communities as it did not concern any policy changes nor program changes.

MADAM SPEAKER:

Thank you. Supplementary, Mr. Antoine.

Supplementary To Question 92-12(6): Decision On Reorganization Of MACA

MR. ANTOINE:

Thank you, Madam Speaker. This department is the department that provides services to people in the communities, especially the municipal governments. These municipal governments have been quite satisfied with the department in the way the services were delivered. There is a real fear here by members of communities that this reorganization is destroying that service. And that's the purpose of this government, to provide programs and services to the people in the community. If the way the service is delivered is satisfactory and nobody asked for any changes, why did the department decide to reorganize and make these changes? Thank you.

MADAM SPEAKER:

Thank you. Minister of Municipal and Community Affairs, Ms. Mike.

Further Return To Question 92-12(6): Decision On Reorganization Of MACA

HON. REBECCA MIKE:

Thank you, Madam Speaker. The decision to reorganize this department at the headquarters level was decided and initiated by the deputy minister who has responsibility in administering the department. He felt that the department needed reorganization because there were duplications of responsibilities under different divisions that had to be realigned. It was just merely to make the department more

efficient in responding to the needs of the communities and the regional centres. Thank you.

MADAM SPEAKER:

Thank you. Final supplementary, Mr. Antoine.

Supplementary To Question 92-12(6): Decision On Reorganization Of MACA

MR. ANTOINE:

Thank you, Madam Speaker. It's interesting to hear the Minister say that the deputy minister made the decision to reorganize a quite satisfactory department. I would like to ask the Minister if the Minister is running the department or if the deputy minister is running this department. Thank you.

MADAM SPEAKER:

Minister of Municipal and Community Affairs, Ms. Mike.

Further Return To Question 92-12(6): Decision On Reorganization Of MACA

HON. REBECCA MIKE:

Thank you, Madam Speaker. I am.

MADAM SPEAKER:

Thank you, Madam Minister. Item 6, oral questions. The honourable Member for Yellowknife North, Mr. Ballantyne.

Question 93-12(6): Status Of NWTPC's Low-Water Surcharge

MR. BALLANTYNE:

Thank you, Madam Speaker. Madam Speaker, I have a question for the Minister responsible for the Power Corporation. It's regarding the proposed 22 per cent low-water surcharge that the NWT Power Corporation is applying to the Public Utilities Board for.

Madam Speaker, I do understand the Public Utilities Board has the mandate and responsibility to decide power rates, however the Power Corporation is 100 per cent owned by the Government of the Northwest Territories. The government is accountable, in this House, for the Power Corporation and the Minister, under the act, does have the power to issue directors to the corporation. My constituents find the proposed

low-water surcharge totally unacceptable. They want some answers.

My first question, Madam Speaker, is when did the government learn that the Power Corporation had underestimated their costs and were forced to go to the PUB for a huge low-water surcharge?

MADAM SPEAKER:

Thank you. Minister responsible for the Power Corporation, Madam Premier.

Return To Question 93-12(6): Status Of NWTPC's Low-Water Surcharge

HON. NELLIE COURNOYEA:

Madam Speaker, the Member is quite right that the Public Utilities Board hears all applications for increases in rates to the consumer. I was informed of a need for a surcharge on the low-water situation in February. At that time, the Public Utilities Board was also informed that there would be a requirement to hear an application for a charge for the problems in the low-water we were experiencing in this part of the hydro system. Thank you.

MADAM SPEAKER:

Thank you. Supplementary, Mr. Ballantyne.

Supplementary To Question 93-12(6): Status Of NWTPC's Low-Water Surcharge

MR. BALLANTYNE:

Thank you, Madam Speaker. As the sole owner of the Power Corporation, what power does the government have to ensure the Power Corporation makes every effort to fund budget miscalculations internally?

MADAM SPEAKER:

Thank you. Madam Premier.

Page 179

Further Return To Question 93-12(6): Status Of NWTPC's Low-Water Surcharge

HON. NELLIE COURNOYEA:

Madam Speaker, in relation to low-water surcharges, this is not a phenomenon to the Northwest Territories alone. This happens all across Canada in other hydro

areas when they find themselves in a situation where the water is just not there to generate the necessary power on a continuous basis. It's a normal procedure for the utility to put an application towards the regulator, which is the Public Utilities Board in this instance. Thank you.

MADAM SPEAKER:

Supplementary, Mr. Ballantyne.

Supplementary To Question 93-12(6): Status Of NWTPC's Low-Water Surcharge

MR. BALLANTYNE:

Thank you again. Because the Power Corporation is 100 per cent owned by the GNWT and is obviously subject to GNWT policies and procedures, is it government policy that communities pay for unexpected costs due to weather conditions? For example, are communities going to have to pay a high temperature surcharge for forest fire fighting around their communities?

MADAM SPEAKER:

Madam Premier.

Further Return To Question 93-12(6): Status Of NWTPC's Low-Water Surcharge

HON. NELLIE COURNOYEA:

Madam Speaker, I don't think the Public Utilities Board is in the business to determine the cost of the forest fires. I believe the forest fire high cost is being charged to this government which is an unanticipated \$20 million. Thank you.

MADAM SPEAKER:

Thank you. Final supplementary, Mr. Ballantyne.

Supplementary To Question 93-12(6): Status Of NWTPC's Low-Water Surcharge

MR. BALLANTYNE:

Yes, I think the Minister has made my point. If the government is picking up the unexpected cost of forest fire fighting because of such an act of God, I guess my question to the Premier is why should communities pay a low-water surcharge for power when it's 100 per cent owned by the government. And if the Power Corporation didn't budget for that, as

the Department of Renewable Resources didn't budget for a high temperature summer, why should the consumers have to pay the price? Thank you, Madam Speaker.

MADAM SPEAKER:

Thank you. Madam Premier.

Further Return To Question 93-12(6): Status Of NWTPC's Low-Water Surcharge

HON. NELLIE COURNOYEA:

Madam Speaker, the Northwest Territories Power Corporation was set up to run as an independent arm's length utility company and that is presently the way it operates. If there are certain areas which are determined under the Public Utilities Act which also includes the unexpected issue on hydro areas on low-water surcharges, that is the role of the Public Utilities Board to hear the request for a charge on the matter of the low water. So that is the mandate of the Public Utilities Board. It's a mandate of the Power Corporation to put those requests forward to that body. Thank you.

MADAM SPEAKER:

Thank you. Item 6, oral questions. The honourable Member for Iqaluit, Mr. Patterson.

Question 94-12(6): Action Taken On Expensive GNWT Advertising

MR. PATTERSON:

Thank you, Madam Speaker. My question is to the Premier. Madam Speaker, over a year ago, last June 1993, I wrote to the Premier complaining about advertising not tendered, in this case, a 16-page advertising spread masked as an editorial copy in a magazine which caters to an English-speaking elite. That one was paid for by the Department of Education for some \$37,000. I told the Premier that the Department of Municipal and Community Affairs had purchased a similar "advertorial" last year and I warned that I had heard another government department was being wooed for a summer edition. And we saw the results, including a beautiful picture of the Minister of the Housing Corporation in this House, last week.

In my letter, Madam Speaker, I asked the Premier some questions and asked her to give the matter her immediate attention. I also copied one to Mr. Alvarez,

her deputy minister. I'd like to ask the Premier, since I didn't get a reply to that letter, which was a sincere attempt to encourage the government to get better value for its advertising dollars, what action was taken following that letter of June 7, 1993? Thank you.

MADAM SPEAKER:

Thank you. Madam Premier.

Return To Question 94-12(6): Action Taken On Expensive GNWT Advertising

HON. NELLIE COURNOYEA:

Madam Speaker, I can provide the written copy of a letter that was written in reply to his letter some 30 days later, or a little before that which he might have lost. Thank you.

MADAM SPEAKER:

Thank you. Supplementary, Mr. Patterson.

Supplementary To Question 94-12(6): Action Taken On Expensive GNWT Advertising

MR. PATTERSON:

Thank you, Madam Speaker. Whether I lost the letter or the Premier lost her file copy, I'd like to ask the Premier what action was taken because we saw in this House last week that the Housing Corporation blew some \$30,000 to \$40,000 on advertising which goes to an English-speaking elite and was not tendered. So I'd like to ask the Premier -- whether I got the letter or she's got the copy -- what action was taken as a result of this strong letter I wrote, which I'll table later today in this Assembly.

MADAM SPEAKER:

Thank you. Madam Premier.

Page 180

Further Return To Question 94-12(6): Action Taken On Expensive GNWT Advertising

HON. NELLIE COURNOYEA:

Madam Speaker, I'm sure I can table the response to his letter, too. I have it here because I heard the honourable Member was saying he didn't receive a copy and I was a bit concerned about it, so we checked our files and indeed he did receive a response to his letter.

As to what is being done, as the Member also knows, over the years, there has been some indications that the Government of the Northwest Territories should put some positive spins to some of the positive attempts they are taking to serve the public in the Northwest Territories. To say something good about some of the expenditures that are made on behalf of the consumers, and that has been indicated quite a number of times, is that we do a lot of good things for the consumers. We do conduct programs. We do carry out daily delivery of services to people, but that seems to go without a lot of comment. So there was a purposeful attempt to put a more positive approach on the things that were being done in a positive way to serve the residents of the Northwest Territories. This is one publication that was seen as a good vehicle. Above and Beyond is often complimented as something that almost everyone can pick up.

There are a lot of travel arrangements that are made for patients and people who have to be referred elsewhere, they all get on the airlines, as well as the elite. There are a lot of people who read this particular magazine, including myself. I find it a very interesting publication with a lot of positive things being said, not only in the area of housing, but in economic development. There are really positive profiles of people across the Northwest Territories. I think a lot of people like the magazine. I certainly do, Madam Speaker.

The fact is, there was a suggestion to put a publication forward. Normally, the department would say they will put a major article in a paper and generate the general costs. I think on the detail of the costs, the Minister responsible can put a more positive light on exactly what it cost, where the publication was sent and where it was distributed. Madam Speaker, I sincerely believe we got good value for the dollar with the article. It tells about the Housing Corporation, about what kinds of programs we have, about what buildings we're building and what we attempt to do.

Hopefully, with this kind of publicity and the positive light, other funding institutions, such as the federal government, will look to see what can be done in a positive way and see that our program is worthwhile and certainly is in the right category for support. I believe the housing corporation has housed many people, it is an excellent program and it deserves a positive spin. Thank you, Madam Speaker.

MADAM SPEAKER:

Thank you. Supplementary, Mr. Patterson.

Supplementary To Question 94-12(6): Action Taken On Expensive GNWT Advertising

MR. PATTERSON:

Madam Speaker, I would like to make it clear that I don't question the government's privilege to pay for propaganda which makes it look good. And, I don't, as I said in my letter to the Premier, begrudge Above and Beyond for very successfully hustling some \$100,000 to \$150,000 out of three government departments.

But, my question to the Premier -- which she hasn't answered, and which is the same question I asked in my letter -- is are there not policies in place when the government is spending that kind of money -- over \$100,000 of our precious public funds -- which require tendering of amounts, when there are other publishers, including northern-owned operators, operating in a highly competitive market place, including, may I say, one company operating in my constituency?

Are there not policies in place which would allow other companies and community newspapers to be given a chance to bid for that kind of opportunity? Thank you.

MADAM SPEAKER:

Thank you. Madam Premier.

Further Return To Question 94-12(6): Action Taken On Expensive GNWT Advertising

HON. NELLIE COURNOYEA:

Madam Speaker, I certainly appreciate the Member's positive comments that it is not the article which is giving him pain, but the fact that there may have been other publishers who would have liked to have the same opportunity.

Madam Speaker, with this type of publication, we do give certain latitude to the Ministers responsible for picking and choosing, to a certain extent. There is latitude given to various departments to make some expenditures in this area. If there are publications that are not solicited, I will make sure that, from hence forth, we try our very best to support other publications that exist. Thank you.

MADAM SPEAKER:

Your final supplementary, Mr. Patterson.

Supplementary To Question 94-12(6): Action Taken
On Expensive GNWT Advertising

MR. PATTERSON:

Thank you, Madam Speaker. Well, it is a bit late, Madam Speaker. As far as I can tell, over \$100,000 has gone to one favoured publication. I'm interested in how the Premier's office functions. I sent her, without making a big, public deal out of it, a letter saying two of her departments -- for which she has overall responsibility for overseeing -- had spent, by my calculation, \$75,000 or \$80,000 with this one favourite publication. I said another one is being wooed and this is a letter to say I think it is wrong. Our government stands for making public tenders for these kinds of opportunities. Would she do something about it on an urgent basis.

I would like to ask the Premier, who says now they will do something about it, why wasn't something done back in June, 1993, so that some of the other struggling publishing companies in the north -- including community newspapers and other magazines which are published in the Northwest Territories, like Arctic Circle, for example -- were given the opportunity? Why was my warning not heeded, Madam Speaker? Thank you.

MADAM SPEAKER:

Thank you. Madam Premier.

Page 181

Further Return To Question 94-12(6): Action Taken
On Expensive GNWT Advertising

HON. NELLIE COURNOYEA:

Madam Speaker, the issue of choosing Above and Beyond magazine is one of latitude, which we give to departments. I'm aware of this letter and, once he gets his letter as well, he will know that this issue was discussed and the choosing of Above and Beyond was because of the arrangement they were willing to make. Like the honourable Member is indicating, Above and Beyond actively sells itself to government, to try to encourage their use. They give special deals, where they print additional copies for other uses.

I was aware of his letter. We discussed it and I answered his letter. When Mr. Morin wanted to deal with the Housing Corporation, he indicated that this

was the magazine he wanted to use and I supported his decision, considering his arguments about what they were providing. The Government of the Northwest Territories extensively uses the newspapers for all its tenders and employment notices. It is not as though we are not spending money on a weekly basis with other publications, because we are, Madam Speaker. Thank you.

MADAM SPEAKER:

Thank you. Item 6, oral questions. The honourable Member for Baffin South, Mr. Pudlat.

Question 95-12(6): Child Tax Rebate Problems

MR. PUDLAT:

(Translation) Thank you, Madam Speaker. Madam Speaker, my question is directed to the Minister of Health and Social Services. We currently receive child tax rebates but, for some reason, there seems to be a problem. Madam Speaker, we are aware that if a person is making a good income, they are not eligible for child tax rebates. Because of that, Madam Speaker, we are experiencing some problems.

This is another problem related to income tax returns that are not being properly filled out. I wonder if the Minister of Social Services can help to rectify this problem? Thank you.

MADAM SPEAKER:

Thank you. Minister of Social Services, Madam Premier.

HON. NELLIE COURNOYEA:

Madam Speaker, I would concur that this is a tax issue and perhaps the question should be directed to the Minister of Finance.

MADAM SPEAKER:

Minister of Finance, Mr. Pollard.

Return To Question 95-12(6): Child Tax Rebate Problems

HON. JOHN POLLARD:

Thank you, Madam Speaker. Good afternoon. Madam Speaker, I'll look into the situation. If I remember correctly, the federal tax people were going to be in Baffin this past tax year, at the end of the tax

year, and they may not have gotten to all the communities. So I'll go back and check and report back to the Member, Madam Speaker. Thank you.

MADAM SPEAKER:

Thank you. Item 6, oral questions. The honourable Member for North Slave, Mr. Zoe.

Question 96-12(6): Minister's Authorization To Reorganize MACA

MR. ZOE:

Thank you, Madam Speaker. My question will be directed to the Minister of Municipal and Community Affairs. I would like to ask the Minister -- since she is in charge of that department -- with regard to the reorganization of MACA, did she concur with the decision of her deputy minister to reorganize that particular department this past summer? Thank you.

MADAM SPEAKER:

Thank you. Minister of Municipal and Community Affairs, Ms. Mike.

Return To Question 96-12(6): Minister's Authorization To Reorganize MACA

HON. REBECCA MIKE:

Madam Speaker, yes.

MADAM SPEAKER:

Thank you. Supplementary, Mr. Zoe.

Supplementary To Question 96-12(6): Minister's Authorization To Reorganize MACA

MR. ZOE:

Supplementary, Madam Speaker. Prior to making her decision, was the Minister satisfied with the rationale provided for those changes and also for the anticipated benefits that would accrue from doing this reorganizing? Thank you.

MADAM SPEAKER:

Thank you. Minister of Municipal and Community Affairs, Ms. Mike.

Further Return To Question 96-12(6): Minister's Authorization To Reorganize MACA

HON. REBECCA MIKE:

Thank you, Madam Speaker. Yes.

MADAM SPEAKER:

Thank you. Supplementary, Mr. Zoe.

Supplementary To Question 96-12(6): Minister's Authorization To Reorganize MACA

MR. ZOE:

Supplementary, Madam Speaker. Since she did agree with the information or the rationale, could the Minister advise the House if there have been any layoffs by this reorganizing? Thank you.

MADAM SPEAKER:

Thank you. Minister of Municipal and Community Affairs, Ms. Mike.

Further Return To Question 96-12(6): Minister's Authorization To Reorganize MACA

HON. REBECCA MIKE:

Thank you, Madam Speaker. There have not been any layoffs as of this date.

MADAM SPEAKER:

Thank you. Final supplementary, Mr. Zoe.

Page 182

Supplementary To Question 96-12(6): Minister's Authorization To Reorganize MACA

MR. ZOE:

Thank you, Madam Speaker. Could I ask the honourable Minister of Municipal and Community Affairs if she could provide the rationale that was provided through her office which she based her decision on, to the House or to me? Thank you.

MADAM SPEAKER:

Thank you. Minister of Municipal and Community Affairs, Ms. Mike.

Further Return To Question 96-12(6): Minister's Authorization To Reorganize MACA

HON. REBECCA MIKE:

Thank you, Madam Speaker. As I have already indicated, the rationale for the reorganization of this department was based on realigning the resources that we have within the department and to realign the divisions that fell under two deputy ministers, which is now one. It was just to get the department streamlined with the existing divisions that the department has with the number of resources and staff. Thank you.

MADAM SPEAKER:

Item 6, oral questions. The honourable Member for Yellowknife Centre, Mr. Lewis.

MR. LEWIS:

I seek unanimous consent to extend question period.

MADAM SPEAKER:

Thank you. The honourable Member is seeking unanimous consent to extend question period. Are there any nays? There are no nays. Honourable Member for Yellowknife Centre, Mr. Lewis.

Question 97-12(6): Continuing Efforts To Restore Federal Social Housing Funding

MR. LEWIS:

Thank you, Madam Speaker. My question is to the Minister responsible for Housing. He got a very well-deserved reputation over the last year and a half of making visits to Ottawa to convince the federal government to restore the funding for social housing. I would like to ask the Minister, are those attempts still continuing?

MADAM SPEAKER:

Thank you. Minister of Housing, Mr. Morin.

Return To Question 97-12(6): Continuing Efforts To Restore Federal Social Housing Funding

HON. DON MORIN:

Thank you, Madam Speaker. Yes.

MADAM SPEAKER:

Supplementary, Mr. Lewis.

Supplementary To Question 97-12(6): Continuing Efforts To Restore Federal Social Housing Funding

MR. LEWIS:

Thank you, Madam Speaker. I would like to ask the Minister, what was the last initiative that he took with the federal government in order to convince them this was a federal responsibility?

MADAM SPEAKER:

Thank you. Minister of Housing, Mr. Morin.

Further Return To Question 97-12(6): Continuing Efforts To Restore Federal Social Housing Funding

HON. DON MORIN:

Thank you, Madam Speaker. At the end of last June, I was at a Ministers' meeting in New Brunswick. All provincial Ministers were meeting there and I raised the issue then with the Minister. Every time I meet with the federal Minister of Housing, I let him know in no uncertain terms that it's my understanding and my belief that the federal government has the responsibility to supply housing to aboriginal people in the Northwest Territories, and I don't believe they're living up to that responsibility. Thank you.

MADAM SPEAKER:

Thank you. Supplementary, Mr. Lewis.

Supplementary To Question 97-12(6): Continuing Efforts To Restore Federal Social Housing Funding

MR. LEWIS:

Thank you, Madam Speaker. Since listening to Mr. Pollard's address that we are now providing the money for social housing through our own budgetary process, I would like to ask the Minister does this then mean that we've accepted the federal government off-loading and it's now become our responsibility because it's reflected in our budget?

MADAM SPEAKER:

Thank you. Minister of Housing, Mr. Morin.

Further Return To Question 97-12(6): Continuing Efforts To Restore Federal Social Housing Funding

HON. DON MORIN:

Thank you, Madam Speaker. No, we have not accepted the responsibility to deliver housing to aboriginal people, but we are a public government and we do deliver a public housing program that's available to all people. We have written to all the chiefs and all the Inuit leaders in the Northwest Territories, basically telling them that we are here to support them and to assist them in any way possible for them putting their case forward with the federal government on telling them they have the responsibility to supply housing to aboriginal people.

The \$17 million extra we have gotten from this government is because we know the consequences of not supplying that housing are capital dollars to build that housing. We in no way are taking on the responsibility to supply housing to aboriginal people. It's clearly a federal government responsibility. Thank you.

MADAM SPEAKER:

Thank you. Supplementary, Mr. Lewis.

Supplementary To Question 97-12(6): Continuing Efforts To Restore Federal Social Housing Funding

MR. LEWIS:

Thank you, Madam Speaker. I would like to ask the Minister then, since he's tried every avenue that's conceivable including many visits to Ottawa, what is his next plan, what is the next strategy he intends to employ in order to get the federal government to recognize that this is a responsibility that they must live up to?

Page 183

MADAM SPEAKER:

Thank you. Minister of Housing, Mr. Morin.

Further Return To Question 97-12(6): Continuing Efforts To Restore Federal Social Housing Funding

HON. DON MORIN:

Thank you, Madam Speaker. I have been in contact with Jim Sinclair from the Native Council of Canada as well as Rosemarie Kuptana from an Inuit organization. We have tried to get in contact with Ovide Mercredi, as well. We have been in constant contact with our chiefs and our Inuit leaders, our

housing authorities, Metis locals and all other organizations to see exactly what avenue we can take now. We are expecting any day now, or any week to hear from the federal government on their new initiative which is in the red book on aboriginal housing, as well as a rural and remote program, both of which the Northwest Territories would qualify for. Thank you.

MADAM SPEAKER:

Thank you. Item 6, oral questions. The honourable Member for Deh Cho, Mr. Gargan.

MR. GARGAN:

Thank you, Madam Speaker. Madam Speaker, I would like to direct my question to the Minister of Renewable Resources, Mr. Arngna'naaq, and it's with regard to guide training, Madam Speaker. Last year, there were, I believe, about 20 people in Providence who took level I guide training. This year they would like to go beyond level I and go into level II. They used an individual last year from Fort Smith who delivers that type of program. They would like to see the same individual go back to Providence. I would like to ask whether the Minister is aware that this training program is happening, and the community has requested that the program start in November. I would like to ask the Minister whether he supports the community in ensuring that the program continues to level II and that the person be from Smith who does the training, and whether it could start in November.

MADAM SPEAKER:

Thank you. Mr. Gargan, you have three questions posed to the Minister and that's the purpose of supplementary questions. Would you like to rephrase your question to ask one specific question? Thank you.

Question 98-12(6): Minister's Support Of Level II Guide Training Program

MR. GARGAN:

I'd like to ask the Minister yes or no.

---Laughter

No, I'm just kidding. I'd like to ask the Minister whether or not he supports the level II training that's happening in Fort Providence.

MADAM SPEAKER:

Thank you. Minister of Renewable Resources, Mr. Arngna'naaq.

HON. SILAS ARNGNA'NAAQ:

Thank you, Madam Speaker. I would very much like to take responsibility of guide training, but I believe that is an area that Mr. Todd, the Minister of Economic Development is responsible for. Thank you.

MADAM SPEAKER:

Thank you. Minister of Economic Development and Tourism, Mr. Todd.

Return To Question 98-12(6): Minister's Support Of Level II Guide Training Program

HON. JOHN TODD:

Well, I'd very much like to take responsibility of guide training as well, but I believe it's the Minister of Education.

---Laughter

No. I'm not aware of the specifics in relationship to the guide training, second level, with respect to Fort Providence, but I know that's an important initiative in the department. I'll look into it and get back to the honourable Member with the status of the level II guide training program in Fort Providence which is supposed to start in November. Thank you.

MADAM SPEAKER:

Thank you. Item 6, oral questions. Just before we go on, there was an oversight on my part. The question should have been asked again by Mr. Gargan, directed to Mr. Todd. I just want to make Members aware that only the Premier can answer questions for other Ministers once it's directed to a specific Minister. If Members can remember that in the future, I'd appreciate it. Item 6, oral questions. The honourable Member for Iqaluit, Mr. Patterson.

Question 99-12(6): Authorization Of Housing Advertisement

MR. PATTERSON:

Thank you, Madam Speaker. Madam Speaker, I'd like to pursue the matter of advertorial purchases by

the Government of the Northwest Territories. Madam Speaker, last week, when I asked the Minister of Housing about the glossy spread in Above and Beyond, he didn't seem to know about it. In fact, in response to a direct question to that Minister, "Did the Minister authorize this costly ad spread" and I'm quoting from an unedited Hansard, Madam Speaker. The Minister's answer was "I think the deputy minister has the authority to authorize that type of ad."

Now, Madam Speaker, a few minutes ago, the Premier said, in response to my earlier questions, that she fully supported Mr. Morin's decision to purchase the advertising. So I'd like to ask the Premier is she now saying that Mr. Morin and not his deputy minister authorized this advertisement? Thank you.

MADAM SPEAKER:

Thank you. Madam Premier.

Return To Question 99-12(6): Authorization Of Housing Advertisement

HON. NELLIE COURNOYEA:

Madam Speaker, what I can say about the issue is that I was aware of the issue. I recall being aware of the issue because I did, upon receipt of a letter earlier, decide that I wanted to be a little cautious where we were putting our advertisements and Mr. Morin may have forgotten, but I believe he did authorize the expenditure for his deputy minister to move ahead with it, so it may be a technicality. I am aware of it. I was aware that he wanted to do it and if he instructed his deputy minister to do it, that's probably usual procedure. Thank you.

MADAM SPEAKER:

Thank you. Supplementary, Mr. Patterson.

Page 184

MR. PATTERSON:

Thank you, Madam Speaker. Thank you for that response. Madam Speaker, earlier the Premier said the particular arrangement that Above and Beyond magazine was willing to make was quite satisfactory. Madam Speaker, I'm told that most responsible journalists refuse to allow any client to buy editorial copy without labelling it clearly as advertising or as an advertising supplemental. But Above and Beyond doesn't seem to have that policy. The 16 pages

appeared as if it was editorial copy and not purchased by those three government departments or agencies.

I'd like to ask the Premier, Madam Speaker, is that the particular arrangement that the government finds satisfactory with Above and Beyond, that you can buy editorial copy and they'll camouflage it as if it was editorial copy and not advertising? Thank you.

MADAM SPEAKER:

Thank you. Madam Premier.

HON. NELLIE COURNOYEA:

Madam Speaker, I really don't know how to answer that question because it will be based on a lot of presumptions on my part, so if the Member could clarify what he really wants to know, I'd appreciate it. Thank you.

MADAM SPEAKER:

Mr. Patterson, do you want to attempt to clarify your question so it could be understood by the Premier? Thank you.

Supplementary To Question 99-12(6): Authorization Of Housing Advertisement

MR. PATTERSON:

Well, I thought my question was pretty clear, Madam Speaker and I'll be unhappy if I have to use up a supplementary to give this explanation, but let me try to make it as clear as I can. I'm assuming, Madam Speaker, that the government paid for the 16-page glossy spread in Above and Beyond of the three departments I've referred to. I also assume that the Premier noted that the 16 pages of copy are not labelled, as one usually finds with an advertising supplement in a responsible journalistic publication's advertising supplement.

Therefore, my question to the Premier is since Above and Beyond apparently allows people to buy editorial copy without labelling it as advertising, is that the kind of particular arrangement that the Premier was referring to earlier in the House when she said that the particular arrangement they were willing to make was satisfactory to the government? Thank you.

MADAM SPEAKER:

Thank you. Madam Premier.

Further Return To Question 99-12(6): Authorization Of Housing Advertisement

HON. NELLIE COURNOYEA:

Madam Speaker, I believe the arrangement I was talking about is that there was a certain number of Above and Beyond magazines that were published. As well, there were a number of the inserts that were also made available. Those are the kinds of arrangements I was talking about which I indicated earlier, that if you want exact details on how many issues and where they were sent, the Minister would be quite pleased to provide that detailed information. Thank you.

MADAM SPEAKER:

Thank you. Supplementary, Mr. Patterson.

Supplementary To Question 99-12(6): Authorization Of Housing Advertisement

MR. PATTERSON:

Thank you, Madam Speaker. Madam Speaker, I'd like to ask the Premier if she thinks it is appropriate that the Government of the Northwest Territories should be allowed to buy editorial copy in publications that disguise the fact that it's editorial copy and not advertising. Thank you.

MADAM SPEAKER:

Thank you. Madam Premier.

Further Return To Question 99-12(6): Authorization Of Housing Advertisement

HON. NELLIE COURNOYEA:

Madam Speaker, I'd like to answer that question if it was put a little more clearly because the adjectives and the assumptions in there, if I answered it, would presume that I'm agreeing with him. My understanding is that the Government of the Northwest Territories has been encouraged to try to put a more positive face on itself in terms of the programs and services that it provides to its constituents in the Northwest Territories. As a result, this is one vehicle that was chosen to do so. Madam Speaker, the article in itself gives that picture of what is done in a positive approach. Thank you.

MADAM SPEAKER:

Thank you. Final supplementary, Mr. Patterson.

Supplementary To Question 99-12(6): Authorization Of Housing Advertisement

MR. PATTERSON:

Thank you, Madam Speaker and maybe the horse is now beaten and dead, I don't know. But I would like to ask the Premier this one final supplementary. Madam Speaker, I understand that most responsible journalists refuse to allow anyone to buy advertising which is camouflaged as editorial copy. It's called "advertorial." The reason for that, Madam Speaker, is that it can be quite misleading to the public if say, a huge 16-page glossy story comes out lauding the Minister of Housing or the Government of the Northwest Territories, and it looks like it is an editorial story. It looks like it has been written by an independent journalist praising the wonderful work of the Minister of Housing.

Now, Madam Speaker, responsible journalists say that this is misleading because those 16 pages were bought and paid for. They weren't freely and independently written about the particular government department. In other words, it is propaganda. So, I would like to ask the Premier, and if she can't answer it today, I would like to ask her will she look into whether this is acceptable government policy, to purchase advertising from publications that are willing to camouflage it as editorial copy? Thank you.

MADAM SPEAKER:

Thank you. Madam Premier.

Page 185

Further Return To Question 99-12(6): Authorization Of Housing Advertisement

HON. NELLIE COURNOYEA:

Madam Speaker, I believe it is quite appropriate in this case for the Department of Housing to put forward a picture of what is being done in the Northwest Territories about housing. The issue is the article as it relates to housing. I cannot determine what newspapers and publications do and why they do it. We all have criticisms, but they carry out their functions in manners in which they see fit. This is not an unusual publication. There are many publications that do this type of work. I believe Above and Beyond

did an excellent production of what the housing situation in the Northwest Territories is.

I don't think that should have gone unnoticed because the article talks about the very critical issues we have in trying to supply the housing and some of the issues this government wants to address as soon as possible, and some of the shortfalls. It is not only an article which gives a glowing profile of the Minister responsible, but it also deals with some of the very serious problems we have in the financing of a good housing program for Northwest Territories residents. Thank you.

MADAM SPEAKER:

Thank you. Item 6, oral questions. Item 7, written questions. The honourable Member for Inuvik, Mr. Koe.

ITEM 7: WRITTEN QUESTIONS

Written Question 3-12(6): Registered Businesses In The Western Arctic

MR. KOE:

Mahsi, Madam Speaker. I have a written question for the Minister of Economic Development and Tourism.

1. How many registered businesses are there in the western Arctic, including the Beaufort communities?
2. How many of these are majority aboriginal-owned?
3. If possible, please categorize by region and community. Mahsi.

MADAM SPEAKER:

Thank you. Item 7, written questions. Item 8, returns to written questions. Item 9, replies to opening address. Item 10, replies to budget address. Item 11, petitions. This House will take a short recess.

---SHORT RECESS

MADAM SPEAKER:

I will call the House back to order. Item 12, reports of standing and special committees. The honourable Member for Nahendeh, Mr. Antoine.

ITEM 12: REPORTS OF STANDING AND SPECIAL COMMITTEES

Committee Report 9-12(6): Investing In Our Future, October 1994

MR. ANTOINE:

Thank you, Madam Speaker. In accordance with its terms of reference, the Standing Committee on Finance is pleased to submit its report on, Investing In Our Future. This report describes the major, overall policy initiatives that the committee discussed during its September meetings.

September 1994 Review

The Standing Committee on Finance's budget review in September 1994 departed slightly from reviews in past years. Since February 1992, when the capital estimates were first considered in advance of the main estimates, the committee has reviewed the capital estimates in the fall and the main estimates early the following year. It has become increasingly apparent that reviewing capital plans, in the absence of considering the "big picture," is unrealistic. As well, the committee is fully aware of the tremendous pressures on the fiscal resources of the Government of the Northwest Territories.

The present government is entering the last year of its term and committee Members felt that it was necessary to consider the whole budget in anticipation of the transition to a new government. Therefore, the committee decided that it was necessary to consider the budget process as a whole and outstanding issues related to the operating budget, in addition to proposed capital expenditures.

Review Theme

The committee's review was conducted in the context of the larger issues of overall government fiscal policy and effective resource management. Committee Members carefully reviewed fiscal strategies and plans, as well as spending priorities.

Throughout the review, committee Members focused on finding solutions to problems identified. New and innovative approaches to conducting the business of government were explored and are reported in this and other committee reports.

Review Process

Consultation And Learning

Committees of the Legislative Assembly of the Northwest Territories have committed to visiting and

consulting with communities across the territories. In response to this commitment, the Standing Committee on Finance visited Iqaluit, Katannilik Park and Lake Harbour.

Katannilik Park And Lake Harbour

In its report on the 1994-95 capital estimates, the Standing Committee on Finance raised the issue of the cost-effectiveness of the parks and tourism program. Specifically, the committee had this to say on the issue:

"The committee is very concerned about the absence of a strong rationale for the overall allocation of capital funding to tourism projects. It is imperative that a comprehensive economic assessment, which clearly identifies the real and potential benefits to communities, be conducted. The results of such an assessment are necessary to determine the

Page 186

appropriate allocation of overall capital funding to parks development and other tourism projects. In light of the \$4.5 million that the government plans to commit next year, this type of information will prove invaluable.

A specific example of the need for further information is provided by the Katannilik Park near Lake Harbour on Baffin Island. The planned investment in this park, between 1992 and 1998, is \$1.4 million. Katannilik is a "destination" park where visitors come specifically to experience its remote location and Arctic environment. The park undoubtedly contributes directly to the community's economy, in terms of employment generation and local purchasing, but adequate measures of indirect benefit to the community and region have not been quantified.

The committee would like to see the department use Katannilik Park specifically for a detailed forecast of economic costs and benefits associated with the parks program."

Committee Members toured Katannilik Park and met with Lake Harbour's economic development officer, the community's park and tourism committee, the hamlet council, local outfitters and residents. These consultations allowed the committee to collect information first hand.

Iqaluit

In Iqaluit, the committee held in camera budget review sessions, toured facilities and met with local and regional groups. Specifically, committee Members undertook the following activities:

- met with elders and toured the elders' residence;
- met with members of the Baffin Regional Inuit Association;
- met with members of the Baffin Chamber of Commerce;
- met with members of the Iqaluit Chamber of Commerce;
- toured the new young offenders' facility and consulted with staff;
- visited the new Apex school;
- visited an archaeological site; and,
- met with local outfitters and residents.

Yellowknife

The Standing Committee on Finance met in Yellowknife from September 12th to September 23, 1994, to conduct the budget review with Ministers and departmental staff. An initial briefing session was held with the chairman of the Financial Management Board on September 12th. This was followed by departmental reviews and a final review session with the chairman of the Financial Management Board to address remaining outstanding issues.

Committee Members would like to express their appreciation to the chairman of the Financial Management Board for his cooperation and efforts throughout the committee's review.

Committee Reports

The Standing Committee on Finance has prepared three separate reports as a result of the September deliberations. This document, as the first report, describes the major overall policy and strategic issues that the committee discussed and contains five comprehensive recommendations.

The second report describes the committee's review of the five-year capital forecasts from 1995-96 to 1999-2000. This report focuses on policy and major

financial issues, leaving the detailed line-by-line scrutiny of the 1995-96 capital estimates for review in the Legislative Assembly's committee of the whole.

The third report is a status report on the government's response to the Standing Committee on Finance recommendations made during the review of the 1994-95 main estimates.

Canada And The Northwest Territories

NWT Profile

The Northwest Territories has experienced tremendous change over the last few years. While much of this change has been positive -- for example, technological advances in medicine and education -- the change itself has created increasing volumes of social problems. Reported sexual assaults have increased by 25 per cent in 1993 over 1992 and violent crime in the Northwest Territories is six times the national average.

Pauktuutit, in their brief to the fourth round of public hearings held by the Royal Commission on Aboriginal Peoples, presented what they believe should be the government's approach to these problems.

"Government should abandon, once and for all, the idea that society's problems can be separated, categorized and ordered...The overall health and well-being of our people is intrinsically tied to the social, political and economic development of our communities. We can no longer afford to pay the price of dividing issues into manageable portfolios, programs and services. A holistic integrated approach is necessary at every level and in relation to every issue or problem."

The Northwest Territories is unique, both in this country and in the world. The challenges facing governments in providing for its citizens are tremendous. The land mass of the Northwest Territories comprises one-third of the area of Canada and is larger than many countries in the world. There are over 60 communities spread across this vast area. Many of these communities are remote, have very few inhabitants and no road access. Residents endure harsh climatic conditions. As a result of these and other factors, living costs are significantly higher in the Northwest Territories than in the provinces.

The Northwest Territories is comprised of many different cultures and has eight official languages. In addition, many people wish to support traditional

lifestyles and values. Many of the smaller, traditional communities suffer from high levels of unemployment, high dependence on social assistance and limited employment opportunities. While the government sector provides about 50 per cent of all jobs, government funding, at all levels, is getting tighter.

Page 187

In addition, the Northwest Territories has a limited tax base and, as a result, depends on federal funding for about 80 per cent of its expenditure needs.

Preparations are now under way for 1999, when the NWT will be divided and two new territories will be created. Organizations in both areas are involved in developing constitutions and government structures. The situation in the western Arctic is complicated by the fact that some aboriginal organizations are in the process of settling land claims. In addition, some organizations are negotiating self-government.

Madam Speaker, since this is a long report, we're going to divide it up amongst committee Members. I'd like to ask Mr. Ballantyne to pick up the report from this point on.

MADAM SPEAKER:

Thank you. The honourable Member for Yellowknife North, Mr. Ballantyne.

MR. BALLANTYNE:

Thank you, Madam Speaker.

The New Liberal Government And The Canadian Economy

In October 1993, the Liberals were elected nationally on a platform of making change: of challenging conventional thinking, being innovative, restoring public confidence in government and "getting government right." The Liberals' approach to economic policy was presented in their campaign "Red Book" and is summarized, as follows, in a document entitled, "How Ottawa Spends, 1994-95: Making Change":

"A two-track fiscal policy is emphasized, directed at job creation and growth while simultaneously reducing the deficit to 3 per cent of gross domestic product (GDP) by the fall of 1996. A large number of specific commitments are made, including a capital infrastructure program; reductions in defence spending; a 15 per cent cut in the \$4.1 billion

consulting and professional services budget of the federal government; renegotiation of federal/provincial arrangements (especially established programs financing) that are expiring in the near future; replacement of the GST with a system that is perceived to be fairer, but that generates equivalent revenues; and renegotiation of the free trade agreements to iron out certain details."

The Liberal government introduced its first budget on February 22, 1994. This budget took a relatively mild approach to deficit cutting and was seen by many as not very different from previous budgets put forward by the Progressive Conservatives. There was an indication, however, that Canadians could expect to see, in the next budget, major reductions in transfers to the provinces and territories. Overall, the first budget impressed few people, and the real test for the Liberal government is expected to come in its 1995 budget. The 1995 budget will be expected to deliver job creation and social policy reform while at the same time addressing the need to reduce the deficit. The GNWT must remain vigilant to ensure that federal deficit reduction measures do not put the well-being of NWT residents at risk.

Negotiating With The Federal Government

The majority of funding for the Government of the Northwest Territories comes from the federal government. Figure 1, below in your document, illustrates GNWT revenues by source for the fiscal year ended March 31, 1993. Appendix C provides a more detailed description of revenues. It provides a summary of revenues, by source, for the fiscal years 1988-89 to 1992-93 inclusive.

Revenues from Canada come through four different sources:

- Formula financing agreement, which accounts for 70 per cent, is described in appendix A;
- Established programs financing is two per cent. This category includes health insured services, post-secondary education and extended health care.
- Transfer payments which comprises nine per cent. Transfer payments include health care, Indian and Inuit, Canada assistance plan, health-related services, continuing education, Young Offenders Act, legal and correctional services, economic development agreement.

- Recoveries from Canada, which account for one-fifth of one per cent, include airport development, Tuvvik Treatment Centre, recreational facilities, federal sales tax rebate and correction institutes.

Formula Financing Agreement

The formula financing agreement with the Government of Canada expires March 31, 1995. Negotiations for a new funding arrangement are currently under way. Committee Members remain concerned that the Government of the Northwest Territories does not appear to have a comprehensive strategic plan and fiscal policy in place to guide their critical negotiations. Members feel there is an urgency associated with the development and implementation of a long-term fiscal strategy. Further, it is imperative that such a strategy govern negotiations with the federal government, which is also facing an ever-worsening fiscal situation.

The present formula financing agreement, although flawed in some areas, has provided a good measure of stability. However, the federal government has been reducing funding to the Northwest Territories in areas not covered by the agreement. Prime and significant examples of this type of funding cuts are in health billings and the reduction of funding to support social housing.

In view of these considerations, the standing committee made the following recommendation in February 1994: these issues and develop a

Page 188

political strategy to achieve the following results:

- Certainty of adequate funding to create and sustain two new territories with no diminished level of service; and,
- Each territory be given the economic tools necessary to lessen their dependence on the federal government, for example; that, of course, is the northern accord.

Other Existing Funding Agreements

During the September review, the committee was informed of the possibility that there could be significantly reduced federal contributions to support official languages. Committee Members are very concerned about the impact of these reductions in a jurisdiction where there are eight official languages

and where language is seen as the primary means for preserving aboriginal cultures.

The GNWT entered into the original Canada/NWT cooperation agreement for French and aboriginal languages in good faith. Programs were designed assuming that funding would be available. Funding reductions will have an immediate negative impact on both aboriginal languages and the provision of French language services in the Northwest Territories.

This agreement is still in the negotiating stage and the committee strongly urges the GNWT to consider the impact of recent and proposed funding cuts as part of the total "package" of financial arrangements that need to be addressed between the GNWT and the Government of Canada.

New Agreements Being Negotiated

The committee was informed that the benefits associated with the proposed transfer of responsibility, include the following:

- improved system planning;
- increased business and employment opportunities for northerners;
- ability to share resources;
- secure funding levels;
- increased local control; and,
- increased technical resources.

The risks associated with the potential transfer were also discussed. One of the most important considerations in assessing risk is the potential impact of the transfer on the future formula financing agreement. Committee Members would like reassurance that this pending agreement is considered as part of the "package" when negotiating with the federal government.

That, Madam Speaker, concludes my part of this report and with your permission, I would like to turn over the next part to Mr. Patterson. Thank you, Madam Speaker.

MADAM SPEAKER:

Thank you. The honourable Member for Iqaluit, Mr. Patterson.

Outstanding Financial Issues

MR. PATTERSON:

Thank you, Madam Speaker. At this time, when the formula financing agreement is being renegotiated, there are a number of outstanding financial issues. These outstanding issues are causing a great deal of uncertainty about the long-term fiscal stability of the GNWT. These issues include the following items:

- health billings dispute;
- federal funding for social housing;
- RCMP billings; and,
- pay equity.

Health Billings

The GNWT's claims to Canada for Indian and Inuit hospital care have been disputed by Canada. In November 1992, the government filed a statement of claim in federal court. This litigation action is in process. The Auditor General of Canada described the financial situation facing the GNWT in this dispute, in the following passage:

"If the courts award the full amount the government (GNWT) has claimed, the government will receive \$62 million more than it has shown as receivable in the financial statements...In the worst-case scenario, the government would receive nothing and would have to write off about \$60 million currently booked as receivables." (Auditor General's Report to the Legislative Assembly for the year ended March 31, 1993.)

Federal Funding For Social Housing

Therefore, the committee urges the GNWT to pursue funding support for social housing as part of the "package" of issues currently being negotiated with the federal government.

Page 189

RCMP Billings - Royal Oak Labour Dispute

The issue of financial responsibility for policing during the Royal Oak Mine labour dispute remains outstanding. The Department of Justice reported to the Auditor General that no one can accurately guess how an arbitrator or a court will resolve the political, constitutional, legal and public policy aspects of the

policing costs for the labour dispute. (Report of the Auditor General to the Legislative Assembly for the year ended March 31, 1993). The issues in dispute in this case must be considered in formula financing negotiations with the federal government.

Pay Equity

In March 1989, the Union of Northern Workers filed an equal pay complaint against the government under the Canadian Human Rights Act. Negotiations to settle this complaint concluded unsuccessfully in February 1993. The GNWT has subsequently filed a motion in the Federal Court of Canada applying for a declaration that the Canadian Human Rights Commission has no jurisdiction to deal with the complaint. The issue remains unsettled and it is not possible to reasonably determine the liability, if any, that may result from the claim.

New Federal Government Initiatives

Infrastructure Agreement

On December 21, 1993, Canada's First Ministers agreed to proceed with signing federal-provincial and federal/territorial agreements governing the infrastructure program. In August 1994, the infrastructure program agreement between the GNWT and the Government of Canada was signed. The program is intended to create short and long-term employment through investment in local communities, while meeting the need to enhance physical infrastructure in those communities.

Program funding will be allocated to communities based on the number of working age people, in each community, who are not employed. Maximum and minimum amounts will be applied to ensure that all communities have a basic amount of funding with which to work.

The program is, essentially, a two-year, cost-shared initiative to which the federal government will contribute \$5.4 million. This amount includes nearly \$1 million allocated through the first nations infrastructure initiative. The GNWT will match this contribution. Potential contributions from tax-based communities may provide up to \$1.6 million additional funding towards infrastructure projects.

The committee was pleased with the GNWT's success in negotiating the infrastructure agreement with the federal government. However, Members caution the Minister of Finance to ensure that gains

made in this area are not offset by losses in other areas. The GNWT must be vigilant and must consider all negotiated financial issues with the federal government together. The "package" approach must be maintained. The Minister of Finance must be constantly aware of the "balance sheet" with the federal government.

Changes In Revenue Sources

The bar chart shown on the following pages shows how the proportion of revenue coming from various sources has changed over the five-year period 1988-89 to 1992-93. The percentage of total revenue provided by the federal government has decreased from 85.2 per cent in 1988-89 to 80.9 per cent in 1992-93, as the table shows.

Managing Internally

Strategic Planning

Too Many Initiatives

While reviewing the 1994-95 main estimates, the committee noted an extremely ambitious schedule of recent and new initiatives being proposed for the current fiscal year. While most of the proposed initiatives sound very good by themselves, committee Members are very concerned about the government's ability to accomplish all that has been set out, within the limits of the resources available. This is particularly important in view of the relatively short time left in this government's term.

The committee would prefer to see departments, and the government as a whole, assess and establish priorities for all of these initiatives and tackle only the top priorities. There is a need to produce significant results. Committee Members feel that it is important that government resources be allocated in a planned and focused manner. These limited resources should not be spread too thinly. The government must decide what it wishes to accomplish in the next year.

Setting Priorities

In the committee report on the 1994-95 capital estimates and, again in the report on the 1994-95 main estimates, Members indicated that education should be established as the number one priority for the GNWT over the long term. The committee's rationale for this suggestion was based on a number of considerations, including the following:

- the committee believes that, through a significant investment in education, we may become more independent of the federal government;

- by educating our youth, we will be able to build a stronger economic base; and,

- with an educated population, there should be less reliance on other programs such as social housing and social services.

Now, Madam Speaker, I would like to turn the next part of the report over to Mr. Zoe. Thank you.

MADAM SPEAKER:

Thank you. The honourable Member for North Slave, Mr. Zoe.

Rethinking High Cost Programs

Social Housing

MR. ZOE:

Thank you, Madam Speaker. The Standing Committee on Finance asked, during last year's review of the capital estimates, for a plan on how

Page 190

the government proposes to deal with housing shortfalls and the withdrawal of federal funding. Such a plan was never produced. The committee has seen little indication that either the government or the corporation has a strategic plan to deal with these shortfalls in housing stock and funding.

When questioned during the committee's September review, the Minister responsible for the NWT Housing Corporation said that, given all of the funding cuts, it is not possible to plan the housing program and, instead, decisions need to be made from year to year. Further, he said the corporation needs direction from the Legislative Assembly and target funding allocations from the Cabinet before it is possible to begin planning. The Minister did say, however, that the corporation could develop different options for the delivery of the social housing program.

Committee Members noted that even though federal funding has been cut substantially, and we are now using funds previously targeted elsewhere to provide fewer housing units than in the previous year, the size of the corporation's staff remains the same. In fact,

committee Members noted that it appears to have grown by one of two PYs last year.

The Standing Committee on Finance strongly urges the government and the NWT Housing Corporation to develop a realistic strategic plan for the delivery of social housing well into the future. The plan should address the difference between identified housing needs and the ability of the GNWT to meet those needs. In light of reduced funding from the federal government, the plan should address various options for fundamentally restructuring the organization responsible for delivering the housing program.

Fire Suppression

The latest information available to the committee indicates that Fire suppression activities, this year, are going to cost the Government of the Northwest Territories over \$20 million. Committee Members are very concerned with the magnitude of expenditures for fire suppression, particularly when expenditures are viewed in the context of cost-benefit. The committee recognizes the difficulty facing the government in attempting to deal with this issue. It is, for example, very difficult to satisfy everyone's concerns no matter what action is taken, and it is also difficult to develop an objective measure of success in managing forest fires. However, it is evident that we have to find a more efficient and effective way of dealing with fire suppression in the Northwest Territories.

The chairman of the Financial Management Board has directed the Department of Renewable Resources to develop a plan of how the government can reduce its financial exposure during bad fire years. The department will have to address the following issues in developing its plan:

- the method used to fight fires;
- the effectiveness of the decision-making process;
- the type of resources consumed;
- the level of community involvement in planning and decision-making; and
- the proportion of government expenditures for fire suppression that stay in the north.

Committee Members look forward to reviewing the results of this planning initiative.

Government Organization

Cabinet Unity And Leadership

Committee Members noted, during the recent review, that the Cabinet is not as unified as it should be. Members are aware of the obstacles and challenges presently facing the Cabinet and the Legislative Assembly. They also recognize the need to develop innovative approaches to managing scarce resources.

Committee Members have noted, on a number of occasions, the importance of the Cabinet presenting a united front. This did not happen during the review. The committee is looking for leadership, as well. Members feel that departmental leadership comes from Cabinet Members, but the Premier and the chairman of the Financial Management Board have an overall responsibility to ensure that issues are brought together and dealt with in a strategic manner.

Organizational Changes

The Government of the Northwest Territories has undertaken a tremendous number of organizational restructuring initiatives during the term of the present government. Some of this restructuring, such as the amalgamation of the Departments of Health and Social Services, was imperative in order to streamline and enhance the provision of services to people in the communities.

On the other hand, committee Members have heard about significant changes taking place in the Department of Municipal and Community Affairs. The committee was unaware of the need for such dramatic changes. The need was not documented and was not presented to the Legislative Assembly for consideration and discussion.

Members are left wondering why these changes were felt to be necessary and why they were made in such a hurry, apparently without the benefit of the a well thought-out plan. The committee, therefore, makes the following recommendation:

Recommendation 1

The Standing Committee on Finance recommends that the Department of Municipal and Community Affairs report on the organizational restructuring, the rationale for the changes and the anticipated benefits. Further, the committee recommends that this report be provided to the committee by December 23, 1994.

Committee Members were also very concerned with the massive restructuring within the Department of the Executive. These concerns are well-documented in

the Report on the Review of the 1994-95 Main Estimates.

As is the case with the large number of initiatives currently being undertaken by this government, committee Members feel that the government may be over doing the structural changes and may not, in the end, be able to produce the desired results. The committee is concerned that the bureaucracy is

Page 191

being consumed by adapting to structural changes and is therefore not able to focus on the very real and critical needs of the citizens of the Northwest Territories.

Coordinating Inter-Departmental Initiatives

It was noted earlier in this report that the time has come for governments to abandon the compartmental approach to providing public services. Political, social and economic issues of the day do not lend themselves to being dealt with in this fashion. Individual departments can no longer afford to categorize and build fences around their particular areas of responsibility. Turf battles are no longer affordable.

Committee Members are aware that the government has made progress in some areas such as the amalgamation of the Departments of Health and Social Services. However, reorganization in itself is not enough. What is required is a fundamental change of attitude among the Ministers and the senior bureaucrats. Further, the Premier and the chairman of the Financial Management Board should assume responsibility for coordinating inter-departmental initiatives.

More and more, it is becoming evident that the overall health and well-being of our people requires that the government develop a holistic, integrated approach to service delivery. Current approaches need rethinking. This requirement is well-illustrated by the number of interdepartmental committees currently in existence and by the number of initiatives that require a new and separate organizational structure for planning, design and implementation. Examples of such initiatives include zero tolerance for violence, income support reform and planning for division.

Strategic Management

The Budget As A Management Tool

The budget is increasingly becoming recognized as an important -- perhaps the most important -- management tool. The budget spans the entire government organization. It addresses policy issues and resource requirements across government. It responds to the needs of the people. It is the means by which the government announces its priorities.

It became apparent during the last committee review that the separation of the budget into two parts is artificial and may even be counterproductive. It is impossible to examine capital expenditure requirements without considering the fiscal framework. The fiscal framework contains both capital and operating elements that require joint consideration.

Soon after the two budget sessions were implemented, the Standing Committee on Finance recognized that it was unrealistic to review proposed capital expenditures without considering the associated direct and indirect incremental operating costs. It did not make sense, for example, to recommend approval of funding for a school when it is not known if funds would be available to operate the school. The committee, therefore, recommended that the government submit the associated incremental costs for consideration in concert with the capital expenditure plans. The incremental operating costs are now provided. Now the committee reviews incremental operating costs of capital projects outside of the context of departmental operating budgets. However, the picture is still not complete.

Government spending priorities do not sort themselves nicely into capital and operating categories. This is plainly demonstrated by the different approaches to developing definitive objectives taken by various departments. In some departments, the definitive objectives are the same in the capital and main estimates. In other departments, the definitive objectives cited for the Main Estimates are very different from those presented for the department in the capital estimates. Committee Members wonder how this can be. How can departmental objectives change according to the type of expenditure being considered? Perhaps this contradiction helps to explain the government's ability to develop and articulate a clear set of spending priorities.

The committee understands the rationale and supports the underlying principle for separating the budgets and reviewing them in two separate sessions in the Legislative Assembly. There is a real need in

this environment to plan ahead so that capital projects can proceed when conditions allow. There is a real advantage to tendering projects earlier in the process. However, while the rationale is sold, the reality is that tenders are not being let early. There appear to be real obstacles in the way of changing the tendering system to meet the established objectives.

Another very real consideration is the amount of resources consumed by the budget process. Public service bureaucracies are overwhelmed at budget time. When the budget is considered in two separate sessions of the Legislature, the resource consumption is doubled. In our system, the Standing Committee on Finance reviews the budget before it is reviewed in the House. Splitting the budget dramatically increases the workload of this committee as well as that of the departments.

In view of the above-noted considerations, the Committee makes the following recommendation:

Recommendation 2

The Standing Committee on Finance recommends that the Financial Management Board undertake a full review of the costs and benefits associated with separating the capital and operating budgets. The review should include an assessment of alternative methods of achieving the objective of early tendering of capital projects. Further, the committee recommends that the chair of the Financial Management Board provide a comprehensive report on its findings to the Standing Committee on Finance along with the 1995-96 operations and maintenance documents currently scheduled to be provided by December 23, 1994.

Madam Speaker, that concludes my part of the report. I would like to turn over the balance to my colleague, Mr. Arvaluk.

MADAM SPEAKER:

The honourable Member for Aivilik, Mr. Arvaluk.

Page 192

Generating Revenue

MR. ARVALUK:

Thank you, Madam Speaker. One of the critical elements in ensuring future fiscal stability for the NWT lies in the development of a stronger local revenue base. The more revenue we, as northerners, can

generate and control, the more we will be in control of our future. It is for this reason that the successful negotiation of the northern accord is so crucial. Successful completion of this agreement with the federal government will allow us to make our own decisions about priorities in areas such as finance, economic development and environmental protection.

In view of the fact that all of these fiscal policy matters are interrelated, Members would like to emphasize a message contained in the committee's response to the government's options paper report on deficit management. That is, the committee encourages the government to continue developing and implementing a budget strategy using the concept of a "package" approach. The package approach is comprehensive and incorporates issues such as health billings, funding for social housing, incremental added costs for division, land claims implementation, the formula financing agreement and others. Also included are revenue-producing initiatives such as the northern accord, including a mineral accord.

Managing Government Business Effectively

Business Incentive Policy

The committee supports the objectives of the business incentive policy. Members want to keep money in the north. We want to ensure that northerners receive the maximum benefit for the money the government is spending.

However, the committee sees the present policy creating an increasingly convoluted system of criteria for evaluating and awarding contracts. People in the communities see the system as excessively bureaucratic and, in many cases, detrimental to the well-being of the business community.

The Department of Public Works and Services has agreed to undertake extensive consultations with a view to revising and improving the business incentive policy. Departmental officials have developed a new policy proposal to serve as the basis for community consultation. From the information that committee Members have seen regarding the proposed new policy, it appears that the difficulties with the present policy will not be adequately addressed.

Therefore, committee Members feel that an innovative way of accomplishing the objectives of the business incentive policy must be found. Committee Members

encourage the department to look for new and innovative ways through the consultative process.

Negotiated Contracts

During its review of the 1994-95 main estimates, the committee noted a number of concerns relating to the government's way of negotiating contracts. These concerns are summarized in the following excerpt from the committee report:

"In many communities, negotiated contracts have helped establish successful aboriginal enterprises. However, there is a perception that negotiated contracts may be, somehow, less "fair" than tendered contracts. As well, there have been serious problems with some negotiated contracts. Committee Members feel that all contracts, whether negotiated or tendered, must be better monitored. The committee also believes that full public disclosure of negotiated contracts would help to ensure that value for money could be assessed."

The committee, therefore, recommended that the government develop policies and procedures for providing full public disclosure of the details of negotiated contracts, and for monitoring all contracts in order to avoid cost overruns and poor management. The committee asked that this policy and these procedures be in place before August 1, 1994, and that copies of the policy and procedures be provided to the Standing Committee on Finance.

The committee did not receive a response to its recommendation by the deadline date. However, on September 13, 1994 the committee was informed that the Department of Public Works and Services had undertaken to draft policies and procedures in conjunction with the Financial Management Board Secretariat, the Department of Transportation, the NWT Housing Corporation and the Department of Economic Development and Tourism. The response suggests that the departments are working toward a completion date of December 1994. No indication was given as to why an extension of the deadline is necessary. The Standing Committee on Finance will follow up on this issue when it meets in January 1995 to review the main estimates.

Project Management

Concerns arose throughout the committee's September 1994 review about the way in which capital projects are planned, designed and managed by the Department of Public Works and Service.

Committee Members wonder if the means of coordinating and managing capital projects adopted by the Department of Public Works and Services, on behalf of the government as a whole, are as efficient and effective as they should be.

There is a concern that the standards set by the department may be higher than necessary. As a result, construction projects managed by the department end up costing more than similar projects managed in a different way. Members noted that, in particular cases, projects funded through block funding arrangements have proven to be more cost-effective than projects managed by the Department of Public Works and Services on behalf of a client department. Members feel that the project management approach, adopted by the department, can and should be streamlined. The department should assess the current procedures and look for alternatives that are more cost-effective.

While recognizing the significance of the project management function, it is important to remember that it is an overhead expense. In times of tight financial resources, it is particularly important to ensure that capital spending brings about maximum benefit to communities and that overhead expenses are minimized. It is also important to ensure that the

Page 193

procedures used for estimating capital expenditures be as accurate as possible because it is on the basis of these estimates that the Legislative Assembly approves the allocation of capital dollars.

Therefore, at the appropriate time, Madam Speaker, the committee will make the following motion.

Recommendation 3

The Standing Committee on Finance recommends that the Financial Management Board, in consultation with the Department of Public Works and Services, assess the efficiency and effectiveness of the current practices of managing capital projects, and provide a report on the results of that study to the Standing Committee on Finance on December 23, 1994, along with the 1995-96 operations and maintenance documents.

Government Tendering

During the recent review, a number of problems with the current means of tendering government projects were identified. The most critical problem relates to

the timing of contract tendering. The chairman of the Financial Management Board committed to investigate the reasons for contracts being tendered later than desired and offered to try to resolve the problem. The committee looks forward to discussing, with the chairman of the FMB, the reasons why the process has not worked as planned and the proposed resolution. Committee Members expect this discussion to take place during the committee's January 1995 budget review.

Madam Speaker, that concludes my part of the presentation. With your permission, I would like to ask Mr. Charles Dent to continue. Thank you.

MADAM SPEAKER:

The honourable Member for Yellowknife Frame Lake, Mr. Dent.

Bringing It All Together

MR. DENT:

Thank you, Madam Speaker. Madam Speaker, the section I'm presenting from our report is entitled "Bringing it all Together." It focuses on social issues.

Madam Speaker, this government is perceived as a government focused on economic development. While committee Members recognize the critical importance of economic development for the Northwest Territories, there's a fear that this focus may be diverting attention away from pressing social issues. There is a fear that basic social programs may be eroded. Committee Members feel that the time has come to focus on the pressing social problems facing our government today. A shift in philosophy is also required. The future of the territories lies in its people. Therefore, what is required is investing in people -- a focus on the social issues. Further, the committee feels that in order to support this shift in philosophy, a shift in resource allocation must follow.

Committee Members, during the September review, identified three areas where the government could focus for the next year. These three areas are consistent with emerging priorities and with the recommendations of the various standing and special committees of the Legislative Assembly.

Early Intervention - Children With Special Needs

More than half of the residents of the Northwest Territories are under 18 years of age. It is with these

people that our future rests. It is imperative, therefore, that the needs of this group be identified and addressed.

The Special Committee on Health and Social Services identified a very serious gap in responsibility for services for youth. The committee's final report describes the situation in the following excerpt:

"We were told about one complete gap in authority, in that no department has the responsibility for providing services to special needs children, especially preschoolers. In 1985, a report was prepared, suggesting clarification of departmental roles and financial obligations and recommending early intervention with children with special needs. This recommendation rose, in part, out of the evaluation of a successful early intervention pilot project conducted in Pond Inlet. Despite this project's success, the government took no action to allocate the responsibility and funds for such programs.

Six years later, a tri-ministerial committee -- Education, Health, and Social Services -- was formed to review the issue. The committee made further recommendations but still no action was taken. No one department has the legislative mandate for such services so no funds were allocated, despite the continued acceptance that early intervention was crucial to helping these children." (Page 39).

Based on this assessment of the problem, Madam Speaker, the Special Committee on Health and Social Services made the following recommendation:

"Interdepartmental agreements must be put in place quickly to ensure that early intervention services are available right away. Due to the urgency of this matter, a report must be provided to the Legislative Assembly during the 1994 winter session." (Page 44).

Madam Speaker, the Standing Committee on Finance supports this recommendation and believes that it should be one of the three major initiatives undertaken by this government in the next year. Committee Members expect to see specific budget plans to support this initiative in the 1995-96 operations and maintenance budget.

School-Based Youth Service Model

"Partners For Youth"

During its review of the 1994-95 main estimates, the committee identified a model for a school-based youth

service program. The model, called "Partners for Youth," was based on a pilot project being implemented in Edmonton. With this model, which was initially developed in San Diego, a social services team is put together in the school. In the Edmonton example, at one of the schools the team includes a nurse, a police constable, a social worker, a probation officer and a therapist. The goal of the project is to ensure that "at risk and potentially at risk" students and their families will have school-based access

Page 194

to a wide range of community services. Further, committee Members noted that the program is designed to require little extra funding. Instead, existing resources are reassigned. Based on this information, the committee made the following recommendation:

"That the Department of Education, Culture and Employment, in cooperation with the Departments of Social Services, Justice and Health, examine the "Partners for Youth" model and implement pilot projects, based on that model, in one school in each region for the 1994-95 school year."

Madam Speaker, none of the departments responded to this recommendation for the 1994-95 school year. Instead, the standing committee received the following status report on September 13, 1994:

"A memorandum of agreement has been signed by the Ministers of three departments as the first step. The collaborative concept is already in place in many schools across the NWT, and is being promoted actively. This concept is not currently known by the title, "Partners for Youth." It is acknowledged as the most effective way to provide coordinated support to children and youth."

When the Minister of Education, Culture and Employment appeared before the committee during the September, 1994 review, this issue was discussed. Committee Members, once again, outlined the many benefits of this model and strongly urged the department to "get on with it." Committee Members noted that no action had been taken to implement pilot projects in the schools for the 1994-95 school year.

In response to this reluctance, and because of the potential benefits for our youth and their families, committee Members decided to follow up on the recommendation themselves. The committee has

invited the coordinator of the Edmonton project to make a presentation on the model to the committee, other interested MLAs and Ministers. The meeting is scheduled to take place in late October, 1994.

Family Violence

The Standing Committee on Finance supports the efforts of the Department of Justice in preparing the declaration on family violence on behalf of the Legislative Assembly of the Northwest Territories and in developing and tabling a strategy for dealing with violence. However, the committee was very disappointed to find, during its review of the 1994-95 main estimates, that few, if any, new resources had been allocated in any department, to help ensure that the goals set out in this declaration become a reality. If resources are not dedicated to this important statement of principle, it raises expectations without much chance of achieving objectives.

As a result of these concerns, the committee recommended that the Department of Social Services, in consultation with social agencies and special interest groups, develop a range of program options and training plans for family violence prevention services, child sexual abuse programs and family counselling.

The government response to this recommendation, received on September 13, 1994, is as follows:

"The Department of Health and Social Services has begun work on a community wellness strategy. The strategy will develop a range of options for responding to family violence and sexual abuse issues, in the context of individual, family and community healing and development. Community involvement in service delivery, training, prevention and awareness will be emphasized.

The development of the strategy is directed by a working group of representatives of approximately 35 non-government and community organizations. The Departments of Justice and Education, Culture and Employment are closely involved and other departments are being consulted.

A comprehensive progress report will be tabled in the Legislative Assembly this fall."

The standing committee would like to see this initiative fast-tracked. Members would like to see very rapid progress in moving from strategy to implementation. Committee Members expect to see

specific budget plans to support this initiative in the 1995-96 operations and maintenance budget.

Madam Speaker, there are many urgent problems that could be addressed by undertaking these three initiatives. These problems deserve prompt and proactive solutions. Therefore, the Standing Committee on Finance will make the following recommendation to the Government of the Northwest Territories:

Recommendation 4

The Standing Committee on Finance recommends that the Government of the Northwest Territories assess its spending priorities and current initiatives and, based on that assessment, develop a plan to deal with early intervention services for special needs children; a school-based youth services program and family violence. The goal of the plan is to focus on long-term investments in the people of the Northwest Territories. The committee further recommends that the plan be initiated and implemented during the final year of the government's term.

Madam Speaker, I would now like to request that the chairman of the committee be allowed to conclude the report.

MADAM SPEAKER:

Thank you. The honourable Member for Nahendeh, Mr. Antoine.

A Transition Plan For The Next Government

MR. ANTOINE:

Mahsi, Madam Speaker. During the September 1994 review, the Standing Committee on Finance found itself, of necessity, working toward a deadline of October 1995 -- the date of the next territorial election. Committee Members recognize that recommendations and expectations need to reflect the fact that the term of this government is drawing to a close.

Page 195

With our consensus style of government, there are few mechanisms for easing the transition from one government to the next. Committee Members feel that it is important for the next government to have a blueprint to follow. This is particularly important in view of the potential consequences of a worsening financial reality -- a situation where a deficit may be

accumulated. Committee Members feel, for example, that this government should be setting the scene to make this transition to two new territories, with all the associated activities implied, as soon as possible.

The Institute of Public Administration of Canada, in its recent publication entitled "Taking Power -- Managing Government Transitions" offered the following comments about changes of government:

"Transitions of power represent a critical moment in our democratic systems. These peaceful coups are greeted with a mixture of euphoria and anxiety. Intense activity occurs within a very limited time frame as efforts are made to mesh the new political apparatus with the administrative machinery. Attention must be paid to policy, machinery of government and personnel issues all at once."

Because of the consensus model of government, legislators in the Northwest Territories, unlike those in other jurisdictions, are well positioned to plan and execute a relatively smooth transition from one government to the next. The Standing Committee on Finance recommends that the current government assume responsibility for initiating transition planning. Assuming this responsibility would involve, as a first step, the development of a "blueprint" document that includes, as a minimum, the following elements:

- the current government's vision of the future;
- government spending priorities and the supporting rationale;
- fiscal and operational strategies and plans with particular emphasis on commitments made to interest groups and communities;
- a description of the planned evolution of the organizational and program change over the long term; and,
- a plan for moving toward division.

The previous government of the 11th Assembly submitted a report, "Strength of Two Levels," to the chairman of the Financial Management Board of the 12th Legislative Assembly. This report summarized the work of a review project that was intended to provide a blueprint for government organizational and program change over the next ten years. Even though the report was not fully implemented because of changing political and fiscal realities, it did serve as a reference point for the current government. While the committee is not expecting the current

government to undertake an initiative as extensive as the project to review the operations and structures of northern government, Members would like to see a substantial transition plan as outlined above.

The Standing Committee on Finance would be pleased to assist the government in undertaking this crucial initiative.

Moving Toward Division

The committee Members believe that there will be incremental costs associated with division. With developing constitutions and governing structures and with some models of self-government. It is essential that these incremental costs be fully identified and recognized in government fiscal strategies, plans and funding agreements. It is also essential to recognize that in preparing for division, it is necessary to target for a balanced budget. The committee Members feel strongly that it is highly desirable that the government's fiscal house be in order in anticipation of 1999 which promises to be a very challenging year. It is important that dividing an accumulated deficit not be added to the problems of dividing the assets and the base budget.

Balanced Budget Legislation

The Standing Committee on Finance remains committed to targeting for a balanced budget. At the same time, Members are very cognizant of the many obstacles to prudent fiscal management in the current environment of turbulent change and increasing demands for government services. Members recognize how difficult it is to maintain a delicate balance between avoiding an accumulated deficit while at the same time protecting the public interests. This government has, over the last few years, been faced with tremendous fiscal pressures ranging from significant decline in the level of federal government support to the need to provide for extraordinary unanticipated expenditures.

As a response to the need to maintain the "delicate balance", the Standing Committee on Finance makes the following recommendation:

Recommendation 5

The Standing Committee on Finance recommends that the Financial Management Board, as part of its transition planning, seriously consider protecting the interests of the people of the Northwest Territories by introducing, during the life of this Legislative

Assembly, legislation that requires the Government of the Northwest Territories, in preparation for division, to ensure that, on March 31, 1998, no deficit has accumulated.

Finance Committee To Maintain A "Watch-dog" Role

In concluding this report on Investing in Our Future, the Standing Committee on Finance wishes to assure all Members of the Legislative Assembly that the committee will continue to comply with a mandate by serving as a financial "watch-dog". Members of the Standing Committee are committed to finding solutions to problems identified and to exploring new and innovative approaches to conducting the business of government.

Madam Speaker, at this time, I would like to express the committee's appreciation to the staff of the committee who served, as well, during this review; Joan Irwin, our researcher, who provided excellent expert and professional support; Robert Slaven for his analytical abilities; and, Doug Schauerte for his ongoing effectiveness in support of the standing committee.

Page 196

Motion To Receive Committee Report 9-12(6) And Move To Committee Of The Whole, Carried

Madam Speaker, that concludes the report of the Standing Committee on Finance on Investing in Our Future, October, 1994. Therefore I move, seconded by honourable Member for Yellowknife Frame Lake, that the report of the Standing Committee on Finance, Investing in Our Future, October, 1994, be received by the Assembly and moved into committee of the whole. Mahsi.

---Applause

MADAM SPEAKER:

Your motion is in order. To the motion.

AN HON. MEMBER:

Question.

MADAM SPEAKER:

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

---Carried

Item 12, reports of standing and special committees. Item 13, reports of committees on the review of bills. Item 14, tabling of documents. Item 15, notices of motion. Item 16, notices of motions for first reading of bills. Item 17, motions. Item 18, first reading of bills. Item 19, second reading of bills. Item 20, consideration in committee of the whole of bills and other matters: Tabled Document 14-12(6), "Open for Business" - Privatizing the Northwest Territories Power Corporation; Tabled Document 23-12(6), Report of the 1993-94 Electoral District Boundaries Commission, Northwest Territories; Minister's Statement 11-12(6), Return to Session; Committee Report 4-12(6), Report on the Review of Bill 6 - Access to Information and Protection of Privacy Act; Committee Report 5-12(6), Report on the Review of the Financial Statements of the Government of the Northwest Territories and the Report of the Auditor General for Canada for the fiscal year ending March 31, 1993; Committee Report 6-12(6), Report on the Review of Bill 3 - Guardianship and Trusteeship Act; Committee Report 7-12(6), Report on the Review of Bill 7 - An Act to Amend the Arctic College Act; Bill 1, Appropriation Act, No. 1, 1995-96; Bill 2, Aboriginal Custom Adoption Recognition Act; Bill 3, Guardianship and Trusteeship Act; Bill 6, Access to Information and Protection of Privacy Act; Bill 7, An Act to Amend the Arctic College Act; Bill 8, An Act to Amend the Public Utilities Act, with Mr. Lewis in the chair.

ITEM 20: CONSIDERATION IN COMMITTEE OF THE WHOLE OF BILLS AND OTHER MATTERS

CHAIRMAN (Mr. Lewis):

I'd like to call the committee to order. What would the committee like to do today? Mr. Ningark.

MR. NINGARK:

Thank you, Mr. Chairman. I would like to recommend that we deal with Committee Report 5-12(6) and subsequently, if time allows it, Committee Report 4-12(6). Thank you.

CHAIRMAN (Mr. Lewis):

Do Members agree?

SOME HON. MEMBERS:

Agreed.

---Agreed

CHAIRMAN (Mr. Lewis):

Okay, so we deal with Committee Report 5-12(6). We have some business in front of us, which is the Standing Committee on Public Accounts Report on the Review of the Financial Statements of the GNWT and the Report of the Auditor General for Canada for the Fiscal Year Ending March 31, 1993. Mr. Zoe is the chair of that committee and would like to have a pause to think about what they want to do next. Therefore, we will take a five-minute break.

---SHORT RECESS

CHAIRMAN (Mr. Lewis):

I will call the meeting back to order. During the break, I had an opportunity to discuss the report with the chairman of the Standing Committee on Public Accounts, Mr. Zoe. We would like to be guided by the committee on what you would like to do. Mr. Zoe, perhaps I will ask you to deal with the issue.

MR. ZOE:

Thank you, Mr. Chairman. The Standing Committee on Public Accounts Report on the Review of Financial Statements of the GNWT and the Report of the Auditor General of Canada for the Year Ending March 31, 1993 was tabled on October 6th. I believe Members have had the opportunity to read the report. I understand we are dealing with this report today, but Members will recall that I read the executive summary into the record when I made the report in the formal sitting.

I wonder if I could ask the committee that, because our report is lengthy, it be deemed read into the record. If so, I can proceed with the recommendations right after that.

SOME HON. MEMBERS:

Agreed.

---Agreed

CHAIRMAN (Mr. Lewis):

There are no nays. I would like to report to the committee that this report, as we received it, will be printed in its entirety into the Hansard, in lieu of it being read. Thank you.

Committee Report 5-12(6): Report On The Review Of The Financial Statements For The GNWT And The

Report Of The Auditor General Of Canada For The
Year Ending March 31, 1993

Executive Summary

The public accounts for 1992-93 were tabled in the Legislative Assembly in November of 1993 and the Auditor General's report was received in April, 1994. The Standing Committee on Public Accounts conducted its public review of the report on June 20 to June 23, 1994 and also met on August 25, 1994 to prepare this report for the Legislative Assembly.

The public review initially consisted of a follow-up on issues and concerns of the standing committee from the previous year. Much of the focus was on the emerging role of the office of the Comptroller General resulting from the organizational changes within the government. The committee is concerned that combining the office of the Comptroller General with the Secretary to the Financial Management Board not lead to problems with respect to crucial information

Page 197

flow and accountability. In addition, the committee examined the audit and evaluation functions and noted that high priority must be given to staffing and allocation of sufficient resources to fulfil evaluation objectives. The Finance committee of the Legislative Assembly should ensure that adequate checks and balances are maintained in the system and that evaluation subscribes to the highest levels of integrity and objectivity.

It was also noted that there had been an increase in the occurrence of fraud being perpetrated against the government, the investigation of which resulted in the diversion of substantial resources away from the regular audit activities.

The committee discussed several issues noted in the Auditor General's report with the Comptroller General. Among these were the implications and impacts of the health billings dispute, the pay equity dispute, and the policing costs associated with the Royal Oak labour dispute. In light of the potential negative impact on the financial stability of the government, the committee encourages a conservative and responsible approach to financial planning and management.

The Auditor General noted that there had, once again, been delays in the preparation of financial statements, particularly those of consolidated entities, such as the

NWT Development Corporation and the NWT Business Credit Corporation. Dependence upon subsidiaries' statements, and lack of internal resources were cited as the primary reasons for the delays. The Auditor General suggested allocating more resources to the office of the Comptroller General to assist these entities. However, the Comptroller General advised the committee that additional resources have been allocated to the entities, themselves, to address the situation.

The Auditor General noted a number of overexpenditures in 1992-93 due to a variety of factors. In general, the committee discussed the overexpenditures with the appropriate officials and encourages departments and agencies to identify potential resource needs at an earlier stage wherever possible, so they can approach the Legislative Assembly for supplementary funding. Tabling a comprehensive listing of payments to suppliers and contractors on a quarterly basis will also enable the Legislative Assembly to monitor financial resources more closely.

The committee discussed the government's cash position in 1992-93 with the Department of Finance and noted that, while the situation has improved compared to the previous year, in 1993-94, the deficit in the cash position was roughly \$38 million. In addition, forecasts for 1994-95 predict a deficit in the cash position of \$78 million at year end. The committee stresses that, given the present situation, the potential impacts of health billings, pay equity, and police costs disputes, the cash position must be closely monitored and up-to-date information provided on a regular basis to the Legislative Assembly and to the Finance committee.

In chapter three, of the Auditor General's report, some problems were noted with the recording of capital expenditures. According to the financial administration manual, expenditures are to be recorded in the year they are incurred, not when they are actually paid. On a number of occasions, the Department of Municipal and Community Affairs did not accrue liabilities for work performed in 1992-93 in municipalities because the contribution agreements weren't signed until the following year. The committee is concerned that proper accounting procedures are followed and that authority of the Legislative Assembly to approve capital planning and spending is not circumvented.

In its 1991 report, the Public Accounts committee made several recommendations regarding the

development of an assets control system for the Government of the Northwest Territories. While such a system is the responsibility of each department, the Public Works and Services model is the most widely used. Generally, departments are in various stages of implementing inventory control systems for both capital and controllable assets.

Closely related to inventory control is the issue of custodial storage and warehouse procedures which was raised by the Auditor General in 1991. The Department of Public Works and Services is presently conducting a review of these procedures which will include an inventory of all government warehousing facilities and stock currently being maintained, and a plan for privatizing warehousing. The current practices of maintaining and storing valuable artifacts were discussed, and there are indications that the GNWT policy is required in this area. Due to the specialized nature of the facilities also required for abstract storage, it is anticipated that the pending privatization plan will address this issue.

Another related issue that concerned the committee is the future direction of records management and storage. The committee felt that, if storage space is limited, it would be wise to investigate alternative methods using the latest technology at the same time that departments are encouraged in addressing the operational requirements of records management such as, what to keep and for how long.

Approximately 40 per cent of the total unconsolidated government expenditures in 1992-93 were grants or contributions. In consideration of such a large portion of the government's budget being given mostly to boards and agencies to deliver programs and services, it is imperative that financial controls and accountability are maintained. The Department of Health and Social Services assured the committee that communication and working relationships will be addressed and improved through the negotiation of the master memorandum of understanding to be completed by December 1994.

Similar issues were highlighted with respect to boards of education. The Department of Education, Culture and Employment informed the committee that six of seven boards have signed MOUs as the base of their relationship with the department. However, the department is currently revising the Education Act which is expected to provide a legislative framework for the boards' responsibilities and define accountability mechanisms.

The committee discussed several other issues noted by the Auditor General with the relevant departmental officials. The possibility of further investigating the use of video-conferencing technology to cut down on travel and other costs was examined, and a future requirement in public accounting sector for assessing and recording restoration costs incurred through

Page 198

environmental liability were discussed with both the Comptroller General and the Department of Renewable Resources.

In order to address a number of these issues and deal with specific areas of concern, the Standing Committee on Public Accounts made the following recommendation.

Recommendation 1

The Standing Committee on Public Accounts recommends that the Government of the Northwest Territories, through the office of the Comptroller General, investigate the possibility of engaging the service of a forensic auditor for the sole purpose of dealing with attempts to defraud the government.

Regarding the health billings, pay equity and policing cost disputes, we made a number of recommendations.

Recommendation 2

The Standing Committee on Public Accounts recommends that the Legislative Assembly receive regular briefings from the appropriate officials on these and any other issues in dispute which have the potential to seriously impact the financial resources of the Government of the Northwest Territories.

Recommendation 3

The Standing Committee on Public Accounts recommends that the Department of Public Works and Services, on behalf of the government, provide a comprehensive listing of payments over \$5,000 made to suppliers and contractors by the Government of the Northwest Territories on a non-cumulative quarterly basis to be tabled in the Legislative Assembly within 45 days.

Recommendation 4

The Standing Committee on Public Accounts recommends that the government review the capital

planning process, and the role of the Legislative Assembly and prioritize capital expenditures, and present options for ensuring legislative spending approval while improving process flexibility.

Recommendation 5

The Standing Committee on Public Accounts recommends that the Department of Personnel, in cooperation with NorthwTel, implement a pilot project in Yellowknife to test the cost-benefit of using video-conferencing technology for staffing procedures.

Recommendation 6

The Standing Committee on Public Accounts recommends that the Department of Personnel, in cooperation with NorthwTel, assess the option for expanding the use of video-conferencing technologies as recommended in the travel management report.

The Auditor General's Report For 1992-93

Earlier this year, the Auditor General of Canada, Mr. L. Denis Desautels, forwarded his Report of the Auditor General to the Legislative Assembly for the Year Ended March 31, 1993 to the Speaker, the Honourable Jeannie Marie-Jewell. This document, along with the Public Accounts 1992-93, Volumes I and II, became the focal point of four days of public hearings in June 1994 and one day of follow-up work in August 1994.

The Auditor General's report is divided into five chapters: chapter 1, financial statements issues; chapter 2, compliance with authorities issues; chapter 3, audit notes; chapter 4, grants and contributions; chapter 5, follow-up on recommendations of previous report.

Section One: The Process

Timing And Presentation Of The Public Accounts

The public accounts for 1992-93 were tabled in the Legislative Assembly in November 1993. The report of the Auditor General to the Legislative Assembly for the year ended March 31, 1993 was received by the Speaker on April 14, 1994. As a result, the report could not be tabled in the Legislative Assembly which had adjourned on April 7, 1994 until October 4, 1994. Under the rules, however, the report was sent by the Speaker to the chairperson of the Standing Committee on Public Accounts for public review.

Public Accounts Hearings

The committee would like to thank the Auditor General of Canada and all of the GNWT departments for their attendance and responsiveness at the public hearings in June. The cooperation of all deputy ministers and their support staff was very much appreciated and contributed to a constructive and useful process. The witnesses and the date they appeared before the committee are listed in appendix I.

Report Format

This report of the Standing Committee on Public Accounts on the Report of the Auditor General to the Legislative Assembly for the Year Ended March 31, 1993 represents a departure from the normal format of past reports in that it is presented by department rather than by issues for ease of charting progress on various issues.

Given the closeness of PAC's mandate to that of the Standing Committee on Finance with regard to the issue of departmental financial accountability and responsibility for adherence to the Financial Administration Act, this format will make it easier to relate to SCOF reviews and government budget processes.

Section Two: Issues And Concerns

During the public hearings in June 1994, the committee discussed various issues raised by the Auditor General with senior departmental officials. At these meetings, the committee requested additional information regarding these issues and concerns from the senior officials who appeared before the committee. In August, the committee reviewed and further discussed the information provided by officials and finalized this report. This section of the report summarizes the issues and concerns raised and presents the committee's comments and recommendations.

Page 199

Follow-up: Previous Year's Issues And Concerns

Organizational Change - Role Of The Comptroller General

In 1992, the Standing Committee on Public Accounts recommended, in Committee Report 13-12(2), Strengthening the Roles and Responsibilities of the Deputy Minister of Finance and the Office of the

Comptroller General, specifically to make these roles independent of each other and allow a more proactive approach to dealing with spending problems.

Subsequently, in 1993, changes to the executive management functions were made in the larger context of the "Reshaping Northern Government" initiative. Effectively, the roles of the Comptroller General and secretary to the Financial Management Board were combined in an effort to make the Comptroller General directly accountable to the Financial Management Board and responsible for internal financial management. The deputy minister of Finance is now responsible for external financial management.

As a result of this reorganization, the Standing Committee on Public Accounts is generally concerned that too much power for financial planning and allocation may be vested in one office. In addition, extra care must be taken to ensure that such centralized decision-making does not lead to "bottlenecking" and a restriction of crucial information flow.

A third concern the committee noted calls into question the prudence of housing the audit and evaluation function in such close proximity to the planning and allocation functions and under the authority of the Comptroller General, when logically, they should be independent of one another.

Although there appear to be no tangible problems at the present time, the committee has decided to adopt a wait-and-see attitude to ensure that the checks and balances are maintained in the system and that any problems are brought to the attention of government. To facilitate this "watch-dog" role, committee Members believe that both the Standing Committee on Public Accounts and the Standing Committee on Finance should be regularly and frequently updated on the progress and status of financial planning and management developments and initiatives.

This will require that there be a strong and continual flow of information, by way of regularly scheduled briefings, from the department of the Executive to the committees.

Audit And Evaluation Functions

The audit and evaluation functions are meant to provide an independent, objective, professional control mechanism to improve decision-making and accountability. As previously mentioned, the

committee is not entirely comfortable with having the "back end" control in the same department as the "front end" planning and resource allocation function.

In addition, the committee is concerned that, given the present pace of staff, the evaluation unit and the workload that is envisioned, it may be a number of years before tangible evaluation results are obtained. If positions are not staffed immediately, it could be even longer.

Committee Members are also concerned that no new financial resources have been allocated to this function. The committee strongly urges the government to move swiftly on this initiative and ensure that adequate resources are made available to fulfil evaluation objectives. Time is of the essence.

The committee recommends that the audit and evaluation division share their plans and progress in meeting objectives with the Standing Committee on Public Accounts on a regular basis.

In addition, it is the intent of the committee that the Finance committees (PAC and SCOF) will play a role in ensuring that evaluations subscribe to the highest levels of integrity and objectivity. In addition, the government should move towards the development of an overall evaluation policy to guide the evaluation process.

The office of the Auditor General may also assume a role from time to time in ensuring the quality of evaluations through the normal audit process.

There was some discussion regarding the increasing occurrences of fraud being perpetrated against the government. The committee recognizes that frauds and the subsequent investigations required serve to divert resources away from regular audit activities. Therefore, in consideration of the severity of the problem and the substantial resources being diverted, the committee makes the following recommendation.

Recommendation 1

The Standing Committee on Public Accounts recommends that the Government of the Northwest Territories, through the office of the Comptroller General, investigate the possibility of engaging the services of a forensic auditor for the sole purpose of dealing with attempts to defraud the government.

Accountability

Merit System For Deputy Ministers

The committee would like to note that a request for background information on the implementation of the merit system for deputy ministers from the Comptroller General's office has received no response. The committee wanted to assess the supposed advantages of the system, particularly with regard to improving accountability in the public service.

The committee expects that requests of this nature will receive more adequate attention in the future.

Auditor General's Report

Office Of The Comptroller General

Health Billings Dispute

The Auditor General has commented on this issue in his report in each of the last three years. As this dispute is now proceeding before the courts, its resolution is difficult to predict. Within the context of the government's prospective cash position, however, the worst-case scenario of having to write off

Page 200

approximately \$60 million in receivables would seriously impact the ability of the government to deliver its full range of programs and services.

Pay Equity Dispute

As with the health billings dispute, this issue is also proceeding before the courts to establish the appropriate jurisdiction of the Canadian Human Rights Commission and their authority to deal with the complaint of the Union of Northern Workers. The resolution of this issue also has the potential to significantly impact on the government's financial position.

The Standing Committee on Public Accounts would like to note for the record that, while these issues including the extra policing costs associated with the Royal Oak labour dispute are currently being addressed through legal means, the government must keep in mind their potential for negatively impacting on future financial stability. Wherever possible, the government must use a conservative, contingent approach to fiscal management and planning.

Further, the committee makes the following recommendation.

Recommendation 2

The Standing Committee on Public Accounts recommends that the Legislative Assembly receive regular briefings from the appropriate officials on these and any other issues in dispute which have the potential to seriously impact on the financial resources of the government of the Northwest Territories.

Financial Statement Preparation

The Auditor General notes in his report that the preparation of auditable financial statements was again delayed in 1992-93.

One reason cited for the delays was the inability of consolidated entities to complete their statements within the prescribed time frame. Management responses referred to a lack of internal resources in the cases of both the NWT Development Corporation and the Business Credit Corporation. Additionally, the Development Corporation has a number of smaller subsidiaries which must present their statements to the corporation prior to the preparation of their own statements.

The Auditor General made the suggestion that the office of the Comptroller General could be given additional resources and responsibilities to enable them to assist these entities, and other departments as required, in fulfilling their financial statement obligations in a more timely manner.

Instead, the government elected to provide the NWT Development Corporation and the Business Credit Corporation with additional human and financial resources in 1994-95 to address the problem. This may serve to alleviate future problems if the new positions are staffed immediately, however, it is anticipated that delays will again be experienced in preparing for the 1993-94 financial statements.

The committee recognizes that there is still a generic need to receive statements earlier in the process. Therefore, the committee endorses an approach whereby the office of the Comptroller General will work in concert with the Auditor General's office to identify potential accounting issues as early as possible in the reporting process. This will help to avoid delays in the presentation of the financial statements.

Environmental Accounting

The Auditor General noted that under generally accepted accounting principles, the government is

required to adopt policies on environmental accounting. Restoration of the environment, subsequent to certain activities, both public and private, will result in costs that will need to be taken into account. This item will be discussed further under the Department of Renewable Resources.

Compliance With Authorities

The Auditor General noted an overexpenditure within the Financial Management Board Secretariat attributable to the human resource management function. This was due to an underestimation of government employee leave and other benefits entitlements.

On August 25th, the committee received a full briefing on the complexities of this issue within the context of a presentation of the draft financial statements for the 1993-94 fiscal year from the Comptroller General. The committee was informed of the difficulties that have been encountered in accurately determining liability for employee benefits, particularly with respect to ultimate removal benefits. The Comptroller General noted that improvements have been made to the method of calculating and forecasting this liability for the 1993-94 fiscal year and the government is attempting, through the collective bargaining process, to minimize its liability in this area.

The committee recognizes the difficulties being encountered and encourages any efforts on the part of the government that serve to refine its estimates and reduce its liability.

General Note On Overexpenditures

In fulfilling its role in the accountability process, the committee investigated the recorded instances of overexpenditure and obtained explanations from the central agencies and departments concerned. The committee encourages departments and agencies to identify potential resource needs at an earlier stage so they can approach the Legislative Assembly for supplementary appropriation prior to year end. This would enhance accountability and control and allow debate in the Legislature prior to spending.

In two instances, however, overexpenditures resulted from differing interpretations of legal responsibilities and proper accounting treatments. These are addressed under the headings of the relevant departments.

Upon consideration of the discussions with officials of overexpended departments, and in recognizing the need to closely monitor the financial resources of the GNWT, the committee makes the following recommendation.

Recommendation 3

The Standing Committee on Public Accounts recommends that the Department of Public Works and Services, on behalf of the government,

Page 201

provide a comprehensive listing of payments over \$5,000 made to suppliers and contractors by the Government of the Northwest Territories on a non-cumulative quarterly basis, to be tabled in the Legislative Assembly within 45 days of the end of each quarter.

Department Of Finance

Cash Management

The Auditor General's report noted that the government's cash position had improved in 1992-93 compared to the previous year. However, upon closer examination, and in looking at 1993-94 figures, the cash position of the government is still a matter of concern. In 1993-94, expenditures exceeded revenues and the deficit in the cash position was roughly \$38 million at year end.

In addition, forecasts for 1994-95 predict a worsening of the cash position by an additional \$40 million at year end to an estimated deficit in the cash position of \$78 million. This depends, however, on the assumption that potential impacts such as the health billings dispute, the pay equity dispute and extra policing costs during the recent labour problems are not felt in their entirety in the present fiscal year and the status quo is maintained.

In an effort to address this anticipated 1993-94 deficit in the cash position, the Legislative Assembly passed Bill 14, An Act to Amend the Borrowing Authorization Act, thereby increasing the government's borrowing authority from \$65 million to \$100 million. The committee would like to be assured that the appropriate steps are being taken, and will continue to be taken, to ensure that future deficits in the cash position are avoided and the government will be able to reduce the borrowing limit.

The committee would like to stress that, given the present situation, it becomes even more important that the cash position is closely monitored and that up-to-date information is provided on a timely and regular basis to Members of the Legislative Assembly and financial committees.

Department Of Public Works And Services

Recording Of Capital Expenditures

The Auditor General's report made note of two occasions where payments were made after March 31, 1993 for work performed by the contractors during the 1992-93 fiscal year. The management response indicated that not recording the liabilities was an oversight and the department issued revised and more detailed instructions to staff to avoid a recurrence of such situations.

Controllable Assets System

In its 1991 report, the Standing Committee on Public Accounts made several recommendations regarding the development of an asset control system for the Government of the Northwest Territories.

The Department of Public Works and Services currently operates a model available for use by other departments, although it should be noted that controllable assets are an individual departments' responsibility. The office of the Comptroller General reviewed government departmental inventories and controllable assets systems and found that the Public Works and Services model was being used by some departments and very effectively by one department in particular. The Comptroller General's office will endeavour to work with other departments to assist them in using the system more effectively.

Custodial Storage And Warehouse Procedures

In 1991, the Auditor General recommended that the "Department of Government Services should be given full responsibility for operating the warehouse with trained staff (and) there should be proper systems and records for items stored in the Yellowknife warehouse."

The Department of Public Works and Services responded in 1991 by saying that individual departments were still responsible for maintaining their own inventories of materials stored and that no policy on custodial storage was being developed.

However, the department is presently conducting a review of custodial storage and warehouse procedures that should be completed by December 1994. The review will include an inventory of all GNWT warehousing facilities and the stock currently being maintained, and a plan for privatizing warehousing. The department would establish procedures for the maintenance of custodial stock.

This led to a discussion of the issues of artifacts and the current practices with which these valuable items are stored. The department acknowledged that the specialized facilities that are often required for artifact storage are not operated by the GNWT and that the privatization plan will address this issue. The committee felt that it might help to define what constitutes an "artifact" and then develop a policy for the control and management of artifacts. The Comptroller General suggested that this matter should probably be referred to the Department of Education, Culture and Employment.

Another issue that arose from these discussions was that of records management and storage. The committee was concerned that an overall plan for that logical management of government records is lacking, which leads to the problem of deciding what records to keep, where to keep them, for how long and in what form.

The department noted that while record storage is a part of the warehouse requirements, the whole area of record management is a separate exercise. The role of Public Works and Services is to assist departments with their records management organization so that only relevant records are stored. What would then follow would be a review of alternative technologies to determine the best method of storage.

The committee feels strongly, however, that if storage space is at a premium, it would be wise to investigate alternative storage mediums such as electronic or microfiche storage at the same time that departments are engaged in addressing the operational requirements of records management. Therefore,

Page 202

the committee urges the government to conduct a coordinated review of its storage requirements with respect to artifacts and records in particular, which would involve the departments of Public Works and Services, Education, Culture and Employment and

Justice, for the purpose of assessing the legal implications.

Department Of Justice

Overexpenditure

In the 1992-93 fiscal year, the Department of Justice incurred an overexpenditure of approximately \$146,000 attributed to extra policing costs associated with the Royal Oak labour crisis. The legal dispute with the federal government as to who is responsible for the extra costs rendered it impossible to accurately predict the department's liability, if any, in this matter. Under his authority, the Comptroller General estimated this liability to be approximately \$392,000 and booked the amount, resulting in the overexpenditure.

From a legal standpoint, the department appeared justified in its refusal to recognize a liability, while from the perspective of the accounting principle of "conservatism," the booking of the liability is also sound.

This "collision of legal and accounting principles" was brought about by unusual circumstances, and the future resolution of this issue is unpredictable. In essence, both the Department of Justice and the Comptroller General have tenable arguments, yet the latter has final authority for bookings.

Legal Contracting

The issue of legal contracts was discussed in Committee Report 6-12(6) on the 1991-92 financial statements. At that time, it was noted that some departments were contracting for legal services without consulting the Department of Justice, as they are required to do.

Subsequent to the committee report, the issue of legal contracting has been reviewed by the office of the Comptroller General in consultation with the Department of Justice and the financial administration manual directive 808 is being revised.

It is not possible for the Department of Justice to review all contracts entered into by GNWT departments. Therefore, client departments have developed standardized agreements which have been approved by Justice. This eliminates the necessity for the department to review each and every contract. However, departments are required to have the Department of Justice review all non-standard agreements over \$50,000.

Department Of Economic Development And Tourism

Overexpenditure

The Department of Economic Development and Tourism incurred an over expenditure as a result of an out-of-court settlement in which assets were transferred to the government and the capital appropriation of the department was exceeded by \$173,761.

The department advised the committee that one asset in particular is being sold at the appraised value and the disposal of the remaining assets is currently being negotiated. No further costs to the department are anticipated.

Delay In Preparation Of Financial Statements

As in previous reports, the Auditor General noted again that there have been delays in the preparation of financial statements. This item has been discussed in section B.i. under the office of the Comptroller General, given the responsibilities of that office with respect to the timely provision of financial statements.

As previously mentioned, additional resources and PYs have been allocated for 1994-95 to address that issue. The committee is concerned, however, that this may not prove effective, particularly with respect to the NWT Development Corporation, where problems originate in subsidiary organizations.

The committee will observe progress on this issue with interest, and will note whether there is improvement, although there are indications that this will not be the case in 1993-94.

Conflict Of Interest Guidelines

This issue is being addressed in context of the committee's report on the audit of the Department of Economic Development and Tourism, the NWT Development Corporation and the NWT Business Credit Corporation, which discusses the importance of conflict of interest rules and guidelines given the intimate nature of the NWT economy and the potential for conflict between the public sector and private businesses.

The Standing Committee on Public Accounts would like to stress again the need for the government to review all conflict of interest rules and guidelines to ensure they are appropriate and adequate to cover the unique situations in the north, particularly those

facing staff and board members in the area of economic development.

Venture Capital Definition (Arm's Length)

At the time of the Auditor General's report, the business development fund of the Department of Economic Development and Tourism did not have a definition of "arm's length" in its policy or directive. In its venture capital program, there is a requirement that investors receiving funding must be in an "arm's-length" relationship with the company in which they are investing.

The department responded that this had been overlooked but that they are now using the Business Credit Corporation's definition of "related parties," which was derived from the Income Tax Act. The committee feels that this is satisfactory only as a basis for developing a definition of "arm's length," but confusion could arise if the complicated language of the Income Tax Act derivation is not simplified and clarified.

Page 203

Department Of Health

Health Billings Dispute

This issue has been discussed under section B.i.

Overexpenditure

The overexpenditure of approximately \$75,000 incurred by the Department of Health can be attributed to the impact of the health billings dispute with the federal government. In the 1992-93 fiscal year, a \$7.9 million surplus was turned into a deficit in the amount noted above due to an \$8 million valuation adjustment against the DIAND dispute.

Once again, the committee notes the ever-increasing potential impact on the resources of the GNWT and strongly urges a conservative and prudent approach to financial planning and management.

Grants And Contributions

Approximately 40 per cent of the total unconsolidated government expenditures in 1992-93 were grants and contributions. In consideration of such a large proportion of the government's budget being given mostly to boards and agencies to deliver programs and services, it is imperative that financial controls

and accountability are maintained, as well as ensuring value for money in achieving program objectives.

The committee feels that the issue at stake here is not merely one of lack of communication between the department and health boards brought about by a difference of opinion regarding the amount of autonomy the boards should enjoy. Rather, it is an issue of responsible financial management and accountability. Certain controls regarding the administration of public funds were ignored and the result may yet have a significant financial impact on the Government of the Northwest Territories.

Therefore, the committee strongly urges the government to enforce the financial controls set out in the Financial Administration Act in order to prevent similar situations in the future. Further, the committee will note with interest the development and implementation of the memorandum of understanding with health boards in the sincere hope that such issues are addressed and communications and working relationships are enhanced.

Memorandum Of Understanding With Health Boards

The department is currently working on a memorandum of understanding with health and hospital boards in an effort to improve communications, define authority and autonomy, and specify reporting requirements to achieve the desired level of accountability. This MOU is due to be completed by December 1994.

The department comments on the lack of trust and communication between the department and the boards in the past and noted that, while working relationships are improving, there is still some dissatisfaction with the definition of responsibilities and level of autonomy the boards enjoy.

The committee was given a briefing on the development of the MOU by the department in late August which outlined the content of the master memorandum of understanding. The committee is still looking forward to receiving a draft copy of the text of the MOU and will also note with interest the completion of this undertaking.

Financial Health Of Boards

The committee questioned the department regarding the overall financial health of the health and hospital boards, to which the department replied that they are all stable. However, it was noted that none of the

boards have submitted annual reports or financial statements as required. Apparently, the boards felt that the costs of producing such reports were too great. The committee is not prepared to accept this disregard for accountability mechanisms where the expenditure of "public funds" is at issue. The deputy minister made the commitment to ensure the boards that an expensive glossy product is not expected, but that the basic information required under the Financial Administration Act is crucial.

The committee has noted the deputy minister's commitment and expects that the required information will be provided, on time, by the boards in 1994-95.

Legislative Review

During the hearings, the department also explained that a consolidation plan is currently being developed for the amalgamation of Health and Social Services by April 1, 1995. Over the course of the next two years, the department plans to utilize the combined resources of its two policy and legislation units from Health and Social Services to review the legislation that has not yet received the attention required.

Asset Tracking System

The department has made a commitment to have a capital asset tracking system operational by December 1, 1993. The department advised the committee that the system is in place in all regions except for Kitikmeot and Keewatin. Apparently, the system is tied to a standardized accounting system, which differs from the current systems used by some boards. However, aside from Kitikmeot and Keewatin, where hardware problems were experienced, the department was able to negotiate installation. It is expected that all regions will be on line in the fall of 1994.

Page 204

Department Of Social Services Financial Controls

The Auditor General dedicated chapter 5 of his report to a follow-up of areas of concern noted in previous reports. Beginning in 1988, the Auditor General reported weaknesses in the financial controls for payments to beneficiaries in areas such as spending limits on cheques and the implementation of a new information system.

In 1992-93, the Auditor General again tested the control weaknesses previously identified and discovered that some of the same problems such as

cheque splitting, issuing cheques with a single signature, and exceeding the \$2,500 limit per cheque, were still occurring.

The department indicated during the hearings that these problems are presently being addressed primarily through the establishment of staff development officers in the regions to enhance staff training.

The department also recognizes that a review of the system and processes that are currently in place for the issuance of social assistance benefits is warranted.

The department has indicated, in its management response to the Auditor General, that violations of the financial administration manual by employees would be dealt with in a disciplinary manner. Recognizing that supervisors are ultimately responsible for the actions of their subordinates, the department has since experienced a significant turnover in superintendents. In fact, the majority of these turnovers were a direct result of a lack of appropriate financial management controls. The committee is encouraged by the department's apparent commitment to accountability and will be interested in any further improvements to the system that may result from the consolidation and information systems with the Financial Management Board Secretariat, particularly with respect to the smaller communities.

The committee noted, however, that the department must also maintain its service to the people in need, and financial controls should not get in the way of providing that service. By way of example, in 1992-93, 36 per cent of the total Social Services budget went to salaries and wages. In fact, there is growing concern that the administrative burden on social workers is increasing to the point where little time remains to actually tend to the needs of those whom the system is serving.

Given that the department has previously undergone an operational review, and is presently in the process of amalgamating with the Department of Health, the committee wishes merely to note these concerns and leave it to the future Department of Health and Social Services to address them satisfactorily. The committee will follow up on progress in these areas once the Department has had an opportunity to address them in a comprehensive manner.

Department Of Municipal And Community Affairs
Recording Of Capital Expenditures

In Chapter 3 of the Auditor General's Report, some problems were noted with the recording of capital expenditures. According to the applicable accounting procedures in the financial administration manual, expenditures are to be recorded in the year they are incurred, not when they are actually paid.

The Department of Municipal and Community Affairs provides funds to municipalities for a variety of infrastructure needs. On a few occasions, the department did not accrue liabilities for work performed in 1992-93 in municipalities because the contribution agreements weren't signed until 1993-94. The Comptroller General accrued these liabilities on the department's behalf to ensure proper accounting treatment. In such a situation, the committee is concerned with two issues. One is that proper accounting procedures are followed and the second is that the authority of the Legislative Assembly to approve capital planning and spending is not circumvented.

While there may be several valid arguments regarding the will of the community versus the timing of the capital planning process, or the urgency of the situation versus established priorities, in the final analysis the Legislative Assembly must not be viewed as a "rubber stamp" for securing approval after the fact for decisions made where there is clearly no authority to do so.

In addition, the committee is concerned that, contrary to the Financial Administration Act, which states that no expenditures shall be incurred unless there is a budget for them, it certainly appears that capital money is being precommitted, thus reducing the flexibility and control of the Legislative Assembly to make allocation decisions. This is especially disturbing, considering the scarcity of resources and the expanding needs of northern communities.

Recommendation 4

The Standing Committee on Public Accounts recommends that the government review the capital planning process and the role of the Legislative Assembly in prioritizing capital expenditures, and present options for ensuring legislative spending approval while improving process flexibility.

Grants And Contributions

As previously mentioned, about 40 per cent of all expenditures are grants and contributions to boards and agencies to deliver programs and services on

behalf of the government. In addition, the current community transfer initiative will likely result in an increase in contributions to communities in the future. As the Auditor General notes in his report, subject to specific contribution agreements and various enabling legislation, accountability information is required from recipients and ongoing monitoring is needed to identify any problems with the financial health of municipalities. Therefore, the committee has a keen interest in the method and frequency of municipal inspections. There are indications, such as the financial distress of one community in particular, that there is a need to be more proactive.

Page 205

The department indicated during the public hearings that they are planning to do more municipal inspections using regional personnel. This should be helpful in terms of both monitoring and assisting municipalities on the verge of financial distress.

During the hearings and in follow-up communication, the committee requested that the department provide information on the current financial status of all municipalities. At the time of this final report preparation, this information had not been received in its entirety. While this may have been an administrative oversight, generally, the committee would appreciate more timely and appropriate responses to its requests.

Asset Transfer

In 1991, the Auditor General recommended that the Department of Municipal and Community Affairs ensure that the proper arrangements are made for insurance and maintenance when assets are transferred to communities.

The example of the burned fire truck in Aklavik was used as an illustration. After the transfer, the truck was underinsured and the department was unable to receive the full replacement cost from the insurance company after the truck burned. In this instance, the government was unable to recover approximately \$50,000, which represents the replacement cost less the insured value of the truck.

In consideration of the new community transfer initiative, there will probably be an increase in the number and value of assets being transferred to community governments. The Standing Committee on Public Accounts insists that the responsibility for these assets must be clearly defined and, where

necessary, adequate arrangements are made to secure the assets.

Asset Management System

In response to the Auditor General's 1991 recommendation, the Department of Municipal and Community Affairs and Public Works and Services have developed an asset management system. The department noted that the system was designed and installed, and user manuals have been distributed. Inventory input is still required in the smaller communities and some training in the use of the system will be necessary. However, the department has made a commitment to have the system fully operational by the end of the fiscal year.

Department Of Personnel

Video-Conferencing

In following up on its 1991 recommendations regarding weak controls over government travel, the Auditor General's office noted one area in particular where considerable savings could be realized in the near future. This is the use of video-conferencing or other technological alternatives when conducting employment interviews with out-of-town applicants.

The Department of Personnel maintains that there are two main limitations to the technology at this time. The technology is presently limited to Yellowknife in the NWT, and the cost is prohibitive at this time. Alternatively, in an effort to reduce

travel costs, the department has enhanced the use of telephone screening in the staffing process.

The committee discussed the issue, including the extensive potential benefits of this technology in addressing the government's communication needs and recommends a two-pronged approach.

Recommendation 5

The Standing Committee on Public Accounts recommends that the Department of Personnel, in cooperation with NorthwesTel, implement a pilot project in Yellowknife to test the cost benefits of using video-conferencing technology for staffing procedures.

This project should be used to assess the effectiveness, efficiency, feasibility and potential cost savings associated with using the proposed technology versus incurring expenditures for travel.

Based on the results of the pilot project, the department could be assessing options for the future.

Recommendation 6

The Standing Committee on Public Accounts recommends that the Department of Personnel, in cooperation with NorthwesTel, assess the options for expanding the use of video-conferencing technology as recommended in the travel management report.

Department Of Education, Culture And Employment

Grants And Contributions

The Auditor General's office, in recording their observations pertaining to grants and contributions, noted that approximately \$166 million of the Department of Education's budget went to boards of education. The report discussed the accountability relationship between the department and the boards, and the resultant trade off between the autonomy of the boards and the financial risk to the department.

In 1992-93 six of seven boards had signed a memorandum of understanding as the basis of their contribution arrangement with the department, each with its own unique characteristics, reflective of the particular region.

The South Slave Divisional Board of Education does not have a memorandum of understanding in place and the department feels that it would be increasingly difficult to reach such an agreement in the future, particularly with regard to some of the financial aspects. In fact, the department indicated that there was a general feeling among all the boards of education that they were under resourced and being forced to assume too much responsibility, without the autonomy they desired. The department is presently in the process of reviewing and updating the Education Act to provide a legislative framework for dealing with the accountability of the boards to the Legislative Assembly.

The department has also developed a financial administration manual which defines and governs their financial relationship with the boards. It provides for the submission of budgets to the department and monitoring of boards by the department, including conducting board reviews periodically, based on risk. The department indicated that, generally, the education boards are reasonably stable financially.

The department also ensured the committee that the reports derived from such reviews will be made available to Members of the Legislative Assembly as they are completed.

Asset Management

The section under the heading, Public Works and Services, included a brief discussion about the control and safekeeping of cultural and other artifacts. The Department of Education, Culture and Employment has completed an inventory of their assets and have undertaken to do some appraisals of artifacts for insurance purposes. The safe storage of departmental artifacts and items of value is facilitated in the Northern

Heritage Centre and the Iqaluit museum. A storage facility in Holman for the "Holman Prints" is also being contemplated.

The committee is concerned with the apparently disorganized approach to artifact storage by all departments and the costs involved, particularly with respect to the storage of items in the south. It is imperative that there be a comprehensive approach to storage of assets in general, and valuable artifacts in particular. The committee strongly urges the government to direct the Departments of Public Works and Services and Education, Culture and Employment to conduct a review of artifact storage procedures. A definition of artifact may be required and a policy for artifact storage and preservation should be developed.

Department Of Renewable Resources

Environmental Accounting

In anticipation of the current and potential costs to government of the restoration and clean-up of environmentally damaged or contaminated sites and the requirement to have such costs reflected in financial statements, the GNWT has undertaken to review all potential liabilities and gather the necessary data for an accurate estimation and full disclosure by the end of the 1995 fiscal year.

While the overall direction and responsibility for environmental accounting rests with the Financial Management Board Secretariat, the Department of Renewable Resources, in conjunction with the Department of Justice, has examined its current and potential liabilities and is expecting a consultant's report in the near future. It should be noted, however,

that the actual area that falls within the jurisdiction of the GNWT only includes municipal and Commissioner's land. Crown land is the responsibility of the federal government, and land claim settlement areas are the responsibility of other parties.

The work done by Renewable Resources and Justice will likely prove to be a very useful step in providing a model for other government departments to address their particular environmental liabilities and determine reasonably the associated costs of restoration.

The entire concept of environmental liability is relatively new, not just in the north, but for the rest of Canada and the world, as well. As these situations and problems are being addressed, new challenges emerge. One such difficulty noted by the committee is the problem of "orphan sites." These are sites in need of restoration where the responsible party or parties cannot, for a variety of reasons, reasonably be determined or identified, or if they can, they are insolvent. According to current legislation in Canada and the NWT, the responsibility in such cases generally reverts to the landowner, usually the government.

There are many complex issues associated with determining environmental liability. It may be quite some time before a comprehensive and uniform approach can be developed to identify the full range of environmental liabilities and evaluate them. The Standing Committee on Public Accounts acknowledges the efforts made on this initiative to date and will note with interest the progress on this issue.

CHAIRMAN (Mr. Lewis):

Mr. Zoe.

MR. ZOE:

Thank you, Mr. Chairman. The first recommendation of the Standing Committee on Public Accounts is with regard to the audit and evaluation function.

Committee Motion 12-12(6): To Adopt Recommendation 1, Carried

The Standing Committee on Public Accounts recommends that the Government of the Northwest Territories, through the office of the Comptroller General, investigate the possibility of engaging the services of a forensic auditor for the sole purpose of dealing with attempts to defraud the government. I so move it, Mr. Chairman.

CHAIRMAN (Mr. Lewis):

The motion is in order. To the motion.

AN HON. MEMBER:

Question.

CHAIRMAN (Mr. Lewis):

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

---Carried

Mr. Zoe.

MR. ZOE:

Thank you. Our second recommendation pertains to the pay equity dispute. Mr. Chairman, our committee makes the following recommendation.

Committee Motion 13-12(6): To Adopt Recommendation 2, Carried

I move that the Standing Committee on Public Accounts recommends that the Legislative Assembly receive regular briefings from the appropriate officials on these and any other issues in dispute which have the potential to seriously impact on the financial resources of the Government of the Northwest Territories.

CHAIRMAN (Mr. Lewis):

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

AN HON. MEMBER:

Question.

CHAIRMAN (Mr. Lewis):

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

Page 207

---Carried

Mr. Zoe.

Committee Motion 14-12(6): To Adopt Recommendation 3, Carried

MR. ZOE:

Thank you, Mr. Chairman. Mr. Chairman, with regard to the next recommendation, I move that the Standing Committee on Public Accounts recommends that the Department of Public Works and Services, on behalf of the government, provide a comprehensive listing of payments over \$5,000 made to suppliers and contractors by the Government of the Northwest Territories on a non-cumulative quarterly basis, to be tabled in the Legislative Assembly within 45 days of the end of each quarter.

CHAIRMAN (Mr. Lewis):

Mr. Zoe, your motion is in order. To the motion. Mr. Pollard.

HON. JOHN POLLARD:

Mr. Chairman, obviously we'll try to produce that information, but the last few reports that we've tried to get down to the \$5,000 level have generated a tremendous amount of computer time in order to access the data. It has caused management problems with the computer and, on top of that, it has produced great, huge reports that would take quite a bit of sifting through. I don't have a problem with trying to do it but logistically, it may be a little more difficult. Obviously, we'll try to do it. In the event we're unable to comply, we may suggest to the committee a higher cut-off number, such as \$20,000, \$30,000 or \$50,000 which would make it easier to get the information out. Just a comment, Mr. Chairman. Thank you.

CHAIRMAN (Mr. Lewis):

Thank you, Mr. Pollard. To the motion.

AN HON. MEMBER:

Question.

CHAIRMAN (Mr. Lewis):

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

---Carried

Recommendation 4, Mr. Zoe.

Committee Motion 15-12(6): To Adopt Recommendation 4, Carried

MR. ZOE:

Thank you, Mr. Chairman. With regard to the recording of capital expenditures, I move that the Standing Committee on Public Accounts recommends that the government review the capital planning process and the role of the Legislative Assembly in prioritizing the capital expenditures, and present options for ensuring legislative spending approval, while improving process flexibility.

CHAIRMAN (Mr. Lewis):

The motion is in order. To the motion. Mr. Pollard.

HON. JOHN POLLARD:

Mr. Chairman, again, I do not have any problem doing what the motion requests. I would like to couple it with the suggestions that have come from the Standing Committee on Finance with regard to the split budget. I would like to handle the two at the same time. One may influence this motion, Mr. Chairman. If the committee would accept the fact that we will handle them both at the same time, it will not be a problem. Thank you.

CHAIRMAN (Mr. Lewis):

Thank you, Mr. Pollard. To the motion.

AN HON. MEMBER:

Question.

CHAIRMAN (Mr. Lewis):

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

---Carried

Recommendation 5, Mr. Zoe.

Committee Motion 16-12(6): To Adopt Recommendation 5, Carried

MR. ZOE:

Thank you, Mr. Chairman. Recommendation 5 deals with the issue of video conferencing. I move that the Standing Committee on Public Accounts recommends that the Department of Personnel, in cooperation with Northwestel, implement a pilot project in Yellowknife to test the cost-benefits of using video conferencing technology for staffing procedures.

CHAIRMAN (Mr. Lewis):

Thank you, Mr. Zoe. Your motion is in order. To the motion.

AN HON. MEMBER:

Question.

CHAIRMAN (Mr. Lewis):

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

---Carried

Recommendation 6, Mr. Zoe.

Committee Motion 17-12(6): To Adopt Recommendation 6, Carried

MR. ZOE:

Thank you, Mr. Chairman. Again, it is with regard to video conferencing. I move that the Standing Committee on Public Accounts recommends that the Department of Personnel, in cooperation with Northwestel, assess the options for expanding the use of video conferencing technology as recommended in the travel management report.

CHAIRMAN (Mr. Lewis):

The motion is in order. To the motion.

AN HON. MEMBER:

Question.

CHAIRMAN (Mr. Lewis):

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

---Carried

Does that conclude all your recommendations, Mr. Zoe?

MR. ZOE:

Thank you, Mr. Chairman. That does conclude the report of the Standing Committee on Public Accounts on the review of the Financial Statements of the Government of the Northwest Territories and the

Page 208

report of the Auditor General of Canada for the fiscal year ending March 31, 1993. Mahsi.

CHAIRMAN (Mr. Lewis):

Thank you, Mr. Zoe. Thank you for your cooperation. Do you agree, committee, that this report is now concluded?

SOME HON. MEMBERS:

Agreed.

--Agreed

CHAIRMAN (Mr. Lewis):

What would the committee like to do next?

AN HON. MEMBER:

(Microphone turned off)

CHAIRMAN (Mr. Lewis):

That has to be in the form of a motion.

AN HON. MEMBER:

(Microphone turned off)

CHAIRMAN (Mr. Lewis):

Does the committee...okay, Mr. Gargan.

MR. GARGAN:

Mr. Chairman, I haven't got my notes for the meeting yet, so I would like to move that we report progress.

CHAIRMAN (Mr. Lewis):

There is no debate or discussion on this motion. Those in favour of the motion to report progress? Would you put your hands straight up, please, to say whether you want to get out of here? Eight in favour of reporting progress. Those opposed? One opposed. The motion is carried.

---Carried

I will, therefore, rise and report progress.

---SHORT RECESS

MADAM SPEAKER:

I call the committee back to order. Item 21, report of committee of the whole. The honourable Member for Yellowknife Centre, Mr. Lewis.

ITEM 21: REPORT OF COMMITTEE OF THE WHOLE

CHAIRMAN (Mr. Lewis):

Thank you, Madam Speaker. Your committee has been considering Committee Report 5-12(6), Report on the Review of the Financial Statements of the Government of the Northwest Territories and the Report of the Auditor General for Canada for the fiscal year ending March 31, 1993. I would like to report that Committee Report 5-12(6), Report on the Review of the Financial Statements of the Government of the Northwest Territories and the Report of the Auditor General for Canada for the fiscal year ending March 31, 1993, is concluded, with six motions being adopted and, Madam Speaker, I move that the report of committee of the whole be concurred with.

MADAM SPEAKER:

Thank you. Your motion is in order. Is there a seconder for the motion? The honourable Member for Yellowknife Frame Lake, Mr. Dent. To the motion.

AN HON. MEMBER:

Question.

MADAM SPEAKER:

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

---Carried

Item 22, third reading of bills. The honourable Member for Baffin Central, Ms. Mike.

ITEM 22: THIRD READING OF BILLS

Bill 12: An Act To Amend The Commissioner's Land Act

HON. REBECCA MIKE:

Thank you, Madam Speaker. Madam Speaker, I move, seconded by the honourable Member for Hay River, that Bill 12, An Act to Amend the Commissioner's Land Act, be read for the third time.

MADAM SPEAKER:

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

AN HON. MEMBER:

Question.

MADAM SPEAKER:

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

---Carried

Bill 12 has had third reading. Item 22, third reading of bills. Item 23, Mr. Clerk, orders of the day.

ITEM 23: ORDERS OF THE DAY

CLERK OF THE HOUSE (Mr. Hamilton):

Madam Speaker, there is a meeting of the Standing Committee on Finance immediately after adjournment this evening. Meetings for tomorrow morning at 9:00 of the Standing Committee on Legislation and at 10:30 of the Ordinary Members' Caucus. Orders of the day for Wednesday, October 12.

1. Prayer
2. Ministers' Statements
3. Members' Statements
4. Returns to Oral Questions
5. Recognition of Visitors in the Gallery
6. Oral Questions
7. Written Questions
8. Returns to Written Questions
9. Replies to Opening Address
10. Replies to Budget Address
11. Petitions
12. Reports of Standing and Special Committees
13. Reports of Committees on the Review of Bills

Page 209

14. Tabling of Documents
15. Notices of Motion
16. Notices of Motions for First Reading of Bills
17. Motions
18. First Reading of Bills
19. Second Reading of Bills
20. Consideration in Committee of the Whole of Bills and Other Matters
 - Tabled Document 14-12(6), "Open for Business" Privatizing the Northwest Territories Power Corporation
 - Tabled Document 23-12(6), Report of the 1993-94 Electoral District Boundaries Commission of the Northwest Territories
 - Minister's Statement 11-12(6), Return to Session
 - Committee Report 4-12(6), Report on the Review of Bill 6 - Access to Information and Protection of Privacy Act
 - Committee Report 6-12(6), Report on the Review of Bill
 - 3 - Guardianship and Trusteeship Act
 - Committee Report 7-12(6), Report on the Review of Bill 7 - An Act to Amend the Arctic College Act
 - Bill 1, Appropriation Act, No. 1, 1995-96
 - Bill 2, Aboriginal Custom Adoption Recognition Act
 - Bill 3, Guardianship and Trusteeship Act
 - Bill 6, Access to Information and Protection of Privacy Act
 - Bill 7, An Act to Amend the Arctic College Act
 - Bill 8, An Act to Amend the Public Utilities Act
21. Report of Committee of the Whole
22. Third Reading of Bills
23. Orders of the Day

MADAM SPEAKER:

Thank you. This House stands adjourned until
Wednesday, October 12th at 1:30 pm.

--ADJOURNMENT

WEDNESDAY, OCTOBER 12, 1994