



# **NORTHWEST TERRITORIES LEGISLATIVE ASSEMBLY**

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## **HANSARD**

**Friday, February 23, 2018**

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**The Honourable Jackson Lafferty, Speaker**

# Legislative Assembly of the Northwest Territories

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(Monfwi)

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**YELLOWKNIFE, NORTHWEST TERRITORIES****Friday, February 23, 2018****Members Present**

Hon. Glen Abernethy, Mr. Beaulieu, Mr. Blake, Hon. Caroline Cochrane, Ms. Green, Hon. Jackson Lafferty, Hon. Bob McLeod, Hon. Robert McLeod, Mr. McNeely, Hon. Alfred Moses, Mr. Nadli, Mr. Nakimayak, Mr. O'Reilly, Hon. Wally Schumann, Hon. Louis Sebert, Mr. Simpson, Mr. Testart, Mr. Thompson, Mr. Vanthuyne

The House met at 10:00 a.m.

**Prayer**

---Prayer

**SPEAKER (Hon. Jackson Lafferty):** Good morning, colleagues. Item 1, Ministers' statements. Minister of Education, Culture and Employment.

**Ministers' Statements**

**MINISTER'S STATEMENT 36-18(3):  
STRENGTHENING SUPPORT FOR STUDENTS**

**HON. ALFRED MOSES:** Mr. Speaker, the Government of the Northwest Territories has a responsibility to make sure that high school students in the Northwest Territories have access to an equitable, high-quality education that prepares them to be contributing members to our communities. We owe it to our young people to provide an environment that supports wellness, inspires a sense of identity, and builds on their strengths, because we know it means a greater chance for success both in academics and in life.

Mr. Speaker, Members are aware of some of our work to date to implement education renewal and, in particular, to meet our mandate commitments to developing options to increase the approaches available to students that lead to graduation, to improve graduation rates, and to provide greater linkages to post-secondary schooling. This work is closely linked to the goals of the Skills4Success Strategic Framework and action plan, 2016-2020, which include increasing skills with relevant education and training, and bridging education and employment gaps with targeted supports.

We have been acting decisively on this commitment because data, research, and northern voices are telling us the same thing: Northwest Territories students need to be better prepared for post-secondary education, work, and life upon completion of high school.

Mr. Speaker, our new approaches include:

- new high school pathways that offer a wider range of options for high school completion;

- increasing the number of academic grade 10-12 courses available to small community students by expanding Northern Distance Learning;

- career and education advisors who will help students choose an educational path that meets their goals while making them aware of in-demand jobs and the skills needed to fill them; and,

- increasing access to youth mental wellness specialists in schools and communities through the Child and Youth Care counsellor initiative in partnership with the Department of Health and Social Services.

Mr. Speaker, high school pathways will provide grade 10-12 students with more options that are engaging, individualized, flexible, and aligned with each student's plans for their future. The outcome we expect will be an increase in the number of students who successfully complete high school, who continue on to post-secondary or training pursuits, and who are ready for employment.

Northern Distance Learning is also being expanded. The initiative started in the Beaufort Delta and is currently facilitated for several communities by experienced teachers in Inuvik's East Three Secondary School. Learning through video interfaces will increase the number of grade 10-12 academically inclined students who can stay in their home community, where they have family supports, and still take academic or dash-one courses.

Mr. Speaker, through the Education Renewal and Skills4Success initiatives, we have learned that students and youth also need specialized career and educational advice and supports so that they can make informed decisions about their future. With more than 78 per cent of Northwest Territories jobs requiring a post-secondary education, we must do a better job of connecting them to the labour market because their success is critical to the North's economic success.

Students and 18- to 24-year-old youths out of school will soon have additional support from career and education advisors, who will help them as they discover their career interests, learn about Northwest Territories jobs in demand, and

understand how to acquire the education and experience to obtain those jobs.

This team of advisors will begin their work in the second semester of the 2018-2019 school year. They will advise students as they select a post-secondary pathway and plan ahead by providing information on the right mix of high school courses and marks to meet the eligibility criteria of post-secondary and training institutions. Career and education advisors will promote skilled trades as first-choice careers, encourage students to consider apprenticeships in trades and certified occupations, and assist with finding financial supports.

Mr. Speaker, mental wellness issues gravely affect the lives of a large number of our children and youth. I believe that student academic achievement needs to be built upon a foundation of mental health and wellness. Worldwide research supports this perspective. The educational changes we are making will have a better chance of success with the introduction of child and youth care counsellors in our schools and communities during the next four years. These counsellors will help create a safe and supportive environment to promote the mental wellness of children and youth, which we expect will lead to improved academic outcomes, as well.

All of these changes require the support of education authorities, teachers, parents, students, Indigenous governments, and employers if they are to be successful. The Department of Education, Culture and Employment will engage all of these stakeholders as we move forward.

Mr. Speaker, these changes will happen over the next 18 months, starting with the career and education advisors and child and youth care counsellors, followed by the expansion of Northern Distance Learning and the High School Pathways implementation.

Mr. Speaker, any one of these programs would improve the success of our high school students. Taken together, as part of the comprehensive Education Renewal and Skills4Success action plans, they will provide equitable, flexible, and supportive education that prepares northern youth for life, post-secondary education, and employment.

Marsi cho, Mr. Speaker.

**MR. SPEAKER:** Masi. Ministers' statements. Item 2, Members' statements. Member for Tu Nedhe-Wiilideh.

### Members' Statements

#### MEMBER'S STATEMENT ON INDIAN HOSPITALS

**MR. BEAULIEU:** Marci cho, Mr. Speaker. Mr. Speaker, [English translation not provided].

Mr. Speaker, today I would like to talk about a \$1.1 billion class action lawsuit that was filed last month by former patients at Indian hospitals in Canada. These facilities were racially segregated general hospitals that were built between 1945 and 1981 to enhance policies of assimilation in order to replace traditional, Indigenous healing with western biomedicine. However, the Canadian government justified the construction of these facilities as a way to isolate the spread of tuberculosis and other diseases.

Mr. Speaker, these institutions were not hospitals. They were an extension of the residential school system and Sixties Scoop, as they admitted Indigenous adults and children alike who were taken from their communities and families and sent to these facilities. Once there, they were subjected to substandard medical care; medical experiences without patients' knowledge or consent; instances of sexual and physical abuse; constant denigration of their culture, language, and heritage; and overcrowded and understaffed facilities.

There were also many cases, Mr. Speaker, where Indigenous women were forced to undergo sterilization procedures, which was a colonial practice the federal government utilized as a way to limit and reduce the population of Indigenous peoples across Canada. Moreover, patients were routinely detained, isolated, and even restrained to their beds.

Mr. Speaker, my aunt worked in a hospital in Fort Resolution until she, herself, got sick. At one time, she escorted 29 TB patients from Fort Resolution to the hospital in Fort Smith because the 100-bed hospital in Fort Resolution was full.

Mr. Speaker, I also had a friend who witnessed a TB patient from Behchoko or Fort Ray, as it was known at the time, that what was chained to a bed and was beaten by another TB patient.

Furthermore, Mr. Speaker, I am told by elders that the government made a rule that, if treaty people did not have a clear x-ray, they wouldn't get their annual \$5 payment.

Overall, Mr. Speaker, the people who were admitted to these hospitals were treated with the utmost disrespect. People from surrounding communities who passed away were buried without informing the families.

Mr. Speaker, there were dozens of these institutes across the country which admitted thousands of Indigenous peoples, including people here, in the NWT. In an article released last week in News/North, they listed 29 "Indian hospitals" that

they reported existed in Canada. However, I was told by one of my constituents that two hospitals in the NWT were omitted from that list. Those facilities were St. Anne's Hospital in Fort Smith and St. Joseph Hospital in Fort Resolution. Merci cho, Mr. Speaker.

**MR. SPEAKER:** Thank you. Members' statements. Member for Nahendeh.

MEMBER'S STATEMENT ON  
LIQUID NATURAL GAS ENERGY PILOT  
PROJECT

**MR. THOMPSON:** Thank you, Mr. Speaker. Mr. Speaker, yesterday, I spoke about the proposed shovel-ready LNG pilot project. I would like to follow up today to talk about what I see as the direct benefits of this proposal.

Mr. Speaker, by looking at this pilot project and using the NWT gas, there would be a justification of recommissioning the Cameron Hills gas field located within the Northwest Territories that has currently been shut in and is not producing. By doing this, it means more royalties and taxes on natural gas produced and processed within the NWT.

This proposal could reduce the government's financial burden for the subsidies distributed to power consumers through the Territorial Support Program.

Mr. Speaker, the company proposal includes supplying a fully integrated LNG solution and fronting the proposed capital expenditures, inclusive of supply of power generation equipment as an option, and they can reduce the current power costs and benefit consumers in the North.

Each LNG truck delivers the equivalent of up to 16 trucks, thus reducing diesel consumption for fuel deliveries and traffic on local roads. LNG reduces the carbon footprint for energy source deliveries and would further reduce energy costs by up to 40 per cent for power generation.

Mr. Speaker, LNG within the NWT would be the first sustainable long-term and affordable energy source for the people of the Northwest Territories, thereby reducing diesel fuel.

LNG-sourced energy from the NWT would protect from future price spikes of oil, propane, and diesel.

Mr. Speaker, LNG could potentially reduce the impact from the imminent federal and territorial carbon tax implementation. LNG would drastically reduce the carbon emissions and greenhouse gases for existing power generation and can be used as a potential future heating source.

LNG could qualify the NWT for green credits and additional federal funding or our ability to facilitate the sale of carbon credits.

Finally, Mr. Speaker, this would support and create local employment. It would help reduce the cost of living for the three communities in the beginning, but, as it expands, we could see a huge reduction for all residents of the Northwest Territories. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Members' statements. Member for Frame Lake.

MEMBER'S STATEMENT ON  
NATIONAL PHARMACARE AND PRESCRIPTION  
ACCESSIBILITY

**MR. O'REILLY:** Merci, monsieur le President. Here, in the Northwest Territories, most of our citizens do fairly well in comparison to other Canadians when it comes to cost-free and reasonable access to prescription drugs. We know that, in the South, one in five Canadians never fills the prescription given by their caregiver because they do not have the money. In 2015, Canada's prescription drug spending as a share of gross domestic product was the fifth-highest among 31 OECD countries. Canada spends more on prescription drugs because we pay higher prices for them, not because we need or buy more.

One important aspect is who is not covered for prescriptions. Indigenous peoples are covered under NIHB, and, though it has its limitations, this is a good start. Non-Indigenous and Metis people who have specified conditions or are 60 years or more are covered under Extended Health Benefits. What about the working poor or those who are on income assistance and not Indigenous? What about our students who are no longer covered by their parents' plans? Anyone who is not covered by a work-based plan, NIHB, or Extended Health Benefits struggles to purchase prescriptions, and they may join the one in five Canadians who cannot always fill prescriptions. This is a disgrace and needs to be changed. It also results in higher costs for our healthcare system as people show up for emergency care as prescriptions are not filled and conditions get worse.

Another major issue here and across Canada and, indeed, the world is the rising cost of prescription drugs, both as a proportion of the healthcare budget and the costs of the drugs themselves. Today, federal, provincial, and territorial governments bulk-buy medications under the Pan-Canadian Pharmaceutical Alliance, which has resulted in an estimated \$1.28 billion in combined annual savings. This very limited bulk purchasing model has saved money but has only minimally lowered drug costs. Refinements to this system are

needed to make it more effective, and Canada needs to stop signing so-called free-trade agreements that vastly extend patent protection for drugs and corporations that make drugs.

We need to work towards a national pharmacare program. The Canadian Labour Congress has done some work on this, and I will table a document later today about it. GNWT needs to stand in solidarity for a national pharmacare plan. I will have questions for the Health Minister later today. Mahsi, Mr. Speaker.

**MR. SPEAKER:** Masi. Members' statements. Member for Kam Lake.

#### MEMBER'S STATEMENT ON ENCOURAGING YOUTH INVOLVEMENT IN POLITICS

**MR. TESTART:** Thank you, Mr. Speaker. I rise today to remind the honourable Members of this House that, although we occupy these seats for now, we are holding them in trust for future generations.

Young people in the Northwest Territories and Canada live in very different circumstances than I did or my parents did or my grandparents, and those changing circumstances give a different perspective. It is a perspective that decision makers are often disconnected with, which is why we must work very diligently to connect with young Canadians and young Northerners and to understand their perspectives on the issues of the day.

I think we could take further steps to bring legislation such as bills to classrooms to allow the students to weigh in, to establish a youth council, to give them a voice or the Premier's ear, so to speak, on important policy issues that come forward by this government but essentially connect to them because they are the only stakeholders in the Northwest Territories who do not have a voice because they cannot vote. That does not mean their voice is not important.

I will have questions for the Minister responsible for Youth about whether any of the suggestions that have been brought before this House to strengthen the role of young people in an advisory capacity for this government have been looked at, worked on, or are rolling forward. Again, it is imperative that we listen to the next generation of leaders and that we understand their perspective on the issues of the day. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Members' statements. Member for Mackenzie Delta.

#### MEMBER'S STATEMENT ON DEMPSTER HIGHWAY OVERFLOW

**MR. BLAKE:** Thank you, Mr. Speaker. Last year, at about this time, I raised the issue of overflow at Georgetown at kilometre 140 of the Dempsey highway. I suggested that a heat trace line be installed to prevent freezing of the culvert there. I believe the Minister of Infrastructure had his department look into what could be done.

Judging from this year's overflow, it appears that work on this matter did not go beyond looking into it. The water was flowing until ice built up in the culvert. Now water simply builds up on the south side of the highway until it flows over the road and along the side the road, flooding out Georgetown.

As I noted last year, it was a safety issue, and it continues to be a safety issue today.

The cause seems to be changes on the highway and impacts of climate change. The issue was raised in Tsiigehtchic's Land Use Plan as far back as 2009.

The 2010 Gwichya Gwich'in Climate Change Adaptation Planning Project report refers to the possibility that highway culverts were shifted by permafrost or incorrectly installed.

Mr. Speaker, blocked highway culverts are the responsibility of the Department of Infrastructure. Nine years after this problem was identified by the community, it remains uncorrected, and I am beginning to think the department is frozen as solid as the culverts. Thank you, Mr. Speaker. I will have questions later today.

**MR. SPEAKER:** Masi. Members' statements. Member for Sahtu.

#### MEMBER'S STATEMENT ON UNEMPLOYMENT AND THE SMALL COMMUNITY EMPLOYMENT SUPPORT PROGRAM

**MR. MCNEELY:** Thank you, Mr. Speaker. In today's YK Paper, the unemployment rate in the Northwest Territories increased to 8.7 per cent, up from 7 per cent last year, fourth-highest in Canada and much higher in our small communities. This is an indicator to government's decrease in revenues and without industry, as well.

Mr. Speaker, one of the positive supporting action initiatives is the Department of Education, Culture and Employment Small Community Employment Support Program. We can all agree, without government support and without industry projects, this only increases challenges to the household income and contributes to the social family problems.

Mr. Speaker, although this program can be viewed as a small economic contributor for increased employment, the principle is making a meaningful contribution.

Mr. Speaker, later I will have questions to the Minister of ECE on program funding details. Mahsi.

**MR. SPEAKER:** Masi. Members' statements. Member for Yellowknife Centre.

#### MEMBER'S STATEMENT ON CAPTURING RESOURCE ROYALTIES

**MS. GREEN:** Mahsi, Mr. Speaker. Mr. Speaker, during this budget session, we've heard from the Finance Minister about the shortfall in revenues, and how that's killing our aspirations for improving services and programs for residents. The rhetoric from the Executive portrays this as a twist of fate, like hail on the crops, a hardship to be endured until the return of better days. It's not.

What we've learned from two recent reports on the need for a just return of non-renewable resources is that the loss of revenue can be corrected. Andrew Bauer in his 2017 report "NWT Mineral Sector Review and Benchmarking" and Dr. Don Hubert in his report "Many Ways to Lose a Billion" demonstrate that Canada, and particularly the NWT, are selling their resources far too cheaply, and that reasonable increases in resource royalties are justifiable and needed.

These guys aren't amateurs, Mr. Speaker. They are both internationally recognized experts in and commentators on governmental resource royalty and taxation regimes.

Neither has much good to say about royalty practices such as those prevalent here. Bauer's report describes the NWT as one of the most "charitable" places in the world for mining companies due to the government's generous deductions on royalties and corporate income taxes." While the NWT is only collecting 20 to 30 per cent of mining profits, he cites examples of other countries, such as South Africa, Peru, and Western Australia, which collect up to 80 per cent. He refers to our take as paltry.

The Hubert report is equally critical. Dr. Hubert points out that royalties and taxes are often considered low in the rank of resource development benefits such as GDP growth, community investment, employment, and new infrastructure; but, he says, it's the royalties and taxes that actually offer governments the best opportunity to capture benefits on the one-time opportunity to profit from non-renewable wealth. Hubert outlines a host of revenue killers including tax breaks and holidays, under-reported project revenues, and

over-reported costs, and he points out how governments must be both wary and savvy to get the best return. His overlying message is that it's the job of corporations to minimize their costs, but it's the job of governments to reasonably maximize citizens' benefits.

I will have questions for the Minister. Mahsi.

**MR. SPEAKER:** Masi. Members' statements. Member for Yellowknife North.

#### MEMBER'S STATEMENT ON LAND TRANSFER TAX IMPACT ON COST OF LIVING

**MR. VANTHUYNE:** Thank you, Mr. Speaker. Mr. Speaker, the cost of living in the north is a significant obstacle to the growth we are trying to achieve as a territory. Yellowknife is our capital city, home to half of the NWT's residents. Yet those 50 per cent of NWT citizens are asked to carry an even higher burden than other residents most of the time. In two short years as an MLA, I have learned a lot about the various things that drive up the cost of living here in Yellowknife.

The Alberta carbon tax has put increased costs on all goods transported into the territory. Our own forthcoming carbon tax will increase that even more.

It now costs more to fly in and out of Yellowknife airport due to new landing fees.

The Power Corporation has increased its rates by 33 per cent over the last six years, with another 4 per cent coming this year. Mr. Speaker, that's nearly 40 per cent in seven years.

Lease fees and permit fees for lands have gone up in some instances by over 100 per cent, and now the government wants to add a new land transfer tax on people buying homes.

Mr. Speaker, I know the cost of living in the small communities is higher than in Yellowknife, but Yellowknife residents pay more to subsidize people in those communities. Maybe that is unavoidable; maybe that is our duty as the capital city.

How long can this trend continue, Mr. Speaker? The government has the intention of increasing our population by 2,000, but why would they come here?

We know that our biggest private sector employers, the diamond mines, fly workers in from away. Workers could live here, but they choose not to because it's too expensive.

Now, Mr. Speaker, our own government is proposing a tax that will punish Yellowknifers even

more for choosing to live here, for making a commitment to live in the North. A land transfer tax will disproportionately punish Yellowknifers for deciding to commit to living, working, and raising their families here.

That their own government, our government, would consider a new tax on the residents of the NWT, Mr. Speaker, that is just unfair, and it does not serve our mandate commitments for economic growth.

It is especially disheartening to hear from a resident who has decided, after years of living here, the he must uproot his family and move away, specifically because of how much it costs to live here. I got that email just last week, Mr. Speaker.

Mr. Speaker, a land transfer tax will punish the very residents this government is committed to keeping in the North, and it will punish our government by reducing federal transfer funding. Mr. Speaker, it's a bad idea, and it should not go ahead. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Members' statements. Member for Nunakput.

#### MEMBER'S STATEMENT ON HOMECARE SERVICES IN NUNAKPUT

**MR. NAKIMAYAK:** Thank you, Mr. Speaker. Mr. Speaker, recently the Minister of Health and Social Services announced that the GNWT had finalized a bilateral agreement on health funding with the Government of Canada.

According to this announcement, the department will invest federal funding of about \$6.7 million in mental health, addictions services, and home and community care.

For that last category, Northerners will see that money going to the implementation of InterRAI, a system for assessing long-term care needs, and the development of a Paid Family Community Caregiver Pilot Project.

This captured my attention, Mr. Speaker, because, like other places in the NWT, the communities of Nunakput are facing significant challenges in meeting homecare and elder care needs.

For example, Mr. Speaker, the community of Sachs Harbour used to have a dedicated resident homecare worker. That person served the elders in the community, helping them to age in place and to access the health services that, as Northerners, they have a right to. In communities like Sachs Harbour, positions like these can also help elders navigate the healthcare system, aiding in translation, and explaining prescriptions and

complicated government procedures that some elders do not understand.

What I would like to see as well as my constituents, Mr. Speaker, is to see the reinstatement of this position in Sachs Harbour.

Mr. Speaker, I will have questions to explore how the Minister and I can work

together to enhance the home and community care needs in Nunakput. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Members' statements. Item 4, returns to oral questions. Item 5, recognition of visitors in the gallery. Member of Inuvik Boot Lake.

#### Recognition of Visitors in the Gallery

**HON. ALFRED MOSES:** Thank you, Mr. Speaker. It's great to see all the youth in the gallery here today. I do believe that we have some youth from the grade 6-7 Weledeh classes. Welcome to the Legislative Assembly. I hope you had a good tour this morning.

I also believe we have some exchange students from Quebec who are here. Welcome to the North and welcome to Yellowknife and the Legislative Assembly, as well as students from William McDonald. This is Education Week, as I have mentioned, Mr. Speaker, and I'd like to thank all the educators for all the work that you do. Mahsi cho.

**MR. SPEAKER:** Recognition of visitors in the gallery. Member for Yellowknife South.

**HON. ROBERT MCLEOD:** Thank you, Mr. Speaker. I am pleased to recognize two Pages from Yellowknife South, Alden Tumoth and Ryder Ouellette-Landry, and also all the other Pages for their good work. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Recognition of visitors in the gallery. Member for Kam Lake.

**MR. TESTART:** Thank you, Mr. Speaker. I would like to recognize my niece, Neve Short. She is visiting us here today from the William McDonald School. [English translation not provided.] Merci, Monsieur le President.

**MR. SPEAKER:** Masi. Recognition of visitors in the gallery. Member for Frame Lake.

**MR. O'REILLY:** Merci, Monsieur le President. [English translation not provided.] I would like to welcome the students from William McDonald school -- it's in my riding of Frame Lake -- and their exchange students from Quebec. Merci, Monsieur le President.

**MR. SPEAKER:** Masi. Recognition of visitors in the gallery. Member for Yellowknife North.

**MR. VANTHUYNE:** Thank you, Mr. Speaker. I'd like to recognize the students from my past school, Weledeh School, that is located in the riding of Yellowknife North, and welcome all the other students that are here today. Thank you for coming.

**MR. SPEAKER:** Masi. Recognition of visitors in the gallery. Member for Yellowknife Centre.

**MS. GREEN:** Thank you, Mr. Speaker. Mr. Speaker, I am pleased to introduce Renald Chiasson. He's a constituent of Yellowknife Centre, and he's been serving us as a Page for the last few weeks. I'd like to thank him for being here and to thank all the pages for their work. Mahsi.

**MR. SPEAKER:** Masi. Recognition of visitors in the gallery. Item 6, acknowledgements. Item 7, oral questions. Member for Nunakput.

### Oral Questions

#### QUESTION 152-18(3): HOMECARE SERVICES

**MR. NAKIMAYAK:** Thank you, Mr. Speaker. Earlier, I spoke about homecare services in Nunakput. Mr. Speaker, it's exciting to see the finalization of this bilateral agreement between the Government of the Northwest Territories and the Government of Canada, to bring home community care funding to the Northwest Territories. Mr. Speaker, my question to the Minister is: when does the Minister expect that our communities can start to engage with the planned paid-caregiver pilot? Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Minister of Health and Social Services.

**HON. GLEN ABERNETHY:** Thank you, Mr. Speaker. Mr. Speaker, we are going to be working over the next couple of months to create a number of options that we can go out and pilot with, either community caregiver or family support giver at a community level. We are hoping to have the pilots designed, at least for initial go-around, later in 2018. We are hoping to go out and start doing some piloting in 2018. I am happy to have conversations with the MLAs across the way, to help us set some priorities for where we might want to pilot some of these options. We know we want to pilot them in a variety of different communities: small communities, large communities, medium communities. So we are hoping to start that in the fall of 2018.

**MR. NAKIMAYAK:** It's good to see that programs like this are starting to roll out across the territory.

Mr. Speaker, in the interim and in the future, to provide a strong professional foundation to home and community care, what other actions will the Minister take to improve homecare, especially in our smallest and most remote communities? What are the options there?

**HON. GLEN ABERNETHY:** Mr. Speaker, there's a number of things that are going on. In the last budget cycle, we had some additional dollars approved to create some more homecare positions across the Northwest Territories. Eleven positions were created, and a number of them were in small communities throughout the Northwest Territories. Most of them are filled. There are still a couple that we are out recruiting for.

At the same time, I committed to doing a homecare review of the entire Northwest Territories to assess the level of care that is provided in all communities, all regions, all areas of the Northwest Territories. The preliminary work has been done on that. We are developing the plan to move forward on that. We are hoping to get that work done during this upcoming fiscal year so that we can determine whether or not we are adequately resourced for homecare, home support workers across the territories.

In the meantime, we have a number of partners that we are working with, and work being done in the departments and the authorities, to support things like Elders in Motion, to provide palliative care. There are footcare options available in different communities throughout the Northwest Territories, through partners; chronic disease prevention and management. We've got vision screening that's done throughout the Northwest Territories. There are all sorts of types of things we are doing.

I think there are great partners out there, the NWT Seniors' Society and others, as well as different community-based organizations. We are trying to work together as best we can to make sure those supports are available.

**MR. NAKIMAYAK:** It looks like it's a good opportunity to work with the Inuvialuit Regional Corporation, as well as the GSOs in Nunakput. Mr. Speaker, my final question to the Minister is: without local homecare services, what options are open to communities like Sachs Harbour?

**HON. GLEN ABERNETHY:** Mr. Speaker, as I said, we are doing that homecare review to help us assess where we need to enhance some of our supports. In the meantime, for communities like Sachs Harbour where there is not a home support worker, our community health nurses are the ones who can actually provide some of the homecare services, recognizing that it's a small community. That has been able to work over the last number of

years, but it is going to be included in that homecare review so that we can determine adequate resources for homecare throughout the Northwest Territories.

**MR. SPEAKER:** Masi. Oral questions, Member for Nunakput.

**MR. NAKIMAYAK:** Thank you, Mr. Speaker. I appreciate the response from the Minister, and it's good to see the healthcare system working for elders. Mr. Speaker, I am just wondering if it's in the near future that the Minister will reinstate the position in Sachs Harbour for a homecare worker? Thank you, Mr. Speaker.

**HON. GLEN ABERNETHY:** Mr. Speaker, I can't say for sure. We really need to get that work done, the homecare assessment, so that we can make some determination across the entire Northwest Territories where we need some additional resources or where we can better utilize the resources we have, to make sure that our residents get the best care that they deserve in all communities and regions of the Northwest Territories. As we get that information, I am absolutely going to work with Members and share it with Members. Thank you.

**MR. SPEAKER:** Masi. Oral answer. Member for Kam Lake.

QUESTION 153-18(3):  
YOUTH COUNCIL

**MR. TESTART:** Thank you, Mr. Speaker. Mr. Speaker, in my Member's statement, I talked about the importance of engaging young people in future decisions and current decisions, as well. So I'd like to ask the Minister responsible for Youth how this government goes about engaging youth in the Northwest Territories when they are making decisions around government spending, legislation, and other major policy decisions? Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Minister responsible for Youth.

**HON. ALFRED MOSES:** Thank you, Mr. Speaker. I think it's a responsibility for all forms of government, whether it's the GNWT or even our Indigenous governments that we partner with, to ensure that the youth have a voice. I am a strong supporter of this.

In fact, in our last government, the Member and Members would be glad to hear that, when we were developing our Safe and Caring School legislation in the Northwest Territories, we did engage with youth across the Northwest Territories. We had face-to-face meetings with them in their schools

and in their classrooms and got feedback on that legislation. It was great to have that interaction.

I know this Legislative Assembly, as well, does some really great programs. We do, on an annual basis, have Youth Parliament, where every one of our communities is represented, every one of our constituents is represented by a youth, as well as the Mace Tour, going out and letting youth across the Northwest Territories know how the Legislative Assembly operates, what our jobs are as decision makers, as the Member referred to it in his Member statement, and how to create legislation and bring up concerns from our communities.

I encourage all Members of the Legislative Assembly to engage your youth on decisions that are being made here, in the House, any legislations that will be coming before this House, as well as any other policies or strategies that are going to affect them and affect them into the future. I think every Member in this Legislative Assembly has that responsibility to take.

**MR. TESTART:** I appreciate the Minister's answer, in particular around the Safe Schools bill. That's exactly what I am talking about. I think it's great to get information out to young people and to students in particular about how government works, about how bills are shaped and what they're going to do to our environment, to our economy. That's really what I am talking about.

So one thing that they've done at different levels of government is establish youth councils that can provide a standing body of advice for government. Is that something the Minister would consider?

**HON. ALFRED MOSES:** I do know that we do have youth participate at the national level, also bring concerns forward at the territorial level. In a lot of our schools, they have school councils as well. I know there are some of our Aboriginal groups who have youth that sit on national and international councils that bring concerns forward to the national and international level from their respective regions, even the territory, itself. That is something that we'd be willing to take a look into.

As I said, it is something that is important. I have known some 18-year-olds, 19-year-olds who have run for seats in this House, and I think that's something that we can definitely look at.

**MR. TESTART:** That is great news. Is the Minister in a position to commit to returning back to the House with an update on this work on looking into establishing a youth council? Can we get a commitment that he will bring this back to the House after he has done his work to look at this project?

**HON. ALFRED MOSES:** I do believe it is very important that our next-generation youth who are coming up and going to be our leaders in the future do have that input and also bring some of the concerns forward.

I know that a couple of governments back, it might have been the 15<sup>th</sup> Assembly, they did have a youth symposium that brought youth from right across the Northwest Territories. That brought some recommendations to the government, and the government did act on those recommendations. I do believe that is important. Once we have those discussions, I will be bringing that information back to Members.

**MR. SPEAKER:** Masi. Oral questions. Member for Kam Lake.

**MR. TESTART:** Thank you, Mr. Speaker. We have a vast territory and a geographically dispersed population, so bringing together all youthful voices into a youth council like this, I think, really speaks well to public policy objectives.

In addition to reporting back to the House, can the Minister commit to reaching out to schools, to Indigenous groups, and to young people in the general call for their thoughts and input into the development of a youth council so that we can get a sense of what it looks like from their perspective and what they want this council to do for this government? Thank you.

**HON. ALFRED MOSES:** I am not sure if the Member knows, but, in previous governments, I have done a lot of work with youth in every position that I have had. We have a lot of smart youth out there and strong voices that represent their cultures, their languages, represent their people, and I am more than happy to reach out to the schools as well as some of the Indigenous governments that allow youth to participate in their day-to-day business. We will be reaching out and finding ways to connect with our youth and getting their input in terms of looking at the possible development of a youth council for the Northwest Territories. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Oral questions. Member for Hay River North.

QUESTION 154-18(3):  
CHILD AND YOUTH CARE COUNSELLORS

**MR. SIMPSON:** Thank you, Mr. Speaker. Mr. Speaker, the Minister of Education had a Minister's statement today, "Strengthening Support for Students," and I just have some questions about that.

He mentioned that child and youth counsellors are going to be phased in across the territory and they are going to be in the schools. A concern that was brought to me is that, while it is great to have the counsellors in the schools - like the rest of the country, we are sorely lacking when it comes to dealing with mental health issues - the issue is that students will have to leave class to go see these counsellors.

Is that the plan? Are we just putting counsellors in the school, and, during class time, students will have to leave class to go see these counsellors? I would just like some clarification. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Minister Education, Culture and Employment.

**HON. ALFRED MOSES:** Thank you, Mr. Speaker. Yes, in my Minister's statement, I did mention the child and youth care counsellors in the schools. We will be piloting that initiative out with the Department of Health and Social Services. We are expecting these child and youth care counsellors to be in the schools but also to be offering services to residents in the communities throughout the whole year.

In terms of the Member asking questions about whether they will be in the school or do they have to be out, we also want to make sure that we do protect privacy and make sure that the students have the confidence that their privacy will be protected.

If that is the case and they do need to go outside the school to go to a health centre or to a hospital to get the services, we feel that students need to have access to such services, whether it is for a mental health concern or other issues where they do need to see the counsellor. Privacy is important, and we want to make sure that students can have that confidence, if they need to see a counsellor, that their privacy will be protected. If they are comfortable being in the school, we will have those child and youth care counsellors in the school. Thank you, Mr. Speaker.

**MR. SIMPSON:** I appreciate everything the Minister has said, and I thank him for his response. I guess the concern that was raised is, if students do go to see counsellors during class time, which is their right and I am glad they have that option, they will miss a class. With some of these courses, you have to be there every class to stay on track.

Will the department be doing anything to ensure that there are appropriate supports for students who maybe miss class to go to counselling? If you start falling behind in school, that just adds to your problems.

**HON. ALFRED MOSES:** I do appreciate the concern. When students do miss class to go out and seek other supports that they need to be successful in life, we would work with the education authorities to ensure that teachers who are in a situation where their students are leaving class, whether it's for a medical appointment, dentist appointment, or if it's for counselling, that the teacher makes every effort to ensure that the student gets the materials or information that they have missed for that day or a couple of days.

**MR. SIMPSON:** We are putting counsellors into the schools, but it sounds like we are not giving any support for any other issues that arise from it, such as students falling behind. Basically, we are just saying that teachers have to pick up the slack. I just want to confirm that there are no more academic supports that go along with this.

**HON. ALFRED MOSES:** Every education authority works with their schools to develop their school-year plan. As such, with any supports that are needed, the administration will work on looking at providing those supports. I know there are schools that actually have tutors that go in after school hours. As well, I know there are a couple of schools here, in Yellowknife, that have evening classes that allow students that might have missed the morning or might have missed the day to come into school in the evening and catch up on their school work. There are definitely innovative options out there to help students succeed with their academic courses.

**MR. SPEAKER:** Masi. Oral questions. Member for Hay River North.

**MR. SIMPSON:** Thank you, Mr. Speaker. Like I said, the country, I think, as a whole is behind when it comes to dealing with mental health. This is a great start, but it just seems like an add-on.

Going forward, I think we need a more holistic approach. Would the Minister commit to increasing funding to schools so that they can offer additional academic support to help these students who are accessing these mental health counsellors? Thank you, Mr. Speaker.

**HON. ALFRED MOSES:** As I mentioned, we are putting in career and education advisors as well this academic year. The whole education renewal that we have been working on over the past number of years is going to hopefully impact the way our students learn, the way our students succeed, the way our students are able to graduate, right from the JK to 12 system. With our new investment in the career and education advisors, I think we are going to be helping our students to complete graduation, look at a career that they might want to take, or, further, going to a post-secondary institution.

The child and youth care counsellors are another way that we are going to be helping our students with any of their mental health and other possible social concerns that they have. Overall, collectively, all of the investments that we are making in education, through education renewal, I do believe and I am confident that we will start to see an increase in graduation rates, as well as students' success. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Oral questions. Member for Frame Lake.

QUESTION 155-18(3):  
PHARMACARE AND PRESCRIPTION  
ACCESSIBILITY

**MR. O'REILLY:** Merci, monsieur le President. My questions are for the Minister of Health and Social Services. The introduction of a national pharmacare program would bring benefits to all in this country, including residents of the Northwest Territories, including things like national standards and maybe even some more money from the federal government. What is the position of our government on national pharmacare? Masi, Mr. Speaker.

**MR. SPEAKER:** Masi. Minister of Health and Social Services.

**HON. GLEN ABERNETHY:** Thank you, Mr. Speaker. Mr. Speaker, I am a big supporter of a national pharmacare plan here, in Canada. We are the only first-world nation that has publicly-funded medicare that does not have publicly funded pharmacare. As a country, I think we need to make significant progress in that area.

At a national level, I would say that one of the largest champions of pharmacare is Dr. Eric Hoskins, who is actually the Minister of Health in the Province of Ontario. He has been pushing Ontario and pushing Ministers from across this country to work together to lobby and encourage the federal government to pursue pharmacare. He has pulled together meetings, like a meeting that was held during the last Health Ministers meeting, where the Canada Labour Congress came and met with all of us as Ministers and we all talked about the value and importance of a national pharmacare plan.

I have discussed the work that is being done at a national level with my Ministers both in this government and in the previous government. They have endorsed the work I am doing support Dr. Hoskins, and the Ministers to pursue pharmacare and encourage the federal government to pursue pharmacare, as well. Thank you.

**MR. O'REILLY:** I can honestly say I think that's the most positive response I have ever gotten in the

House from a Minister, so congratulations. Thank you very much, and I appreciate the Minister's work on the issue. My sincere thanks.

So my next question here: in my statement I referred to the fact that some of our residents, particularly the working poor and young people, are not covered under existing programs for prescriptions. If we truly want our students to come back, we need to look at making sure that they can access prescription drugs, which are now covered in Ontario for young people, and the Minister knows that. So can the Minister tell us what our government is doing to ensure that those not currently covered are receiving necessary prescriptions?

**HON. GLEN ABERNETHY:** We know that our supplemental health program here in the Northwest Territories is a very generous program, but the Member is right, and the Member from Yellowknife Centre brought this up the other day. There are some gaps in this program. We are doing a review of our supplemental health programs here in the Northwest Territories, and I intend to engage with the Standing Committee on Social Development in the coming months to discuss options to program reform. This will include actions that we can take in the short term, as well as approaches to substantial program reform over the longer term. I do caution all Members; this was attempted once before, and it went poorly, and it did not succeed. We are going to be forced to make difficult decisions in the best interests of all of our residents, but I think it's important that we work together to find a way to close this gap in an affordable, sustainable, and appropriate way.

**MR. O'REILLY:** Again, I want to thank the Minister. There are some difficult decisions to be made ahead, but we have to start that conversation. So joint drug buying programs are something that our government has participated in to help lower our expenditures on that side. Can the Minister update us on NWT's participation in national-provincial drug buying cooperatives and any analysis of their benefits which might be under way?

**HON. GLEN ABERNETHY:** Many, many years ago, the provinces came together under the direction of the Council of the Federation to form the Pan-Canadian Pharmaceutical Alliance to help control the high cost of drugs across this country. They have worked hard to identify and arrange relationships for group purchasing that has actually helped bring down the costs of many drugs, in particular many of the non-generics in this country. Since the last federal election, the federal government has joined on to the Pan-Canadian Pharmaceutical Alliance, which I think was an incredibly important step, as they have the ability to amend legislation and do things at a national level

to affect the actual prices. We are working very closely with the Pan-Canadian Pharmaceutical Alliance. We are a member of the Pan-Canadian Pharmaceutical Alliance. We look forward to continuing to work together to bring down costs. We are a very small jurisdiction, but we still have a voice at the table.

**MR. SPEAKER:** Masi. Oral questions. Member for Frame Lake.

**MR. O'REILLY:** Merci, Monsieur le President. I seem to be on a real roll, here, so thanks again to the Minister for the work that he does on this issue. I know that he also participates in federal-provincial-territorial conferences and working groups. I mentioned earlier in my statement about the tendency of our federal government to promote so-called free trade agreements that extend protection for drug manufacturers, sometimes with little corresponding benefits. Can the Minister tell the House what positions our government has put forward in the so-called free trade agreement negotiations with regard to prescription drugs? Mahsi, Mr. Speaker.

**HON. GLEN ABERNETHY:** Recognizing that we are a small jurisdiction on the Pan-Canadian Pharmaceutical Alliance and that larger jurisdictions like Ontario, Alberta, BC, and even Quebec have a much larger impact on the drug purchasing in this country, we have endorsed the work that is being done by the Pan-Canadian Pharmaceutical Alliance in trying to control the price of drugs, including negotiations with pharmaceutical companies and others, both at a national and international level, and we continue to endorse the work they do and stand behind the work that they do and support the decisions that they have to make to bring down the costs for all Canadians. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Oral questions. Member for Nahendeh.

QUESTION 156-18(3):  
LIQUID NATURAL GAS ENERGY

**MR. THOMPSON:** Thank you, Mr. Speaker. Mr. Speaker, today I was talking about the LNG proposal, and yesterday, as well, so I do have some questions for the Minister for Infrastructure. Again, it's kind of all over the place, so: can the Minister please provide the House with an update on how much the GNWT subsidizes our power rates? Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Minister of Infrastructure.

**HON. WALLY SCHUMANN:** Thank you, Mr. Speaker. In 2016-2017 the GNWT provided \$380,000 to Northland Utilities to reduce the rates in four diesel communities down to match the rates

in NTPC communities. In 2016-2017 the Government of the Northwest Territories provided \$6.4 million throughout the Territorial Power Subsidy Program to reduce residential rates in both NTPC and Northland thermal communities down to the Yellowknife rate. Through the Housing Corporation, the GNWT provides approximately \$7 million a year to keep rates low for tenants. For income assistance clients, we provided approximately \$800,000 in 2016 for electricity. Now, the GNWT also pays \$5 million a year in higher rates because the existing residential and commercial customer base cannot cover the costs of the system in place today. Thank you, Mr. Speaker.

**MR. THOMPSON:** I thank the Minister for all that information. It's great to see that we are doing stuff like that, but how does this compare to our past five years? Can the Minister please advise the House of that?

**HON. WALLY SCHUMANN:** The yearly subsidy has remained approximately the same over the last five years. It has fluctuated a bit year to year, but it is very close.

**MR. THOMPSON:** I appreciate the Minister's answer. My next question: in the past 10 years, how much has the GNWT had to subsidize to address low water rates affecting hydroelectric production on top of the subsidies for power rates due to unforeseen diesel fuel increases?

**HON. WALLY SCHUMANN:** Low water rates, we did a subsidy from 2014-2016 for the hydroelectricity region for the North Slave and the government provided a one-time subsidy of \$49 million for a two-year period.

**MR. SPEAKER:** Masi. Oral questions. Member for Nahendeh.

**MR. THOMPSON:** Thank you, Mr. Speaker, and, again, I thank the Minister for that information. My last question: when the government looks at an alternative energy source, does the government have a backup fund in place in case something goes wrong with the future energy costs? Thank you, Mr. Speaker.

**HON. WALLY SCHUMANN:** The main purpose for installing renewables and alternative energy is to stabilize the cost of power, reduce the greenhouse gas emissions that we are all working towards, and protect residents from future fluctuations of commodity prices of diesel fuel. Even with that, it has to be noted that we need to have diesel backup in these communities, and the government is committed to converting these plants as much as possible with the backup system in place. We are also committed to covering the mental costs of

doing this in the communities so that the emerging and renewable power projects moving forward do not go onto the backs of ratepayers. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Oral questions. Member for Yellowknife Centre.

QUESTION 157-18(3):  
NORTHWEST TERRITORIES REVENUE AND  
TAX POLICY

**MS. GREEN:** Mahsi, Mr. Speaker. Mr. Speaker, my questions are for the Minister of Finance on maximizing public revenue. I have mentioned the expert report that highlights weaknesses of our royalty collection regime. Are the Minister and his staff familiar with these reports, and what action have they taken to evaluate and consider the content of them with respect to tax policy formulation? Mahsi.

**MR. SPEAKER:** Masi. Minister of Finance.

**HON. ROBERT MCLEOD:** Thank you, Mr. Speaker. We are familiar with the reports and we are just going through them and looking at their contents and doing analysis. Thank you.

**MS. GREEN:** I am pleased to hear the Minister is familiar with the reports. What action does he plan to take on their contents?

**HON. ROBERT MCLEOD:** That depends on the content. I mean, the way we do business in the Northwest Territories, of course, we listen to and we follow all comments out there, but at the end of the day we will evaluate their contents and see if it's one that would apply or work for the benefit of the people of the Northwest Territories whom we 19 Members were all elected to represent.

**MS. GREEN:** I want to emphasize again, this report was not written by my Mom. These people are world-wide experts in revenue generation through resource royalties. So I am very interested to know how the Minister is going to evaluate the contents of these reports and bring the results to bear for discussion in the House?

**HON. ROBERT MCLEOD:** We have experts of our own within the government system who are well versed in these types of correspondence so we will review it. I commit to the Member we will review the contents of the reports that were done and see how it fits into how we do business in the Northwest Territories.

**MR. SPEAKER:** Masi. Oral questions. Member for Yellowknife Centre.

**MS. GREEN:** Thank you, Mr. Speaker, and I thank the Minister for that commitment. As I said in my

statement, I am not asking the Minister to raise taxes. What I am asking for is for him to work with the Standing Committee on Government Operations to set the terms of referenced for an evaluation of NWT tax policy and to provide the public with an opportunity to comment on that so that we can generate some discussion about revenue prior to the end of the Assembly. Can the Minister make that commitment? Mahsi.

**HON. ROBERT MCLEOD:** Thank you, Mr. Speaker. Mr. Speaker, absolutely. I mean, I would be more than happy to sit down with the committee. We've had some discussions with committee on own-source revenue in the Northwest Territories. We've had some feedback on committee on own-source revenue in the Northwest Territories, and I would be more than happy to sit down with committee, as I always am, to get their feedback as to how we can move forward. Because at the end of the day all the decisions that are made should be decisions that are made by this Assembly, and we should have some common ground and see what we can do to mitigate any impact it might have on people in the Northwest Territories. So I have made that commitment in kind of a long way, but I just had to add something in there. I did not want to just say yes.

---Laughter

**MR. SPEAKER:** Masi. Oral questions. Member for Sahtu.

QUESTION 158-18(3):

SMALL COMMUNITY EMPLOYMENT PROGRAM

**MR. MCNEELY:** Thank you, Mr. Speaker. Following up on my Member's statement, supporting for the small communities. As a new Member to this Assembly I have come to realize the physical challenges of government, and more importantly the positive contributions made through program delivery, in particular the Small Community Employment Support Program. My first question to the Minister of ECE is: can the Minister highlight some positive points created by this Small Community Employment Support Program? Mahsi.

**MR. SPEAKER:** Masi. Minister of Education, Culture and Employment.

**HON. ALFRED MOSES:** Thank you, Mr. Speaker. I do appreciate the work that the rural and remote community has been doing since it got together and started working with the Regular Members and Ministers of Cabinet. As well as the increase of the \$3 million in the 2017-2018 operations budget, I can let the Member know, and I did make a statement earlier in the session that, from April 1, 2017, to December 31, 2017, we had created over 400 jobs in every region in the Northwest

Territories. I have not got the updated stats from this year, from January 1<sup>st</sup> to present, but I am sure that it has increased as well in terms of creating employment, creating jobs, creating projects in the communities. Once that report is finalized at the end of this fiscal year, I will be more than happy to share it with Members. Also coming from that is we are creating a small community employment support strategy, the first of its kind for this government, that is going to be focusing on increasing training as well as employment in our smallest communities. So there are a few highlights, and I think it's just the beginning. As we move forward into the next fiscal year, we are going to see an increase. The information is out there. We have organizations. We have committees that do know that there is an increase in the small community fund and that they can access it, so I think we'll start seeing more improvements to our small communities in the next fiscal year. Thank you, Mr. Speaker.

**MR. MCNEELY:** Thanks to the Minister for that information. I am glad to hear that it's moving in the direction that it's intended for. My next question: will the Minister confirm if there are other accessible resources available to increase the Small Community Employment Program, a consolidation of various programs moving toward that same direction?

**HON. ALFRED MOSES:** One other thing that I want to highlight is that, out of that \$4.2 million that we budgeted in the last budget, up to the present we have almost spent all of that money, and I am confident that we will have all of that funding in the Small Community Employment Fund spent by the end of this fiscal year. Of course, we want to look at other ways that we can partner with whether it's another organization, possibly through a wage subsidy or partnering in share costs for projects, as well as looking at some of the other programs that are in other departments on how we can work together so that we can access other department funding for projects while utilizing the Small Community Employment Fund to increase training as well as increase employment in our small communities. So that will be all highlighted and discussed as we develop this Small Community Employment Strategy, which we are hoping to release later this spring.

**MR. MCNEELY:** My next question: are there federal sources of funding available to match dollar for dollar for this program?

**HON. ALFRED MOSES:** As I mentioned, once this report comes out we'll see how some of our dollars have been spent and whether or not we've had organizations or communities that have accessed federal dollar spending. We do have unique ways of how we partner within our departments, but that is

something we'll have to take a look at. I know, because there was such an influx of the \$3 million on top of the \$1.2, we want to make sure those funds were spent, that we did create employment, that we created jobs in the communities, developed projects in the communities, and I want to see how that report looks. Moving forward, that is something we can use to possibly leverage other funding, whether it's territorially or federally.

**MR. SPEAKER:** Masi. Oral questions. Member for Sahtu.

**MR. MCNEELY:** Thank you, Mr. Speaker. My last question: as I look forward, it seems that we are depleting our resources here for our territorial physical position here. That's why I mention in there the federal sources. In the report coming this spring, will the Minister include qualifying federal sources in the report? Mahsi.

**HON. ALFRED MOSES:** As I have mentioned to Members, as we are going through our main estimates, we also have the labour market development agreements that we do have with the Government of Canada. There are funds in that agreement that we do have with the federal government that will also help with employment, so there are some dollars that we are accessing on a bilateral basis, as well, and we are just looking at hopefully signing that agreement soon. We'll get all that information to the Member and to Members as we move forward. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Oral questions. Member for Mackenzie Delta.

QUESTION 159-18(3):  
DEMPSTER HIGHWAY OVERFLOW

**MR. BLAKE:** Thank you, Mr. Speaker. Mr. Speaker, in follow-up to my Member's statement I have questions for the Minister of Infrastructure. Mr. Speaker, in my statement I mentioned the overflow at Kilometre 140, which is also known as Georgetown, but I also have three other areas along the Dempster in my riding that have this problem with overflow. One area is kilometre 135, roughly; kilometre 115; and kilometre 198. I would like to ask the Minister: what do inspectors from the Department of Infrastructure have to say about the safety of the ice patches on the Dempster Highway caused by overflow? Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Minister of Infrastructure.

**HON. WALLY SCHUMANN:** Thank you, Mr. Speaker. This issue came up last year, particularly around the Georgetown area, and we are continually monitoring this area with overflow issues on the Dempster in a number of places, as the Member has spoken about.

In particular, right now, at kilometre 213, we have an issue. The department built a couple of berms there to hold back water, but, due to climate change this year and the warming temperatures in that region, a lot of water is coming up from underground, and we had an issue on the highway. A contractor has been out there. He has ice-plated that section to make it rough and improve traction for vehicles, but we have also put up additional signage in that area.

At Georgetown itself, at 140, there is no ice on the highway. These culverts were steamed earlier this year, and overflow is flowing properly there. Thank you, Mr. Speaker.

**MR. BLAKE:** As the Minister mentioned, there have been backhoes out there and also steamers, which the department has been doing over the last nine years or so. That adds to a lot of costs. What other options has the department developed to solve these problems?

**HON. WALLY SCHUMANN:** In the department, we have our permafrost experts and our engineers monitoring these areas, particularly kilometre 213, to come up with a long-term solution.

Last year, the Member asked me about the Yukon using heat traces, and I am glad to say that, at these four sites at kilometre 213, we will be purchasing heat traces to install at that location. Our contractors are out there diligently trying to keep the road safe for everybody, and, like I said, they have steamed these culverts. Everything is flowing as they should be, and we will continue to monitor the situation.

**MR. BLAKE:** The Minister answered a part of my next question. The Minister did mention they will put a heat trace line at kilometre 213, but how about kilometre 140 and the other areas, Mr. Speaker? If the department is not going to solve the drainage issue another way, will heat trace lines be installed in all of these overflow areas?

**HON. WALLY SCHUMANN:** As I have said, at kilometre 140, everything seems to be working fine. The department will continue to monitor the other culverts moving forward. We will be installing these four heat traces in the springtime at 213, and we will monitor things going forward. If this becomes something that we need to do at other sections of the highway, we will have a look at it.

**MR. SPEAKER:** Masi. Oral questions. Member for Mackenzie Delta.

**MR. BLAKE:** Thank you, Mr. Speaker. Mr. Speaker, I think the Minister needs to update his information because everything is not fine at kilometre 140. It is actually flowing alongside the road there, which is flooding out the camp

alongside the road. It is pretty clear that it is needed at kilometre 140. Will the Minister ensure that a heat trace line will be put at 140; if not, for a pilot project? Thank you, Mr. Speaker.

**HON. WALLY SCHUMANN:** I am not going to get into a debate about 140 in Georgetown again. We had that conversation last year. The resident that is there, his father was moved previous to that situation. Someone else moved back into a location that has a troubled area, particularly with climate change flowing in that area, but we will continue to monitor 140. If it becomes an issue with safety, being a priority on our highway system, we will have a look at it. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Oral questions. Member for Yellowknife North.

QUESTION 160-18(3):  
TERRITORIAL FINANCING FORMULA

**MR. VANTHUYNE:** Thank you, Mr. Speaker. Mr. Speaker, earlier today, I spoke about the cost of living and the many factors that are affecting the cost of living here, in the North. Our government is partially to blame as it relates to the challenges that we are having internally with our own government revenue. My questions today are to the Minister of Finance. I want to talk first about the territorial financing formula. I want to know: can the Minister maybe explain to us what the formula consists of?

It seems to me that this is a punitive arrangement, one where it disincentivizes us from generating our own revenue. It might be time that we have to renegotiate this. Can the Minister give us a little bit of background on how we got into this arrangement to begin with? Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Minister of Finance.

**HON. ROBERT MCLEOD:** Thank you, Mr. Speaker. Mr. Speaker, the Territorial Formula Financing is one we have been operating under for a length of time now. They do recognize the cost of doing business up in the Northwest Territories, and I think they funded us accordingly. Governments past have been successful in keeping the territorial formula funding as it is right now.

We get just over \$1.2 billion from the federal government for 44,000 people, and that allows us to help lower the cost of living, because I believe we spend close to \$190 million to try to lower the cost of living. We could have discussions with the federal government on renegotiating. I know the current one expires in April, I believe, in 2019, and there will be an opportunity to have a discussion with them. I know they are of the opinion that, if we were to use the Canadian average, our grant from

the federal government would be quite low. Thank you, Mr. Speaker.

**MR. VANTHUYNE:** Thank you to the Minister for his reply. I recognize and we all recognize that the North is unique in this situation. Yes, we are 44,000 people, but we are on a land mass that is about the size of western Canada, and we lack the infrastructure that western Canada has. I mean, \$1.2 billion is well-appreciated, most certainly, but it's a drop in the hat as it relates to recognizing the challenges that we have here.

Is there anything further that the Minister can inform us on as it relates to the opportunity to revisit the financing formula arrangement?

Can we bring the Feds to the table and have a serious discussion about re-evaluating and potentially fixing this formula so that we are not penalized when we generate our own revenues?

**HON. ROBERT MCLEOD:** In my discussions with my colleagues from across the country when we have our FTPs, I always say, if you want to allocate money based on land, we will go for that, because, at 1.3 million square kilometres, we'll be in pretty good shape. I think they recognize some of the challenges we face. That is why our average per capita in Territorial Formula Financing is way higher than the rest of the country.

As I said, the deal will expire in 2019. The legislation that is governing this, the Federal-Provincial Fiscal Arrangements Acts and Territorial Formula Financing, expires in April of 2019, and then we will have an opportunity to have discussions with them. Any time we can use that opportunity to try to get more money for the Northwest Territories, obviously, we will take advantage of that.

**MR. VANTHUYNE:** I am pleased to hear that the Minister of Finance is having these discussions and that there might be potential to revisit this in 2019. In the meantime, one thing that we are undertaking right now is the federal government is in the midst of undergoing their Arctic Policy Framework. We are going to be making a contribution to that. Right now, it's the Pan-Territorial Vision for Sustainable and Economic Development. This includes our sister territories.

Does the Minister see an opportunity at those discussions and in building that framework where we can maybe promote all three territories to have some sort of special economic zone that would consist of certain tax reliefs and commitment to infrastructure dollars that would benefit us before we sit back down to discuss finance formula?

**HON. ROBERT MCLEOD:** As Members are aware, at the beginning of the 18<sup>th</sup> Legislative Assembly, I

think even before we sat in this Chamber, the first news we got was our formula financing grant from Canada was cut by \$34 million, so we were behind the 8-ball right off the bat. We will take every opportunity, as I have said before, to work with the federal government to see about accessing more funds for the Northwest Territories. They do recognize the cost of doing business up here is higher than the rest of the country. They've made significant infrastructure investments into the Northwest Territories, which in turn has put a lot of people to work, which in turn has allowed them to pay payroll tax, purchase goods, pay all the other taxes that we put on residents who are working. So there has been a side benefit from that, but they do recognize that we are challenged up here, and through a lot of the infrastructure money we welcome that investment and we'll continue to seek more.

**MR. SPEAKER:** Masi. Oral questions. Member for Yellowknife North.

**MR. VANTHUYNE:** Thank you, Mr. Speaker. Mr. Speaker, one of the things that we know is coming is a carbon tax, again imposed by the federal government. We are doing what we can to, I guess, develop our made-in-the-North version, because it's going to be imposed on us. So, Mr. Speaker, the Minister has referenced a few times that there are ongoing discussion with the federal government, that we are somehow going to get special consideration as it relates to the carbon tax. Can the Minister inform us, update us as to what those special considerations might be, and when will we know exactly how the federal government is going to treat us with regard to carbon tax? Thank you, Mr. Speaker.

**HON. ROBERT MCLEOD:** We are still going through the process right now, but as Members in this House are aware, the Prime Minister has made a commitment to our Premier about recognizing the uniqueness of the North. I have assurances from the Minister of the Environment that they recognize the unique situation of the North. The Member is absolutely correct. We want to put a product together that is made in the North. I think we've given some numbers to the committee; if we use the federal backstop, then what residents would have to pay would be a lot higher than if we implement our own made-in-the-North approach to it. Our plan is to use our made-in-the-North approach to it because we live up here, right. We know what we are paying up here, and so we are the ones who should be deciding what's best for the Northwest Territories, not somebody who is thousands of kilometres away. Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Oral questions. Item 8, written questions. Member for Kam Lake.

## Written Questions

### WRITTEN QUESTION 6-18(3): LAND TRANSFERS IN THE NORTHWEST TERRITORIES

**MR. TESTART:** Thank you, Mr. Speaker. I have a written question for the Minister of Justice. Can the Minister of Justice please advise this House on the following?

1. The number of land transfers per year by community in the Northwest Territories over the past 10 years for which data is available; and
2. The dollar value of transferred lands per year by community in the Northwest Territories over the past 10 years for which data is available.

Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Written questions. Member for Yellowknife Centre.

### WRITTEN QUESTION 7-18(3): HOUSING CORE NEED ACTION PLAN

**MS. GREEN:** Thank you, Mr. Speaker. Mr. Speaker, my questions are for the Minister Responsible for the Housing Corporation. Her report on reducing core housing need, called "Towards Level Ground: Addressing Persistent Core Need in the Northwest Territories," includes an action plan with spending of \$20 million in the next fiscal year, yet the Northwest Territories Housing Corporation operations and maintenance budget is decreasing this year. What is the source of the \$20 million required by the plan, and further:

1. How did the Minister decide to allocate spending among the 15 programs listed in the plan;
2. How do the commitments in the plan relate to each of the specific areas of core need;
3. How will the action plan spending be allocated among regions; and
4. On what basis did the Minister decide to budget \$600,000 to address affordability problems as the element of core need most prevalent in Yellowknife?

Mahsi.

**MR. SPEAKER:** Masi. Written questions. Item 9, returns to written questions. Item 10, replies to Commissioner's opening address. Item 11, petitions. Item 12, reports of standing and special committees. Item 13, reports of committees on the

review of bills. Item 14, tabling of documents. Minister of Infrastructure.

### Tabling of Documents

TABLED DOCUMENT 94-18(3):  
YELLOWKNIFE AIRPORT FIVE-YEAR BUSINESS  
PLAN 2018-2019 TO 2022-2023

**HON. WALLY SCHUMANN:** Mr. Speaker, I wish to table the following document entitled "Yellowknife Airport Five-Year Business Plan 2018-2019 to 2022-2023." Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Tabling of documents. Minister of the Environment and Natural Resources.

TABLED DOCUMENT 95-18(3):  
WASTE REDUCTION AND RECOVERY  
PROGRAM 2016-2017 ANNUAL REPORT

**HON. ROBERT MCLEOD:** Thank you, Mr. Speaker. Mr. Speaker, I wish to table the following document entitled "Waste Reduction and Recovery Program 2016-2017 Annual Report." Thank you, Mr. Speaker.

**MR. SPEAKER:** Masi. Tabling of documents. Member for Frame Lake.

TABLED DOCUMENT 96-18(3):  
PHARMACARE: A PLAN FOR EVERYONE –  
REPORT OF THE CANADIAN LABOUR  
CONGRESS

**MR. O'REILLY:** Merci, Monsieur le President. I wish to table the following document entitled "Pharmacare: A Plan for Everyone" by the Canadian Labour Congress. Mahsi, Mr. Speaker.

**MR. SPEAKER:** Masi. Tabling of documents. Item 15, notices of motion. Item 16, notices of motion 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: Minister's Statement 1-18(3), North Slave Correctional Complex Inmate Concerns; Minister's Statement 19-18(3), Aurora College Foundational Review Process; Minister's Statement 32-18(3), Update on the Northwest Territories Disability Framework and Action Plan; Tabled Document 63-18(3), Main Estimates 2018-2019, with the Member for Hay River North in the chair.

### Consideration in Committee of the Whole of Bills and Other Matters

**CHAIRPERSON (Mr. Simpson):** I now call Committee of the Whole to order. What is the wish of committee? Mr. Testart.

**MR. TESTART:** Thank you, Mr. Chairman. Mr. Chairman, the committee would like to consider Tabled Document 63-18(3), Main Estimates 2018-2019, with the Department of Finance as the department under consideration. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you, Mr. Testart. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. Simpson):** Thank you, committee. We will consider the document after a brief recess.

---SHORT RECESS

**CHAIRPERSON (Mr. Simpson):** I will now call Committee of the Whole back to order. Committee, we have agreed to consider Tabled Document 63-18(3), Main Estimates 2018-2019, for the Department of Finance, which begins at page 135. I will turn to the Minister responsible for any opening comments. Minister McLeod.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. I am pleased to present the 2018-2019 Main Estimates for the Department of Finance. These estimates total \$234 million, which includes the GNWT operating contribution of \$76.4 million to the NWT Housing Corporation. Overall, the department's estimates propose a decrease of \$1.2 million or 0.5 per cent over the 2017-2018 Main Estimates.

Setting aside the changes in the contribution to the NWT Housing Corporation, which you will review with Minister Cochrane, highlights of Finance's proposed 2018-2019 Main Estimates include:

- \$600,000 for a new training program that will provide residents an opportunity to gain the skills and experience to compete for positions within the GNWT;
- \$400,000 to enhance capacity to deal with labour relations issues and ensure that the GNWT is well-positioned in an increasingly complex environment;
- \$1.1 million in forced growth related to the Territorial Power Subsidy Program and automatic increases for bonds issued related to the Deh Cho Bridge; and
- \$5.2 million in sunsets, primarily related to completion of the project to upgrade SAM and HRIS.

Finally, I would also like to point out that the 2018-2019 Main Estimates outline the borrowing plan for the GNWT. This plan proposes to establish

a total borrowing limit for the GNWT of \$812 million, which is comprised of the following:

- short-term debt, \$366 million
- long-term debt, \$445 million
- capital leases, \$837,000

The limits proposed in the borrowing plan will be included in the Appropriation Act (Operations Expenditures), 2018-2019. The GNWT borrowing is part of our overall debt, which also includes Northwest Territories Power Corporation and Northwest Territories Housing Corporation debt.

That concludes my opening remarks, Mr. Chair. I look forward to answering questions from Members. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you, Minister McLeod. Do you wish to bring witnesses into the Chamber?

**HON. ROBERT MCLEOD:** Yes, I do, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you, Minister. Sergeant-at-Arms, please escort the witnesses into the Chamber.

While the witnesses are coming in, I would like to take a moment to thank the interpreters who have been with us this week: Mary Rose Sundberg, David Blake, and Ruth Carroll. We are in this House to get information out to the public, and we could not do it without their assistance, so I would like to thank the interpreters.

Minister, would you please introduce your witnesses for the record?

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. Mr. Chair, to my far right, I have Ms. Tara Hunter, who is the Deputy Secretary of Human Resources. To my immediate right, I have Mr. David Stewart, deputy minister of Finance and deputy secretary of the Financial Management Board. I got the name right. To my left, I have Mr. Sandy Kalgutkar, who is the deputy secretary to the Financial Management Board. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you, Minister. Committee was previously discussing that we will forgo opening comments. Does committee still agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. Simpson):** Thank you, committee. We will move to the detail.

The departmental total is found on page 139, but we will defer this until after consideration of the activity detail. Two pages later, you will find the

borrowing plan, but we will also defer that until after consideration of the detail. There are five activities. The first one is directorate, and it begins on page 143. Does committee have comments or questions about the activity "directorate"? If committee does, please indicate which page you are making comments about. Ms. Green.

**MS. GREEN:** Mr. Chair, I have a process question. I have some questions that relate to page 140. Will those be canvassed when you go back to page 139?

**CHAIRPERSON (Mr. Simpson):** That is correct. When we discuss the departmental total, we can discuss the revenue summary, as well. Do you have questions about this section? Nothing further from Ms. Green. Mr. Testart.

**MR. TESTART:** Thank you, Mr. Chair. On page 143 under "activity description," the bottom paragraph speaks to shared corporate services having a responsibility for requests under the Access to Information and Protection of Privacy Act. How does shared corporate services function in this capacity, and how does it differ from what work is done in the Department of Justice? Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you, Mr. Testart. Mr. Stewart.

**MR. STEWART:** Thank you, Mr. Chair. Each department tends to have an access to information coordinator to deal with their own individual requests that come in for information from their department. The function within Justice sets the overall policy frame and coordinates across government, but each department has their own staff, who are usually related to records, that help answer those questions as they come in and get the records and those sorts of things. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Testart.

**MR. TESTART:** Thank you, Mr. Chair. This department does not do any coordinating activities apart from what is contained under its own mandate; is that accurate? Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you, Mr. Testart. Minister.

**HON. ROBERT MCLEOD:** Yes, thank you. That is correct.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Testart. Nothing further from Mr. Testart. Any other comments or questions from committee? Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. I am just not sure where the Heritage Fund is found in the main estimates. Can someone tell me whether this is the appropriate place or which activity to ask about the Heritage Fund? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Mr. O'Reilly, the Heritage Fund is listed under "management board secretariat." That is a future activity that we are going to be discussing.

Seeing no further comments or questions from committee, I will call this activity. Directorate, operations expenditure summary, \$85,090,000. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. Simpson):** Thank you, committee. The next activity is human resources. It begins at page 147. Mr. Testart.

**MR. TESTART:** Thank you, Mr. Chair. In the Minister's opening comments, he spoke to a \$400,000 appropriation to enhance capacity to deal with labour relations issues and ensure that the GNWT is well-positioned in an increasingly complex environment. Can the Minister elaborate on what that appropriation is going to accomplish? Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you, Mr. Testart. Mr. Stewart.

**MR. STEWART:** Thank you, Mr. Chair. So the proposed investment of \$400,000 is related to labour relations capacity, and specifically related to collective bargaining and compensation analysis. So we currently have one position that provides all of the research and analytical support for bargaining and compensation. We are starting to deal with a more complex environment in terms of some of the provincial governments and how they approach the compensation policy, those sorts of things.

We are moving towards self-government, and, as Indigenous governments draw down jurisdiction or enter into service delivery, there are going to be issues related to that. We are also in the role of providing advice and assistance to some of our partners and our boards and agencies, including the Power Corporation, the Marine Transportation Services, LHOs, and others. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Testart.

**MR. TESTART:** Thank you, Mr. Chair. So, to one of the items the witness just provided on that list, marine transportation services, as we all know, a revolving fund was established for the purposes of supporting marine transportation services. I am

wondering if it's appropriate to use that fund to support labour relations, as it relates to MTS. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you, Mr. Testart. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. Mr. Chair, we will use this section to deal with some of the issues they have, but we will bill them back. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Testart.

**MR. TESTART:** Thank you, Mr. Chair. So is this going to be managed on kind of a case-by-case basis, or is there an estimate of how much MTS will require for labour relations support? Do we have an estimate at this point of what percentage of the \$400,000 appropriation will be going to support MTS? Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. Mr. Chair, the Member is correct. It will be evaluated on a case-by-case basis. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Testart.

**MR. TESTART:** When will this House be able to evaluate those case-by-case bases? Is this something we are going to see in the public accounts? Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** As we go through the business plans, the next set of business plans, we'll have some information for Members. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Testart.

**MR. TESTART:** Thank you. So I will just reiterate that question. How will this appear in the public accounts? Does it appear in the public accounts? Let's put it that way. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Yes. Thank you, Mr. Chair. Mr. Chair, when the Auditor General audits us, it will be reflected in the public accounts. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Testart.

**MR. TESTART:** Thank you, Mr. Chair. I will just say for the record that I am always hesitant to appropriate money to MTS when it does have that established revolving fund, but I appreciate that this appropriation contemplates more than that in other labour relations capacities.

Our Standing Committee on Government Operations in its public accounts role will be taking a look at this and making sure the government is meeting its commitments to use the fund appropriately and to not use appropriations to support MTS, so I am putting the Minister on notice. I have no further questions apart from that. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you, Mr. Testart. Would the Minister care to respond?

**HON. ROBERT MCLEOD:** No. Thank you, Mr. Chair. It was just a comment, and we'll take it as that.

**CHAIRPERSON (Mr. Simpson):** Thank you. Anything further from committee? Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. I am on page 148, and the contract services amount for 2018-2019 is a fair bit less than 2017-2018. Can someone tell me what's going on there? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you, Mr. O'Reilly. Mr. Stewart.

**MR. STEWART:** Thanks, Mr. Chair. There was a rebalancing, if you like, between contract services and fees and payments; but I will just let the Member know what's in contract services. The main bulk of the money for contract services under human resources is for the Employee and Family Assistance Program and for the Leadership Development Program that we get support from elsewhere. Under fees and payments, there is the regional recruitment program, the new training positions funding that the Minister spoke of, and an Aboriginal development fund that we use to support specific training for Indigenous staff, to help them move forward in their careers. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Stewart. Mr. Simpson.

**MR. SIMPSON:** Thank you, Mr. Chair. I have some questions about the training provided through Finance via human resources, and I have had concerns that people outside of Yellowknife are disadvantaged in terms of training. I know that most of the training occurs in Yellowknife, and, while people from the regions can access training, there's a cost involved to the regional offices in terms of travel and nights in the hotel in Yellowknife and that

kind of stuff. It seems like it disadvantages people from outside of the capital. So does the Minister have any statistics he can share with us on the people trained by type of community, basically the regional centres, small communities, Yellowknife, in terms of their proportion of the public service?

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Simpson. Minister McLeod.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. I am sure the stats that we have are: 50 per cent of those came from Yellowknife; 33 per cent came from the regional centres, Fort Smith, Hay River, Fort Simpson, Norman Wells, and Inuvik; and 10 per cent came from the smaller communities. Thank you, Mr. Chair. As far as the actual number, I have percentages, not the numbers. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Minister McLeod. Mr. Simpson.

**MR. SIMPSON:** Thank you, Mr. Chair. So 57 per cent of those who access training were from Yellowknife, where there are 51 per cent of the positions; 33 per cent came from the regional centres, where there are 32 per cent of the positions; and 10 per cent came from the small communities, where there are 17 per cent of the positions. So people from small communities are quite disadvantaged, especially.

Does the Minister know what type of training is accessed by people from the small communities, as to the regional centres? What I am getting at is that there's training that can sort of help you in your job, but then there's training that can help you get ahead, like project management training and that kind of stuff. That's what I am concerned about is that the people from outside Yellowknife do not have access to it. Am I sort of correct with those assumptions? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Simpson. Mr. Stewart.

**MR. STEWART:** Thanks, Mr. Chair. To address the issue that the Member has spoken of, one of the things we are doing is we are delivering more of our training programs with an online option to it. So recently, for example, we launched a fairly major set of technical training that is now available online, so anybody could take it at their desk and return back to the point in which they left off if work takes over, and those sorts of things.

That's not going to work in every case, but it does give another option available to staff. We do not have the data here for the types of training by position, but one of the things we do try to do, for example, under the Leadership Development Program is to try to make sure we get a balance

between regional folks and people in Yellowknife, etcetera. I think the online solution is part of the answer to making sure we get to staff in all communities. Thank you.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Stewart. Mr. Simpson.

**MR. SIMPSON:** Thank you, Mr. Chair. Another reason I am concerned -- and I am not hating on Yellowknife, but it's a very transient population, and a lot of the people come to the South to work in the government and then head back down south. So my concern is that they're coming up here, working for the government for a few years receiving this training, and then leaving, and the people from the regional centres and the small communities who are more likely to be from the North and stay in the North aren't receiving that training, and so that is why I have raised this. There is a move for more online courses. Are those substantial online courses like the project management and things like that? I just want to confirm that, thank you.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Simpson. Minister McLeod.

**HON. ROBERT MCLEOD:** Yes, thank you, Mr. Chair. Mr. Chair, I take the Member's point that, for a lot of folks coming for training, they come in to Yellowknife. I have tasked the department with trying to offer as many courses as they can in the regional centres so, some of the smaller folks, their costs to come down will not be as high as it is coming to Yellowknife, so we are working on that. Then the courses that are offered online, as the Member pointed out, project management, my understanding is one of those courses, so they are fairly substantive courses. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Minister McLeod. Mr. Simpson.

**MR. SIMPSON:** Thank you, Mr. Chair. Just a separate issue with human resources that has to do with direct appointments: I understand the reason behind direct appointments; I understand that cabinet will agree to direct appointments. My question is, if there is a direct appointment, is there any sort of a recourse or appeal process that maybe a GNWT employee or anyone can take regarding that?

So, if there were two people, say, who wanted a position, and one was directly appointed over the other, I know that that is supposed to be looked at if there were any other people who wanted that position, but is there recourse for that person who maybe wanted it? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Simpson. Minister McLeod.

**HON. ROBERT MCLEOD:** Yes, thank you, Mr. Chair. Mr. Chair, first of all, I will just start with some statistics, and we have had so far in the 18<sup>th</sup> Legislative Assembly, we have had 220 direct appointments; 91 per cent of these have been priority from under the Affirmative Action Policy; 55 per cent of these have been Aboriginal persons. To answer the Member's question, though, there is no official appeal process once that person is directly appointed because that usually comes through Cabinet. Thank you.

**CHAIRPERSON (Mr. McNeely):** Thank you, Minister McLeod. Mr. Simpson.

**MR. SIMPSON:** Thank you, Mr. Chair. I recommend that maybe that is something they may want to look into because the direct appointment process can be a little controversial, and this is something else that sort of undermines its credibility, when there is no recourse for anyone else, so that is just something I would like to bring to the Minister's attention. Nothing further. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. McNeely):** Thank you, Mr. Simpson. Reply to that, Minister McLeod?

**HON. ROBERT MCLEOD:** No, I will take it as a note and that the Member has brought it to our attention, thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you, Minister. Anything further on human resources? Seeing none, I will call the activity. Human resources, operations expenditure summary, \$20,311,000. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. Simpson):** Thank you, committee. Continuing on, liquor revolving fund. Mr. Vanthuyne.

**MR. VANTHUYNE:** Thank you, Mr. Chairman. Just a couple of questions: I am wondering if at this point the Minister can advise us. Last year in the House he made a commitment to undertake a review of not the act but the policies in which the Liquor Board operates from, and I am just wondering if at this time the Minister can update the House on what the status of that review is? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you, Mr. Vanthuyne. Mr. Stewart.

**MR. STEWART:** Thank you, Mr. Chair. So there were three main components to the review that the Minister had directed us to undertake. One was looking at the enforcement and licensing capacity, and the first was to recruit a new board chair. We were very pleased that we were able to find a highly

qualified board chair, Ms. Sandy Aitken, and she has certainly taken up the challenge and is working well with the rest of the board members.

We are working with the board now to look for some board training opportunities in areas where they feel that that could be helpful to them, and then we are looking at the board procedures to ensure that they are getting legal advice when necessary, that they are not overstepping bounds that maybe they would not be as familiar with. Although, with the board chairs past, that may be less of an issue.

The second area was around operations, and, again, we have done a couple of reviews on some of the operations of the board as well as looking at some of the policy gaps and those sorts of things. We are doing an engagement with the license holders. I have got a draft survey on my desk actually with the license holders, and we will want to make sure that we hear from them about the types of areas that they want to see us focusing on.

Then, finally, the third area was around transparency and accountability, and we are ready to launch the website, it may already be up, that has all of the decisions and the reasons for decisions, similar to what you can get for a court case, to ensure that the public has access to understanding what those decisions are and some of the background to that.

So those are the three areas we have been working on. The work continues, and there are other elements of it that we will continue to do, as well.

**MR. VANTHUYNE:** Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Vanthuyne.

**MR. VANTHUYNE:** Thank you, Mr. Chair, and thank you for the update. It is well appreciated. I know that reaching out to licence holders will be well appreciated. I am sure they will comment heavily on that.

We know that cannabis legislation is coming forward, and the government has indicated that the liquor commission will be the one heading up the aspects around cannabis revenues. I am just wondering: can the Minister give us a little update on are we developing a full on cannabis act? Will there be a new cannabis revolving fund? How do we intend to manage this? Will it have a lot of similarities to the liquor revolving fund? I think the public would like to know what the intentions are with managing the resources that we generate from cannabis sales. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. Mr. Chair, we are working with Justice on their development of the legislation, and my understanding is that something is supposed to be coming forward soon. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Vanthuyne.

**MR. VANTHUYNE:** Thank you, Mr. Chair. Again, with all due respect as it relates to finance and the actual development, we have indicated in the past that it is the liquor commission that is going to be overseeing this in the meantime. How are we going to account for the revenues generated by cannabis? Do we intend to develop a cannabis revolving fund, or is it just going to get lumped in with the liquor revolving fund? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Stewart.

**MR. STEWART:** Thanks, Mr. Chair. As the Member well knows, this has been a file that is moving pretty rapidly, so we are working on that now. The intention is that it would be distributed through the liquor commission. It will become another product of the liquor commission, similar to any other product, and so it would be part of that revolving fund.

Then, in terms of the taxation side, we will record the taxation that is outside of just the markups and those sorts of things as part of the main estimates, it would be through the Department of Finance. It is not just, as the Member has alluded to, about the taxation and the distribution. We are working very closely with Justice around some of the enforcement issues as well as with Health, around some of the health and safety issues. It involves other areas of the department, like human resources in terms of workplace safety and those sorts of issues as well.

So I think it's a fairly comprehensive approach we are taking on this, but there is a lot of work left to be done. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Nothing further from Mr. Vanthuyne. Next, Ms. Green.

**MS. GREEN:** Thank you, Mr. Chair. Mr. Vanthuyne canvassed my questions.

**CHAIRPERSON (Mr. Simpson):** Thank you. Nothing further from Ms. Green. Mr. Testart.

**MR. TESTART:** Thank you, Mr. Chair. So I am glad my honourable friend raised this topic. One thing we've heard from the federal government in their projections of revenue and expenditure is that the

cannabis revenues are going to be far less nationally, or federally I should say, than they will be to run the regulatory system that they need to enforce the new cannabis laws and regulations. So my question is: with the Liquor Commission or liquor system as the controlling agent for cannabis, what are the costs going to be? What are the current cost projections for all the new enforcement and resources we need to put in place for enforcement, regulation, and control, versus the anticipated revenues? Because I have not seen either of those figures. Do they exist? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you, Mr. Testart. Mr. Stewart.

**MR. STEWART:** Thanks, Mr. Chair. So one of the next steps we are undertaking, and I know departments have been working on that, is the detailed proposals around any forced growth or additional pressures they'll have, whether it's around some of the things that the Member mentioned, around enforcement, as well as public awareness and health programs, and those sorts of things. The actual administration side of cannabis, in terms of the costs around distribution and what the Liquor Commission would be involved in, is not a major cost driver, but I think, as the Member identified, it's the other areas around health and enforcement where we expect to see those. So departments are working on those now, and they will come forward and I am sure will be shared with standing committee as those are finalized. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Testart.

**MR. TESTART:** Thank you, and I agree with that kind of assessment of where the costs are coming from. It's less the administration, if we do follow this model. So the cannabis revenues that come in, some jurisdictions have committed to use all of the revenues to support public health initiatives, and certainly addictions treatment is a major concern in the Northwest Territories. So the Minister or his official spoke to how we are going to see the cannabis revenues in the main estimates, and by extension the public accounts, but what is the plan for using those revenues? Is it going to be a dedicated purpose for public health purposes, or is it just going to general revenues along the line of Liquor Tax revenues and Tobacco Tax revenues? Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you, Mr. Testart. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. Mr. Chair, first of all I think the revenue from cannabis would show up under the Liquor

Revolving Fund under a separate line item, I think, as cannabis. And as far as dedicated spending, we have not had that discussion yet to determine that. It's a bigger discussion than just talking about it here on the floor of the House. Obviously we have to work with committee and get some feedback from them, and then we'll make a determination as to whether we are going to make a dedicated stream of revenue or spending for the revenue from cannabis. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you, Minister. Mr. Testart.

**MR. TESTART:** Thank you, and I can speak for myself, I am very much looking forward to that work, Mr. Chair, and I appreciate the Minister has made previous statements that he's looking forward to this work with committee as well, but it's just a little troubling when we are looking at the budget for the coming year and there is very little detail on revenue and spending on this issue that we know we have to deal with. So currently the board, or the commission, handles the enforcement of liquor licensing and those sorts of issues around liquor matters. The way forward document for cannabis is silent on who is going to be doing the inspections, and as that legislation is coming forward from the Department of Health and Social Services, there seems to be this disconnect. I am wondering if, with all the cannabis products being housed under the Liquor Commission, if the intention is to bring the inspection side of it under the Liquor Board as well. So are we going to have cannabis inspectors and liquor inspectors, or cannabis/liquor inspectors, or are there going to be occupational health and safety officers? I am just looking for clarity on where the inspection side for our regulations is going to come from. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you, Mr. Testart. Mr. Stewart.

**MR. STEWART:** Thanks, Mr. Chair. In terms of enforcement, what the Liquor Enforcement group does is really around license holders. So establishments, special operating permits, those sorts of things. In the case of cannabis, that's going to be sold through our liquor stores at this point, so the liquor enforcement folks do not do inspections there. There will be other enforcement elements in terms of the public and, you know, the amount of cannabis that you may be able to have in your possession. That really will be the Department of Justice's function. Liquor enforcement is really around, again, those licence holders and bars and restaurants, and those sorts of things. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Testart.

**MR. TESTART:** So one of the details, if the Minister can confirm this, but one of the details the department is willing to commit to today is that liquor stores are going to be the primary agency for distributing cannabis products in the Northwest Territories. Is that correct?

**CHAIRPERSON (Mr. Simpson):** Thank you, Mr. Testart. Minister.

**HON. ROBERT MCLEOD:** Yes, Mr. Chair, that is correct. I mean, the idea is that it will go through the department for now, and then as we get further into it, then I guess we are going to have to make a determination at that time on which direction we should go; but for now, it will be, yes.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Testart.

**MR. TESTART:** Okay. So I can understand why there aren't a great deal of forced growth costs, if the role of the Liquor Commission is going to be quite minimal. So I am just going to return to that question: is there a dollar figure for that, or a rough estimate of what those forced growth costs are going to be? Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. In the absence of the legislation being passed, the Member is correct, there is no dollar figure that's tied to it right now. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Testart.

**MR. TESTART:** Thank you. Are we going to be dealing with these costs by way of supplementary appropriation when the legislation is passed? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you, Mr. Testart. Minister.

**HON. ROBERT MCLEOD:** Yes, Mr. Chair, once the legislation is passed and we have an idea of a cost, if there is an opportunity to bring it forward through a supplementary appropriation, then that's a direction we are going to take. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Testart.

**MR. TESTART:** Thank you. Have we prepared for that eventuality and set financial resources aside, or will we be forced to dip into borrowing to pay for these additional costs once the legislation is passed? Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. The department has been doing a lot of work, you know, so once the legislation is passed we have a fairly good idea of what some of the costs might be. So we have done the work, so once legislation is passed, we'll have a pretty good indication of what are costs are going to be, and then we'll have that discussion with committee. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Testart.

**MR. TESTART:** Is the Minister in a position to share his good idea of those costs today? Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. Mr. Chair, we have a fairly good idea of what those costs may be, and I will have that discussion with committee before I have it on the floor of the House, out of my respect for the process that we go through in this building and my respect for committee.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister. Mr. Testart, 30 seconds.

**MR. TESTART:** I will just conclude with my remarks. I respect that we need to do work on this. Again, I acknowledge the Minister has made that commitment. In considering the budget, which is the work that we have put ourselves to, I just want to make sure that, if we have known costs coming at a future date, that we are accounting for them in this budget. That is my number one concern, but if the Minister is going to do it by way of supplemental appropriation, we will deal with that at a later date, and I accept that. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you, Mr. Testart. Anything further? Seeing none, I will call this activity. Liquor revolving fund, operations expenditure summary, activity total, \$63,000. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. Simpson):** Thank you, committee. Moving on to page 152, management board secretariat, \$64 million item. Comments or questions from committee? Mr. O'Reilly.

**MR. O'REILLY:** Sorry, just making sure I have got the right section. The NWT Heritage Fund, can someone tell me what the actual balance is in the Heritage Fund, because I cannot find it in the main estimates, and it is not in the business plans. I will make a comment about that in a minute, but I would like to know what the balance is. Thanks.

**CHAIRPERSON (Mr. Simpson):** Thank you, Mr. O'Reilly. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. Mr. Chair, as of Valentine's Day 2018, the balance in the Heritage Fund was \$17,110,798.32. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. Great to get that Valentine's gift from the Minister of Finance. Is there not somewhere in the business plan or in the main estimates that that total can be shown? We have got "liquor revolving fund presentation" as an information item in the main estimates, but something as fundamental as the Heritage Fund, I have to ask on an annual basis what the balance is. I am sure I could go and check in the public accounts, but, by the time we get the public accounts, they are more than a year old.

Is there not some way that we can show what the balance in the fund is through a footnote or a presentation in the business plan somewhere? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. Mr. Chair, I take the Member's point, and I have had this question, I think, the last two budgets we have gone through. I will make the commitment that the balance of the Heritage Fund will show up in the business plans and the main estimates. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you, Minister, for that commitment. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. I appreciate that commitment. I am the guy who keeps raising it and bugging you about it, so, yes, if we can find a way to do that, that would be great. One of our mandate commitments is that we are going to look at the Heritage Fund Act legislation. Concerns have been raised around making sure that there is a legislatively defined revenue stream into the fund and that there is some greater role for the public in terms of governance. Where are we at with the legislation? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you, Mr. O'Reilly. Mr. Stewart.

**MR. STEWART:** Thanks, Mr. Chair. I think we are in a position to be able to come to standing committee now and talk about the options that might be available to us. I think the option that we will probably be recommending to the Minister is related to looking at the types of investments that

are currently set out and then possibly getting some external help with the management side of that. When the Heritage Fund was set up, it was very conservative in terms of the types of things. You look at other funds, including some that are operated by the Legislative Assembly, that allow much more, I do not want to say "risky," but certainly the potential for more growth. We think we can follow that model, and that extra revenue that we would generate would be more than enough to offset the cost of getting some external help on the management side.

We think that is probably the way to go in terms of improving the operation and making sure we are getting maximum value without taking too great a risk on the Heritage Fund. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. Yes, I appreciate that. Is that conversation going to start with standing committee sometime in the next two or three months? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Yes, thank you, Mr. Chair. We will come before standing committee within the next two or three months. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. I appreciate that, and I look forward to the discussion. Is this the place where I can ask about the Northern Resident Tax Deduction, which I know is a federal income tax area, but is this where I can ask questions around indexing of that deduction? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you, Mr. O'Reilly. Is this the appropriate section, Mr. Stewart? Mr. Stewart has nodded in approval, as has the Minister. Mr. O'Reilly, do you have a question about that?

**MR. O'REILLY:** Thanks, Mr. Chair. They know what I am going to ask. Every year I come back, and I ask the same things: what are we doing about indexing the Northern Resident Tax Deduction, and what are we doing about the continuing frustration of NWT residents about audits of our travel receipts and so on? CRA will not set what the lowest northern air fare is. People have to try to guess it on an annual basis, and then we get audited.

What are we doing about those issues? I keep coming back and asking. I know the Minister says he is working on it, but what we need is for the

Minister to put pen to paper and write a letter to the Minister responsible for CRA and say, "Fix this," and tell her how to do it. What are we actually doing on these two matters? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you, Mr. O'Reilly. Minister.

**HON. ROBERT MCLEOD:** Yes, thank you, Mr. Chair. Mr. Chair, to the Member's point -- and he has raised this a couple of times, and we have had correspondence from the Member on this particular issue -- I have had conversations with the federal Minister. I have raised it with him. We have had conversations with CRA and raised the issue with them. I have also, in the last meeting, had conversations with our counterparts in Nunavut and Yukon on some of the challenges that are common between all three jurisdictions. They have gotten our message, and we will continue to have those conversations. We will try to move it along a little more quickly, but continue to have those conversations.

I am going to turn it over to Mr. Stewart to touch on the second part of the Member's question if I may, Mr. Chair. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you, Minister. Mr. Stewart.

**MR. STEWART:** Thanks, Mr. Chair. As the Member pointed out around the travel and the audits, we certainly have had several discussions with CRA about that. I am sure the Member is aware that they have proposed a solution, but it will take some time to implement that. We have followed up with them to see if there are things that we could expedite to move those changes or other options around some of the suggestions that have been made to maybe make that an easier process, but it is a federal program. We will continue to push, but, at the end of the day, the federal government will have to decide what they are going to do with that. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. Yes, I did have some correspondence with the Minister about that on this very topic, particularly around the audits. Maybe I could just ask: what exactly is it that the federal government has to change to be able to set the value at a fixed amount or index a fixed amount for the air fares? What exactly do they have to fix? Is it a regulation? Is it a policy? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you, Mr. O'Reilly. Mr. Stewart.

**MR. STEWART:** Thanks, Mr. Chair. I believe those are set in regulation, but I would have to confirm

that. That is my understanding is that it is a regulation and under the federal system, but we will confirm that, and we can get back to the Member on that.

**CHAIRPERSON (Mr. Simpson):** Thank you, Mr. Stewart. Mr. O'Reilly, nothing from you? Next, Ms. Green.

**MS. GREEN:** Thank you, Mr. Chair. Mr. Chair, my questions are about the NWT Child Benefit, which is referenced on page 153 and on page 154. Mr. Chair, in November, Alternatives North had an economist recalculate the living wage for Yellowknife, and it also included the additional benefits that have been offered to families by both the NWT and Canada in the form of child benefits. The result of that work was that the family with two income earners did not qualify for the child benefit because the threshold for receiving the benefits was too low, and that is in spite of the fact that the income that this calculation was based on was a very modest income. My question is whether the Minister would consider raising the threshold on the NWT Child Benefit from \$80,000 to \$100,000, again, on the prorated basis that it exists today? Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you, Ms. Green. Mr. Stewart.

**MR. STEWART:** Thanks, Mr. Chair. As the Member noted, we did make the changes and increased the eligibility for the NWT Child Benefit. So far, since those changes have been made, there has been an average of 2,200 or so, approximately 2,200, families receiving that benefit. Prior to that, there were about 1,493 families, so there are about 700 more families who are now receiving that benefit than were previously. Obviously there would be costs with increasing the threshold level that would have to be considered along with other priorities, but there has been a significant expansion in terms of the number of families that are covered under the NWT Child Benefit. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you, Ms. Green.

**MS. GREEN:** Thank you. Thank you for that response. It is true that it is more widely available, but the point I am making is that this family of four, which this living wage calculation was based on, had an income of \$92,000 so they did not qualify for the NWT Child Benefit, and I am sure any of us sitting here can appreciate that \$92,000 annual income for a family of four is not a fortune. What I am asking is whether the Department of Finance can provide an estimate of the cost of raising the threshold to \$100,000 so that we can consider what that will cost? Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you, Ms. Green. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. Mr. Chair, I can commit to having the department do a review and see how many more people might take it, some statistics if we raised it to \$100,000. Again, you know, this is going to be another cost driver. Another one of the reasons we need to look at trying to generate more of our own source revenues is so that we can pay for particular programs like this, but we will do the work, and once we get the data available or get the analysis done, we will sit down with committee and have a discussion with them on the way forward. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you, Minister. Ms. Green.

**MS. GREEN:** Thank you, I appreciate the Minister's commitment to do the research on that. I also agree with him that we need to find ways to generate more own-source revenue to pay for this and other things that will increase the wellbeing of the residents of the NWT. Leaving that segment aside, I am going to move on now to the corporate and administration costs of the deputy secretary of FMB. I note that costs have gone up by almost \$1 million this year, and I am wondering what the reason for that is? Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you, Ms. Green. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. Mr. Chair, the increase was due to the amortization of the fibre line. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Ms. Green.

**MS. GREEN:** Thank you, Mr. Chair. I see that the Mackenzie Valley Fibre Link is listed separately underneath, so what the Minister is saying is that these corporate and administration costs relate directly to that fibre line and not to anything else; is that correct? Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you, Ms. Green. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. Mr. Chair, the \$13 million that you see there is the annual payment to the partnership that built the fibre optic line, and the other figure you see is the amortization of that amount. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you, Minister. Nothing further from Ms. Green. Next, I have Mr. Testart.

**MR. TESTART:** Thank you, Mr. Chair. I am looking at the cost-of-living tax credit on page 154, and the amounts look to be stable between this year and the last fiscal year, but a decrease from the actuals in 2016-2017, so I am just wondering what was the cause of that decrease? Obviously, it is fewer people receiving the benefit, but does this number only change when fewer people are drawing from it, thus representing fewer people in the Territories as a total? Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. The Member is correct. There are fewer people collecting this, and so that is why there was a decrease in the numbers. Thank you. I am not sure why that is. I do not know if people have left the territories, which he alluded to, but we will have to find that out. I doubt that is what it is. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you, Minister. Mr. Testart.

**MR. TESTART:** I would hate to start speculating, but does the Minister have any other suggestions for what it could be? It just seems like, if everyone is eligible for this tax benefit, then, if we are paying less into it, it must mean there are fewer people in the territories. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you, Mr. Testart. Minister.

**HON. ROBERT MCLEOD:** Yes, thank you, Mr. Chair. Mr. Chair, I mean, we can commit to doing an analysis once the year is over, but, again, the Member and I are both speculating that it would be fewer people filing income tax, fewer people working, but we will do the work and get the analysis done, and we will share it with the committee. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you, Mr. Minister. Mr. Testart.

**MR. TESTART:** Thank you, Mr. Chair, and thank you to the Minister. For the NWT Child Benefit, now that it has been increased, which I greatly support, the data that has been increased, we see that it has gone up to \$2.2 million, and that number is again staying consistent. Is all of the cash going out to as many people as it can, or are there some people who are not benefitting from it because they are not filing taxes? Do we have an uptake problem, or is this just as good as it is going to get for lower income people out there? Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you, Mr. Testart. Mr. Stewart.

**MR. STEWART:** Thanks, Mr. Chair. It is a benefit that is done through the income tax system, same as the Canada Child Benefit. There is always concern with the filing rates, and we keep a pretty close eye on that. I can say that, by all reasonable sort of analyses based on population estimates and those sorts of things, we believe that it is certainly over 95 per cent that we are picking up. We can't know with absolute certainty around that because, obviously, population estimates are estimates, as well, but it appears like we have got pretty good coverage.

One of the areas that we do work with the CRA on, though, is: how do we do a better job making sure that residents understand that filing your income tax return is not just about the income tax but that it also lets you become eligible for a whole bunch of other benefits that are important, as well? We work with the CRA to get that information in the hands of people like the GSOs and those sorts of things to make sure we are getting the filing rates that we need. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you, Mr. Testart.

**MR. TESTART:** Thank you. Is that also a function of case workers and income support and that kind of social services side of things? So are we getting into more than just the service centres and service operators but actually case managers and client officers who are working with people in impoverished circumstances? Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you, Mr. Testart. I know that is more of an Education, Culture and Employment issue, but does the Minister have any information on that?

**HON. ROBERT MCLEOD:** Well, no, just to say that the Member is correct. I mean, it is through the case work. Also, the GSOs will help them with that, as well, so that proves the importance of those positions, as well. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Testart.

**MR. TESTART:** Thank you, Mr. Chair. So I think these kinds of benefits, these tax benefits, are really effective mechanisms for the government to get money into the pockets of the people and to allow those people to spend back into the local economy. So we have several new forms of taxation that we know are going to come down; well, two, I should speak to directly, cannabis and carbon. Both of those have a stated public policy objective. The revenues we use from that in many jurisdictions, especially in the context of carbon, they've created new tax benefits to put some of

those revenues back into the pockets of citizens to help deal with the cost of living increases caused by a tax, and also into other funding available to corporations and businesses; but if we are to create a tax for carbon that is a similar to the cost of living tax credit, are we going to be establishing a low carbon tax credit? Is that part of the game plan moving forward on carbon tax? Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you, Mr. Testart. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. Mr. Chair, we are looking at a number of different options, and I think we've gone before committee and presented some of those options. We are waiting to hear back from committee. We'll continue to have those discussions, and then in the absence of waiting on the response from committee, I do not think we should be having that discussion on the floor of the House; but just to assure people that we have done our work and we do know what some of the effects may be, and we are taking steps to mitigate those. Once we have our conversations with committee, then we'll be able to publicly discuss that. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Testart.

**MR. TESTART:** Thank you. So any changes or any development of tax credits that you would see in the mains normally, if we are to have those discussions, they will happen at a later date and any financial implications to this budget will be discussed at a later date. Can the Minister confirm that?

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Yes, that's correct.

**CHAIRPERSON (Mr. Simpson):** Thank you. Anything further, Mr. Testart?

**MR. TESTART:** Yes, one last thing. Like my honourable friend from Frame Lake, I always have to ask the same thing, too. I am looking for the tax cut to small businesses. Could the Minister point me to the area in the main estimates that contains that tax cut? Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Yes, thank you, Mr. Chair. Mr. Chair, the Member does not see it in there because it's not there. We have not put it in there, and chances are, and I have said it before, there is a number of other ways that we help small business. So I am not sure if it's one we'll see by

the end of the Assembly, but again, we have those discussions with committee. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Testart.

**MR. TESTART:** I am disappointed, but I will look forward to further discussing this both on the floor of this Chamber and in committee. Nothing further. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you, Mr. Testart. I have no one further on my list, so I will call this activity. Everyone can speak once to a section; only once, as was discussed in committee. There is always another kick at the can when we get to the departmental summary. So I will call this activity. Management Board Secretariat, operations expenditure summary, activity total, \$64,180,000. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. Simpson):** Thank you, committee. Office of the Comptroller General, starting on page 156. Comments or questions from committee? Seeing none, office of the Comptroller General, operations expenditure summary, activity total, \$65,044,000. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. Simpson):** Thank you, committee. The last two pages are information items about the liquor revolving fund that are inexplicably here instead of with the liquor revolving fund. Do I have comments on these information items? Ms. Green.

**MS. GREEN:** Thank you, Mr. Chair. I know we talked about the liquor revolving fund a little earlier. My specific question is whether the government has money to put aside to start up cannabis sales; that is, they have to buy the cannabis in order to re-sell it. So where is the money for that? Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you, Ms. Green. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. Mr. Chair, it's not showing up in here because the federal legislation needs to be passed before that, and I think, when that does happen, that will happen through the liquor revolving fund. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you, Minister. Ms. Green.

**MS. GREEN:** Thank you, Mr. Chair. I recognize that the legislation hasn't been passed yet. Does the Minister have an estimate of how much money is required to start up cannabis sales? Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you, Ms. Green. Minister.

**HON. ROBERT MCLEOD:** The quick answer is no, Mr. Chair. We do not know what it's going to cost to start up cannabis sales. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Ms. Green.

**MS. GREEN:** Thank you, Mr. Chair. Mr. Chair, I am surprised to hear that. This is a methodical and planning sort of department, and we know that this legislation is being considered and there is an implementation date, so at what point would the Minister know how much start-up money is required? Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you, Ms. Green. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. I have to apologize to the Member. Of course, you know, we are doing some preliminary work and some preliminary numbers, and I think I made a commitment earlier in the deliberation to go back to committee and have a discussion with committee on this particular issue. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Nothing further from Ms. Green. We can return to the departmental summary on page 139, but first, committee, we will discuss the proposed borrowing plan of the Government of the Northwest Territories. It is on page 141, but it also has its own blue tab, the second blue tab in the binder on page XV. Do we have comments or questions on this? First, Ms. Green.

**MS. GREEN:** Thank you, Mr. Chair. Mr. Chair, my first question concerns page 130. The actual amount of personal income tax or the revised estimate of income tax for the current fiscal year is about --

**CHAIRPERSON (Mr. Simpson):** Ms. Green, first we are discussing the borrowing limit, which is on page 141 and also in the second blue tab, and then we will return to the departmental total, where that can be discussed. So right now we are on page 141, or the second tab, borrowing plan. So should I go to Mr. O'Reilly?

**MS. GREEN:** No, I have it here.

**CHAIRPERSON (Mr. Simpson):** Ms. Green. Sorry about that.

**MS. GREEN:** That's okay. I beg your pardon; I created some confusion there. What I see, Mr. Chair, is that we are very close to our \$1.3 billion borrowing limit. Under what circumstances would

the government apply to increase that limit? Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you, Ms. Green. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. Mr. Chair, I realize we are getting fairly close. I have had an initial discussion with the Minister of Finance and I did say that I was looking forward to having a further discussion on this particular issue if there was a need to increase our borrowing limit. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you, Minister. Ms. Green.

**MS. GREEN:** Thank you, Mr. Chair. Mr. Chair, I wonder: is the Minister of Finance for Canada receptive to the idea of increasing the borrowing limit? Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you, Ms. Green. Minister.

**HON. ROBERT MCLEOD:** When you first discuss issues with the federal Ministers, initially they're not receptive to them. You just have to convince them as to why you need it, and then you get support from the folks in the Northwest Territories. We've had those discussions. I can't say whether or not he was receptive, but we make a case and they look at it based on the case we make and make a decision based on that. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you, Minister. Ms. Green.

**MS. GREEN:** Thank you, Mr. Chair. So what kind of a case has the Finance Minister made in this initial interaction to increase the limit? Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you, Ms. Green. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. Mr. Chair, I have had an initial discussion with the Minister of Finance, saying that we need to get into a discussion to talk about an increase to our borrowing limit, so our challenge now is that we put the information together, we go down, we make a good argument as to why we need it, and then the decision is, hopefully, made from there. So the initial discussion I had with him was just to give him a heads-up that we are looking to come forward with a case as to why we think our borrowing limit needs to be increased. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you, Minister. Ms. Green.

**MS. GREEN:** Thank you, Mr. Chair. I appreciate the response from the Finance Minister. What does he anticipate the lead time is between fully making

the case for an increase in the borrowing limit and getting approval for that? How much time does he anticipate that will take? Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you, Ms. Green. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. Mr. Chair, as I have often, I will inform a meeting with the Minister of Finance again, I will make an argument. They take it back to their Cabinet, and they can do it through an order in council, is my understanding. So they can make it happen fairly quickly, depending on the time that we go down there and present our case. I do not have the exact timeline for that. We are just working on it now. As soon as I do, I will inform Members. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Ms. Green.

**MS. GREEN:** Thank you, Mr. Chair. Mr. Chair, my last question in this area is whether the Minister anticipates having approval to increase the borrowing limit within the life of this 18<sup>th</sup> Assembly? Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Yes. Thank you, Mr. Chair. Mr. Chair, I will make the case for an increase, and, as far as whether we will get it or not, that is not our decision to make. It is a federal decision, but we will make the best case possible. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Ms. Green.

**MS. GREEN:** Thank you very much for your responses. I have nothing further.

**CHAIRPERSON (Mr. Simpson):** Thank you, Ms. Green. Mr. Testart.

**MR. TESTART:** Thank you, Mr. Chair. I am just looking for clarification on the borrowing plan. The first two columns here are the estimated balances of March 31, 2018, and then the estimated balance March 31, 2019. Could the Minister just explain the difference between the two? Is this the balance of the total debt, what it looks like currently, at the start of the fiscal year, and what it will look like at the end of the fiscal year? Is that correct?

**CHAIRPERSON (Mr. Simpson):** Thank you, Mr. Testart. Mr. Stewart.

**MR. STEWART:** Thanks, Mr. Chair. The Member is right. So the first column would be the estimated balance that will be in place at the end of this fiscal year, and then the second one is the balance for

the next fiscal year, so by March 31, 2019. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Testart.

**MR. TESTART:** Thank you, Mr. Chair. I am on page Roman numeral XV. So the first item on this page is short-term debt less than 365 days, so the difference between the two columns is \$2 million. So is it anticipated that we'll have cleared off \$2 million from short-term, from our balance of short-term debt, by the end of the fiscal year? Am I reading that right? Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you, Mr. Stewart.

**MR. STEWART:** Thanks, Mr. Chair. The Member is correct. So we are forecasting a cash surplus of \$2 million for the year, and then that would then reduce the short-term debt by that \$2 million. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Testart.

**MR. TESTART:** Nothing further, thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Anything further from committee? Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. So the estimated balance of March 31, 2019, that does not include anything related to Mackenzie Valley Highway, Slave Geological Province Road, Taltson Hydroelectric Expansion, yet our government continues to make application to the federal government for these things. How could we possibly carry those out when we are so close to the debt limit already? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Thank you, Mr. Chair. Mr. Chair. Those are not approved projects, so we do not account for them. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. I appreciate the response from the Minister, but that's not what I asked. Given that we do not have much room before we hit the debt wall, how can we have any assurance of that? Why do we keep submitting these proposals to the federal government for these large infrastructure projects when we do not have much fiscal capacity to do it? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you, Mr. O'Reilly, Minister.

**HON. ROBERT MCLEOD:** Yes. Thank you. That goes back to my responses to Ms. Green before. This is one of the reasons that we would go to the federal government. If we do get a project of this size, part of the proposal we bring to them is that we need to see an increase to our debt limit to help us with our share of the project. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. I have been on record as expressing concerns about raising, perhaps, unrealistic expectations by submitting all of these large infrastructure project proposals at the same time, so I will leave that one at that. That's all I have got. Thanks.

**CHAIRPERSON (Mr. Simpson):** Thank you. Anything further from committee? Seeing nothing, I will call the borrowing plan. Borrowing plan for the government reporting entity and established borrowing limits for the Government of the Northwest Territories, total government borrowing, established limits per 2018-2019 Appropriation Act, \$811,688,000. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. Simpson):** Thank you, committee. Committee, please turn back to Department of Finance. We can now consider the departmental total and the information contained on pages 136 to 140. That includes the revenue summary, graphs, organizational charts. First, I have Ms. Green.

**MS. GREEN:** Thank you, Mr. Chair. Mr. Chair, I am going to have another run at that question that I tried in the wrong place. So what I see on page 140 under taxation, personal income tax, is that the estimate of income tax to be collected in this fiscal year, about \$82.5 million; in the next fiscal year, about \$103 million? I am wondering why the Department of Finance thinks there will be a rebound of over \$20 million in this area. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you, Ms. Green. Mr. Stewart.

**MR. STEWART:** Thanks, Mr. Chair. So, when we forecast the take from personal income tax as well as corporate tax, we work with Finance Canada. I think the Member can appreciate that you do not have the full benefit of all of the tax filing when you are doing those estimates.

In the case of the 2017-2018 revised estimates, where the personal income tax went down quite significantly, the reality is that Finance Canada had overestimated the amount. What they discovered is that there were some, what they described as, "tax

behaviours" that they did not account for, that were a result of some of the changes at the federal level in the income tax, and people were taking steps to avoid any increases that may take place.

Most of those impacts are expected to be just a single-year impact, and that is why they forecast for the following year, that we would be back up to \$103 million, because of the one-time nature of some of the impacts that they saw.

We work closely with Finance Canada as they get those tax returns in to see if there are any other patterns. You could well imagine with all of the tax filers, sometimes those patterns are hard to discern, but that is the reason why it goes down and then is coming back up. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Ms. Green.

**MS. GREEN:** Thank you, Mr. Chair. I appreciate Mr. Stewart's response. Does he have any example of tax avoidance as he referenced in his answer? Is he talking about, for example, investments in RRSPs or something other? Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you, Ms. Green. Mr. Stewart.

**MR. STEWART:** Thanks, Mr. Chair. I do not have anything too specific, but I am sure the Member was aware of all of the various proposals that the federal government put forward. I think there were things around income-splitting and being able to have some of the expenses from your business written off for family members and those sorts of things.

Not all of those changes came through, but, when they were announced as possible changes, I think what happened was that people were noting that those were coming and did some steps to structure themselves a little bit differently.

We can see if the federal government has a paper on some of those specifics that they could share with us, that we could maybe give to the Members to be able to explain some of those differences that took place. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Ms. Green.

**MS. GREEN:** Thank you to Mr. Stewart for that answer and to the offer of the additional information. I will leave that category.

Still under the category of taxation on page 140, the fuel tax and the payroll tax, does the GNWT audit these taxes for compliance? Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Yes, we do, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Ms. Green.

**MS. GREEN:** Thank you to the Minister for that response. When did the GNWT last audit each of these taxes? Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Stewart.

**MR. STEWART:** Thanks, Mr. Chair. In our taxation division, there are tax auditors in that group, and they are pretty much constantly auditing various filers to look at their records and making sure that we are getting the level of tax.

It's not so much an audit of the entirety. It's a rotating audit of all of the various tax collectors that we would have on those, as well as some of the big payroll tax payers and those sorts of things. We have a unit where that is their business, to do those audits with businesses and with tobacco tax folks. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Ms. Green.

**MS. GREEN:** Thank you, Mr. Chair, and thanks again to Mr. Stewart for that response. Can he give a very high-level view of what the audits show? How much leakage is there in these areas in non-compliance paying? Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Stewart.

**MR. STEWART:** Thanks, Mr. Chair. I think, typically, what the audits end up finding is there are some record-keeping issues sometimes with folks or that they misclassified. In the case of the fuel type, they may have misclassified some fuel types, but, generally speaking, I think, with the reality of the audits, people know that we are coming, and they tend to keep pretty good records for us.

You always find a little something that they can improve on administratively and those sorts of things, but I do not think that it would be fair to say that there is a pattern of an area where people are being non-compliant. It's really just to make sure the record keeping is done in a way that makes sure that we can feel comfortable that we are getting what we should be getting under the tax system. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Ms. Green.

**MS. GREEN:** Thank you, Mr. Chair. Thank you to Mr. Stewart for that response. What I hear is that he has a lot of confidence that all of the tax owing is in

fact tax paid in these two taxes. Can he please confirm that? Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Stewart.

**MR. STEWART:** Thanks, Mr. Chair. Yes.

**CHAIRPERSON (Mr. Simpson):** Thank you. Ms. Green.

**MS. GREEN:** Thank you, Mr. Chair. Thank you to the witnesses for their responses. Nothing further.

**CHAIRPERSON (Mr. Simpson):** Thank you. Next, Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. I want to ask about the Mackenzie Valley Fibre Optic Link revenue line on page 140. Back in 2017-2018, it was predicted to be \$1.182 million, but it was significantly less. Can someone explain what is happening there and why we are not getting the revenues that were predicted? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Kalgutkar.

**MR. KALGUTKAR:** Thank you, Mr. Chair. When we prepared the main estimates for 2017-2018, we were projecting that the fibre line would be in service by April 1<sup>st</sup> of that year. The fibre line did not come into service until the summer of that fiscal year, which is why we saw a little bit of a drop in our projected revenues, and we are still projecting a little bit of a drop for 2018-2019.

We are being fairly conservative in our forecast. The number of customers that we do have using the line right now is what we were anticipating. They are not downloading at the capacity that we were anticipating because of the lateness of the fibre. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. I did not quite catch that at the end. The demand that we predicted is not there? Is that what is driving the reduced revenues? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Kalgutkar.

**MR. KALGUTKAR:** Thank you, Mr. Chair. The number of customers are there. Because we were a couple of months late, we did have to undergo some testing of the fibre line. When that was happening, the amount of capacity that these customers were purchasing was lower than we were anticipating.

However, our customer count is higher than we anticipated and will be increasing shortly because we do have another satellite customer coming onboard within the next couple of months. We are seeing indications that these customers are starting to buy more capacity. As the customers start getting the confidence that the line is operating like it is supposed to be operating, I think we will start seeing the revenue start going up. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. I guess I am still concerned that maybe we were overly optimistic with that one, but I look forward to seeing how it rolls out. Are there any plans to expand the network to Tuktoyaktuk or other communities along the way, like Jean Marie River? Is this something that Finance is starting to think about? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Yes, thank you, Mr. Chair. Mr. Chair, we do have plans to expand the service down to Tuktoyaktuk, and I think it is part of our federal submission to expand it to Tuktoyaktuk.

As far as the other communities, I am not sure we have looked at those yet, but, if we have not looked at them, I am sure we will, and we will do a cost analysis of what it might cost to run lines into those communities, as well. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Maybe it's time to update the standing committee, then, if there's a three- or five-year plan for this, given that the revenues may not be what you predicted or they're somehow going to pick up and that there is a plan to expand that. I think it's probably time to update standing committee. Is that something the Minister is committed to doing? Thanks.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Yes, thank you, Mr. Chair. Mr. Chair, yes, we are optimistic that this line is going to benefit, as Mr. Kalgutkar said. As it is starting to prove itself worthy, then you get more people online. I will commit to updating the Regular Members' committee on some of the work that we are doing and get some feedback from them, as well. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Okay. I want to move on to corporate income tax, which has taken a precipitous drop from the 2017-2018 Main Estimates of \$83 million down to \$31 million. So can someone explain what is happening here? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Yes, thank you, Mr. Chair. Mr. Chair, that is a result of one of the large payers having the ability to write off their infrastructure investments in one year, and that is what they chose to do for this particular year, so that is why you see a significant drop in the corporate income tax. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Well, I understood they could write it off against mining royalties, but they also have an opportunity to write it off against corporate income tax, as well. Is it double accounting? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Yes, thank you, Mr. Chair. My understanding is that they can write it off against both royalty and corporate tax, and they may have chosen to do so. I will confirm that, and I will share it with the Member. I will share it with committee. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** That causes me a little bit of concern, so what is it we can do as a government to make corporate income tax or taxes in general more predictable and stable? I will start with that, thanks, Mr. Chair?

**CHAIRPERSON (Mr. Simpson):** Thank you, Mr. O'Reilly. Mr. Stewart.

**MR. STEWART:** Thanks, Mr. Chair. It is a real challenge for us because we have a couple of factors that are at play here. One is that we do not have that many large filers in terms of the system, so the behaviour of any one of them in terms of a circumstance where they may be able to do more write-offs can have quite an impact. The other issue is that corporations can go back and re-file for previous years, so there are always adjustments that are taking place, as well, and then, because we would have already received that money from the

federal government, then they are clawing that back from us, for lack of a better term, in subsequent terms. So I think you'll never really see a ton of stability on the corporate tax side just because it's a small base and there are lots of ways that the system can go up and down, so it is just a reality that we face in our corporate income tax. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you, Mr. O'Reilly.

**MR. O'REILLY:** Thank you, Mr. Chair. Yes, so I think earlier the Minister committed to talking to standing committee about the issue of revenues. I am hoping that he would agree to have a broader approach to this that could involve the public, as well. A couple of years ago, we did a revenue options paper. Is that something that the Minister is prepared to do again to engage the public on this issue of revenues? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Yes, thank you, Mr. Chair. Mr. Chair, first of all, in the process we operate under, I want to have a conversation with standing committee, and then we will look at the possibility of having a broader discussion at that time. I know they and we always welcome comments to the Department of Finance on revenue options, whether we proceed with them or not. I mean, we have to have a look at them, but it is not like they can only comment when we go out for public discussion. Comments are always welcome, and then I am sure we get the odd one as to how we can increase revenue. I want to have a conversation with committee, and then we will go from there. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Mr. Chair, this is going to be more of a comment. I appreciate the Minister's response, talking to the standing committee first, but I am certainly advocating for the public process, revenue options paper like was done a couple years ago, and I have continually given the Minister ideas about how to stabilize and make our revenues more predictable through a resource tax, capital tax. There are lots of different instruments out there. I think it is time we start to look at those. All of our effort so far have been on the expenditure side of the equation, and we need to start to focus more attention on the revenue side. Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you, Mr. O'Reilly. Anything further from the Minister?

**HON. ROBERT MCLEOD:** There is, but I will accept that as a comment. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Anything further from committee? If not, I will call the department. Department of Finance, total department, \$234,688,000. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. Simpson):** Thank you, committee. Does committee agree that this concludes our consideration of the Department of Finance?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mr. Simpson):** Thank you, committee. Thank you to the Minister and your witnesses. Sergeant-at-Arms, you may escort the witnesses from the Chamber. What is the wish of the committee? Mr. Testart.

**MR. TESTART:** Thank you, Mr. Chair. I move that the chair of Committee of the Whole leave the chair and rise to report progress. Thank you.

**CHAIRPERSON (Mr. Simpson):** Thank you, Mr. Testart. There is a motion to report progress. The motion is in order and non-debatable. All of those in favour? All of those opposed?

---Carried

The motion is carried. I will now rise and report progress.

**MR. SPEAKER:** May I have the report, Member for Hay River North?

### Report of Committee of the Whole

**MR. SIMPSON:** Mr. Speaker, your committee has been considering Tabled Document 63-18(3), Main Estimates 2018-2019, and I would like to report progress. Mr. Speaker, I move that the report of the Committee of the Whole be concurred with.

**MR. SPEAKER:** Masi. Do I have a seconder? Member for Yellowknife Centre. The motion is in order. All those in favour? All those opposed?

---Carried

Masi. Item 22, third reading of bills. Mr. Clerk, item 23, orders of the day.

### Orders of the Day

**CLERK OF THE HOUSE (Mr. Mercer):** Orders of the day for Monday, February 26, 2018, 1:30 p.m.:

1. Prayer
2. Ministers' Statements

3. Members' Statements
4. Returns to Oral Questions
5. Recognition of Visitors in the Gallery
6. Acknowledgements
7. Oral Questions
8. Written Questions
9. Returns to Written Questions
10. Replies to Commissioner's Opening Address
11. Petitions
12. Reports of Standing and Special Committees
13. Reports of Committees on the Review of Bills
14. Tabling of Documents
15. Notices of Motion
16. Notices of Motion 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
  - Minister's Statement 1-18(3), North Slave Correctional Complex Inmate Concerns
  - Minister's Statement 19-18(3), Aurora College Foundational Review Process
  - Minister's Statement 32-18(3), Update on the Northwest Territories Disability Framework and Action Plan
  - Tabled Document 63-18(3), Main Estimates 2018-2019
21. Report of the Committee of the Whole
22. Third Reading of Bills
23. Orders of the Day

**MR. SPEAKER:** Masi, Mr. Clerk. This House stands adjourned until Monday, February 26, 2018, at 1:30 p.m.

---ADJOURNMENT

The House adjourned at 2:01 p.m.

