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The Honourable Jackson Lafferty, Speaker

Legislative Assembly of the Northwest Territories

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Box 1320
Yellowknife, Northwest Territories
Tel: (867) 767-9010 Fax: (867) 920-4735 Toll-Free: 1-800-661-0784
<http://www.assembly.gov.nt.ca>

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YELLOWKNIFE, NORTHWEST TERRITORIES**Thursday, August 15, 2019****Members Present**

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 1:32 p.m.

Prayer

---Prayer

SPEAKER (Hon. Jackson Lafferty): Good afternoon, Members. Item 2, Ministers' statements. The Honourable Premier.

Ministers' Statements

MINISTER'S STATEMENT 223-18(3):
MINISTER ABSENT FROM THE HOUSE

HON. BOB MCLEOD: Mr. Speaker, I wish to advise Members that the honourable Glen Abernethy will be absent from the House today due to illness. Thank you, Mr. Speaker.

MR. SPEAKER: Masi. Ministers' statements. Minister of Environment and Natural Resources.

MINISTER'S STATEMENT 224-18(3):
NWT WASTE RESOURCE MANAGEMENT
STRATEGY

HON. ROBERT MCLEOD: Thank you, Mr. Speaker. The Government of the Northwest Territories made a mandate commitment to develop a strategy for improving the way that waste is managed in the Northwest Territories.

Waste management is a shared responsibility, and improving waste management in the Northwest Territories requires a collaborative approach that considers the diverse interests of all groups producing and managing waste.

After extensive engagement, I am pleased to share that the Department of Environment and Natural Resources, together with the Department of Municipal and Community Affairs, has completed and released the NWT Waste Resource Management Strategy and Implementation Plan, a 10-year roadmap to reducing and managing waste in the NWT.

Mr. Speaker, the NWT Waste Resource Management Strategy and Implementation Plan reaffirms the GNWT's commitment to working with

our community and private-sector partners to manage the resources and potential economic and environmental benefits from household, commercial, and industrial waste, both from the private sector and our municipalities

The Strategy and Implementation Plan has four overarching goals:

- Preventing and reducing waste at the source;
- Diverting waste from disposal;
- Improving waste management facilities and practices; and
- Leading by example, through initiatives that help us to "green our government."

These goals are intended to foster a shift away from the current disposal model approach to waste management to one that will reduce the amount of waste from residential and non-residential sources that is sent to landfills. This shift aims to disrupt the current model of making, using, and disposing of resources in order to better protect our environment and reduce the amount of waste that is sent to NWT landfills.

Mr. Speaker, by focusing on improving waste management practices and policies, the strategy will ultimately help communities in the NWT reduce the long-term liabilities and costs associated with hazardous waste and shortened landfill life, and contribute to the green economy by creating opportunities for new businesses and jobs to emerge in the waste management sector.

The Waste Resource Management Strategy and Implementation Plan was developed based on extensive public engagement. I want to thank our residents and the many Indigenous and community governments, regulatory boards, federal agencies, professional associations, non-government organizations, businesses, industry, and commercial operators for helping to shape this 10-year roadmap toward improved waste management in the NWT.

This strategy will help us to reduce waste and support a healthy environment for generations to come. Thank you, Mr. Speaker.

MR. SPEAKER: Masi. Ministers' statements. Minister of Infrastructure.

MINISTER'S STATEMENT 225-18(3):
UPDATE ON STRATEGIC TRANSPORTATION
CORRIDORS

HON. WALLY SCHUMANN: Mr. Speaker, early in the life of the 18th Legislative Assembly our government made a commitment to secure funding for the advancement of new strategic infrastructure corridors. It is a commitment that we made in Connecting Us, the Northwest Territories 25-year Transportation Strategy, as well as in our government's mandate.

The three priority transportation corridor projects our government is pursuing are the Tlicho All-Season Road, the Mackenzie Valley Highway, and the Slave Geological Access Corridor. Each of these projects will help connect communities, support employment and training opportunities, increase our resiliency to climate change, and create new social and economic opportunities.

Mr. Speaker, today I am pleased to provide an update on these projects.

Less than two years ago, our government opened the Inuvik to Tuktoyaktuk Highway. Now, we are getting ready for the construction of another new highway: the Tlicho All-Season Road. When it opens, this highway will cover a distance of 97 kilometres and provide year-round access from Highway No. 3 to Whati. The Environmental Review and Regulatory Processes are nearing completion, with construction on track to begin this fall.

Construction and maintenance of the road will result in significant employment and training opportunities for Tlicho residents, which supports the development of a strong northern workforce. In fact, specific requirements have been established for hiring and training local residents. In the long term, the road is expected to reduce the cost of living for the region and support new social opportunities, while helping to attract additional interest from industry in the exploration and development of natural resources.

Mr. Speaker, we are working closely with the Tlicho Government on this project and thank them for their support. The Tlicho Government is an equity partner in North Star Infrastructure, with whom the GNWT has a Public-Private Partnership, or a P3, Project Agreement to design, build, finance, operate, and maintain the road. As we have seen with the Stanton Renewal and Mackenzie Valley Highway Fibre Link, P3s are an effective way of delivering large, strategic infrastructure projects that are essential for the Northwest Territories. They allow our government to bring in private-sector

expertise and accountability to the process, while preserving government ownership of core public assets.

Mr. Speaker, work has also continued on the advancement of the Mackenzie Valley Highway, focusing on the section of highway from Wrigley to Norman Wells. Last year the federal government announced \$102.5 million to advance the highway under the National Trade Corridors Fund. The Government of the Northwest Territories has committed \$37.5 million to the project, bringing the total investment to \$140 million.

Mr. Speaker, continuing to extend the Mackenzie Valley Highway will connect more communities to the all-weather road system, while increasing resiliency of the winter road system to the impacts of climate change. The project is currently the subject of an ongoing environmental assessment, and work has started on the preparation and submission of the developer's assessment report. The Department of Infrastructure has started holding community engagement sessions in Norman Wells, Tulita, Wrigley, and Fort Simpson regarding the overall project. Additionally, community and stakeholder meetings will take place in the coming months in the Sahtu and Dehcho regions.

Most recently, the Government of the Northwest Territories and the Sahtu Secretariat Incorporated signed a memorandum of understanding to the advancement of the Mackenzie Valley Highway. The MOU outlines how we will cooperate through the environmental review and regulatory processes. Our government is also working with the Pehdzeh Ki First Nation on the advancement of the Mackenzie Valley Highway through the Environmental Review and Regulatory Process.

Mr. Speaker, we also continue to make progress on the Slave Geological Province. Yesterday the Government of Canada announced that it will provide \$30 million to support the advancement of the Slave Geological Province under the National Trades Corridor Fund. The Government of the Northwest Territories has committed \$10 million to the project, bringing the total investment to \$40 million. Funding will support planning and environmental studies that will lead to obtaining permits for road construction.

The Slave Geological Province Corridor will serve as an important transportation, hydro, and communications corridor, improving access to significant untapped mineral potential, helping us green the mining industry, and facilitating future resource exploration and development opportunities. This project is not possible without support from Indigenous stakeholders. I have discussed the project with the Yellowknives Dene,

Akaiitcho Territory Government, Tlicho Government, and North Slave Metis Alliance. Further discussions with Indigenous governments will continue over the coming months to explore future opportunities for their involvement in the project.

Mr. Speaker, our government also continues to work with the Kitikmeot Inuit Association on its proposed Grays Bay Road and Port project to further our long-term vision of an infrastructure corridor through the Slave Geological Province that will connect to an all-season road in western Nunavut that links to a deep water port on the Arctic Ocean. As we work through the environmental assessments and regulatory processes and pursuing the funding for these projects, we will continue to engage Indigenous groups and work with them to take advantage of the benefits that these projects will bring. We will also work closely with our counterparts in the Department of Environment and Natural Resources to ensure ongoing protection of wildlife and natural environment.

Mr. Speaker, strong, effective partnerships with the federal government and Indigenous governments are essential to the success of these projects. Together, we can improve transportation connectivity across the territory, which will help us achieve our social and economic goals and improve the quality of life in the North. Thank you, Mr. Speaker.

MR. SPEAKER: Masi. Ministers' statements. Item 3, Members' statements. Member for Kam Lake.

Members' Statements

MEMBER'S STATEMENT ON COERCED STERILIZATION

MR. TESTART: Thank you, Mr. Speaker. I rise today as an ally to add my voice to the grave and tragic issue of forced sterilization. This is not some past, dark chapter in Canadian history on which we have turned the page. It appears, based on several class-action lawsuits in front of the courts right now, that this barbaric practice is still in use. We hear now more and more voices rising up, sharing their stories, the traumas, and their terror of having been coerced into sterilization. I want to commend all of those who have spoken up to ensure that we hear their stories.

Mr. Speaker, contrary to popular belief, tubal ligation is virtually irreversible. It is undetectable to the untrained eye. Medical records are kept private for good reason, but a systemic review of these records may be the only way to begin to verify data and add weight to what is admittedly anecdotal at this time.

For us to address this issue, we must not only promise to do better, but we must take concrete steps to ensure that full and complete knowledge on the topic is gathered, preserved, and published. We must collect the stories of those who are affected and willing to come forward. We must commission a systematic review of medical records to uncover the full scope of this tragedy. We must continue to bring this to the forefront, and we must remain diligent and unrelenting as we move to take concrete action to criminalize coercion of this type. It is not simply enough to condemn this practice. We must also never forget that providing real support to those affected by this continuing tragedy is among our top priorities.

In closing, Mr. Speaker, I will repeat the words of the Member from Tu Nedhe-Wiilideh: "If you suspect that you or someone you know has been pressured for sterilization, make it be known. No person should have the procedure performed on them without free, prior, informed consent. Anything else would be a violation of the victim's human rights."

Sadly, it appears that the echoes of eugenics still haunt us today. Thank you Mr. Speaker.

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

MEMBER'S STATEMENT ON COUNTRY FOOD IN HEALTH CARE FACILITIES

MR. BLAKE: Thank you, Mr. Speaker. When I feel sick, I want comfort food. The same is true for our elders and family members who are in the hospital. Unfortunately, most traditional foods that we want when we are sick are not available in our hospitals and long-term care facilities.

In the Yukon, there is a traditional food program that serves wild game to patients that is donated by local hunters. They fill out a checklist ensuring the food has been handled safely before sending it to the local butcher, who also has to complete a checklist before sending the food to the hospital. At the hospital, liaison staff visit all Indigenous patients to help them access the traditional food, run by the First Nations Cultural Programs Coordinator.

In our last sitting the Minister said that the new Stanton Hospital would have the ability to prepare country food, but that it was not quite ready. I hope to hear from the Minister later today, or the Premier, that they are up and running. I also hope that they are looking at how to get country foods into our other health facilities in the territory and also our long-term care facilities. Thank you Mr. Speaker. I will have questions later today.

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

MEMBER'S STATEMENT ON
MARINE TRANSPORTATION SERVICES

MR. MCNEELY: Thank you, Mr. Speaker. Today I rise to make my statement. The Mackenzie River itself, Mr. Speaker, is 1,650 kilometres in length. In most areas, its 1.6 to 3.2 kilometres in width can present many logistical challenges, particularly during the later part of the low-water season.

I have seen it myself during my boat ride of last month between the communities of Norman Wells and Fort Good Hope. In particular, you have to cross two sets of rapids and, in particular, one just above Fort Good Hope, eight kilometres. There is a landmark rock on the outside of the boat route, the only route on that section that is passable. Now, the rock in my last trip was showing, measuring the low-water season.

Mr. Speaker, this is the main supply chain for many routes and coastal communities, the resupply that is the utmost importance to community residents and businesses that the Marine Transportation Services provides.

Last month, during my visit to the community of Hay River, I was accompanied by the Minister of Infrastructure to tour the Marine Training Centre, which gave me the privilege of meeting two young ladies taking marine courses, one from Deline and one from Tulita. It was quite remarkable to see them, Mr. Speaker, these young ladies pursuing their career choices. Given the logistical challenges that our service company has to resupply and the importance of sustaining those communities and the businesses and supporting the residents in particular the store shops, later, Mr. Speaker, I will have progress questions to the appropriate Minister on the progress of this sailing season on resupply. Thank you, Mr. Speaker.

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

MEMBER'S STATEMENT ON
FILM PRODUCERS INCENTIVE PROGRAM

MR. VANTHUYNE: Thank you, Mr. Speaker. Today I would like to talk about support for the film and TV production industry in the NWT.

Film and TV is one of our success stories. Our production industry has grown substantially in recent years, with feature films, international festival screenings, and TV series gaining attention across Canada and around the world.

The government has played an important role in that success. As the Minister stated in the House this week, 11 film projects have received our support in the last four years, leveraging about \$1.5 million in investment.

I spoke about this program in the last sitting. After that, I was pleased to take part in a meeting bringing in representatives of the production community together with the Minister so that he could hear first-hand from the industry how beneficial this program would be for the North.

Mr. Speaker, there is an appetite across Canada and around the world for our northern stories. More and more producers are becoming aware of the North and want to make their productions here, but the funding model that has been applied to media, ITI's SEED program, was designed to support business start-ups. It's not designed to recognize the unique qualities of the production industry and the production process.

Film industry representatives have proposed a better model, based on our very successful Mining Incentive Program. That program offers two streams of funding, one for planning and developing new projects and one for production, to actually bring a project into being. Similar to the Mining Incentive Program, this program could be funded up to \$1 million. Our production industry has grown significantly in recent years, but it has the potential to grow much more.

Northern producers have an incentive to develop projects in the North. They want the industry to grow so that they can pursue their craft here at home. They know the northern people and places, and they have northern stories to tell. All they need is access to sufficient resources and supports.

I will be working towards enhancing our funding system to provide stronger, more consistent support for this important, growing industry so we can continue to diversify our economy. Thank you, Mr. Speaker.

MR. SPEAKER: Masi. Members' statements. Member for Deh Cho.

MEMBER'S STATEMENT ON
MUNICIPAL LANDS IN ENTERPRISE

MR. NADLI: Mahsi, Mr. Speaker. I sense a growing frustration amongst residents and community governments in the NWT for the GNWT's approach to land administration. Residents on leased land want ownership in the form of fee simple title to enable them to get mortgages and invest in their properties. Business owners want land that is developed and zoned for commercial and industrial use. They also want certainty that the value of their

investment will not be undermined by their business being on or next to leased property, where property values are lower. Community governments need access to land for municipal development, such as the construction of a municipal building or recreation facility or the development of a park or trail system. They also want to be consulted on things like land withdrawals, both inside and adjacent to their boundaries, which might impact future growth.

Mr. Speaker, at a recent public meeting on Bill 46, Public Land Act, Mayor Winnie Cadieux of Enterprise asked the Standing Committee on Economic Development and Environment to amend the bill to make sure that there is a requirement for consultation with municipalities. She said, "When the GNWT comes into our community boundaries and wants to scoop up land for their own uses, that is just not right." I agree with her. The GNWT should be doing everything it can to ensure that, within community boundaries, municipal needs take precedence over the needs of the territorial government.

In fact, many municipalities feel that, now that devolution is complete, the GNWT should be converting all leased lands within community boundaries to fee simple title and transferring that title to communities. This would allow municipal governments to provide for their own future growth and development without having to apply to the GNWT for land approval on a parcel-by-parcel basis. This would help to eliminate the paternalistic attitude that communities experience when seeking land approvals from the GNWT. It would also help to overcome the piecemeal approach to land development that is inhibiting economic growth and development in communities.

I have spoken with Mayor Cadieux about Enterprise's experiences and their frustration in dealing with the GNWT. There are continuing concerns about the administration of lands within the community, and the leadership feels that it is being ignored. Mr. Speaker, I seek unanimous consent to conclude my statement. Thank you.

---Unanimous consent granted

MR. NADLI: While the term of this Assembly is drawing to a close, issues related to municipal lands are likely to continue. I hope that Ministers of lands and municipal and community affairs in the 19th Legislative Assembly will have the vision and leadership necessary to ensure that communities in the NWT have the land they need to grow and prosper. I will have questions for the Minister of Lands at the appropriate time. Mahsi, Mr. Speaker.

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

MEMBER'S STATEMENT ON NWT ARTS STRATEGY ACTION PLAN

MR. O'REILLY: Merci, Monsieur le President. The public and stakeholders consultations for the creation of an action plan for the NWT Arts Strategy have just wrapped up. ITI and ECE, who are leading this effort, say this work will now be added to research completed in March 2019 and result in action and new investments. I checked in with leaders in the arts sector who had input into the consultation, and I have not heard much positive as we work towards a fact-based, targeted action plan.

The problem is the lack of hard information specific to the producers and the NWT's operating environment. While government says it completed its research, sector players point out that, despite their pleas, comprehensive data has never been collected by survey of either individual artists and producers or the organizations offering cultural and performing arts products to the public.

We have national data about the NWT, which is impressive in itself. In 2017, the direct economic impact of cultural products was up 15 percent from 2010, estimated at \$77 million or \$1,723 per capita, in a sector directly employing 610 people. Impacts not revealed in that data are the contribution of cultural opportunities as part of the growing tourism sector or an evaluation of the impact of arts throughout the economy.

The GNWT's own rough data from 2012 shows that, while a million dollars spent in oil and gas extraction results in only half a job, the same million dollars creates seven jobs in the film or recording industries, a 14-times-higher rate of return.

The lack of comprehensive data specific to the cultural and arts sector makes it that much more difficult to access bigger pots of funds with no cost to the NWT. Artist and organizations need hard numbers to write applications for funding under Heritage Canada and Canada Council for the Arts programs.

The problem in terms of creating a successful action plan for the Arts Strategy is that this data should have focused and driven the consultations, providing a fact-based evaluation of what's working and what's not. I will have questions later today for the Minister of Education, Culture and Employment on how we can collect the data needed to help support the expansion of our arts and cultural sector while accessing other funding sources. Mahsi, Mr. Speaker.

MR. SPEAKER: Masi. Members' statements. Member for Hay River North.

MEMBER'S STATEMENT ON
SCHOOL BUSING IN HAY RIVER

MR. SIMPSON: Thank you, Mr. Speaker. This past June 26th, the last day of school, students were sent home with a letter from the Hay River District Education Authority stating that, starting September 9, 2019, students who want to ride the bus to school will need to purchase a bus pass. The estimated cost: \$300 to \$375 per student. As far as I know, there has never been any bus fees charged in Hay River up until this point.

This has upset a number of people in the community, and understandably so. No one wants to pay yet another fee. Some people didn't appreciate the timing of the letter, and some people were confused and angry because the letter raised more questions than it answered.

However, Mr. Speaker, beyond all of that, people were upset because they feared that this could negatively impact on children's attendance at school, and for good reason. If you live on Vale Island, you have between 5 and 11 kilometres to get to school. If you live in Delancey Estates, it's 10 or 11 kilometres. If you live in Paradise Gardens, it's 25 kilometres. Given those distances and the fact that it is winter for most of the school year, it is essential that students have the option to take a bus to and from school. Unfortunately, the DEA sees its fee as the only way to continue providing busing. The alternative, and I know it was considered, was to discontinue busing altogether, but luckily, that didn't happen.

The reason for the shortfall is that the DEA only receives enough funding to cover half the cost of providing buses. This means that, year after year, they've had to dip into funding meant to provide other educational services. It also means they haven't been able to put anything aside to save up to buy new buses to replace their aging fleet, which likely only have another year of serviceable life.

Now, someone stated that it's okay to charge for busing. After all, they charge right here in Yellowknife. I mean, in many cities across Canada, in fact. However, Mr. Speaker, we can't continually adjust our expectations based on the lowest standard. We need to decide what our priorities are. My priorities and the priorities of many of my constituents whom I have heard from are to lower barriers to education and increase the chances of success for our children.

Mr. Speaker, the funding shortfall isn't an enormous amount of money, but when divided up among a small number of families, it can become a roadblock for accessing education. I will have some questions for the Minister of Education about how we can solve this issue. Thank you, Mr. Speaker.

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

MEMBER'S STATEMENT ON
FUR HARVEST PROGRAMS

MR. NAKIMAYAK: Thank you, Mr. Speaker. Today I would like to talk about the hunters and trappers in the Northwest Territories, along with some highlights of two specific programs that are offered within the Genuine Mackenzie Valley Fur Program under the Department of Industry, Tourism and Investment. The program names are the Prime Fur Bonus and the Trappers' Grubstake.

Mr. Speaker, hunting and trapping has been a cornerstone of the NWT's traditional economy for centuries. Even today, it continues to be a vital source of commercial enterprise and income for many individuals and businesses across the Northwest Territories. In addition to the various economic benefits that come alongside this industry, hunting and trapping has also become a method for helping today's generation remain connected to their ancestral ways of life. Furthermore, Mr. Speaker, it is important that our local hunters and trappers are informed about GNWT's various programs that are available to them, among which include the Trappers' Grubstake and Prime Fur Bonus programs.

This brings me to the crux of the statement, because, in recent weeks and months, I have had numerous constituents enquire with me about the status and functionality of these two programs. For those who are unaware of these two programs, I would like to provide a brief summary of how they operate.

Firstly, Mr. Speaker, the Trapper's Grubstake Program is an initiative designed to help offset some of the start-up costs that hunters and trappers will often incur at the beginning of each season. The sums of money given out to people are determined by the number of pelts harvested by each hunter from the previous year, and can vary from \$100 to \$2,000 depending on the hunter's haul, quality of fur, and fur type. Moreover, the Prime Fur Bonus Program is a monetary top-up incentive that's designed to spur the highest quality of pelts.

Mr. Speaker, it is programs like these that help keep the sector of our economy alive and well. As many hunters and trappers across the Northwest Territories consider these programs essential for their livelihoods, so because of that, I find it concerning that I hear stories from constituents about outstanding money being owed to hunters and trappers for furs they sold in the spring. As far as I am aware, there aren't any other programs like this in other jurisdictions in Canada. To maintain a

sustainable system for our departments, our departments must work seamlessly with hunters and trappers who rely on these programs to hunt and trap across the Northwest Territories. Thank you, Mr. Speaker.

MR. SPEAKER: Masi. Members' statement. Member for Tu Nedhe-Wiilideh.

MEMBER'S STATEMENT ON PASSING OF ISADORE TSETTA

MR. BEAULIEU: Marsi cho, Mr. Speaker. Today I rise to speak about the passing of yet another long-time Yellowknives Dene elder, Isadore Tsetta. Isadore was predeceased by his parents Antoine and Monique Tsetta; his wife Elise; his siblings Benny and Rosanna; and his goddaughter Adeline. Isadore is survived by his children, Fred, Ted, Charles, Peter, and Isadore and Elise also raised Peter Charlo. His grandchildren are Valerie, Aleisha, Trisha, Tyler, Corbin, Laken, Kylie, Tamra, Billie and Karsen. His great grandchildren are Courtney, Noah, Nolan, Chaylee, Tyshanyah, Tadeh and Alexis. His godchildren are Alice, Priscilla, Shirley, Kathleen and Eileen, along with his extended family, the Blackducks, Liskes, and Sonfreres.

Mr. Speaker, Isadore Tsetta was born on October 24, 1925, and passed away on March 17, 2019, at age 93. Isadore was a well-respected leader and an influential elder within the Yellowknives Dene First Nation. His notoriety in the community began in the 1970s when he operated a Dene store at Detah. During that time, he was also a full-time trapper, and after that, he became chief of Detah from 1979 to 1987. Another project that Isadore was a part of was the Dene Mapping Project through the 70s and 80s. Where the Dene Nation collected data on land occupation to help create land management plans. In his later years, he was also a member of the Elders' Senate for the Yellowknives Dene.

Mr. Speaker, his son and the former chief of N'dilo, Ted Tsetta, described Isadore as a principled man who never backed down and who stood his ground for things that he believed in, especially when it came to anything related to the treaty, which was something he was a steadfast defender of throughout his entire life.

Mr. Tsetta was also somebody who I knew on a personal basis. He was a very well-respected man right across the territory. Thank you very much, Mr. Speaker.

MR. SPEAKER: Masi. Our condolences to the family, as well, and to the community. Members' statements. Member for Nahendeh.

MEMBER'S STATEMENT ON MEMBERS OF THE 18TH LEGISLATIVE ASSEMBLY

MR. THOMPSON: Thank you, Mr. Speaker. Today I would like to personally thank the four MLAs who are leaving the public service at the end of this 18th Assembly.

The job as a political leader is a daunting one, which they all carried out with hard work, integrity, and were a good and faithful servant for their constituents and all the people in the Northwest Territories. Each person made an effort to make me feel welcomed and respected, providing good advice. Even if we disagreed, we walked away understanding each other's point of view. Three of the Members, I had the pleasure of knowing before coming into this House, and the other Member, I got to know really well during the 18th Assembly.

Mr. Speaker, the Member for Twin Lakes was my Minister when I worked for the Department of Municipal and Community Affairs. He has been a straight shooter, has a good sense of humour, and is a family man with strong beliefs. I have witnessed him at sporting events where the athletes and parents were excited to see him. He really cared. It is my understanding that he got into politics because of his family, and wanted to make a difference. He is now leaving because of his family, and wanting to make a difference in his grandchildren's lives.

The Member from Great Slave has always strived to be available, responsive, accountable, and compassionate. When his workload was high, he took the time to meet in person or by phone to hear my concerns and issues, including some early-morning phone calls. He was always eager to join me in Nahendeh to participate in constituency tours and community meetings. His preference was to allow the Health and Social Services system to respond and resolve issues raised by me, but he also understood and respected my needs to be involved.

The Member from Tu Nedhe-Wiilideh is the person I have known the longest. I grew up with some of his family members in Hay River. I was lucky to have him as a mentor and a friend during my first four years as an MLA. His passion for small communities has been made very clear during his 12 years as an MLA. I greatly appreciate his knowledge of the NWT family history.

Finally, I would like to recognize the Member from Boot Lake. I have had the honour of working with this individual in a number of capacities. I worked with him for years when he worked for Health, Municipal and Community Affairs, and most recently in the 18th Assembly. I would like to thank

him for his frankness, recommendations, and honesty when working with me. He came into the Legislative Assembly with the goal of building relationships and creating partnerships in order to work on behalf of the residents of the Northwest Territories, and he leaves at the end of this Assembly knowing that he has accomplished this goal.

From the bottom of my heart, I would like to thank them for all that they have done, and I wish them all the best in the future. Thank you, Mr. Speaker.

---Applause

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

Recognition of Visitors in the Gallery

MR. SPEAKER: [Translation] We have a guest here, Dr. John B. Zoe in the gallery. We thank him. [End translation]

Colleagues, I would like to draw your attention to the presence in the gallery of Ms. Skye Mandigo-Stoba. Skye is from California and was granted a wish with the Make-a-Wish Foundation. Her wish was to travel to Yellowknife, Northwest Territories, to visit the vintage plane fleet at Buffalo Airways. Please join me in welcoming Skye and her family to our Legislative Assembly. Welcome. Recognition of visitors in the gallery. Member for Range Lake.

HON. CAROLINE COCHRANE: Thank you, Mr. Speaker. Today I would like to recognize a dynamic group of individuals who are here with the Jane Glassco Fellows. We have staff, and we have fellows as well. I'm just going to name them all, and excuse me if I do mispronunciation of names. I'm going to try my hardest.

We have Sherry Campbell, Melaina Sheldon, Ashley Carvill, Chloe Dragon Smith, Don Couturier, Heather Bourassa, Hilda Snowball, Julianna Scramstad, Kaviq Kaluraq, Kelly Panchynshyn, Kristen Tanche, Killulark Arngna'haaq, Luke Campbell, Tina Decouto, Tony Penikett, John B. Zoe, and Vivien Carli. I appreciate you all being here. I am so sorry if I massacred some of your names. Welcome to the "Ledge."

MR. SPEAKER: Masi. Recognition of visitors in the gallery. Member for Nunakput.

MR. NAKIMAYAK: Thank you, Mr. Speaker. I would like to recognize a couple of ladies from Tuktoyaktuk, Ms. Wanda Steen and her sister Annie. Mr. Speaker, Annie and Wanda have both worked for the Inuvialuit for a long time and likely still have a lot of connections. Annie also

participated in some programs in Tuktoyaktuk, and she has actually helped the Community Corporation and the Hamlet of Tuktoyaktuk progress a lot with the tourism industry.

Mr. Speaker, when the Inuvik to Tuktoyaktuk Highway was completed, there was a little bit of a lack of infrastructure, and Annie picked up the slack on that. I would like to congratulate Annie. I hear Annie is possibly running this year, and I encourage her to do it, as well, as many other women, especially in Nunakput. Once again, a strong Inuvialuit, so I would like to welcome them both. Thank you, Mr. Speaker.

MR. SPEAKER: Masi. Recognition of visitors in the gallery. Member for Sahtu.

MR. MCNEELY: Thank you, Mr. Speaker. I, too, would like to recognize Heather Bourassa from my home community in Ford Good Hope, a businesswoman and bush pilot. Mahsi.

MR. SPEAKER: Masi. Recognition of visitors in the gallery. Member for Nahendeh.

MR. THOMPSON: Thank you, Mr. Speaker. I would like to recognize a number of the ladies from the Jane Glassco Northern Fellowship: Chloe Dragon Smith, whom I have the opportunity to know since she was a young lady in sports; as well as Tina Decouto, who used to live in Fort Simpson, and now she is in Iqaluit; and of course, one of my constituents, Kristen Tanche. Thank you, and welcome to the House, and to the other fellows here as well. Thank you, Mr. Speaker.

MR. SPEAKER: Masi. Recognition of visitors in the gallery. Member for Tu Nedhe-Wiilideh.

MR. BEAULIEU: Marsi cho, Mr. Speaker. Today I would like to recognize two interpreters from my riding, Maro Sundberg, who is interpreting in Wiilideh Dogrib language, and Tom Unka, who is an interpreter in the Chipewyan language or Denesuline language from Fort Resolution. Thank you.

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

HON. CAROLINE COCHRANE: Thank you, Mr. Speaker. I also want to take a moment to recognize a Page of Range Lake, Mr. Dexter Edjericon. Thank you for being here, and to all of the other Pages, thank you for all of the work that you provide to us. Thank you.

MR. SPEAKER: Masi. Recognition of visitors in the gallery. Member for Deh Cho.

MR. NADLI: Thank you, Mr. Speaker. I, too, would like to acknowledge and recognize Joe Tambour of

the K'atlodeeche First Nations. He is translating, and he has been in the booth for some time. I really appreciate his presence in helping us to bridge the gap in terms of understanding English and Dehcho Dene Zhatie, and I expect him to be here for another week. [No translation provided] Masi. Thank you.

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

MR. O'REILLY: Merci, Monsieur le President. I would like to recognize one of the Pages, Carter Kasteel, Frame Lake resident. He must be a glutton for punishment, because I know he was here earlier this year, but I want to thank him and all of the Pages for all of the work that they do for us. Mahsi, Mr. Speaker.

MR. SPEAKER: Masi. Recognition of visitors in the gallery. Member for Nunakput.

MR. NAKIMAYAK: Thank you, Mr. Speaker. I would like to welcome my friend Tina Decouto from Iqaluit, as well, too. She has done a lot of good work in Nunavut. Welcome to the Northwest Territories. Thank you, Mr. Speaker.

MR. SPEAKER: Masi. Recognition of visitors in the gallery. If we missed anyone in the gallery, thanks for being here with us. It is always nice to have an audience as part of our proceedings. Masi. Item 6, acknowledgements. Item 7, oral questions. Member for Nunakput.

Oral Questions

QUESTION 810-18(3): FUR HARVEST PROGRAMS

MR. NAKIMAYAK: Thank you, Mr. Speaker. Earlier I spoke about the Grubstake and Prime Fur Bonus Programs, and my questions are for the Minister of Environment and Natural Resources. I would like to ask the Minister: when can hunters and trappers expect to receive payments for their monies earned from the auctions in 2019? Thank you, Mr. Speaker.

MR. SPEAKER: Masi. Minister of Environment and Natural Resources.

HON. ROBERT MCLEOD: Mr. Speaker, challenges with the functionality of the Fur Harvest Management System has resulted in issues with the overall program administration, including manually calculating the accurate grubstake payments and reconciling auction payments for the trappers. We take these issues very seriously, and we are working to address them in a timely manner. ENR is actually working with Finance to make changes to the Fur Harvest Management System.

ENR has made the first round of changes, and a working group has been established to resolve major issues by the fall of 2019. Thank you, Mr. Speaker.

MR. NAKIMAYAK: In my region, there are a lot of hunters who trap in the bush, as well as along the coast. It is good to hear that the Minister is looking into this. Also, there are a lot of returning trappers preparing for the fall season. What is the timeline for when the Grubstake Program will be available to trappers this year?

HON. ROBERT MCLEOD: I take the Member's point, because we are from a region where there is still a lot of traditional activity that goes on. They depend on the funds received from a lot of these auctions to finance their upcoming season. One of the ways that we do help them, though, is with the Grubstake Program, which is one of the better programs that are offered to those that continue to live a traditional lifestyle. We don't anticipate any changes to the normal timelines, and I think the plan is on track and will be available in and around September 15th.

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

MR. NAKIMAYAK: Thank you, Mr. Speaker. That's a good timeline. It gives hunters and trappers time enough to prepare for their upcoming season. Mr. Speaker, we do have a lot of outfitters, as well, in the region, and they sometimes require export for hides outside the country. My question to the Minister is: will outfitters in the Northwest Territories be able to get CITES forms, CITES is the Convention on International Trade in Endangered Species, permits for export of animal hides out of the country? Thank you, Mr. Speaker.

HON. ROBERT MCLEOD: ENR doesn't actually issue these permits. This is done through Environment and Climate Change Canada. Thank you, Mr. Speaker.

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

QUESTION 811-18(3): SCHOOL BUSING IN HAY RIVER

MR. SIMPSON: Thank you, Mr. Speaker. Further to my questions about the provision of school bus services, I have some questions for the Minister of Education. When we approve the budget for ECE in this House, the budget document contains very few details about how that money for schools is spent, and it's unclear what money goes to the local DEAs and how it gets there. So my question is: how are the funds that are approved by the Legislature distributed to DEAs? Thank you, Mr. Speaker.

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

HON. CAROLINE COCHRANE: Thank you, Mr. Speaker. The MLA is right; the Legislation, it starts with us. We approve the budget that is going forward for schools. At that point, then, ECE allocates the budgets to the district education councils, and we use a school funding formula for that. That funding formula has different aspects; some for inclusive schooling, some for French languages, some per capita for the number of children in school. Then the education authority, at that point, we kind of lose our authority within that. ECE does not have a mandate within our education net to provide direction to any district education council regarding the allocations to be used to fund their district education authorities. So, because we haven't got the mandate and we have no authority over it, we don't track those, Mr. Speaker.

Some DECs have allocated money to their authorities based on the same school funding that we have, and others don't. The South Slave District Education Council, we do know, does fund based on our school funding formula. Thank you, Mr. Speaker.

MR. SIMPSON: So, because of how the SSDEC distributes funds, the Hay River DEA receives only the funding that is calculated in the funding formula. Now, I haven't gone through the DEA's books line by line, but I know that their budget is stretched thin and they have absolutely no wiggle room. I know the budget amount for busing doesn't cover the full cost of busing, and because their entire budget is already fully utilized, they have no extra funds to put aside to cover the costs of replacing the buses which need to be replaced in the next year or two. In the meantime, the district education council, the SSDEC, has been accumulating a surplus of over \$3 million, as of I believe last year. Couldn't that DEC surplus be used to either fund the busing issue that we're having now or help replace the buses?

HON. CAROLINE COCHRANE: The basic, quick answer is yes. The district education councils and the district education authorities, under that, are responsible for deciding where they're going to use their funding, the best allocations of their budgets, but it was just last year that we realized that there were huge surpluses within our education districts all over the place so, in my opinion, that's not good. It's not good to have surpluses, huge surpluses, when we have children education services in need. I said that the other day. We need more resources. Part of getting the resources is, if we have money sitting out there, let's use what we've got.

So I did make the direction that people need to use their surpluses; use it or lose it. We allowed them to

keep a nominal amount so that they could deal with any emergencies, but the rest, I wanted to see implemented into student services. I brought that up at the council meeting. I thought I worked well with the district councils. They heard me. I said I'm flexible. So, yes, I've actually reached out to them, as well. Usually, within our allocations, we don't usually allow surpluses for capital projects because we do have a capital process within that, but I told the councils that I am flexible; come to me.

In the case of the South Slave, we were working with them, and I told them I'm flexible. It would take a Minister's direction to allow that, but I am willing to work with them. If buses are their priority, my priority is getting kids to school.

MR. SIMPSON: As the Minister mentioned, she ordered the education councils to reduce their surpluses; basically, spend this money. I think the SSDEC had to reduce their surplus by about \$2 million, but in none of that was any money for buses. So why wasn't there any money allocated for the busing services in Hay River in that \$2-million reduction?

HON. CAROLINE COCHRANE: Again, the act is kind of vague on the authority of the Minister, and I'm very respectful of them, they're all elected positions, so I'm respectful of their allocations and what they see fit for their regions. We don't tell the district education councils what to use their surpluses on. I felt that was very limiting; it's very patriarchal, it's not how I practise, so we gave the flexibility to say, "Tell us what you're going to use your surplus on."

The sad thing is, Mr. Speaker, that the South Slave District Education Council never identified busing as an issue within their surplus plan, so I never knew it was an issue until it came forward; in fact, the MLA brought it forward with a letter from a parent. That was the point that I knew it became an issue.

Like I said before, my concern is that I want children to get to school, so I have instructed my staff to get down there and work with them and see what we can do to assist them.

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

MR. SIMPSON: Thank you, Mr. Speaker. We distribute a lot of money to the regional education councils, and I know that there must be some accounting of what they're spending that money on, and there must be some results that they need to produce, and so perhaps we need to start looking at whether or not they are adequately funding things like busing, as well as the other things that we're looking at.

The Minister mentioned that her department had some talks with the employees in the DEC. Can the Minister sort of expand on what steps the department has taken to help mitigate the costs that parents could be incurring in Hay River in regard to this busing and what is being done to ensure that some long-term planning is done so that the buses that need to be replaced can be replaced in a way that's affordable for parents and that doesn't stop children from getting to school? Thank you, Mr. Speaker.

HON. CAROLINE COCHRANE: My direction to my department was, "Get down there, figure it out, work with them, get it solved." I can't really say exactly what was said in those meetings. That was my direction: get her done.

I'd love to be able to stay here and say what was stated, but I can't do that. What I can say is that my concern, again, and the MLA brought it up outside the House, actually, outside this Chamber, actually, and was talking to me, and he is absolutely right. He talked about low-income families and children not being able to afford to get there. Twenty-five kilometres is not acceptable. I don't care if it's winter or summer. I know in his statement he said it's cold here. I lived seven or eight blocks away from the school; I had to walk. I was a block away, I froze every winter. I would not want any child 25 kilometres walking, even in the summer, to be honest. We have bears.

So I've told them to work with them. There are models across Canada that I'm hoping the district education council will look at. There are subsidies for children with low income, based on income that they're making. I'm hoping they'll consider that, but what I really want to stress to families out there that might be struggling financially is that I have talked to my department. Income support does provide services for low-income families under the income threshold. If they qualify for income support, we are willing to include the cost of getting to school and school supplies within our funding formula. So any family that may be in financial need worried about that, please contact income support, as well. We want your children in school starting in September. Thank you, Mr. Speaker.

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

QUESTION 812-18(3):
COUNTRY FOOD IN HEALTH CARE FACILITIES

MR. BLAKE: Thank you, Mr. Speaker. In follow-up to my Member's statement, as I mentioned, it's been a long time coming that our country foods are served in the hospitals, long-term care facilities. You hear it all the time. People are tired of hospital food, that same old stuff all the time. Especially

when you are recovering from illness or any operations or anything, you want comfort food, caribou meat, moose meat, geese, these sort of wild game. Right now, luckily, we have a handful of ladies in Inuvik who actually take time out of their day to volunteer to cook caribou meat and caribou soup and bannock for people who are in long-term care. I would like to ask the Premier: can the Premier update the House on the status of country food at Stanton Hospital, which is the plan to start there and move it out to communities? Thank you, Mr. Speaker.

MR. SPEAKER: Masi. The Honourable Premier.

HON. BOB MCLEOD: Thank you, Mr. Speaker. Traditional foods are presently being cooked and served to the patients by the Indigenous Wellness Program at Stanton Territorial Hospital with the support of Dexterra, the company that provides food services in the hospital. Thank you, Mr. Speaker.

MR. BLAKE: The Premier answered a part of my next questions, but who is able to provide country food to Stanton or any other hospital or long-term care facilities?

HON. BOB MCLEOD: Approved owners of wildlife are experienced and licenced community harvesters or hunters and outfitters who harvest and provide gifts of wild meats according to the Northwest Territories Wildlife Act. Renewable resource officers may donate wild game meats which were unlawfully harvested. Fish may be donated by fishers holding sport fishing or commercial fishing licences. Plants like berries, edible greens, Labrador tea, and spruce tea tips may also be donated by community harvesters. I should point out that no licence is required to harvest plants.

MR. BLAKE: Will the country food program be expanded to other health facilities in the Northwest Territories and long-term care facilities?

HON. BOB MCLEOD: Operational guidelines for serving traditional foods in Northwest Territories Health and Social Services facilities have been developed. Obviously, food safety has to be taken into consideration. These guidelines are being finalized and will be implemented this fall. Test sites, such as the Jimmy Erasmus Seniors' Home, have begun to tailor these guidelines in their facilities.

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

MR. BLAKE: Thank you, Mr. Speaker. Are there plans for similar program as the Yukon to ensure that Indigenous patients can access country foods? Thank you, Mr. Speaker.

HON. BOB MCLEOD: Yes. The operational guidelines for serving traditional foods and NWT Health and Social facilities have been developed following the Indigenous foods program at the Whitehorse General Hospital. Thank you, Mr. Speaker.

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

QUESTION 813-18(3):
MARINE TRANSPORTATION SERVICES 2019
SAILING SEASON

MR. MCNEELY: Thank you, Mr. Speaker. Following up on my Member's statement, my question is to the Minister of Infrastructure on the Marine Transportation Service Company, a division of our government. My first question, Mr. Speaker, is: how is the 2019 summer sailing season looking right now on targets of supplying the customers along the route, particularly and mainly the communities? Thank you, Mr. Speaker.

MR. SPEAKER: Masi. Minister of Infrastructure.

HON. WALLY SCHUMANN: Thank you, Mr. Speaker. The 2019 sailing season is actually on schedule right now as we predicted going forward, even with the low water levels that have been on the Mackenzie River. We have already been to every community once. Presently, two tugs are northbound out of Hay River. They are going to be going to Norman Wells, Tulita, and Inuvik and Tuktoyaktuk. From Tuktoyaktuk, there is also going to be another tow going north to look after the Arctic communities. When we are finished that, if sailing allows, we are going to help with the North Warning defence system to do their deliveries. Thank you, Mr. Speaker.

MR. MCNEELY: Thanks to the Minister for that reply. It is comforting to know that progress is being maintained in the schedule. Having experience on my boat ride between the communities, as mentioned, of Norman Wells and Fort Good Hope, the low-water levels, are these low-water levels creating any delays and challenges to the shipping schedules?

HON. WALLY SCHUMANN: Historically, the rivers are at a 10-year low right now from the last time I got an update from our staff. The one thing that MTS did this year was factor in the possibility of that. The way we operated this year is we adjusted our loads for shallower draft. The low-water levels on the Mackenzie River haven't hampered our schedule. The other nice thing was, I have talked about it in this House, with the Steam River bridge that was on fire and the fuel company picked up the slack and delivered the fuel to Hay River by truck. It

actually got there earlier than anticipated, so that helped assist with the schedule.

MR. MCNEELY: Thanks to the Minister for the fuel information there. Our public infrastructure depends on that fuel resupply. My next question is on the training provided on the Marine Training Centre in Hay River. Can the Minister elaborate or brief us on the training plan and student outcomes and how progress is being made from that institution?

HON. WALLY SCHUMANN: The Marine Training Centre doesn't follow under the Government of the Northwest Territories, but they are leasing space from us in our facility in Hay River. The Member from the Sahtu and myself actually had a chance. I took him there and gave him a little tour of the facility, met a number of students who are there.

I have said earlier in my Minister's statement around Marine Transportation Services they have delivered hundreds of courses through there. A number of people have been picked up by MTS for employment this year, as well as Canadian Coast Guard that also picked up some people. As I said, I think, yesterday, some of them are actually going to be going up to the Arctic coast with the Coast Guard on ice-breaking facilities.

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

QUESTION 814-18(3):
BUSINESS INCENTIVE POLICY

MR. THOMPSON: Thank you, Mr. Speaker. On Tuesday I asked questions of the Minister of Infrastructure and asked him to explain how the Business Incentive Policy worked and how certain levels have increased percentage points. The Minister gave me a whole bunch of information. I would like to follow up to the questions with the Minister here today. Can the Minister please clarify what amount the contract needs to be in order to maximize the incentive of \$500,000? Thank you, Mr. Speaker.

MR. SPEAKER: Masi. Minister of Infrastructure.

HON. WALLY SCHUMANN: Thank you, Mr. Speaker. In follow-up to the Member's question the other day, he did ask me, and this will clarify it a little bit more. Assuming that the full bid is 100 percent Northwest Territories and local content, the contractor would need approximately \$16 million to max out the \$500,000 bid adjustment. On the majority of contracts, there are a number that are under \$1 million. Those contractors can receive a bid adjustment up to \$200,000, which represents about 20 percent of the bid adjustment. Thank you, Mr. Speaker.

MR. THOMPSON: When the Minister talked on Tuesday, as well, he talked about there being 46 big projects and 1,501 projects. Can the Minister tell us what the total value of the 46 projects were together and what the total was for the 1,501 projects?

HON. WALLY SCHUMANN: This information is all publicly available on the Department of Finance's website, but if the Member will give me the questions, if he sends me an email with the questions, I will commit to getting him all of that information back by the end of the session.

MR. THOMPSON: I will follow up with the Minister on that question so that I can get that information. My next question is: can the Minister advise this House how many of these big projects ended up being awarded to southern contractors?

HON. WALLY SCHUMANN: As to my previous answer, same thing. If the Member wants me to get him that information, we can compile that information for him before the end of session.

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

MR. THOMPSON: Thank you, and I look forward to providing those questions to the Minister. I will put them in writing and look forward to the answers. I am probably going to get the same answer for the last question I am going to ask, but I am going to ask it anyway. With all these big contracts happening, he talked about the 46, can the Minister advise this House if there were any of the big contracts that were negotiated contracts? Thank you, Mr. Speaker.

HON. WALLY SCHUMANN: The Member is absolutely right. I don't have that level of detail here, but we can gather that once he sends me an email and get back to him by the end of session. Thank you, Mr. Speaker.

MR. SPEAKER: Masi. Oral questions. Member for Deh Cho.

QUESTION 815-18(3):
MUNICIPAL LANDS IN ENTERPRISE

MR. NADLI: Mahsi, Mr. Speaker. I am following up my statement with questions to the Minister of Lands in terms of the level the certainty for lands in communities. I think that everyone has the dream about the idea of buying and owning their homes. What is at issue at this point is that the certainty of land ownership is not clear. My question is to the Minister of Lands: how does the Department of Lands work with the Department of Municipal and Community Affairs with respect to the provision of

land for municipal purposes and interaction with community governments? Mahsi.

MR. SPEAKER: Masi. Minister of Lands.

HON. LOUIS SEBERT: Thank you, Mr. Speaker. The two departments do, of course, work together. For example, the Department of Lands provides guidance to MACA and community governments when developing and implementing community development plans. Now, the department utilizes the community plans of the municipal governments to ensure that the applications are consistent with the use identified in the plans. MACA has the responsibility for ensuring that community plans are in place, so the two departments do work together in this important area. Thank you.

MR. NADLI: Once in a while you come across a policy that is seventies-era. That's when Ottawa made all of the decisions for people of the NWT, and times have changed. My question is: what concerns or obstacles would stand in the way of the GNWT converting all public land within municipal boundaries to fee simple title for transfer to municipal governments or current leaseholders?

HON. LOUIS SEBERT: Of course, Lands is bound by the law in this area. With respect to that, there is the Commissioner's land regulations that, among other things, in dealing with an application, the deputy minister has to be satisfied that the land is no larger in area than is reasonable for the purpose for which the land is required.

There is no overall policy to turn all land over to the municipalities. In fact, the GNWT may have its own future needs for infrastructure, such as schools, hospitals, and so on. These future needs have to be considered if contemplating the turning over of lands to community governments. Also, in unsettled land claim areas, the Land Lease-Only Policy applies, which requires extra steps to transfer land to the communities in fee simple. There are processes that we have to go through. We do realize, of course, that the municipalities do have bona fide reasons to acquire lands, but they have to make application, and a certain procedure has to be followed.

MR. NADLI: As the Minister, what improvements does he think the Department of Lands could make to its processes to address the issues with land administration being raised by municipal governments?

HON. LOUIS SEBERT: Lands is working with the communities to clarify processes for the transfer of land and fee simple, as well as the responsibilities that go along with the administration of land within the communities. I understand also that Lands and MACA staff are currently working on a strategy or

finalizing a strategy on the process for the transfer of land and assets specifically to community governments. We do realize that there is an issue here, and we are taking steps to improve the process.

MR. SPEAKER: Masi. Oral questions. Member for Deh Cho.

MR. NADLI: Thank you, Mr. Speaker. I just wanted to ask my question that I wanted to understand this policy here. The Minister had indicated that communities have community plans. I would think that those community plans are community land use planning zones. There are lands identified as residential, commercial, and industrial lands, and there are future lands that would be zoned in. I wonder if the Minister could clarify that and whether most communities have those community plans in place in the NWT? Mahsi.

HON. LOUIS SEBERT: I am not certain whether all communities do have community plans in place, but I know that MACA can work with communities, and Lands can also assist in developing a community plan, which is important for the progress and future of the community. Thank you, Mr. Speaker.

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

QUESTION 816-18(3):
NWT ARTS STRATEGY ACTION PLAN

MR. O'REILLY: Merci, Monsieur le President. My questions are for the Minister of Education, Culture and Employment. My statement recounted the disappointed arts community leaders who report that they have long appealed for the collection of hard data on the value of extended productivity of their sector. They say that this kind of data should have driven consultations around the development of an action plan for the NWT Arts Strategy. I would like to ask the Minister: why has the detailed data collection, through a survey of artists, producers, and presenters, not been done? Mahsi, Mr. Speaker.

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

HON. CAROLINE COCHRANE: Thank you, Mr. Speaker. It is quite disheartening to hear these comments today, in all honesty. I had a conversation with the MLA the other day about one organization representing the interests of all of the people who would be covered within that. This is an example of how, sometimes, it doesn't work really well.

We started out with the Arts Strategy, and between November 2018 and March 2019, we have done 16

key stakeholder engagements, we have 277 general public members who responded to an online survey, and then we realized that we hadn't engaged with the Arts Council, the NWT Arts Council, who are the leaders, who are supposed to represent the people who are artists. So I spoke to my colleague Minister, because we both have an interest in this, the Minister for ITI, and he agreed with me.

We stopped the process, we called the NWT Arts Council, and we got together. My department worked with them on input into the strategy. I did a personal meeting with the NWT Arts Council. I spent three or four hours with them in an evening and told them how important it was that we work together. This strategy would not be good if we did not work together; it's all of us.

To stand here and hear that the leaders in the arts community felt that we didn't hear them is really disheartening, because I did my best, Mr. Speaker. At no time when I was meeting with the NWT Arts Council did any of this data thing come even to fruition, so I am kind of not feeling really good about this, Mr. Speaker. I am open to feedback on how I can reach out to leaders. If the Arts Council is not the leaders, then I need to know who I should be dealing with. Thank you, Mr. Speaker.

MR. O'REILLY: I just love the passion of the Minister. I am not criticizing the engagement process that was gone through in terms of developing the Arts Strategy. I am talking about the action plan. These are the specific actions we need to undertake to support the Arts Strategy, and at the core of that is knowing where we are, the kind of information data that will drive how we can improve, and give us the direction of where we need to go. That is what I heard from the leaders who I have been talking to. How is the Minister going to ensure that the new action plan under the Arts Strategy is coordinated across the three departments that she just mentioned?

HON. CAROLINE COCHRANE: We just finished the consultation pieces on the action plan, people from throughout the Northwest Territories on what their ideas are. We are just compiling that information right now, and we will develop a "what we heard" report, just like we always say. The reality is, after that report is done, actually, we need to meet together, all departments that are involved in this action plan and in the identified actions, because I do not even know what they are going to say yet, and any department that has some kind of action that will be required, we will be working together to make sure that those happen. I also want to expand on that and say that, with my meeting with the NWT Art Societies, I also emphasized again that this plan is about them, this is their stuff, so we have made a commitment that

we will work closely with them on the development of the action plan. The strategy was the beginning. The plan is going to expand on that. My commitment, the other Ministers' commitment, was that we were all engaged in this together. We have made a commitment to work as closely as possible.

MR. O'REILLY: I just love the passion of the Minister, again, and I am sure she can encourage her fellow Ministers to be as collaborative on all fronts with this side of the House. I would like to know, though: how is the Minister going to ensure that the new action plan under the Arts Strategy is put together in a way that it ensures our support programs are designed to take advantage of matching funding in other complementary programs?

HON. CAROLINE COCHRANE: Any good program needs money. We all know that. I don't think I am going to get any argument on that one. Part of the action plan, an action plan is supposed to be comprehensive. The strategy says: this is what we want. The plan says: how do we get to that strategy? If we are not looking at how we are getting funding, then that would be a detriment to the plan going forward, so we will be open to accessing outside funding sources. I also want to say that we are already doing some of that. The Department of Education, Culture and Employment regularly accesses outside funding sources, such as those available through Canadian Heritage. I am also pleased to say that I am also meeting next week with the executive director for the Canadian Council for the Arts, so, although it's not mandated or anything, we regularly do look for outside funding sources to help any of the programs. That is what we do as Ministers.

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

MR. O'REILLY: Merci, Monsieur le President. Just sometimes it's actually easier for those outside of government to access federal money, but I am sure the Minister knows that. However, it's never too late to put in place a proper data collection system to help us build the case and rationale for further investment in the arts and cultural sector, so will the Minister ensure that the relevant departments working on the action plan under the Arts Strategy make data collection a priority?

HON. CAROLINE COCHRANE: Again, it was just today that I realized that this was an issue, at all. I started out here four years ago. When I did a speech in the House about getting in to become a Minister, I talked about my experience in accreditation, not knowing anything about politics, only about best practices. Best practices in accreditation talks about evaluation, it talks about data, it talks about measurable outcomes, so I have

carried that right through my whole four years. I did that with the polytech education act about quality education based on best practices. It would be foolish for me to stand here at the end of my term and say I am throwing out what I believe in, so, yes, I will definitely make that commitment, that data is important for any program evaluations. Measurable outcomes are important, and we need to make sure that we have those in place. Thank you, Mr. Speaker.

MR. SPEAKER: Masi. It must be the end of our session. Oral questions. Member for Frame Lake.

QUESTION 817-18(3):
BENEFITS FROM INFRASTRUCTURE
PROJECTS

MR. O'REILLY: Merci, Monsieur le President. I would like to ask the Minister of Infrastructure some questions regarding his statement earlier today. He noted that there are going to be specific requirements established for hiring and training local residents with regard to the Tlicho All-Season Road. This is something I have advocated for a long time, that we actually have specific targets and commitments and requirements built into large infrastructure projects. Can the Minister provide us some details of what these specific requirements are actually going to be? Mahsi, Mr. Speaker.

MR. SPEAKER: Minister of Infrastructure.

HON. WALLY SCHUMANN: Thank you, Mr. Speaker. I do not have that level of detail, of course, at my fingertips here on something like that, but this is something that the department took as an initiative under this P3 project, that we want to be able to capitalize as much as we can for northern opportunities for businesses and people in the region. I think our staff did a great job in implementing that, but I can certainly get all of the details and supply that to this House.

MR. O'REILLY: That is great to hear, that he is going to give it to the House, and I commend him for doing that. It's something I have advocated for a long time, and it could and should have happened with Stanton, as well. Is this a new policy, or is this a one-off?

HON. WALLY SCHUMANN: That is something I think that we are going to have a look at and evaluate as this project goes forward because this is a very unique project because the Tlicho government worked side by side with us to bring this project to fruition, and they were a big supporter of what we were doing. The federal government obviously supported the process that we are doing under the P3 concept that they had, that is now rolled up. However, we want to try this out, make the best benefits we can for the Tlicho

residents and their businesses and see the opportunities and see how this works out, but that is not something I do not think is off the table for anything else.

MR. O'REILLY: I think we might have more discussion about whether this should be part of our policy coming forward. Later in the Minister's statement he sings the praises of P3s, and I would like to know: he talks about how the Mackenzie Valley fibre link is an effective way of delivering large strategic infrastructure projects that are essential for the NWT, so is there some sort of an evaluation framework or criteria for success for the Mackenzie Valley fibre link?

HON. WALLY SCHUMANN: The Mackenzie Valley fibre link is the very first one the Government of the Northwest Territories took on, and I think that, when you look at it and the challenges that were around that whole project, and I think the Finance Minister will concur with me, it definitely buffers the Government of the Northwest Territories. P3s are on the back of industry going forward, and they face the challenges, and they take the risks, and they do this, and it gives us some assurance to the Government of the Northwest Territories that, when we enter into these contracts, we are going to get what we paid for.

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

MR. O'REILLY: Merci, Monsieur le President. Thanks to the Minister for the talk about buffering. Let's talk about buffering of Internet services for the small communities where various Ministers promised that there was going to be enhanced internet services for small communities. It just has not happened, so can the Minister tell me: what are the specific arrangements for internet service improvement in the small communities that were promised as part of the Mackenzie Valley fibre link, and who's going to provide those services?

HON. WALLY SCHUMANN: As per the conversation yesterday with the Minister of Finance, he is in charge of the fibre line, but, as maybe the Member is not quite aware of, the table that I am responsible for with Minister Bains is that we have allocated money, or the federal government has allocated money through our discussions, to support rural communities with infrastructure to have Internet across Canada; 50 up, 10 down. That's the federal government's responsibility. They're working on that. They've allocated, I believe, some money to do that in the North in rural and remote communities. As the Finance Minister said yesterday, our responsibility is the line, and maybe bring it as far as the communities, particularly for our own use, but we are not in the business of supplying Internet. The

Member didn't even like when we bought MTS, so we don't want to be an Internet provider. We'll let the private businesses handle that, but our table for sure with Minister Bains is well aware of this situation across Canada.

A lot of people don't even realize that a lot of rural and remote communities in northern provinces don't have any Internet, and the challenges that they have, similar to what Nunavut has. Every one of our communities does have Internet, but what we're trying to do as a table with the FPT table is bring 50 up, 10 down for everybody. Thank you, Mr. Speaker.

MR. SPEAKER: Masi. Oral questions. Item 8, written questions. Item 9, returns to written questions. Item 10, replies to the Commissioner's opening address. Item 11, Petitions. Item 12, reports of standing and special committees. Member for Yellowknife North.

Reports of Standing and Special Committees

MOTION THAT COMMITTEE REPORT 27-18(3) BE DEEMED READ AND PRINTED IN HANSARD IN ITS ENTIRETY,
CARRIED

MR. VANTHUYNE: Thank you, Mr. Speaker. Your Standing Committee on Economic Development and Environment is pleased to provide its report on Bill 25: An Act to Amend the Workers' Compensation Act. Mr. Speaker, I move, seconded by the honourable Member for Sahtu, that Committee Report 28-18(3): Standing Committee on Economic Development and Environment Report on the Review of Bill 25: An Act to Amend the Workers' Compensation Act be deemed read and printed into Hansard in its entirety. Thank you, Mr. Speaker.

MR. SPEAKER: Masi. The motion is in order. The motion is non-debatable. All those in favour? All those opposed? Motion carried.

---Carried

Committee Report 28-18(3): Standing Committee on Economic Development and Environment Report on the Review of Bill 25: An Act to Amend the Workers' Compensation Act is now deemed read and is to be printed into Hansard in its entirety.

COMMITTEE REPORT 27-18(3): STANDING COMMITTEE ON ECONOMIC DEVELOPMENT AND ENVIRONMENT REPORT ON THE REVIEW OF BILL 25: AN ACT TO AMEND THE WORKERS' COMPENSATION ACT

Introduction

The Standing Committee on Economic Development and Environment ("the committee") is pleased to report on its review of Bill 25: An Act to Amend the Workers' Compensation Act.

Bill 25: An Act to Amend the Workers' Compensation Act, sponsored by the Honourable Alfred Moses, Minister Responsible for the Workers' Safety and Compensation Commission (WSCC), was given second reading in the Legislative Assembly and referred to the Standing Committee on Economic Development and Environment for review on October 26, 2018. For reasons that will be addressed, committee requested an extension to the 120-day review period provided for in the Rules of the Legislative Assembly. Committee thanks the Legislative Assembly for approving this extension, which was granted on February 26, 2019.

Bill 25 proposes to amend the Workers' Compensation Act to:

- Clarify the usage of the terms "impairment" and "disability";
- Add detail respecting who is considered an "employer" within the scope of the act;
- Remove the requirement for a primary healthcare provider;
- Add unemployment benefits as a category of remuneration;
- Authorize the provision of workers' records by healthcare provider to WSCC;
- Authorize information sharing and disclosure for the purpose of improving administration of the act;
- Enable an inspector to inspect healthcare providers' records to verify services received;
- Reduce the time period for filing a review of a commission decision to the review committee or to file a request for an appeal to the Appeals Tribunal; and
- Correct inconsistencies and errors identified in the act.

Background

The Workers' Compensation and Safety Commission is a single corporation providing services to workers in both Nunavut and the Northwest Territories. The multi-jurisdictional nature of the WSCC arises because it predates the division of the Northwest Territories in 1999, when Nunavut was created. At that time, the territorial legislation in place governing the entire Northwest

Territories was duplicated, or mirrored, in the new Nunavut legislature in much the same fashion that federal legislation was later duplicated in the Northwest Territories legislature when devolution of responsibility for Crown lands and resources from the federal government to the took place in 2014. This approach has resulted in the WSCC, a single corporate body conducting business in both jurisdictions, being governed by two distinct statutes in two separate jurisdictions.

This situation poses unique challenges with respect to the development and review of Bill 25. In order to ensure that the WSCC can operate in an efficient and effective manner, it is necessary for the two sovereign legislatures to simultaneously consider amendments to two separate, but virtually identical, pieces of legislation. At the same time that the Standing Committee on Economic Development and Environment has been considering Bill 25, the Standing Committee on Legislation of the Legislative Assembly of Nunavut has, therefore, been considering Bill 1. This has necessitated a high degree of collaboration between both legislatures, and both Ministers responsible, to ensure that the initial draft of the bill, and any subsequent amendments made at the committee stage, are coordinated.

While these circumstances are unusual, they are not without precedent. In fact, Nunavut and the Northwest Territories each previously considered coordinated amendments to its own Workers' Compensation Act 2007. In 2015, each jurisdiction passed a Northern Employees Benefits Services Pension Plan Act to govern the Northern Employee Benefits Services, a single, member owned, not-for-profit corporation sponsoring an insurance and healthcare benefits plan, and a pension plan, for certain public sector employees in both Nunavut and the Northwest Territories. More recently, as this Assembly passed Bill 7, Chartered Professional Accountants Act, Nunavut passed Bill 2. These near-identical statutes provide for a newly merged body, the Chartered Professional Accountants of Northwest Territories/Nunavut, to regulate the accounting industry in both territories.

The challenges presented by amending mirrored legislation are not the only challenges presented by this review. In 2014, this Legislative Assembly passed the Health Information Act, governing the collection, retention, and disclosure of health information belonging to NWT residents. Bill 25 deals with the handling of workers' medical information, yet Nunavut does not have legislation similar to our Health Information Act. This need to craft amendments that give consideration to the different protections for medical data and records in each jurisdiction has also been a feature of committee's review.

The general complexity of the Workers' Compensation Act, an unusually busy legislative workload and the high degree of collaboration required between Nunavut and the Northwest Territories, to facilitate concurrent reviews of Bills 8 and 25, are the reasons committee sought an extension to the time period allowed for the review of this bill.

Committee would like to take this opportunity to thank Mr. John Main, Chair of the Standing Committee on Legislation of the Nunavut Legislative Assembly, his colleagues, and staff for their collaborative spirit and forthright communication, which made this review possible.

Committee thanks Minister Moses and his staff for their collaboration and for their prompt responses to committee's questions. Committee also thanks the Minister for his concurrence with amendments to the bill that were proposed by committee.

The Public Review of Bill 25

As always, committee commenced its review by inviting input from stakeholders across the Northwest Territories, including municipal and Indigenous governments, and a number of non-governmental organizations. Committee held a public hearing on Bill 25 in Yellowknife on February 12, 2019.

Committee received written submissions from: the Information and Privacy Commissioner for the Northwest Territories (IPC); Thomas ADR, a small business operating in the Northwest Territories; and the NWT and Nunavut Chamber of Mines. These written submissions are appended to this report.

Committee thanks everyone who provided submissions on Bill 25.

Public Input and Committee Recommendations

As noted in the introduction, Bill 25 proposes to amend the Workers' Compensation Act to achieve a number of objectives. The key objectives will be addressed in turn, identifying any public input received, and outlining the nature of Committee's deliberations and proposed motions to amend the bill.

Clarify the usage of the terms "impairment" and "disability"

Under the Workers' Compensation Act, temporary compensation is paid based on the effect of a worker's injury on their ability to work, whereas permanent compensation is paid based on a permanent loss of function. The definition of "disability" under the act does not account for the differences between a temporary reduction of function versus a permanent one, leading to

confusion for workers and employers, and challenges with interpretation of the act.

Bill 25 proposes to amend the definition of "disability" to mean "the condition of having temporarily reduced physical, functional, mental or psychological abilities" causing a loss of earning capacity for a period of time. It also proposes to introduce a definition for the term "impairment" which is defined as "the condition of having a permanent physical, functional, mental or psychological abnormality or loss" causing a permanent loss of earning capacity.

Committee found the WSCC's definitions to be somewhat counterintuitive, in that the word "impairment" is commonly viewed as being a temporary condition, such as in the case of alcohol impairment, while "disability" is commonly viewed as a lifelong condition. Nonetheless, committee was satisfied not to recommend a change to these proposed definitions, because they are used consistently throughout the act and do help to simplify the meaning of provisions in the act by deleting terms such as "permanent disability," as amended by clause 2(5).

Add detail respecting who is considered an "employer" within the scope of the act

It is important that the Workers' Compensation Act contain a clear definition as to who is considered an employer under the act, as this determines an employer's eligibility and obligations under the act and, hence, an employee's coverage. Clause 4 of Bill 25 amends section 8 of the act by providing a list of exemptions setting out who is not considered an employer for the purposes of the act, including: employers whose chief place of business is in another jurisdiction; employers who do not employ NWT residents; employers carrying out business in the NWT for fewer than ten days per year and; employers having workers' compensation coverage in another jurisdiction.

Committee received a submission from Thomas ADR raising a concern that the proposed amendment would expand the commission's jurisdiction to include sole proprietors. The proprietor's concern was heightened by a statement on the WSCC's website which reads: "If you operate a business in the Northwest Territories and/or Nunavut for more than 10 days within a calendar year, you must register with the WSCC."

Committee's Law Clerk advised that clause 4 of Bill 25 was not intended to include sole proprietors. Nonetheless, committee, exercising an abundance of caution, also wrote to the Minister to ensure government's interpretation was consistent with that of Committee's Law Clerk and to advise the

Minister of the concern raised about the statement on the WSCC's website.

The Minister replied, confirming the understanding of committee's law clerk, but also noting that the concern raised about the website is valid and advising that the WSCC would be amending this information to provide clarification on the requirements for employer registration.

Remove the requirement for a primary healthcare provider

With respect to the development of a treatment plan for an injured or ill worker, subsection 33(2) of the act requires the worker to have a primary healthcare provider to take responsibility for diagnosing the worker's condition and developing a treatment plan. Bill 25 proposes to repeal this requirement, out of a recognition that the realities of territorial medical services are such that many patients do not have a primary healthcare physician.

The submission received from the NWT and Nunavut Chamber of Mines supports this proposal, noting that "this requirement was longstanding issue for workers as often it is difficult in the north to see the same doctor on a consistent basis, let alone have a 'primary healthcare provider.' This amendment will make life easier for injured workers to have their claims adjudicated."

Committee agrees that this requirement is unduly onerous and may be difficult for an injured worker in the Northwest Territories to meet, and therefore supports its removal from the act.

Add unemployment benefits as a category of remuneration

Section 57 of the act sets out what must be included when determining the amount of a worker's remuneration which, in turn, forms the basis for assessing the amount of compensation an injured or ill worker may receive. Clause 30 proposes to amend this provision in the act to include employment insurance benefits in the calculation of a worker's remuneration. Committee was advised that, by excluding employment insurance benefits in determining the amount of a worker's remuneration, the Northwest Territories Human Rights Commission found this provision to be discriminatory, particularly for seasonal workers whose social conditions require intermittent work. This decision was later affirmed by the Northwest Territories Court of Appeal, which prompted this proposed amendment.

Committee notes the submission from the NWT and Nunavut Chamber of Mines indicating that this is a potentially controversial proposal because it will result in "more compensation for workers, but

higher costs paid by employers." Nonetheless, committee acknowledges the findings of the Northwest Territories Human Right Commission and Court of Appeal and has no concerns with this proposal.

Authorize the provision of workers' records by healthcare provider to WSCC (Clause 14)

Section 25 of the act requires a healthcare provider to submit a report to the WSCC, within three days after treatment, providing the information required by the WSCC. Clause 14 of Bill 25 amends section 25 of the act by adding a new subsection 25(1.1) requiring any healthcare provider who examines or treats worker under the act to "submit records to the commission in relation to medical aid received by the worker sufficient to enable the commission to comply with its obligations under subsection 34(3)" of the act.

In her submission to the committee, the Information and Privacy Commissioner pointed out that "this would require healthcare providers to make a worker's actual treatment records available to the commission, as opposed to providing reports about treatment, resulting in the commission possessing more, and more detailed, healthcare information of individual workers."

Committee observed that this amendment does not include any requirements relating to consent by the worker whose health records are being shared.

Committee also noted that, while section 161 of the Workers' Compensation Act imposes a duty of confidentiality on the WSCC, section 162 of the act provides that "[t]he provisions of [the Workers' Compensation] Act respecting the provision of information by or to the commission have effect notwithstanding the Access to Information and Protection of Privacy (ATIPP) Act and the Health Information Act." This makes the Workers' Compensation Act paramount over ATIPP and the Health Information Act, rendering the protections provided by those statutes subordinate to the requirements of the Workers' Compensation Act.

Committee shares the IPC's concerns, particularly in light of this paramountcy provision. Furthermore, committee does not accept the WSCC's position that the scope of the amendment is not overly broad and that it would not jeopardize the confidentiality of claimants' personal health records. Some committee members also sit on the Standing Committee on Government Operations, which meets annually with the IPC. From these meetings, Members are aware that any time a record is handled or transmitted there is an increased likelihood of privacy breaches. Committee is also concerned that the impact of this provision, in concert with the proposal to allow the WSCC to

share information with other agencies under clause 33, could further broaden the potential for privacy breaches.

Committee determined that it does not support the inclusion of clause 14 in the bill.

Authorize information sharing and disclosure for the purpose of improving administration of the act (Clause 33)

Section 95 of the Workers' Compensation Act authorizes the WSCC to enter into information-sharing agreements with public bodies responsible for workers' safety and compensation in other jurisdictions for the purpose of ensuring regimes are efficiently administered in all jurisdictions and that eligible claimants are dealt with by appropriate jurisdiction.

Clause 33 of Bill 25 proposes to repeal and replace this with a broader authority allowing the WSCC to enter into agreements with the Government of Canada, a government of a province or territory of Canada, an Indigenous government, or with a ministry, board, commission, or agency of such a government, for the purpose of ensuring the proper administration of this act and any other legislation administered by the commission. Clause 33 further provides that the other government, ministry, board, commission, or agency may be permitted to access information obtained by the WSCC under this act and vice versa.

As previously noted, committee was concerned about the impact of this provision, especially given the proposal under clause 14 requiring healthcare providers to share actual medical records with the WSCC. Committee also notes the concern raised by the NWT and Nunavut Chamber of Mines indicating that "in the past such sharing had to be justified using access to information legislation."

Nunavut was also concerned about this clause, especially given the fact that, unlike the Northwest Territories, they do not have any legislation providing protections for health information. Nunavut's Standing Committee on Legislation therefore asked the Standing Committee on Economic Development and Environment to move a motion to amend Bill 25 to prevent other governments or outside agencies from having direct access to the WSCC's databases.

Committee agreed to move this motion.

Reduce the time period for filing a review of a Commission decision to the Review Committee or for filing a request for an appeal to the Appeals Tribunal (Clause 34)

Committee considered two sections of the act that Bill 25 proposes to amend to reduce the time for a

worker to file an appeal. Section 115 of the Workers' Compensation Act provides that a "request for a review of a decision of the Commission must be made within three years after the day of the decision, unless the Review Committee considers that there is a justifiable reason for the delay and allows an extension." Subsection 128(2) provides that "[n]o appeal may be taken to the Appeals Tribunal more than three years after the day of the Review Committee's decision, unless the Appeals Tribunal considers that there is a justifiable reason for the delay and allows an extension." Clause 34 of Bill 25 proposes to amend each of these provisions to reduce the window for an appeal from three years to two years.

The WSCC's rationale for this amendment is that two years is the standard civil limitation period under section 2 of the Limitation of Actions Act and that this amendment will help to reduce the overall liability resulting from decision reversals. Even while recognizing that the review committee and Appeals Tribunal have the authority to grant extensions for justifiable delays, committee is not persuaded by this rationale.

Based on numbers provided by the commission for the period 2016 to 2019, had the limitation been two years rather than three, the number of reviews before the review committee that would have been denied doubled from 5 to 10 reviews, and the number of appeals before the Appeal Tribunal that would have been denied doubled from 2 to 4 appeals. In committee's view, while this clearly works to the advantage of the WSCC by minimizing the impact of appeals on the Workers' Protection Fund, it does not evidence any advantage for workers.

Committee holds the view that, in the Northwest Territories, where literacy rates are low, those in smaller communities may have difficulty accessing the supports necessary to launch a review or appeal. As well, a significant component of the population is impacted by social problems and the legacy of residential schools. In this context, it is even more important that careful consideration be given to reducing limitations on the time available to people to exercise their rights.

Committee determined that it does not support the inclusion of Clause 34 in the bill.

Enable an inspector to inspect healthcare providers' records to verify services received (Clause 35)

Lastly, clause 35 of Bill 25 proposes to amend section 134(2) of the Workers' Compensation Act to enable the commission to enter any healthcare facility to inspect and audit any records, with the

intent of verifying that claimants have received services related to their claims.

Committee understands that the purpose of this amendment is to enable the WSCC to undertake site audits to obtain a greater degree of information about the compliance of those providing medical services as compared with the claims made by workers about services obtained. Committee asked for evidence about the incidences of medical fraud that have occurred in the past and the costs incurred by the commission due to fraud. The WSCC advised that it does not have any such statistics, pointing out that having this information would be useful for compliance and for quality assurance purposes.

Despite the absence of evidence, committee recognizes that the potential exists for medical fraud to take place, which is a drain on resources for those who legitimately need help. Therefore, committee is sympathetic to the desire of the WSCC to detect and prevent fraud, thereby protecting the Workers' Protection Fund. However, committee was also deeply concerned that this amendment, as written in the bill, provides the WSCC with a very broad authority, perhaps broader than is needed, to access actual patient medical records which may contain highly personal details.

Committee was aware that there are provisions in the Health Information Act allowing patients to prevent access to their medical records without their consent and investigated whether this power could be invoked by a patient to limit the authority proposed to be granted to the WSCC under clause 35. Committee learned that paragraph 22(2)(b)(i) of the Health Information Act states that "[a] condition placed by an individual on his or her consent to the collection, use or disclosure of personal health information...is not effective to the extent that it purports to limit collection, use or disclosure that is required by this or another Act." Therefore, an individual cannot use their right to withhold consent to the disclosure of their personal medical records as a means for limiting the disclosure of their personal health information to the WSCC.

Committee determined that it does not support clause 35 as drafted in the bill. Committee notes that in several of the other bills it is reviewing right now, the right of inspection is constrained by the requirement to obtain a warrant in many instances. Given that fraud is a criminal matter, committee felt that, if fraud is suspected, then the WSCC should use the tools available under criminal law, including the ability to secure a warrant for medical records in instances where there is just cause to do so.

Committee discussed this matter with the WSCC, in an effort to come to some agreement about an appropriate motion to amend clause 35. The WSCC

explained that its need for this power under the act is solely to enable it to carry out an audit function relating to accounting and transactional records, and that it has no need for access to patients' personal medical records. Committee and the Minister agreed to a motion that would place constraints on the records that may be accessed by an inspector under this section to scheduled appointments for treatments and services and accounting records related to those appointments.

It was further determined, as a result of these discussions, that the motion should specify the difference between audits for the purposes of detecting fraud, and the audits carried out by the WSCC in fulfilling its responsibility to inspect workplaces to assure that an employer, such as a health facility, is providing a safe workplace meeting occupational health and safety standards.

Committee is pleased that agreement could be reached on this additional amendment to clause 35 and feels that its work with the Minister and the WSCC in this instance is an excellent example of how collaboration between Cabinet and Standing Committees can result in better legislation, to the benefit of all.

Clause-by-Clause Review of the Bill

The clause-by-clause review of Bill 25 was held on August 9, 2019. Appendix 1 sets out the amendments that that committee made to Bill 25.

Conclusion

During the clause-by-clause review of Bill 25, Minister Moses noted his need to share the substance of the committee's deliberations with his counterpart in Nunavut. Committee wishes to assure the Minister and this House that all of the amendments committee made to Bill 25 were done with the full knowledge of Nunavut's Standing Committee on Legislation. Committee understands that Nunavut will be concluding its review of its Bill 8 when the Nunavut Legislative Assembly reconvenes in October.

Committee again thanks everyone involved in the review of Bill 25. This concludes committee's review.

MR. SPEAKER: Masi. Reports of standing and special committees. Member for Yellowknife North.

MOTION THAT COMMITTEE REPORT 27-18(3)
BE RECEIVED AND MOVED TO COMMITTEE OF
THE WHOLE,
CARRIED

MR. VANTHUYNE: Thank you, Mr. Speaker. I move, seconded by the honourable Member for Sahtu, that Committee Report 28-18(3): Standing

Committee on Economic Development and Environment Report on Bill 25: An Act to Amend the Workers' Compensation Act be received by this Assembly and moved into Committee of the Whole for further consideration. Thank you, Mr. Speaker.

MR. SPEAKER: Masi. The motion is in order. The motion is non-debatable. All those in favour? All those opposed?

---Carried

Standing Committee on Economic Development and Environment Report on Bill 25 is now moved to Committee of the Whole for further consideration. Reports of standing and special committee. Member for Yellowknife North.

MOTION TO RECEIVE COMMITTEE REPORT 28-18(3) AND MOVE INTO COMMITTEE OF THE WHOLE,
CARRIED

MR. VANTHUYNE: Thank you, Mr. Speaker. I seek unanimous consent to waive rule 100(4) and to have Committee Report 28-18(3), Standing Committee on Economic Development and Environment Report on the Review of Bill 25: An Act to Amend the Workers' Compensation Act moved into Committee of the Whole for consideration later today. Thank you, Mr. Speaker.

MR. SPEAKER: Masi. The Member is seeking unanimous consent to waive rule 100(4) to have Committee Report 28-18(3), Report on Bill 25, moved into Committee of the Whole for consideration later today.

---Unanimous consent granted

Committee Report 28-18(3), Bill 25, is now moved into Committee of the Whole for consideration later today. Reports of standing and special committees. Member for Frame Lake.

MR. O'REILLY: Merci, Monsieur le President. I seek --

MR. SPEAKER: Before that, Member for Yellowknife North, sorry.

STANDING COMMITTEE ON ECONOMIC
DEVELOPMENT AND ENVIRONMENT REPORT
ON THE PERCEPTION HELD BY NORTHERN
BUSINESSES TOWARD THE GOVERNMENT OF
THE NORTHWEST TERRITORIES
PROCUREMENT PROCESSES

MR. VANTHUYNE: Thank you, Mr. Speaker. Your Standing Committee on Economic Development and Environment is pleased to provide its Report on the Perception Held by Northern Businesses

Toward the Government of the Northwest Territories Procurement Processes.

Executive Summary

The Standing Committee of Economic Development and Environment is pleased to present this report as a contribution to the building and strengthening of a professional public procurement system.

Based on the concerns heard from Northwest Territories (NWT) business owners and operators, committee undertook a confidential survey asking businesses for their opinion and input on various types of procurement. Committee received responses from businesses of all sizes, representing a wide variety of industry sectors from the Beaufort Delta, North Slave, and South Slave regions of the NWT.

Presented in this report are findings and key recommendations from submissions made by 19 companies over a three-week period during August 2018. Ensuring that respondents and their answers remain confidential, feedback has been combined and analysed to produce a clear synopsis of what businesses said about the Government of the Northwest Territories' sourcing and procurement systems. The issues and recommendations made by companies are presented in this report.

The survey results indicate that the current government procurement system would benefit from several improvements to meet the goal of strengthening businesses in the territories.

Conflicting policies and practices are key concerns of business. The Business Incentive Policy is the government's policy applying to procurement contracts entered into directly with the government. The purpose of this policy is to encourage and support the development of a healthy private sector and to ensure, particularly in the smaller communities, that NWT businesses can be competitive with their southern counterparts.

Businesses note that the government's "lowest bid" rule and standing offer agreements may conflict with the intent of the Business Incentive Policy, which is to increase benefit to NWT companies.

Many comments received to the survey question whether the "low-bid criteria" is the appropriate criteria to be used by government to find the "best" bidder. The lowest bidder may not necessarily provide assurance that the project will be completed on time, and it may mean that additional contract amendments, and extra funds, may be required at a later stage in the project.

Collaboration between government and vendors is another key concern of business. Multiple local

businesses felt disadvantaged in the competition for contracts with government, because they saw a limited understanding of the unique situation of northern businesses reflected in the government's invitations to tender. Businesses recommend that government communicate with northern companies during the planning stages of procurement to ensure that project specifications, requirements, and schedules consider the northern context in which businesses operate in the Northwest Territories.

Committee received considerable feedback to questions on different types of procurement and a large number of recommendations. The responses show that NWT business concerns are focused on four key themes.

Theme 1: Increase consistency, clarity and transparency in the procurement system

Businesses indicate they have a good understanding of the tendering processes; however, their experience with government and their perception of quality of services varies greatly. Most vendors comment on issues with consistency of service, and clarity and transparency of the process. Businesses recommend that government:

- Increase clarity of information on the e-procurement process;
- Improve reliability of procurement system and online services;
- Ensure procurement authorities are experienced, knowledgeable and have appropriate training;
- Design for a third-party monitor, if preferable a non-government employee;
- Provide annual reports on all tender activities; and
- Conduct a third-party review of all sole source contracts on a three-year basis.

Theme 2: Attract local vendors more effectively

Businesses comment that, while the government seems willing to support NWT-based businesses, the existing tools do not achieve this goal. Several companies express that they do not receive enough support to be able to compete successfully against larger out-of-territory companies. Smaller businesses indicate they are in a disadvantaged position to compete with larger companies. Businesses recommend that government:

- Include northern hire requirements into request for proposals and Public-Private Partnership agreements and contracts;

- Allow businesses to know about opportunities under \$25,000;
- Divide large projects into smaller projects and RFPs to enable smaller companies to compete; and
- Allow northern companies to compete by applying additional solutions, such as changes to the list of prerequisites, or for southern firms to have proof of joint venture agreements with northern firms.

Theme 3: Understand NWT business capabilities better

Businesses ask to increase communication between government and vendors and to provide opportunity for collaboration between northern industry and government. Businesses recommend that government:

- Develop requests for proposals that reflect the project size;
- Work with northern companies to know what northern business have to offer, before searching the Internet for products;
- Encourage procurement officers to work closer with northern industry, obtain input from suppliers or other stakeholders when preparing tenders, and set more realistic timeframes for vendor responses; and
- Ensure that Standing Offer Agreement practices align with the intent of the Business Incentive Policy.

Theme 4: Integrate mechanisms and services to contribute to the successful delivery of the contract

Businesses expressed concern about the government's departmental contract alignment, in particular when it is about updates to technical and sector-specific information and payment. Businesses recommend that government:

- Offer to staff continued education of government policies relevant to procurement, such as the Business Incentive Policy and the Manufacturing Policy; and
- Ensure for integration between departments to ensure timely payment of vendors.

Committee heard many concerns about the future of the NWT economy. A possible lack of future opportunities for government tender is believed to result in negative impacts on the health of the NWT companies. With the GNWT being the largest supplier of contracts in the territory, businesses

expressed the desire for government to schedule tender releases in such a way that a steady stream of procurement is made available to NWT businesses. It will be important for GNWT to consider systematic approaches to avoid boom and bust cycles in any of the territories sectors.

Committee believes that the concerns raised by business may indicate the increasing risk of an uncertain business environment in the NWT. Therefore, committee impresses on the Government of the Northwest Territories to adopt an active, forward-looking, and a collaborative approach to public procurement.

Committee members suggest that the Department of Infrastructure verify with vendors, clients and other stakeholders the successful implementation of the new e-procurement system to enable alignment with recently developed policy directives, ongoing departmental restructuring initiatives, and changes in administrative and technological applications. Committee is of the view that a more comprehensive approach is required. Accordingly, committee makes the following recommendations:

Recommendation 1:

The Standing Committee on Economic Development and Environment recommends that the GNWT establish a procurement advisory panel composed of members of industry, small business, procurement experts, and members of the public service. This panel should be guided by a clear terms of reference setting out the panel's role in providing regular advice to the government on how to improve procurement processes.

Recommendation 2:

The Standing Committee on Economic Development and Environment recommends that the GNWT undertake a comprehensive public review of all procurement-related policies with the explicit direction to modernize government procurement processes, and to ensure that NWT businesses can benefit; and a healthy private sector is developed in the NWT taking into consideration concerns and issues raised in this report, along with the committee's recommendation.

Members of the committee would like to thank all who participated in the survey, for sharing their experiences and providing substantial recommendations. Thank you, Mr. Speaker.

MR. SPEAKER: Masi. Reports of Standing and Special Committees. Member for Yellowknife North.

MOTION THAT COMMITTEE REPORT 29-18(3) BE DEEMED READ AND PRINTED IN HANSARD IN ITS ENTIRETY,
CARRIED

MR. VANTHUYNE: Thank you, Mr. Speaker. I move, seconded by the Honourable Member for Sahtu, that Committee Report 29-18(3) be deemed read and printed in Hansard in its entirety. Thank you, Mr. Speaker.

MR. SPEAKER: Masi. The motion is in order. The motion is non-debatable. All those in favour? All those opposed?

---Carried

Committee Report 29-18(3) has now been deemed read and printed in Hansard in its entirety.

COMMITTEE REPORT 29-18(3):
STANDING COMMITTEE ON ECONOMIC
DEVELOPMENT AND ENVIRONMENT REPORT
ON THE PERCEPTIONS HELD BY NORTHERN
BUSINESSES TOWARD THE GOVERNMENT OF
THE NORTHWEST TERRITORIES'
PROCUREMENT PROCESSES

Introduction

The Standing Committee of Economic Development and Environment ("committee") is pleased to present this report as a contribution to building and strengthening a professional public procurement system.

Public procurement is the umbrella term embracing several business functions that involve acquiring goods, services, and construction on behalf of government. Processes of purchasing goods and services and selecting vendors for the government are laid out in the Government of the Northwest Territories (GNWT) Business Incentive Policy (BIP), with the purpose to promote economic growth and capacity for NWT businesses and the NWT economy.

Multiple companies and vendors of all business sizes expressed to committee that in their view, government could do more to allow northern businesses to compete successfully for government contracts. Committee subsequently asked businesses for their opinion and experience with the government bidding process and various types of procurement.

In August 2018, the standing committee asked for responses to a confidential survey focussed on procurement-related policies and processes.

Approach

A survey was distributed to a cross-section of companies based in the Northwest Territories (NWT), representing all sizes, business volumes, and industry sectors. Committee received 19 responses, presenting a response rate of 41 percent. The survey is attached as Appendix 3.

The survey was designed into two sections; the first asking businesses to describe themselves according to categories provided; the second section contained open-ended questions on experiences with procurement processes.

Information gathered from the first sections of the survey provides an overview of indicators of the characteristics of participating businesses. These responses provide informative background to the findings of this report. However, they do not allow drawing conclusions on possible relationships between business sector, procurement tool, size or location of business.

Committee received comprehensive responses to four open-ended questions on experiences with various procurement types. These allow a summary of concerns, observations, and recommendations presented in the "what we heard" section of this report.

Survey Participants

In the first section of the survey, business was asked to identify skill type categories according to the National Occupation Classification to allow a best match with type of businesses. Respondents were allowed to identify multiple sectors. The majority (36 percent) of responding businesses operate in the trades, transport, equipment operators, and related occupancies such as construction. The second most represented occupation was sales and services (29 percent), followed by management (14 percent), business, finance, and administration (7 percent), Manufacturing and utilities (7 percent), natural and applied sciences (4 percent) and art, culture, recreation and sport (4 percent).

There were no responses from businesses in the health, education, law, social, community and government services, and natural resources, agriculture, and related sectors.

Companies that responded to the survey operated in three of the five regions identified in the survey. The majority (63 percent) of vendors were located in the North Slave region, followed by a smaller number (32 percent) of companies operating in the South Slave region. Some businesses were based in the Beaufort Delta (5 percent). No responses were received from vendors based in the Sahtu or the Dehcho regions.

The size of business responding to the survey was nearly evenly distributed among the four categories provided. The smallest companies with one to three employees presented 21 percent, companies with 4 to 10 employees 32 percent and business with 10 to 50 employees 21 percent. Larger businesses with over 50 employees were presented with 26 percent.

Vendors were asked to indicate the approximate total value of GNWT contracts awarded to their business in the last five years. The responses showed a very wide distribution with a median of \$300,000, which means half of the values provided were lower, and the other half of total value of contracts was higher.

Businesses indicated the procurement types that had provided them with winning contracts in the past five years (between 2013 and 2018). Requests for proposals (RFP) was the process that resulted most often (31 percent) in contracts with government. Public tender was the type used nearly as often (27 percent). Other types presented a lower share among the successful procurement types, such as sole source contract (17 percent), standing offer agreement (15 percent), and negotiated contract (10 percent).

The majority of respondents indicated that their companies have experience with multiple types of procurement. All respondents had done business with the government during the past five years.

The survey included a satisfaction rating of the tendering processes in place with the government, providing the six choices of RFP, standing offer agreement, public tender, sole sourcing, negotiated contracts and other. When asked to rate the experience with different types of procurement, responses were divided and resulted in as many positive as negative ratings for each procurement process. For example, 42 percent of respondents rated the BIP as poor or not good, while 42 percent rated the same policy as excellent or good.

This result did not provide committee with specific direction; however, the submissions included generous discussion of concerns and recommendations which are presented in this report as a combined experience for each procurement process mentioned.

This Report

This report is organized into four chapters. The Introduction describes the purpose of this report as it aims at providing a contribution to the discussion of good procurement in government. A section on methodology gives background on the survey and the limits in analysis.

The chapter on Key Findings summarizes the comments and recommendations submitted by business in response to questions on types of procurement. Responses to a question asking for each respondent's "top three" recommendations are also considered here.

The "what we heard" chapter provides in more detail insight into the experiences companies and vendors shared with us, focused on each particular procurement process. A conclusion provides final comments by the committee.

The standing committee thanks all individuals and businesses, who took the time and effort to complete the survey, submitted their comments on the government's procurement system, and provided recommendations for improvement.

Key Themes

Committee received input from 19 companies over a three-week period during August 2018. Ensuring that respondents and their answers remain confidential, feedback has been combined and analysed to produce a clear synopsis of what businesses had to say about the GNWT's sourcing and procurement systems and where recommendations were made.

Review of the responses revealed that vendors have four general key concerns:

Increase Consistency, Clarity and Transparency

While businesses indicated they have a good understanding of the tendering processes, their experience with government and their perception of quality of services varied greatly. Vendors were divided in their ratings of procurement processes, however, most commented on issues of consistency of service, and clarity and transparency of the process.

Concerns:

- Processes are not consistently implemented.
- Evaluations of responses to RFPs are inconsistent.
- Lack of expertise to conduct evaluations and project needs among procurement authority.
- Processes are not always well described and vendors indicated that they did not always receive clarifying responses to their inquiries.

Recommendations:

- Ensure that procurement processes are consistency with the Business Incentive Policy. The "lowest bid" rule, and standing offer agreements, may conflict with the intent of the

BIP, which is to increase benefit to NWT companies.

- Increase clarity of information on the e-procurement process; even with information online, the process often remains unclear.
- Improve reliability of access to the procurement system, the web page, and online services.
- Increase procurement expertise among procurement authorities.
- Design for a non-GNWT third-party monitor for RFP processes, and ensure clarity on that this monitor exists and who it is.
- Provide annual reports on all tender activities.
- Conduct a third party review of all sole source contracts on a three-year basis.
- Develop RFPs that reflect the project size.

Attract Local Vendors More Effectively

Vendors most consistently commented that while the government seems willing to support NWT-based businesses, the existing tools do not achieve this goal. While larger companies expressed that they did not receive enough support to be able to compete successfully against larger out-of-territory companies; small companies indicated they were in a disadvantaged position to compete with larger companies.

Concerns:

- Increase efficiency of the public procurement system: The current system may not provide sufficient opportunity for NWT businesses to sell to government.
- Improve implementation of the BIP.
- The bidding process should include a threshold identifying the minimum of project cost to avoid inadequate and unrealistic tenders.
- Limitation for NWT vendors to participate is that below \$25,000 contracts are not listed.

Some practices, such as standing offer agreements do not always align with the intent of BIP, and exclude, rather than include NWT businesses.

Recommendations:

- Include northern hire requirements into RFPs and public-private partnership agreements and contracts.
- Include into RFP processes the requirement to hire northern suppliers where more than one

northern supplier is available.

- The BIP should link to the ratio of cost of doing business in the Northwest Territories and apply the appropriate percentage as incentive.
- Include in negotiated contracts the condition to work with 100 percent northern resources when available.
- Divide large projects into smaller projects and RFPs to enable smaller companies to compete.
- Allow businesses to know about opportunities under \$25,000.
- Ensure that staff and department staff is informed, and all personnel responsible for procurement know about the manufacturers list and the policy for purchasing from those vendors.
- Consult with local suppliers during the planning stages of procurement can help avoid that specifications, requirements or schedules disadvantage local businesses.

Understand NWT Business Capabilities Better

Several recommendations were directed at increasing communication between government and vendors to provide opportunity for collaboration between northern industry and government.

Concerns:

- Procurement staff is not always knowledgeable of technical specifications and a lot of time is spent communicating between the department who is project lead, company, and procurement staff.
- Update the definition of manufacturing.

Recommendations:

- Work with northern companies to know what northern business have to offer before searching the internet for products.
- Include input from suppliers or other stakeholders when preparing tenders and set more realistic timeframes for vendor responses.
- Encourage procurement officers to work closer with northern industry, in particular in updating specifications and tenders and that are current and proven in the North.
- Ensure that standing offer agreement practices align with the intent of the GNWT's BIP, which is to encourage and support the development

of a healthy private sector and to ensure, particularly in the smaller communities, that NWT businesses can be competitive with their southern counterparts.

Integrate Government Mechanisms and Services

Concern was raised in regards to government internal cooperation and alignment, in particular when it concerned updates to technical and sector-specific information and payment.

Concerns:

- The need for increased integration of public procurement into finance management and services delivery processes to avoid inconsistencies such as late payment to vendors.
- Price seems to be the only determining factor leading to awarding of tenders, not considering reliability, service, safety, or other criteria.

Recommendations:

- Offer continued education of BIP and Manufactured Products Policy (MPP) through to the GNWT departments, including Shared Services.
- Ensure for integration between departments to ensure timely payment of vendors.
- Include interim payment options for large product and manufacturing costs.

What We Heard

The survey offered opportunities for commentary and explanations for each of the procurement types, extra space for additional and general comments via many open-ended questions.

Overall, larger companies expressed that they did not receive sufficient consideration to be able to compete successfully against larger out of territory companies; small companies stated that they were in a disadvantages position to compete with larger companies operating within the NWT.

The results have been combined and analysed to produce a clear synopsis of what businesses had to say about the GNWT's source and procurement systems, and share the recommendations made with the aim to make the system work better for both, government and private sector in the NWT.

Business Incentive Policy (BIP) Process

Most feedback focussed on the BIP, and most "top three" recommendations addressed components of the BIP process.

The BIP is the government's policy applying to procurement contracts entered into directly with the government, with the exception of employment contracts. The purpose of BIP is to encourage and support the development of a healthy private sector and to ensure, particularly in the smaller communities, that NWT businesses can be competitive with their southern counterparts.

Many comments focused on the low-bid contract system and questioned whether the lowest bid price is the appropriate criteria to be used by government to find the "best" bidder. Comments included that the lowest bidder may not necessarily provide assurance that the project will be completed on time or that additional contract amendment, and extra funds, may be required.

To avoid inadequately low bids, it was noted, technical reviews may be required to identify whether a bid is not in strict accordance with all the requirements and specification. This process relies much on the expertise and experience of GNWT staff, which several businesses believe to not always be as advanced as is necessary to result in fair assessments, in particular when compared to bids originating in other jurisdictions.

A possible conflict with the intent of BIP was noted. It was questioned how the "lowest bid" rule would align with the intent of the BIP, which is to increase benefit to NWT companies. A bid system that applies the lowest price to be the winning criteria may curtail opportunities for those companies who maintain year-round northern workforces while paying higher freight and operating cost. It was recommended to adjust requirements for BIP applications so businesses based in the NWT have more chances to compete successfully.

Several vendors expressed concern that a low-bid system:

- Creates risk;
- Does not guarantee that the project will stay within agreed price range or that it will be completed; and
- May lead to failed projects, which create costs to governments and business.

Businesses were concerned about procurement authorities having appropriate training. Technical expertise and assessment experience required to fairly assess proposals among NWT-based and non NWT-based businesses was noted to not always be apparent.

Businesses made several recommendations for improvement:

- Ensure that the BIP is reflected in the application of all procurement types.
- Rather than rely on lowest bid only, include other criteria in the bidding process such as performance reports. These are used in other jurisdictions and included with submissions, allowing extra points to be considered in the overall evaluation of the proposal.
- Adjust the requirements for BIP application to ensure that NWT businesses owners and employees actually living in the NWT are paying the higher cost of living, paying higher freight and operating costs, and maintaining a year-round northern workforce can benefit.
- Remove "grandfathering." Several respondents asked for removal of the "grandfathering" of previously registered companies under the BIP, if the company does not meet the ownership requirements for the registry.
- Respondents wondered if there are checks on the performance of approved companies and whether litigation or other legal processes are considered in BIP registration applications.
- BIP should link to the ratio of cost of doing business in the NWT and apply the appropriate percentage as incentive. In other words, if cost is 40 percent higher in the North than it is in the South, the incentive should be able to compensate that additional 40 percent cost. This model could be revised every three years.
- Ensure a fair process when registering companies under the incentive policy.
- Give priority to licenced journeypersons in recognition that certification in a trade provides assurance that the individual has expertise and training in the field, and that work is carried out in compliance with established standards.

Request for Proposal Process

The Request for Proposal (RFP) process is a method used when government is seeking new solutions or approaches to problems or projects. An RFP provides proponents with an overview of a perceived or expected requirement, but does not give a detailed project plan. It is expected that the proponent will develop a project plan in the proposal.

Committee heard that the current RFP process is awkward, lengthy, and needs to be simplified. Concerns were raised regarding knowledge and experience of GNWT staff, in particular in the

context of the RFP processes. Several respondents commented on inconsistent evaluations, which in their opinion were caused by inexperienced procurement officers. Processes were mentioned to be often unclear, in particular with the changes occurring within the GNWT administration and transition to Procurement Shared Services.

Businesses made recommendations on how to improve the process:

- Develop the current RFP process into a more elaborated process with opportunities for communication between procurement authority and vendors. For federal government contracts, for example, the process is clear and it includes debriefings so that proponents can understand what is needed. Additional lead time would be appreciated.
- Multiple businesses suggested that only experienced senior management should be tasked to evaluate RFP submissions.
- Ensure project officers know the worth of each project tendered.
- Determine a threshold for a lowest possible bid and don't accept bids that are below the set minimum amount.
- Third-party fairness monitors are needed. Some requested that the GNWT ensure monitors who are non-GNWT employee to be involved in all RFP evaluations.
- Identify a maximum length for proposals and limit the number of pages or characters. Otherwise, smaller companies will be disadvantaged compared to larger companies who have more capacity to prepare more detailed proposals. A limited number of pages should be sufficient to allow companies to indicate they have the required knowledge and qualifications.
- Develop RFPs to reflect the project size.
- RFP should require hiring northern suppliers where multiple northern suppliers are available.

Procurement Shared Services (PSS)

Procurement Shared Services (PSS) of the GNWT is the government's central place for tendering goods from private sector providers that are estimated to exceed \$25,000 in value, and services estimated to exceed \$10,000 in value. PSS provides support to all GNWT departments and the NWT Housing Corporation to administer the government's corporate procurement policy and updating the procurement guidelines. Tender desks which operate in headquarters and regional centers

are responsible for the distribution and receipt of all government tenders and requests for proposals.

Respondents listed several concerns and expressed confusion and frustration about the transition of procurement to PSS. Several vendors asked to be allowed to deal directly with purchasing departments and remove contracting from PSS in order to get access to information required to complete the tender process. Some viewed PSS as an additional layer of bureaucracy that interfered in the relationship between department and supplier, the quality of product, and cost and delivery.

Businesses made recommendations on how to improve PSS processes:

- Increase procurement expertise.
- Consider the most efficient and appropriate tender process, for example, when procuring unconfirmed and possible changing services, to stop using the firm tender process and utilize the RFP process.
- Create opportunity for client departments to work with northern industry to the update specifications and tenders.

Timely payments were noted as a challenge by multiple respondents. Government offers an early payment option at the cost of two percent of the invoiced amount, however, respondents noted occasions where payment was not made within the 20 day-period promised. PSS is seen as slowing down all elements in the bidding process, including payment.

Recommendations made included the suggestion that GNWT pay invoices below \$10,000 within a week. Another suggestion was that GNWT should pay a late payment penalty, the same two percent rate that it charges as early payment fee.

Sole Source Contracts

The sole source contracting process occurs when only one firm is available and capable of performing the contract, or the urgency of the situation determines that the competitive process cannot be used.

Several comments indicated that respondents did not see the purpose of this type of tender and expressed that all work should go through a competitive process.

Recommendations included that:

- Sole source contracts should only be awarded to southern suppliers if as per BIP registry no northern suppliers are available.
- GNWT should conduct a third-party review of

all sole source contracts on a three year basis as to whether the policies and procedures were properly followed.

Other comments suggested specifying conditions for sole source contracts, for example by changing the decision-making authority, others liked to see a specific dollar limit put on sole source contracts (as low as \$10,000), others again suggested that sole source contracts should be limited to instances where timing is a factor.

Standing Offer Agreement

A Standing Offer Agreement (SOA) is an agreement, obligating a vendor to supply on demand specified goods or services at a predetermined price or discount structure, under specific conditions for a set period of time. SOAs are used for services or products commonly used by all departments and agencies of the GNWT. The core purpose of an SOA is to increase the level of cost-effectiveness for government by consolidating volumes, and reducing the time required to receive the goods or services.

SOAs are established through a formal tender process, using the Request for Proposal (RFP) or Request for Tender (RFT) process. SOAs do not contain legal obligations to contract for all or any of the goods or services, they are not considered contracts. The commitment to funds is made in the form of purchase orders or service contracts.

The survey did not offer a specific question on SOAs; however, comments on SOAs were received in response to questions on sole source contracts and general comments.

Business pointed out that SOAs for goods are very difficult to work within. While the agreements allow for flexibilities in the implementation of the agreement, there are also many variables that make it difficult for a potential vendor to have a clear understanding of what precisely is needed, what could be offered and at what price. Furthermore, committee heard that businesses believe it to be very difficult to fairly compare and score standing offer submissions.

Recommendations include:

- Allow northern companies to compete by applying additional solutions, such as changes to the list of prerequisites, or for southern firms to have proof of Joint Venture agreements with northern firms.
- Clarify how southern firms competing for NWT business should go about gaining local knowledge, if fulfillment of an agreement depends on it.
- Consider breaking up SOAs and allow departments to sign separate agreements to increase opportunities for NWT businesses to compete.
- Ensure that Standing Offer Agreement practices align with the intent of the GNWT's BIP, which is to encourage and support the development of a healthy private sector and to ensure, particularly in the smaller communities, that NWT businesses can be competitive with their southern counterparts.

Manufactured Products Policy

The NWT northern Manufactured Products Policy (MPP) has the purpose to ensure that GNWT procurement provides a benefit to manufacturers in the NWT. The procurement process recognizes the higher production costs for made-in-the-NWT products and gives incentive to production and manufacturing of goods for the use by the GNWT. In order to benefit from the MPP, a product must be recognized as an approved NWT manufactured product. A BIP-registered business may apply to have their NWT-made goods registered under the MPP.

Recommendations to improve GNWT procurement policies and practices included the following suggestions for the MPP:

- Continue to support and encourage northern manufacturing because it helps diversify the NWT economic diversity by creating jobs, opportunities for training and capacity building, and spin offs to local suppliers or service providers.
- Ensure that the department and all government personnel responsible for procurement know about the manufacturers list and the policy for purchasing from those vendors.
- Increase GNWT awareness of the role that a northern manufacturing sector could play in the NWT economy and identify the loss that comes with not supporting northern manufacturers if goods are supplied by out-of-province companies.
- Incorporate interim payment deposits into MPP; consider practices and standards used other jurisdictions and federally throughout the manufacturing sector.
- Increase GNWT awareness of tools that can be used in procurement to encourage northern manufacturing.
- Incorporate investments into the NWT Manufacturing Strategy.

- Review and amend the definition of what a manufactured good is, and preferably broaden it to include more products and vendors.

Negotiated Contracts

GNWT departments are allowed to enter into contracts outside of the competitive process and in compliance with the Government Contract Regulations. An eligible contractor may request a negotiated contract to undertake work that provides opportunities to improve the skills and experience of residents and northern businesses, or realize economic benefits for residents, that would not be realized through a competitive process.

Committee heard that businesses perceive that the GNWT currently does not support this type of non-competitive contracting; however, still at times an ad hoc enters into negotiated contracts. Agreement with this type of procurement was noted only as long as the participants are northern businesses and not "store fronts" for companies operating out of jurisdictions with lower costs of doing business.

Stakeholders recommended including into Negotiated contracts the condition that 100 percent northern resources must be used, if they are available.

Transparency

A professional public procurement system requires high standards of integrity for all stakeholders in the procurement cycle. The responses indicate that there is room for the development of internal controls because fairness measures that may currently exist are not readily recognizable. Dispute mechanisms need to be made known as the effectiveness of a bid dispute mechanism may impact vendor confidence and willingness to sell to government.

Several comments noted that the tender process could be improved by updating the existing webpage and allow viewing of awarded contracts. There were some sentiments that contracts may be awarded to companies based in southern jurisdictions while NWT companies offer similar if not better resources. It was commented that the overall procurement process should be more accountable.

Committee heard that businesses believe it to be very difficult to fairly compare and score SOA submissions. Increased transparency would aid in understanding the government's process for this procurement type.

Some comments referred to ensuring that political interference in contracting practices is problematic while others requested that Cabinet needs to take

control of their departments and not let bureaucracy dictate direction.

Committee heard at occasion that there is little information that allows reviewing past performance of procurement processes to inform procurement authorities on impacts of local businesses on the local and NWT economy.

Working Together

Procurement planning requires that all potential partners understand what is required and what is available. Adapting to how much of a good or service to buy at different points during a year to take into account differences in availability or pricing, characterizes the ability to design the procurement to maximize best value.

Businesses made several recommendations to increase cooperation between GNWT and potential vendors:

- Include in policy documents and strategies the requirement to seek input from suppliers or other stakeholders, and set more realistic timeframes for vendor responses.
- Consult with local suppliers during the planning stages of a procurement because this can help avoid that specifications, requirements or schedules disadvantage local businesses.
- Vendors need to be granted adequate time to carry out work due to either late release of procurement or slow award of contract or unrealistic schedules.
- Ensure that information requests from vendors are responded to; difficulties in obtaining answers may lead a vendor to the decision to not submit a response.

Other recommendations included the proposal to provide businesses with advance notice of opportunities for under \$25,000 contracts and allowing GNWT businesses to self-identify if the desired services or goods can be supplied.

Recommendations

The purpose of the survey was for committee to better understand how businesses interact with procurement process of the territorial government, and to hear what works and what needs improvement. Responding to a confidential survey, companies shared with committee their experiences with a system that was in place prior to and during 2018. Since the survey was conducted in 2018, the GNWT has improved its procurement capabilities, released procurement guidelines and transitioned to an e-procurement platform.

Committee is of the view that the key issues raised in this survey remain relevant and will be helpful in further improving the GNWT's procurement processes, and identify how to increase opportunities for NWT businesses.

Committee believes that some of the concerns raised by business may indicate the increasing risk of an uncertain business environment in the NWT. Therefore, committee impresses on the Government of the Northwest Territories to adopt an active, forward-looking, and collaborative approach to public procurement. Committee makes the following recommendation:

Recommendation 1

The Standing Committee on Economic Development and Environment recommends that the GNWT establish a procurement advisory panel composed of members of industry, small business, procurement experts and members of the public service. This panel should be guided by a clear terms of reference, setting out the panel's role in providing regular advice to the government on how to improve procurement processes.

The need for government to better understand company capabilities and to improve access for local vendors to public sector procurement was expressed by a significant number of respondents. Committee heard about a strong desire to improve mechanisms to support local suppliers. Businesses showed concern that some of the procurement processes may not align with the Business Incentive Policy of the Government of the Northwest Territories, and may even contradict the policy.

These concerns, of how to balance interests and prioritize goals that will support economic activities in the NWT, will remain unless they are addressed. As first steps, committee members suggest that the Department of Infrastructure verify with vendors, clients and other stakeholders the successful implementation of the new e-procurement system.

To enable alignment with recently developed policy directives, ongoing departmental restructuring initiatives, and changes in administrative and technological applications, committee is of the view that a more comprehensive approach is required. Accordingly, committee makes the following recommendation:

Recommendation 2

The Standing Committee on Economic Development and Environment recommends that the GNWT undertake a comprehensive public review of all procurement related policies with the explicit direction to modernize government procurement processes, and to ensure that NWT

businesses can benefit and a healthy private sector is developed in the NWT, taking into consideration concerns and issues raised in this report, along with committee's recommendation.

Conclusion

Committee heard many concerns about the future of the NWT economy. A possible lack of future opportunities for government tender was believed to result in negative impacts on the health of NWT companies. With the GNWT being the largest supplier of contracts in the territory, businesses indicated the hope for government to schedule tender releases in a way that a steady stream of procurement is made available to NWT businesses. It will be important for GNWT to consider systematic approaches to avoid boom and bust cycles in any of the territories sectors.

The committee thanks all those who took the time and effort to complete the survey and submit their thoughts on procurement and provide recommendations for improvement.

Rule 100(5) of the Rules of the Legislative Assembly of the Northwest Territories requires Cabinet, in response to a motion by committee, to table a comprehensive response that addresses the committee report and any related motions adopted by the House. As required by this rule, committee usually includes a recommendation in each report, which is moved as a motion in the House, requesting a response from government within 120 days. Given that the 18th Legislative Assembly will dissolve prior to the conclusion of the 120-day time period allowed by the rules, committee has opted to forego this recommendation. Committee nonetheless requests, to the extent it is possible before the dissolution of the 18th Assembly and for the public record, that government provide a response to this recommendation, even of a preliminary nature, that committee may publicly disclose.

MR. SPEAKER: Masi. Member for Yellowknife North.

MOTION THAT COMMITTEE REPORT 29-18(3)
BE RECEIVED AND MOVED INTO COMMITTEE
OF THE WHOLE,
CARRIED

MR. VANTHUYNE: Thank you, Mr. Speaker. We're getting there. We're almost done. Thank you for your indulgence. Mr. Speaker, I move, seconded by the honourable Member for Sahtu, that Committee Report 29-18(3): Standing Committee on Economic Development and Environment Report on the Perceptions Held by Northern Businesses Toward the Government of the Northwest Territories' Procurement Processes be received by the

Assembly and moved into Committee of the Whole for further consideration. Thank you, Mr. Speaker.

MR. SPEAKER: Masi. The motion is in order. The motion is non-debatable. All those in favour? All those opposed?

---Carried

The Committee Report 29-18(3) is now moved to committee for further consideration later today. Reports of standing and special committees. Now we turn over to the Member for Frame Lake.

---Laughter

**COMMITTEE REPORT 30-18(3):
REPORT ON THE REVIEW OF BILL 56: AN ACT
TO AMEND THE LEGISLATIVE ASSEMBLY AND
THE EXECUTIVE COUNCIL ACT, NO. 2, AND
THE DRAFT CODE OF CONDUCT**

MR. O'REILLY: I feel like an eager beaver. Merci, Monsieur le President. Your Standing Committee on Rules and Procedures is pleased to provide its Report on the Review of Bill 56: An Act to Amend the Legislative Assembly and the Executive Council Act, No. 2, and the Draft Code of Conduct.

Introduction

The Standing Committee on Rules and Procedures (committee) is pleased to report on its review of Bill 56: An Act to Amend the Legislative Assembly and Executive Council Act No. 2 and the Draft Code of Conduct for Members of the Legislative Assembly of the Northwest Territories.

The Draft Code of Conduct was tabled in the Legislative Assembly and referred to the committee on March 11, 2019. Bill 56 was given second reading in the Legislative Assembly and was referred to the Committee on June 4, 2019.

If adopted, the Draft Code of Conduct would replace the current Members' Conduct Guidelines as the rules that govern Members' behaviour. The Draft Code of Conduct includes an explanatory guide.

Bill 56 would amend the Legislative Assembly and Executive Council Act to:

- modify the oath of office sworn by Members to include specific obligations;
- clarify the conflict of interest regime in respect of Members and former Members;
- require the adoption by the Legislative Assembly of a Code of Conduct that establishes standards for the conduct of Members;
- require Members to comply with any Code of

Conduct adopted;

- create the Office of Integrity Commissioner to carry out the duties of the former Conflict of Interest Commissioner, as well as similar duties in relation to the Code of Conduct;
- clarify the obligations of Members with respect to the receipt of gifts and personal benefits; and
- correct inconsistencies and errors identified in the Act.

Background

The Legislative Assembly adopted Motion 6-18(1) on December 17, 2015, which, among other things, referred the Members' Conduct Guidelines to the committee for a comprehensive and public review, including a thorough examination of conduct guidelines from other jurisdictions, both parliamentary and non-parliamentary organizations, all relevant legislation, and the Rules of the Legislative Assembly of the Northwest Territories.

The committee filed CR-2-18(2): Interim Report on the Review of Members' Conduct Guidelines on October 25, 2016. The purpose of the interim report was to outline useful information to support public discussion, consultation, and further research that would lead to recommendations for consideration by the Legislative Assembly

The committee filed its final report, CR-7-18(2): You Are Standing For Your People: Report on the Review of Members' Conduct Guidelines. This report included several recommendations, including:

- changes to the oath of office sworn by Members of the Legislative Assembly;
- the adoption of a Code of Conduct that included more specific and enforceable obligations;
- the role of the Conflict of Interest Commissioner be expanded to include responsibility for receiving and investigating complaints respecting breaches of the Code of Conduct; and
- the conflict of interest provisions of the Legislative Assembly and Executive Council Act No. 2 be publicly reviewed.

Bill 56 and the Draft Code of Conduct were developed at the direction of the Board of Management of the Legislative Assembly in response to these recommendations.

I'd like to turn the next part of the report over to the honourable Member for Tu Nedhe-Wiilideh. Masi, Mr. Speaker.

MR. SPEAKER: Masi. Member for Tu Nedhe-Wiilideh.

MR. BEAULIEU: Marsi cho, Mr. Speaker.

Public Engagement

The committee held public meetings in Fort Smith, Yellowknife, and Inuvik. At each public meeting, a presentation was made by committee staff outlining the proposed changes to Bill 56, and the contents of the Code of Conduct. Committee also publicly released a briefing note on Bill 56 and the Code of Conduct to make it easier for members of the public to review the material.

A number of individuals and organizations made submissions to the committee, either in person or via written submissions. Written submissions are attached as Appendix A.

Committee received comments from the following:

- Alternatives North,
- Arlene Hache,
- Graham White, Professor Emeritus, University of Toronto,
- Gwich'in Tribal Council,
- Keith Sulzer,
- Mark Bogan,
- OpenNWT, and
- Status of Women Council for the Northwest Territories.

The committee heard general support from presenters, and received several recommendations for improvement. The committee thanks every individual and organization who attended these meetings to share their views on Bill 56 and the Code of Conduct.

A clause-by-clause review of Bill 56 was held on Wednesday August 14, 2019. At the clause-by-clause review, 17 motions were passed, making amendments to the Bill as described in the next section. A copy of all of committee's motions is attached as Appendix B.

What We Heard on Bill 56

Transition Periods

There were concerns that the transition period or "cooling-off" period for former Members was too

short, and it was recommended the transition period for Regular Members be increased to one year for one term in office, and two years for Members who served as a Minister or Speaker in the 12 months prior to them ceasing to be a Member.

Committee considered these submissions carefully but chose not to recommend these changes. During the transition period, a Member who served as Speaker, Premier, or Minister in the 12 months before the dissolution of the Assembly or who served three or more terms as a Regular Member, cannot accept or hold a contract, employment, or an appointment from the GNWT or an organization in which they had significant official dealings with in the 12 months prior to them ceasing to be a Member.

Currently, the transition period for Regular Members is four months for each term in office, to a maximum of 12 months. Committee was concerned a longer transition period, particularly for Regular Members, would act as a barrier to people standing for election as MLA. It was noted that Regular Members do not play a direct decision-making role in day-to-day government functions, and, as such, a longer transition period was not necessary. Committee amended Bill 56 to make the transition period for Regular Members four months, regardless of the number of terms served, to remove a potential barrier to choosing to run for MLA, ensuring people do not face barriers to future employment in a public role.

Integrity Commissioner

Bill 56 changes the title of the Conflict of Interest Commissioner ("the Commissioner") to the Integrity Commissioner. The committee did hear some questions on the need for this name change. Committee noted that this recommendation came from the Commissioner and is consistent with the title used in Ontario and Nunavut. The committee concurred with the Commissioner's suggestion.

Mr. Speaker, I would now like to turn the reading over to the honourable Member for Thebacha. Thank you.

MR. SPEAKER: Masi. Member for Thebacha.

HON. LOUIS SEBERT: Thank you, Mr. Speaker.

Significant Official Dealings

Committee heard that the term "significant official dealings" should be defined to provide more clarity and to reflect the increased decision-making role of Ministers in the post-devolution environment. Committee considered this carefully and conducted a review of other jurisdictions in Canada and found that, in most jurisdictions where the terms

"significant official dealings" and "official dealings" are used, they are undefined.

The committee consulted with the Commissioner on this point, and it was his recommendation that the term remains undefined to allow for a more contextual or case-by-case analysis, as each issue arises. The committee agreed with the Commissioner's advice. Recognizing the important role the Commissioner plays in interpreting and applying the act, committee passed a motion that would allow the Commissioner to make recommendations for changes to the act as part of their annual report.

Controlling Interest

In the act, a conflict of interest may arise where a Member, their spouse, or dependent child has a controlling interest in a corporation or similar organization. Committee heard submissions that the term "controlling interest" may not fully capture all situations where a Member may have a beneficial interest in a corporation or similar organization. It was recommended that "controlling interest" be replaced with the term and concept of "beneficial ownership" to bring it in line with current best practices and the Canada Business Corporations Act.

The committee accepted this recommendation and passed a number of motions to make this change throughout the Legislative Assembly and Executive Council Act. A motion was also passed to amend the bill to require that any Members report any beneficial ownership as part of their public disclosure statement filed with the Commissioner.

Disclosure of Gifts and Personal Benefits over \$400

The Legislative Assembly and Executive Council Act provides that a Member may not accept a gift or personal benefit directly tied to their duties as a Member unless it is received as part of normal protocol or social obligations that accompany their office. Gifts or personal benefits over \$400 become the property of the Legislative Assembly or Government of the Northwest Territories. Where gifts or personal benefits over \$400 are received or the total value from one organization in one year exceeds \$400, they must be reported to the Commissioner. Committee passed a motion that requires the value and description must be reported and included as part of a Members' annual disclosure statement.

Oath of Loyalty

While there was general support for the new oath of loyalty, concerns were raised about Members making a commitment to act in a manner that was consistent with the Northwest Territories Act as this

was a piece of federal legislation and could in fact limit the ability of Members to push for changes to the role and powers of the Legislative Assembly. Committee agreed and passed a motion removing the reference to the Northwest Territories Act from the oath of loyalty.

Transparency and Public Accessibility

Several presenters noted the need for increased accessibility to information that is made public under the Legislative Assembly and Executive Council Act. It was noted that Members' public disclosure statements are available publicly but are only accessible by hard copy in the library at the Legislative Assembly in Yellowknife. It was also noted that a number of documents that the Commissioner is required to produce are tabled in the Legislative Assembly, but a member of the public must know about these documents and then search through all tabled documents posted on the Assembly's web site.

Committee made a number of amendments to the bill to require that all of these documents be posted online on a registry to be made more publicly accessible. Further, the committee made the following recommendation.

Recommendation 1:

The Standing Committee on Rules and Procedures recommends that the Legislative Assembly of the Northwest Territories create a separate section on its web site for the Integrity Commissioner and that all documents that must be posted on the register be located on this page.

Thank you, Mr. Speaker. I would like to turn this now over to the Member for Nahendeh. Thank you.

MR. SPEAKER: Masi. Member for Nahendeh.

MR. THOMPSON: Thank you, Mr. Speaker.

What We Heard on the Draft Code of Conduct

Statement of Commitment

Several presenters felt that the language of the statement of commitment should be changed. It was felt that the use of language such as "our people" and "our land" implied a sense of ownership by Members or set Members on different level than residents of the Northwest Territories. Other presenters felt that the Indigenous cultures of the Northwest Territories should be better reflected in the statement of commitment. Committee accepted these recommendations and has proposed that the statement of commitment be adopted as follows:

As Members of the Legislative Assembly of the Northwest Territories, we acknowledge that we

have accepted a responsibility to serve the people of the Northwest Territories. We seek wisdom, strength, courage, honesty, and compassion from the people of the North, both from those who have built our past and from those who are shaping our future. As legislators elected to govern the Northwest Territories, we will do our utmost to:

- Hear the voices of all that live in the Northwest Territories;
- Preserve Indigenous traditional knowledge, languages, and the traditions of the various cultures and bridge them with new ways to build a better future for people in the Northwest Territories;
- Provide legislation, policies, and services for the good of the people as individuals, families, and communities;
- Promote the equality and equity of all people in the Northwest Territories;
- Distribute resources fairly and justly; and
- Respect and honour the land and all its inhabitants.

Application of Code of Conduct to Members

Committee heard some concern that the Code of Conduct was no longer written in a way that was personalized; for example using "we" instead of "I." Committee noted this concern, but also noted that where the Members' Conduct Guidelines were voluntary, and a Member agreed to be bound by them, the Code of Conduct will apply to all Members. However, in light of these concerns, the committee made the following recommendation:

Recommendation 2

The Standing Committee on Rules and Procedures recommends that the 19th Assembly have a public ceremony where each Member agrees to and signs the Code of Conduct.

Mr. Speaker, at this time, I would like to turn the reading back over to the honourable Member for Frame Lake. Thank you, Mr. Speaker.

MR. SPEAKER: Masi. Member for Frame Lake.

MR. O'REILLY: Merci, Monsieur le President.

Application of Access to Information and Protection of Privacy Act

Committee received one submission which expressed concern that the Access to Information and Protection of Privacy Act ("ATIPP") does not apply to Members. Committee noted that ATIPP does not apply to protect the parliamentary

privileges of Members. Committee also noted that the Draft Code of Conduct expressly deals with the issue of privacy and requires Members to take appropriate steps to protect the confidentiality of any personal information, personal health information, or other confidential information that comes into their possession.

To reflect the concerns raised, and to assist Members in meeting this requirement of the Draft Code of Conduct, committee made the following recommendation:

Recommendation 3

The Standing Committee on Rules and Procedures recommends that all Members of the 19th Assembly receive privacy training to assist them in protecting the confidentiality of any personal information, personal health information, or other confidential information that comes into their possession.

Ongoing Review

The Draft Code of Conduct is intended to be a living document, and it may require changes in the future as it is applied to situations. The committee makes the following recommendation:

Recommendation 4

The Standing Committee on Rules and Procedures recommends that the 19th Assembly review the Code of Conduct to ensure it continues to meet the needs of the Assembly and residents.

Communication Of Outcome

Committee believes that it is important the residents of the Northwest Territories be aware of the changes to the Legislative Assembly and Executive Council Act and the new Code of Conduct, if adopted. Committee believes information on the code should be easily accessible and available in plain language. As a result, the committee made the following recommendation

Recommendation 5:

The Standing Committee on Rules and Procedures recommends that, upon adoption of the new Code of Conduct and the coming into force of Bill 56, that a news release be distributed and plain language materials be posted to the Legislative Assembly website explaining the changes.

This concludes the committee's report on the review of Bill 56 and the Draft Code of Conduct. Mahsi, Mr. Speaker.

I seek unanimous consent to waive rule 100(4) and have Committee Report 30-18(3), Standing Committee on Rules and Procedures Report on the Review of Bill 56, An Act to Amend the Legislative

Assembly and Executive Council Act, No. 2, and the Draft Code of Conduct, received and moved into Committee of the Whole for consideration later today. Mahsi, Mr. Speaker.

MOTION TO RECEIVE COMMITTEE REPORT 25-18(3) AND MOVE INTO COMMITTEE OF THE WHOLE,
CARRIED

MR. SPEAKER: Masi. The Member is seeking unanimous consent to waive rule 100(4) and have Committee Report 30-18(3): Report on the Review of Bill 56: An Act to Amend the Legislative Assembly and Executive Council Act, No. 2, and the Draft Code of Conduct to move into Committee of the Whole for consideration later today.

---Unanimous consent granted

Committee Report 30-18(3) is now moved into Committee of the Whole for consideration later today. Mahsi. Reports of standing and special committees. Item 13, reports of committees on the review of bills. Member for Yellowknife North.

Reports of Committees on the Review of Bills

BILL 46:
PUBLIC LAND ACT

MR. VANTHUYNE: Thank you, Mr. Speaker. I wish to report to the Assembly that the Standing Committee on Economic Development and Environment has reviewed Bill 46, Public Land Act, and wishes to report that Bill 46 is now ready for consideration in Committee of the Whole as amended and reprinted. Thank you, Mr. Speaker.

MR. SPEAKER: Masi. Reports of committees on the review of bills. Item 14, tabling of documents. Minister of Environment and Natural Resources.

Tabling of Documents

TABLED DOCUMENT 494-18(3):
NORTHWEST TERRITORIES WASTE
RESOURCE MANAGEMENT STRATEGY AND
IMPLEMENTATION PLAN

HON. ROBERT MCLEOD: Thank you, Mr. Speaker. I wish to table the following document entitled "Northwest Territories Waste Resource Management Strategy and Implementation Plan." Thank you, Mr. Speaker.

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

TABLED DOCUMENT 495-18(3):
NWT ASSOCIATION OF COMMUNITIES 2019
RESOLUTIONS COVER PAGE, RESOLUTION
2019-06 AND GNWT RESPONSE TO
RESOLUTION 2019-06

MR. O'REILLY: Merci, Monsieur le President. I would like to table the following document. It's three pages excerpted from the Northwest Territories Association of Communities website. 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: Bill 25, An Act to Amend the Workers' Compensation Act; Bill 39, Environmental Rights Act; Bill 42, An Act to Amend the Petroleum Products Tax Act; Bill 43, An Act to Amend the Income Tax Act; Committee Report 26-18(3), Report on the Review of the Carbon Tax Bills: Bill 42: An Act to Amend the Petroleum Products Tax Act and Bill 43: An Act to Amend the Income Tax Act; Committee Report 28-18(3), Report on the Review of Bill 25, Act to Amend Workers' Compensation Act; Committee Report 30-18(3), Report on Bill 56, An Act to Amend the Legislative Assembly Act and Code of Conduct; Minister's Statement 151-18(3), New Federal Infrastructure Agreement; Minister's Statement 158-18(3), Developments in Early Childhood Programs and Services; Minister's Statement 211-18(3), Addressing the Caribou Crisis; and Tabled Document 442-18(3); 2030 NWT Climate Change Strategic Framework 2019-2023 Action Plan.

By the authority given to me as Speaker by Motion 7-18(3), I hereby authorize the House to sit beyond the daily hour of adjournment to consider the business before the House, 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 will now call Committee of the Whole to order. What is the wish of committee? Mr. Beaulieu.

MR. BEAULIEU: Thank you, Mr. Chairman. Committee wishes to consider Committee Report 26-18(3), Standing Committee on Government Operations Report on the Review of Bill 42, An Act to Amend the Petroleum Products Tax Act, and Bill 43, An Act to Amend the Income Tax Act; Bill 42, An Act to Amend the Petroleum Products Tax Act; and Bill 43, An Act to Amend the Income Tax Act. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. Beaulieu. For clarity, the committee would like to consider the recommendation as a committee report, followed by Bill 42, followed by Bill 43. Is that correct? Mr. Beaulieu.

MR. BEAULIEU: Thank you, Mr. Chairman. That is correct. Thank you, Mr. Chairman.

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

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mr. Simpson): Thank you, committee. We will consider the report and the bills after a brief recess.

---SHORT RECESS

CHAIRPERSON (Mr. Simpson): I will now call Committee of the Whole back to order. Welcome back, committee. We have agreed to first consider Committee Report 26-18(3), Standing Committee on Government Operations Report on the Review of the Carbon Tax Bills; Bill 42, An Act to Amend the Petroleum Products Tax Act; and Bill 43, An Act to Amend the Income Tax Act. I will turn to the chair of the Standing Committee on Government Operations for opening remarks. Mr. Testart.

MR. TESTART: Thank you, Mr. Chair. The Standing Committee on Government Operations concluded its review of Bill 42, An Act to Amend the Petroleum Products Tax Act; and Bill 43, An Act to Amend the Income Tax Act on August 7, 2019 with a public clause-by-clause review held at the Legislative Assembly building.

The committee read their substantive report into the House yesterday. To commence its review of Bill 42 and Bill 43, the Standing Committee on Government Operations sent letters inviting input from an extensive list of stakeholders, including all municipal and Indigenous governments in the Northwest Territories and a number of non-governmental organizations.

The committee held one public meeting in Yellowknife on August 1, 2019. As well, the committee received four written submissions on the bill, from the Arctic Energy Alliance, a joint submission from Ecology North and Alternatives North, Northwest Territories Association of Communities, and the City of Yellowknife. On behalf of the committee, I would like to thank everyone who provided input on Bills 42 and 43.

While I have the floor, Mr. Chair, I will take the opportunity to reiterate the frustrating process committee experienced in its review of these bills. Committee began its engagement with the Minister of Finance as far back as 2017. Despite multiple

attempts to provide recommendations to the Minister on the GNWT's planned approach to carbon pricing, each time, committee was rebuffed. Although committee recognizes that the Minister was very forthcoming with information and updates with respect to the negotiations of carbon pricing with the federal government, committee was denied any meaningful opportunity to shape the GNWT's carbon pricing plan, an approach that did not meet committee's expectations to be involved in such a crucial decision for the Northwest Territories.

This situation was further exacerbated during the committee's clause-by-clause review of the legislation, the two bills, by a lack of information available to support committee in its public consultations. I should note that the federal government bears a great deal of this responsibility, as well. Correspondence written to the federal Minister of Environment and Climate Change was returned without answering committee's questions or providing additional information that could have helped the committee compare the merits of the GNWT's plan with the merits of the federal backstop. Ultimately, committee was unable to render a decision on which approach to carbon pricing would be of greatest benefit to the Northwest Territories and did not seek amendments as a result. Again, this was a very frustrating process as committee had higher expectations to be more involved in a collaborative role with the Minister of Finance and the government on co-developing a carbon pricing plan that worked for everyone in the Northwest Territories.

Individual Members may have additional comments or questions as we proceed with consideration of the bill. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. Testart. I understand that this is an emotional time for everyone: the long days, it's the end of the Assembly; a lot has been put into these bills, and I just ask that everyone do their best to watch their words carefully and ensure that everything said is respectful. The one thing that I am always proud of in this House is that we have a level of decorum that is seen nowhere else in the country, and I just ask that we all do our best to maintain that. I am going to open up the floor to general comments. General comments from committee? Mr. O'Reilly.

MR. O'REILLY: Thanks, Mr. Chair. I am not a Member of this committee, but I did sit in on much of their deliberations. I did attend the public hearing that was held here in Yellowknife, and I am disappointed. Well, I want to thank the committee for allowing me to do that and attempt to get a better understanding of the bill and the approach that is being taken by our government with regard to carbon pricing.

I do have major concerns with the bills, particularly Bill 42, and my concerns revolve around the lack of public reporting. I have made that well known on the floor of this House, that we need to have integrated and comprehensive public reporting of the money that is collected, what it's used for, and its effects on greenhouse gas reductions, and how we are accomplishing the pan-Canadian framework target over time. Unfortunately, the bill really does not contain any provisions for any kind of public reporting, and all of the rebates or grants are going to be determined by regulations set afterwards. Although I know I have heard my colleagues across the floor talk about this is a made-in-the-North approach, it's really a made-by-Cabinet approach that I cannot accept.

It's also linked to what I believe is an inadequate energy strategy, where 44 percent of the greenhouse gas reductions are supposed to come from Taltson expansion. There is no money to do it. There is no feasibility study. There is no business plan. There is no market for Taltson expansion, so I can't see how the energy strategy and the investments that this carbon tax, the small investments this carbon tax, may allow can enable us in any way to actually reach the pan-Canadian framework target.

The carbon tax is also linked to the Climate Change Strategic Framework, which does not address the climate change audit that was carried out by the Auditor General of Canada, that recommended that there needed to be structures, an organization, put in place to ensure that there would be climate change leadership within our government. We do not have that yet, and the Climate Change Strategic Framework does not deliver on the inadequacies pointed out by the Auditor General. We have, I guess, a deputy-minister-level committee, but there is no leadership council; there is no requirement for consideration of climate change implications in terms of Cabinet or Financial Management Board decisions; there is no coordinated reporting. There is just no structure or organization that is going to establish the necessary leadership within our government to ensure that we start to take real action on climate change.

I agree with my colleague from Kam Lake, that the information about the federal backstop has not really been provided to us, and I will have questions for the Minister on the bill when he is at the witness table with his staff, around what the federal backstop really means for the Northwest Territories and some of the information that our government has put out about what the federal backstop is, really, what it means, so, for all of those. I believe that a carbon pricing system is a very essential tool in terms of taking action on climate change. Unfortunately, this plan doesn't meet the needs that we have with regard to climate change. It is largely

been designed, as the Minister has repeated many, many times, this is about mitigating the impact of a carbon tax on our citizens. It is not about actually addressing climate change. That should be the primary purpose of a carbon pricing system here. For all of those sorts of reasons, Mr. Chair, I cannot support the bill. I will have further questions on the specifics of the bill when the Minister is at the table. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. O'Reilly. Right now, we are discussing the committee report. We will have an opportunity to discuss further issues as we move through the report. The chair will likely make a number of recommendations. Then, we have two bills to go through. There will be opportunity to discuss individual clauses there. I just want to let committee know that there is plenty of time to get your comments out. Anything further? General comments on the report? Ms. Green.

MS. GREEN: Thank you, Mr. Chair. I appreciate the work that the standing committee put in to examining these bills. The process was obviously very fraught. I don't want to go too far down that road, because it is well-documented in this report and by the remarks of my colleague. I just want to underline that the studies that are being reported in the media reveal a real urgency around this issue to begin taking action in order to slow warming and, if at all possible, to roll it back.

I hear a lot of messaging from the government that says, as a small jurisdiction with a small population, that somehow we need a bye on participating in the solution. I want to say that I don't agree with that. We need to be fully involved in action on the climate crisis. This is one possibility. There are many others. I spoke about some of them during the last session.

Just to quickly recap, I suggested that there be a whole-of-government approach to procurement that takes climate change into account so that the most energy-efficient ways of doing business are those that are favoured. I have talked about personal responsibility programs. I have talked about the need to increase money for retrofits. At the moment the uptake on retrofit programs is not very robust. More money could encourage more people to do it. There needs to be a suite of actions that would take action on the climate crisis. This is just the first one, as far as I am concerned. There will need to be more. They may need to be more aggressive than this is.

I am prepared to support this bill, but if I am fortunate enough to be re-elected, I will certainly be making a point of saying that this is just the start, that the government needs to stimulate action in many other areas to deal with the climate crisis.

This is not a one-and-done solution. There is more than needs to be done. Thank you.

CHAIRPERSON (Mr. Simpson): Thank you, Ms. Green. Next, I believe I have Mr. Blake.

MR. BLAKE: Thank you, Mr. Chair. I, too, will be supporting the bill. For the constituency I represent, in order to go anywhere, a good example is Aklavik or Tsiigehtchic, the majority of the time, you need to travel to Inuvik just to get groceries. That is probably, easy, \$150, almost \$200, return trip. That is for gasoline. That is usually once a week or once every two weeks you need to do that. Any time you want to go hunting, you are looking at \$500 just for gasoline, maybe more. That is a rough estimate.

In my riding, compared to living in Yellowknife, you just go downtown, and you are at the grocery market. A good example is, where I live, it is the highest cost of living, let alone the highest cost of gasoline and fuel. For the people that I represent, to have them pay more, especially under the federal backstop, at least here, we are kind of limiting what we are trying to do. It really is a shame.

I know there is a climate crisis, but making our constituents in the highest cost of living areas pay more is really challenging because they have a 35 percent employment rate. Those who are unemployed have to pay more for fuel, gas. I know they do get a rebate for home fuel, but a lot of these rebates I'd like to see put more focus on small communities because I will tell you one thing. In my riding, there is not a lot of people who access these solar panels or everything that is available because they just don't have the capital to do that or expertise, people who put those in place. It is really challenging the further north you go. There needs to be more focus on that.

I believe this is the best plan we have moving forward. Who knows what will happen in the next federal election. There are plans to possibly take this out, depending on who gets in. Leave it at that. For now, I am willing to support this. Thanks.

CHAIRPERSON (Mr. Simpson): Thank you. Next, I have Mr. McNeely.

MR. MCNEELY: Thank you, Mr. Chair. I, too, will support this bill. I totally agree with my colleague from the Mackenzie Delta here on the smaller communities. Because of the high unemployment here, not a whole lot of people have the front-end capital to fund and install solar panels and then get a rebate later. Hopefully, the revenue generated by this will take that into account.

Other pilot projects such as the one done by the Yamoga Land Corporation in Fort Good Hope where they bought over 50 of these secondary combustible wood stoves and install them, sent two

young fellows out to do the installation or get the training to do the proper installation, so many inches away from the wall sort of thing and the chimneys. If that could be looked at and maybe even look at some of these other energy-efficient appliances here.

For example, the older models, which are still currently supplied, the hot water tank, you have your hot water elements here burning 24/7 where that could be reduced for on-the-demand system of providing hot water in homes, which, therefore, reduces the amount of electricity to have hot water in your home when the taps are turned on. Those are just a couple of examples there that I am hoping that the operational side of this revenue would go towards things of that nature in the smaller communities where the employment is very desired by a lot of people but the opportunity to create those employment are very, very limited. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. McNeely. It is pretty obvious I am giving everyone a wide berth here. We are not talking about a bill. This is not a bill. This is the report. I know it is hard. We can't avoid discussion on the bills, but this is not a bill. This is the report, just to be clear to those who are reading Hansard. Next, I have Mr. Nakimayak.

MR. NAKIMAYAK: Thank you, Mr. Chair. Speaking about the report, we travelled around the territory. Obviously, the issue was the cost of living, the cost of transportation. In my region, we rely a lot on gasoline for harvesting, for country food and things like that, transportation for airplanes, which we see there will be exemptions. I just want to say, Mr. Chair, I won't be long, but if we went with the federal backstop, we would definitely be paying more, and we would definitely feel it further in the territories. I think that this is probably the best way forward for now as the legislature and the territories are moving forward. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you. Anything further from committee? General comments? Mr. Nadli.

MR. NADLI: Thank you, Mr. Chair. I stand behind the report that was brought forth in the Legislative Assembly. The concern in terms of the timeliness of legislation has to be raised. I know that we are kind of at the tail end of the 18th Assembly. We were dealt a task, and part of that process was to undertake a level of consultations with the people of the Northwest Territories.

We are also, of course, dealing with another parallel process that was at the federal level in terms of implementing an income tax on petroleum products or carbon-based products. It was

unfortunate that the task was for the government to deal with climate change, to take that first step, and that first step was to tax people. Perhaps down the road, there could be some discussion in terms of taking constructive steps in terms of dealing with some practical initiatives. One of them is reductions on plastic products. There is a country in Latin America, Costa Rica, that has banned plastics. Why can't we do that here in the Northwest Territories? Perhaps initiatives like that could be contemplated in the next Assembly.

For the most part, I stand behind the report. The concern was accepting what the federal government had proposed in terms of the federal backstop. In its implementation, I think that we have customized an approach in terms of how it is that it could work up here in the Northwest Territories. Foremost, as an MLA, is the concern about how it is going to impact the cost of living to people who, in their livelihood, that everybody drives trucks. You have to drive a skidoo. You have to drive a boat to get to your destination. Even if you hunt and trap, you have to drive a skidoo. It is going to have a big impact. I think that this government has taken a level of responsibility, customize it, to try to cushion its implementation.

As I indicated and stated at the outset, I think that we could have done a little bit better in terms of consultation and sharing of information to make this legislation stronger. Mahsi.

CHAIRPERSON (Mr. Simpson): Thank you. Further general comments? Mr. Testart.

COMMITTEE MOTION 173-18(3):
STANDING COMMITTEE ON GOVERNMENT
OPERATIONS REPORT ON THE REVIEW OF
BILL 42: AN ACT TO AMEND THE PETROLEUM
PRODUCTS TAX ACT AND BILL 43: AN ACT TO
AMEND THE INCOME TAX ACT – PLAIN
LANGUAGE SUMMARIES OF BILLS, CARRIED

MR. TESTART: Mr. Chair, I move that this committee recommends that, for all bills proposing to establish, replace, or make significant changes to territory legislation, a plain language summary be prepared and made available to the appropriate standing committee at the time is introduced in the Legislative Assembly. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you. There is a motion. The motion is in order. To the motion, Mr. Testart.

MR. TESTART: Thank you, Mr. Chair. This motion applies to much of the work of the standing committees of the Legislative Assembly. Oftentimes, the committee is put into a position of defending a government bill, and its role is rightfully to review that bill. Having access to some of the

questions that the public wants to ask is crucial to ensure that we can clearly define the roles of the executive branch and the legislative branch and so those respective branches of government can operate effectively.

A plain language summary attached to the public consultations on bills such as this one would greatly improve the public's understanding of our process and answer the questions that they might have that the committee is either not in a position to answer, unable to answer due to confidentiality concerns, or simply does not know the answer. This motion calls for those plain language summaries to be prepared ahead of time for major legislative initiatives so that the public is aware of what the contents of those bills are.

I should note that, in some of the cases with the other bills that have been brought forward in this House, extensive work was done on plain language summaries that greatly assisted the public's understanding of the bills and the standing committee's review of those bills. Those processes are a good template to follow for the future. Thank you.

CHAIRPERSON (Mr. Simpson): Thank you. To the motion.

SOME HON. MEMBERS: Question.

CHAIRPERSON (Mr. Simpson): Question has been called. All those in favour? All those opposed?

---Carried

Mr. Testart.

COMMITTEE MOTION 174-18(3):
STANDING COMMITTEE ON GOVERNMENT
OPERATIONS REPORT ON THE REVIEW OF
BILL 42: AN ACT TO AMEND THE PETROLEUM
PRODUCTS TAX ACT AND BILL 43: AN ACT TO
AMEND THE INCOME TAX ACT – MUNICIPAL
FUNDING GAP, CARRIED

MR. TESTART: Mr. Chair, I move that this committee recommend that the Government of the Northwest Territories, led by the Department of Municipal and Community Affairs, complete its work to address the municipal funding gap on an urgent basis, taking into consideration the increased costs of the carbon tax to all local authorities, and that additional forced-growth funding to compensate for these costs be included in the 2020-2021 budget. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. Testart. There a motion on the floor. To the motion, Mr. Testart.

MR. TESTART: Thank you, Mr. Chair. This House is well aware of the shortfall to the municipal financing formula that is putting increased cost pressures on our local governments in the Northwest Territories. We have heard many of those governments be concerned that they will be passing on costs to their residents as a result of the shortfall.

The concern that the standing committee heard directly from the NWT Association of Communities is that, without specific rebates or grant programs provided to municipalities in light of the carbon tax, the additional taxes that will be paid on municipal vehicle fleets or other things that are not automatically exempt will drive the cost of operating those local governments. As a result, those costs will either have to be passed on to residents in the form of higher taxes or a reduction in services. This is already a challenging state of financial affairs for our communities, who are dealing with a systemic gap of resources, and this is only going to add more cost pressures.

Committee felt very strongly that we needed to do more than simply draw attention to the problem, but make a concrete recommendation on how to resolve it, which is ultimately more funding to compensate for these additional costs, so that we take the pressure off of cost of living of Northerners. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you. To the motion.

SOME HON. MEMBERS: Question.

CHAIRPERSON (Mr. Simpson): Question has been called. All those in favour? All those opposed?

---Carried

Mr. Testart.

COMMITTEE MOTION 175-18(3):
STANDING COMMITTEE ON GOVERNMENT
OPERATIONS REPORT ON THE REVIEW OF
BILL 42: AN ACT TO AMEND THE PETROLEUM
PRODUCTS TAX ACT AND BILL 43: AN ACT TO
AMEND THE INCOME TAX ACT – ANNUAL
REPORT ON CARBON TAX, CARRIED

MR. TESTART: Mr. Chair, I move that this committee recommend that the Department of Finance table on annual report in the Legislative Assembly on the carbon tax that provides detail on: total carbon taxes collected; carbon taxes collected from large emitters; total rebates provided; number and nature of grants provided; costs of administering the carbon tax; reinvestment of carbon tax revenues; projected tax revenues for coming year; and an annual plan for future year

reinvestment of carbon tax revenues. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you. There is a motion on the floor. To the motion. Mr. Testart.

MR. TESTART: Thank you, Mr. Chair. During committee's review of the early stages of the carbon tax bill, the committee wrote to the department several times and encouraged them to bring forward reporting like this. There are models of carbon pricing in Canada, most notably in British Columbia, that require a tax plan to be tabled every four years, in the BC legislature, that clearly lays out how all of the money is being raised, where it is coming from, and where, ultimately, it is going to be spent. That is part of their budgetary process.

That kind of transparency and clarity is, the committee believes, the best way to ensure that we can guarantee to Northerners that the revenues raised from this new tax are going to their intended purposes. Without formal reporting like this, there will be no way to independently verify that the tax is largely revenue-neutral and being committed towards clean growth and climate change mitigation.

This is a crucial motion. We have had a commitment at the clause-by-clause review at the committee stage that the government was working on something. We were a bit dismayed that it was not in the bill proper, but hopefully, the ultimate reporting on carbon tax follows this recommends, and the public is able to see quite clearly how these revenues are being raised and what they are being spent on. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you. To the motion. Mr. O'Reilly.

MR. O'REILLY: Thanks, Mr. Chair. I agree with this recommendation from the committee. I have made many statements in this House about the need for stronger accountability and reporting around the climate crisis. When I saw the bill, I was quite disappointed that there was nothing written into the bill that provides for or requires this kind of reporting. I support the work that the committee has done to review this and encourage that it be done. I think that it can and should have been part of the bill, so I do support this recommendation. Thanks, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you. To the motion.

SOME HON. MEMBERS: Question.

CHAIRPERSON (Mr. Simpson): Question has been called. All those in favour? All those opposed?

---Carried

Mr. Testart.

COMMITTEE MOTION 176-18(3):
STANDING COMMITTEE ON GOVERNMENT
OPERATIONS REPORT ON THE REVIEW OF
BILL 42: AN ACT TO AMEND THE PETROLEUM
PRODUCTS TAX ACT AND BILL 43: AN ACT TO
AMEND THE INCOME TAX ACT – ANNUAL
ASSESSMENT OF CARBON TAX IMPACTS ON
GREENHOUSE GAS EMISSIONS, CARRIED

MR. TESTART: Mr. Chair, I move that this committee recommend that the Department of Finance undertake an annual assessment of the impact of the carbon tax on greenhouse gas emissions in the Northwest Territories, to be reported in the annual report. This should be integrated with the reporting on greenhouse gas emissions under the climate change strategic framework and energy projects under the energy strategy. This will allow an evaluation of whether the carbon tax is effective in reducing greenhouse gas emissions. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. Testart. There is a motion on the floor. The motion is in order. To the motion. Mr. Testart.

MR. TESTART: Thank you, Mr. Chair. Again, this is another way that we can ensure transparency around the stated goals of carbon pricing to make sure that the impact on cost of living is going towards its intended purpose of mitigating the disastrous effects and deleterious effects of climate change on our fragile northern environment. The stated goals of this need to be around greenhouse gas emissions. Otherwise, why do it? This motion calls for exacting reporting on how effective the tax is being in meeting its stated public policy goals. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you. To the motion. Mr. O'Reilly.

MR. O'REILLY: Thanks, Mr. Chair. In my opening remarks, I talked about Cabinet's crisis climate change plan, consisting of three separate initiatives. We have the climate change strategic framework, the energy strategy, and now carbon pricing. Unfortunately, there are no strong links between the three of them. This bill does not provide for any formal links between the other two parts of the strategy or the plan that this Cabinet has developed. In the absence of that, it is very difficult, I think, for anyone to see and understand how these are linked together and what kind of progress we may be making on some of these as a result of the carbon tax.

I talked numerous times about the need for integrated reporting. There has not been a clear commitment in writing. There is no legal

requirement for that to happen as a result of this bill. All we are left with is trying to make a recommendation from the standing committee. I do support this. I will have more to say when we get to the bill itself. Thanks, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you. To the motion.

SOME HON. MEMBERS: Question.

CHAIRPERSON (Mr. Simpson): Question has been called. All those in favour? All those opposed?

---Carried

Mr. Testart.

COMMITTEE MOTION 177-18(3):
STANDING COMMITTEE ON GOVERNMENT
OPERATIONS REPORT ON THE REVIEW OF
BILL 42: AN ACT TO AMEND THE PETROLEUM
PRODUCTS TAX ACT AND BILL 43: AN ACT TO
AMEND THE INCOME TAX ACT –
COMPREHENSIVE REVIEW AND EVALUATION
OF CARBON TAX, CARRIED

MR. TESTART: Mr. Chair, I move that this committee recommend that the Department of Finance undertake a comprehensive review and evaluation of its carbon tax approach, including public consultation, to be completed after the program is fully implemented in 2022. The purpose of the review is to determine the effectiveness of the program on reducing greenhouse gas emissions and to assess its impacts on the NWT economy in order to develop program improvements. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you. The motion is in order. To the motion. Mr. Testart.

MR. TESTART: Thank you, Mr. Chair. Again, this is a way to ensure that the tax is being monitored for effectiveness and that any rebalancing of grants and rebates to offset any drawbacks from our local economies or territorial economy can be properly assessed by making necessary changes to the carbon pricing scheme. This motion is calling for or recommending that that be done in a formal and public process by the time the carbon tax reaches its full amount of \$50 per tonne. Thank you.

CHAIRPERSON (Mr. Simpson): Thank you. To the motion.

SOME HON. MEMBERS: Question.

CHAIRPERSON (Mr. Simpson): Question has been called. All those in favour? All those opposed?

---Carried

Mr. Testart.

COMMITTEE MOTION 178-18(3):
STANDING COMMITTEE ON GOVERNMENT
OPERATIONS REPORT ON THE REVIEW OF
BILL 42: AN ACT TO AMEND THE PETROLEUM
PRODUCTS TAX ACT AND BILL 43: AN ACT TO
AMEND THE INCOME TAX ACT – GOVERNMENT
RESPONSE, CARRIED

MR. TESTART: Mr. Chair, I move, to the extent it is possible before the dissolution of the 18th Assembly and for the public record, that the government provide a response to these recommendations, even of a preliminary nature, that committee may publicly disclose. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you. The motion is in order. To the motion.

SOME HON. MEMBERS: Question.

CHAIRPERSON (Mr. Simpson): Question has been called. All those in favour? All those opposed?

---Carried

Seeing nothing further, does committee agree this concludes our consideration of Committee Report 26-18(3)?

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mr. Simpson): Thank you, committee. This concludes consideration of Committee Report 26-18(3). Committee, we have agreed to next consider Bill 42: An Act to Amend the Petroleum Products Tax Act. I will give committee a chance to pull out their acts. It looks like everyone is ready to go. I will turn to the Minister responsible for the bill to introduce it. Minister McLeod.

HON. ROBERT MCLEOD: Thank you, Mr. Chair. I am here to present Bill 42. This piece of legislation, along with Bill 43, are critical pieces of legislation will allow the Government of the Northwest Territories to meet its carbon pricing commitment under the Pan-Canadian Framework on Clean Growth and Climate Change through a carbon tax on all petroleum and natural gas fuels, except aviation fuel.

The purpose of Bill 42 is to amend the Petroleum Products Tax Act to create the carbon tax on petroleum products and natural gas so that the collection and administration of the carbon tax is the same as the current fuel tax.

The legislation being considered today requires us to make a choice. A carbon tax is going to be introduced in the Northwest Territories. Either we will pass this legislation and introduce the related rebates and offsets the GNWT has planned to mitigate the impact of the carbon tax on NWT

residents and businesses, or we will allow the federal government to implement the federal carbon tax and Ottawa would make the decisions about how to use the revenues from a carbon tax.

We know, based on how the federal government has implemented the carbon tax in jurisdictions that didn't introduce their own carbon tax, that the GNWT approach is much more favourable to residents, businesses, and communities than the federal backstop approach.

The GNWT approach, when fully implemented, will provide a family of four with over \$1,100 annually from the cost of living offset benefit and residents will not have to pay carbon tax on heating fuel as it is being rebated at the point of purchase. This is very significant for Northerners who already pay high costs for heating fuel and face an overall high cost of living.

The rebate of the NWT carbon tax on heating fuel will also mitigate the impact of the NWT carbon tax on small businesses and community governments as they will not face increased heating costs for their facilities. All residents, businesses, and communities will also benefit as we will rebate the carbon tax on fuel used for community electricity production, which will ensure that electricity rates will not have to be increased because of the carbon tax.

Large emitters are facilities that produce more than 50,000 tonnes of greenhouse gas emissions annually. The GNWT approach results in similar overall carbon tax as the federal backstop for these facilities, but the carbon tax is applied in a way that is more appropriate for the NWT context.

Finally, the GNWT approach is expected to provide \$8 million annually when fully implemented that the GNWT will be able to use to invest in energy initiatives.

I am not saying that we will be able to mitigate all impacts of carbon pricing. It is a tax and no one likes a new tax. It is clear that the residents and businesses will be better off with the GNWT approach than simply allowing the federal government to impose their approach to a carbon tax and spend the revenues as they see fit.

This concludes my opening remarks, Mr. Chair. Thank you.

CHAIRPERSON (Mr. Simpson): Thank you. I will turn to the chair of the standing committee that reviewed the bill for any opening comments. There are no opening comments I see from Mr. Testart, so I can open the floor to general comments on Bill 42: An Act to Amend the Petroleum Products Tax Act. First, we have Mr. Vanthuyne.

MR. VANTHUYNE: Thank you, Mr. Chairman. When I spoke to the principle of Bills 42 and 43 at second reading, I indicated that I do not support a carbon tax in the Northwest Territories. In fact, I still do not support a carbon tax, and I will not be supporting these bills. My reasons have evolved, and I will explain.

First, let me be perfectly clear about one thing. I wholeheartedly support the reduction of greenhouse gases. Like most people, I am worried about the effects of climate change. As a Northerner, I have seen its frightening impact up close and probably a lot earlier than people living on other parts of the planet. I believe every one of us should be doing what we can to modify our behaviours to reduce our carbon footprint. I just do not believe that this carbon tax is the way for us to get there.

I also want to be clear on another point. My decision not to support Bills 42 and 43 should not be interpreted as support for the federal backstop. In debating these bills, we find ourselves between the proverbial rock and a hard place, and, as a legislator, I do not appreciate being put in this position by the federal government. As I said in March, I view this heavy-handed approach by the Government of Canada as a flailing attempt to alleviate its conscience with a symbolic gesture towards mitigating the impacts of climate change, one that will cost our residents dearly at a time when people are already struggling. Instead of ongoing diplomatic squabbles with China, I would far prefer to see our federal leaders doing all they possibly can to encourage this superpower responsible for a whopping 28 percent of global carbon dioxide emissions to move to cleaner fuel sources. The same could be said for the United States, which holds only 4 percent of the world's population but is responsible for 15 percent of global carbon dioxide emissions.

I appreciate the GNWT's attempt to mitigate the impacts of this unwelcome and mandatory tax, but including a 100 percent rebate on heating fuel at the point of sale, without that, a carbon tax in the Northwest Territories would be utterly unconscionable given our already high cost of living. Unfortunately, the unintended consequences of this policy decision is that any behavioural changes which might have been brought about by a carbon tax in the NWT will also be mitigated. In other words, this rebate, while welcome, makes the carbon tax virtually useless for the purpose for which it is intended, reducing effects on climate change.

The GNWT released its summary of public engagement on the implementation of pan-Canadian carbon pricing in the Northwest Territories in January of 2018. Let me read for you

just a few comments made by Northerners, which reflect the majority of the public opinion: "Do not impose a carbon tax. We already pay too much for fuel and electricity." "Kill it. Kill it dead. People aren't saving on electricity, even though we are reduced usage. Minus 50 is awfully cold without household heat." "What a stupid tax. I can't do anything to change the heat I use to heat my house." "The North will suffer with such a tax. It means less money in my home. If the environment means so much to the government, start subsidizing 100 percent of the cost to move to renewable energy." "It will make small northern businesses less competitive and exacerbate an already bad situation, furthering small business decline." Lastly, "I think the carbon tax will penalize those who live in the North and will end up being an incentive to leave the North." Mr. Chair, the comments go on and on in this vein for 68 pages. I don't think our constituents could be any more clear about their views on this tax.

Today I am standing with them. It is time for this government to wake up and recognize how short-sighted this is and how dire economic circumstances are for many northern families. The Standing Committee on Government Operations repeatedly asked the Department of Finance to include measures for small businesses in their made-in-the-North approach, but nothing was done for small businesses. Even the federal backstop offers small businesses a direct rebate program to offset 25 percent to 50 percent of their costs to buy more energy-efficient equipment or appliances and rebates up to 25 percent of the eligible costs for retrofits to reduce energy use. There are no measures to include it for municipalities. Just yesterday in this House, one of my colleagues pointed out the fact that the diamond mines will be closed in the next decade. As we all know, the GNWT's transfer payments from Canada are driven in part by the size of our population. The GNWT should be doing all it can to keep Northerners here and to attract new residents, not impose a tax that threatens to drive people away. Need I remind this House of increased airport fees, land transfer tax, increased lease fees, and consideration of a sugar tax, all put forward by this government in this term alone. Don't get me started on the power rates.

I understand that the Standing Committee on Government Operations also wanted to see reporting requirements included in Bill 42 but that that was determined to be out of scope, and we heard about a recommendation to this effect earlier. I support this 100 percent. Just because the requirement is not in the legislation, that does not mean that the GNWT should be off the hook for reporting. It is essential that the GNWT be tracking the NWT's greenhouse gas emissions now, before the tax is introduced, in order to get baseline data.

It is equally important that greenhouse gas emissions be tracked after introduction of the carbon tax so that government can report on how emissions have changed, if at all.

Mr. Chair, the imposition of this tax has that familiar old feeling Northerners know all too well, that a distant, out of touch, colonial, federal government knows what's better for the North than its own people do. What this tax fails to acknowledge is the climate change leadership already shown by the Northwest Territories. We live in remote communities, in a cold, dark climate that sees winter for eight months of the year. By necessity, we have had to adapt to more efficient forms of energy. The GNWT is already investing in energy retrofits for our own asset upgrades and looking at projects like the Taltson Hydroelectric Expansion Project. The Arctic Energy Alliance budget has been doubled over the next four years to accommodate the increased demand of residents wishing to make energy efficient home improvements such as the installation of solar panels. Even industry has stepped up. Just look at the Diavik windmill farm. It is the first large-scale wind energy facility in the Northwest Territories, and it is saving the company an estimated 5- to 6-million dollars a year in fuel costs. Diavik expects this \$33 million project, which is the world's most northern large-scale wind-diesel hybrid power system, to reduce its reliance on diesel by nearly 15 percent and lower the mine's carbon footprint by about 6 percent.

Mr. Chair, I am disappointed that the governments of the three territories were not successful in working together to dissuade the federal government from introducing this carbon tax. However well intentioned, it will result in an increased burden on the cost of living for our residents, which is already considerably higher than in Southern Canada. For these reasons, Mr. Chair, I cannot support Bills 42 and 43. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. Vanthuyne. Next, we have Mr. Testart.

MR. TESTART: Thank you, Mr. Chair. When I spoke previously, it was as the chair of the Standing Committee on Government Operations, and now I speak as the Member for Kam Lake. I have spoken with Kam Lakers about this very issue, and many of them are torn because they do care about the environment, they care about climate change, and they want options, but they are also faced with the reality that the North is already a very expensive place to live and work.

I have heard from businesses, as well, who say they cannot afford another cost and encouraged me to work to improve whatever this bill would

ultimately result in, to give them some relief on that front. Unfortunately, that is not there. As my honourable friend from Yellowknife North put out, there are no measures for small businesses, and this despite the urging of the standing committee. There are no measures for municipalities, as well, which is another feature of the federal backstop. These are features that are not in our plan, that are in another plan, but does that make the federal plan better? Well, no, we do not know that. Taking the Minister's comments earlier, "It's clear that the residents and businesses will be better off with the GNWT approach." Unfortunately, Mr. Chair, it's not clear because the exact details of the federal backstop don't exist because those backstops that we have seen are in jurisdictions that have accepted the backstop and worked with Ottawa to develop it within their jurisdictions.

I think it has become clear to me at this point that the reason we cannot get anything out of either this government or the federal government is because nothing is really there apart from targets, metrics, and other useful data that is used to build whatever the backstop ultimately looks like, barring the industrial emission standards, which we have already reviewed in our report, in the committee's report, and discussed. So the real question here is: why was this so difficult to get the information? I wanted nothing more than to see that committee report come out and fully endorse the GNWT's plan and say it's head over heels, a hundred percent better than what the federal government is going to impose on us if we don't take it," but we cannot provide that kind of comfort. What we are left with is a carbon pricing plan that is being imposed by this government, not by Ottawa. The Premier unilaterally signed on the pan-Canadian framework for clean growth and climate change and committed to this tax without seeking input from all Members of this House, and without properly engaging the Members of this House on how that tax would work and what kind of features were needed to make it work for the North.

Large emitters are responsible for more than 70 percent of the NWT's total emissions, and yet individual Northerners are given nearly the same tax to pay on things that are not automatically rebated. Individualized trust for these emitters instead of a competitive fund for clean energy investment leaves our clean energy investment of our large emitters in roughly the same shape as they were before. These are holding places for the rebates that would otherwise receive.

There was no consideration of alternative approaches to carbon pricing, including cap and trade through establishing a northern carbon market. At the time that the pan-Canadian framework was signed, Ontario and Quebec had a shared carbon market with California and the

United States. This is a discussion that could have been had with those provincial governments, and certainly with our northern premiers to create a carbon market that could have dealt with the industrial emissions and left individual Northerners not paying a tax out of their own pockets for, again, a problem where 75 percent is produced by those emitters.

There is a lack of a formal tax plan in these bills that needs to be approved by the Assembly, which leaves the rebates and actual rates of tax determined by regulation; which is another way of saying by unelected bureaucrats. We have a very capable public service, but taxation, above all other things, should be determined by the Legislature. That is what we are here to do, and that is what should be coming forward with a formal tax plan, and that is not a feature of this bill.

There is a fundamental lack of accountability in reporting the revenues and operations of the carbon pricing scheme that will make it all but impossible for public and independent assessment of a revenue-neutral tax, which is another commitment that the government has made. There are no rebates, as I have said before, for small businesses and municipalities, who have no choice but to pass increased costs on to residents. This is significant because, if carbon pricing is meant to change behaviour, then there need to be options for change. Nahanni Butte is not Vancouver. Gameti is not Toronto, and even Yellowknife is not like any other major city in Canada, where residents can switch to low-carbon alternatives such as subways, LRT, buses, et cetera. I find it hard to believe we can build the infrastructure for electric cars, and the money that is actually going to be invested in clean energy is already going to GNWT-owned and operated infrastructure and their energy strategy.

Furthermore, the final point I will make is the government has waited until the bitter end to roll out these bills, and now we are confronted with the reality that we are going into not one but two elections, one territorial and one federal, that could undo this entire carbon pricing plan and render it unnecessary. If the 19th Assembly decides that this is not the way they wish to go, they can undo it. If there is a different government elected in Ottawa, they can decide this is not the way to go. Members of this House urged the government to bring forward a carbon pricing plan early in the life of the Assembly so it could be properly considered, vetted, and consulted with the public, and that did not happen until the very end, until the dying days of this Assembly. Again, now we are in a position where these bills with a carbon tax will be implemented during an election, during two elections really, and the outcome is not so certain. This is not the way to roll out sound public policy that is going to achieve its clearly stated goals of

reducing emissions and ensuring that it is revenue neutral and invested in the right ways. Even the rebates for individuals are not income tested, so everyone gets the same rebate. Whether you make \$200,000 a year in the Northwest Territories or are on income support, you are still getting the same amount of rebate back, and that doesn't speak to fairness of costs.

This plan is not something I can currently support. I have learned a lot over my term, and when I started, I certainly had high-minded and lofty public policy goals. Once you begin working in this role and hearing the concerns of your constituents, it is very clear that the cost of living is always going to prioritize everything else.

This government has done very little to convince me that their plan is superior, and as a result, I cannot support it. Thank you.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. Testart. Next, we have Mr. Thompson.

MR. THOMPSON: Thank you, Mr. Chair. This is a very interesting and challenging aspect as we are moving forward. I have heard a number of people talk about carbon tax, climate change, what are we doing to fix the climate change, and that's the issue. When I have listened to the argument on both sides, it puts you in the spot, but at the end of the day, we have to make a decision for Northerners. Not somebody from Ottawa, but somebody here. Is it the best solution? No, but you know what, the solution the federal government is offering isn't the best solution, either.

My concern is that, in my riding, there are opportunities for what we call cleaner energy, like geothermal. We are going to spend a lot of money on the project, the Taltson dam. Well, we could do a geothermal project in Fort Liard, which would also cut the cost of our green gas, but also put people to work.

The other thing is that my concern is about the cap that we put with the Power Corporation at 20 percent. The community in Jean Marie River put up a number of solar panels and they were able to help reduce the cost to their power plant. It's great, but it's only able at 20 percent. Those are some of the things that we need to look at. We need to look at how we can use renewable energy that we have up north to help us reduce the greenhouse gas effect on our residents.

Cost of living is very difficult in my riding. When we say 35 percent of unemployment in some of the smaller communities, I'm having communities that have 10, 15 percent of employment. That means 85 is out there. They are going to be hit hard for this. Unfortunately, at the end of the day, I have to make

a decision on what the Government of the Northwest Territories is offering versus what the Government of Canada is doing. I'd rather stand up and go to the doors and say, look, maybe it's not the best solution; however, I'd rather say, we did this. I will take ownership of "we." At the end of the day, that's what counts. I cannot say, well, something from Ottawa, and this is good. I can't honestly say that. I have made a commitment to the Minister, and I have made a commitment to people who have talked to me about climate change and say, what are we doing? I've made this commitment. It is not the best. I really would like to see some pilot projects in the riding that I represent, but that is some work that needs to be done next term. We talk about "what if." I don't know what's going to happen tomorrow. I don't know if I am going to be here after the next election. I've got to make a decision right now.

Again, as I have made a commitment to the Minister of Finance, I will be supporting this bill. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you. I have no one further on my list for general comments to the bill. Mr. O'Reilly.

MR. O'REILLY: Thanks, Mr. Chair. I am thinking about what I want to get on the record because I expect that there are a lot of residents out there listening and will watch what we have done and said here on this debate.

I reviewed what the Minister said in his opening remarks. We've got two pages here of what is an interesting defence of Cabinet's plan about how to make sure that this doesn't impact the cost of living. That's not what a carbon tax is actually supposed to be all about. The words "climate change" are found once in here with regard to the pan-Canadian framework. Climate crisis is not in the Minister's opening remarks.

The purpose of a carbon tax is to encourage fuel switching, reduction of greenhouse gas emissions, and change our behaviour so that we can build a new economy that is not reliant on fossil fuels. That is not what this bill is about. That's not the approach of this government. That's not what the approach of this Minister has been since day one.

We have an opportunity to start to build energy self-sufficiency as part of a real plan on the climate crisis. That is not what this bill does, and I am sad to say that we have an opportunity, and it has been squandered.

I do support the committee's report. It highlights numerous instances where the committee tried to work with the department, the Minister, Cabinet colleagues, on developing a collaborative approach

to designing a carbon pricing system for our residents. There were lots of requests for information back and forth, but nothing was really ever delivered. In fact, what we have is a bill that is set out in a way that it actually precludes committee and Regular MLAs from making any kind of meaningful amendments to it, which is very disappointing. This was not developed in any kind of a collaborative way. It really precludes us from having any meaningful input into it. That is not how consensus government is supposed to work.

The committee tried to work with the Minister and get more information and tried to work with the federal government. It was very frustrating in terms of getting more information about the federal backstop. The kind of information that is being put out by our government, by Cabinet, by the Minister, if you look, the description of the federal backstop is set out in the plain language summary, and there is similar information on the Department of Finance website. The stuff about the federal backstop, if you look, in very small letters here, it says that the information presented here is based on the federal approach for rural communities in New Brunswick, which is one of the problems with where the federal backstop is being implemented. All of these predictions about the federal backstop put together by our government are based on what is going on in New Brunswick. What does that have to do with us? We had an opportunity, as my colleague from Kam Lake said, to actually work with the federal government to develop a federal backstop that would work for us, and unfortunately, that opportunity was squandered.

To be clear, I support carbon pricing, but this is not the plan that is going to help us deal with the climate change crisis that's on it. The only firm thing in this bill is the carbon tax itself. Everything else is discretionary; rebates, grants, how the money is used. Everybody else is totally at the discretion of Cabinet moving forward. It's a made-by-Cabinet approach; it's not made-in-the-North approach. The only thing that this bill does is set out what the carbon tax is going to be, and that is what the federal government has already told us. Everything else is at the discretion of Cabinet.

That could change with a different Minister next time. The rebates, the grants, it is all going to be set out in regulation that nobody is going to have any input into necessarily. The only thing that this bill does is set what the carbon tax is going to be, and that is what the federal government has told us. The use of that money, and so on, is all at Cabinet's discretion, with no accountability, no requirements for reporting, no requirement to work with the public or Regular MLAs moving forward.

For those sort of reasons, that is why I cannot support the bill, because this is a made-by-Cabinet

approach. I think that what we need to do is to send this back and let the 19th Assembly develop a real plan for the climate crisis that is on us. This is not going to help us get there. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. O'Reilly. I am going to call a brief recess.

---SHORT RECESS

CHAIRPERSON (Mr. Simpson): Committee, I apologize for ringing the bells. I am going to have to call another recess. We are back in recess.

---SHORT RECESS.

CHAIRPERSON (Mr. Simpson): All right, committee. We are back at it. I understand there are some witnesses that the Minister would like to bring in, so, Sergeant-at-Arms, please escort the witnesses to the table. Minister, please take your seat at the witness table. Minister, please introduce your witnesses for the record.

HON. ROBERT MCLEOD: Thank you, Mr. Chair. To my right, I have Mr. David Stewart, the deputy minister of Finance. To my left, I have Ms. Cherie Jarock, who is legislative counsel. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you. Welcome back to the witnesses. Committee, in case anyone forgot, we are considering Bill 42, An Act to Amend the Petroleum Products Tax Act. Does committee agree that we move on to consideration of the clauses?

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mr. Simpson): Are there further general comments? Ms. Green.

MS. GREEN: Is it possible for us to ask the Minister general questions about the bill, or is it only in the context of the clause-by-clause?

CHAIRPERSON (Mr. Simpson): I will allow general questions, Ms. Green. I don't believe that you have spoken. Ms. Green, go ahead.

MS. GREEN: Thank you, Mr. Chair. I feel like I am playing some catch-up with this, as I am not part of the committee that looked at it. I heard the Minister's opening remarks and his assertion that the program that he is offering is better than the one that would be offered by the backstop, but when I did a simple Google search of how the Yukon was approaching the carbon tax, I noticed that there were some distinct advantages to their approach. I guess my first question would be whether the Minister considered making the rebate on a sliding scale geographically, so that people who live in smaller and remote communities would

be eligible for a larger rebate than those who live in Yellowknife, for example? Thank you.

CHAIRPERSON (Mr. Simpson): Thank you, Ms. Green. One second. Thank you. To clarify, Ms. Green, in this bill, there are rebates for heating fuel and aviation fuel, and then there is a Cost Of Living Offset that is in the next bill. Are you referring to the heating fuel and the fuel rebates or the Cost Of Living Offset, just for clarification?

MS. GREEN: Thank you, Mr. Chair. The question that I asked was about the rebates. I understand that that is in the next bill; the questions that I need to ask are in this bill.

Let me try this question. One of the things that Yukon is offering is that municipal governments will receive a share of revenues from the tax. Is this something that is in this bill? Yes. Municipal governments will pay the carbon tax, but also receive a share of the revenues. Did the Minister consider making that a provision of this plan? Thank you.

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

HON. ROBERT MCLEOD: Thank you, Mr. Chair. We were able to get a couple of exemptions when we proposed our approach to the federal government. Obviously, a big one would be aviation, because our main mode of transportation up here is aviation. The second one, which I think will be a great benefit to folks in the Northwest Territories is the heating fuel, which is rebated at the point of purchase. I think that is huge, especially for the climate that we live in. Sometimes when you live in the Northwest Territories and you live in bigger centres, you are kind of out of touch with the reality of living in some of the smaller communities and the challenges that that proposes. They are the ones that would use the most heating fuel.

To the Member's question, though, that heating fuel rebate will also apply to the municipalities. Their heating fuel purchases would be rebated at the point of purchase. We have not considered the Yukon's model, and I am not even aware of exactly what that model is, but ours is at the point of purchase, which is a big cost factor for a lot of our municipal governments, especially in the colder climates, that they spend on heating fuel. We were able to propose that in our approach to Canada, and they accepted that. Thank you, Mr. Chair.

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

MS. GREEN: This information is information from the media, so it may not be in the kind of detail that the Minister would appreciate, but what it says here is that municipal governments will pay 2.5 percent

of the total tax -- I take that to mean all types of fuels, not only heating fuel -- and receive 3 percent of the revenues. Did the government consider a similar approach? Thank you.

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

MR. STEWART: Thanks, Mr. Chair. I am not fully versed on the details of the Yukon plan. Obviously, there is a difference between taking in revenues and giving it back out versus the point-of-purchase rebate that we are doing for heating fuel, as well as some of the other programs that we have available that community governments could take advantage of. For example, we have a government greenhouse gas fund that adds up to \$9.5 million as part of the low carbon energy fund that community governments are able to apply for as well, so it is hard to get apples-to-apples comparisons when they are using total revenue versus rebating at point of sale on something like heating fuel. Thanks, Mr. Chair.

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

MS. GREEN: Thank you. Another feature of the Yukon plan is that there are estimates for how much it will cost Yukon families for the price at the pump, and then per household for all fuel types. Are there similar calculations available for the NWT? Thank you.

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

MR. STEWART: Thanks, Mr. Chair. When we did the engagement report and the back report, we provided estimates of the average impacts, if you like, by household. It was everything from the direct impacts for things like heating fuel, as well as gasoline for vehicles and those types of things, but also the indirect impacts in terms of the modelling was done to estimate the impact on grocery prices and those sorts of things, and aviation and that. We used that information to help come up with the approach.

I don't have the figure right in front of me, but that was the basis on which we came up with the COLO benefit levels that we did in the case of the Cost Of Living Offset. Thank you, Mr. Chair.

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

MS. GREEN: Thank you. How does the model of the estimated cost to households relate to COLO? Is it one-to-one or half-to-one? How does it relate? Thank you.

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

MR. STEWART: Thanks, Mr. Chair. I guess I want to start with that one by saying, every time you're dealing with an average, obviously, if you're a homeowner, it is going to be a different value than if you're a renter in an apartment, for example. You would have to consider the different types of tenure in a housing situation.

That said, I believe that the COLO impacts, plus the point-of-purchase fuel rebate for carbon tax on heating fuel, actually will put us close to a one-to-one. In fact, we should be able to be slightly over that in terms of the average impacts on households, where we would be able to fully offset that impact. Thanks, Mr. Chair.

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

MS. GREEN: Thank you for that answer. My next question is: the Minister said that either it was this plan or the backstop. Can he tell us, if this plan is not endorsed, how quickly the backstop would be put into place? Thank you.

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

HON. ROBERT MCLEOD: Thank you, Mr. Chair. We were able to work with the federal government because the original implementation date was July 1st. Because we were still dealing with our piece of legislation, they agreed to push it off to September 1st because we were working on our approach. They could have, in theory, implemented their federal backstop on July 1st until we had ours sorted out, but we have been working with them through all this, so they gave us until September 1st.

If we are unable to do this implementing our own made-in-the-North approach, then I would assume, we would have to have a conversation, that the federal government would implement their backstop as quickly as possible. Thank you, Mr. Chair.

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

MS. GREEN: Thank you. Given the fact that they will be entering a writ period, as well, would you anticipate that the backstop would be implemented prior to their election? Thank you.

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

HON. ROBERT MCLEOD: Thank you, Mr. Chair. We can't know for sure. Our intention is that, once we deal with Bills 42 and 43, if approved by the Legislative Assembly, then our approach would be

implemented on September 1st. Then, we would have some other provisions in the second bill that we are dealing with to deal with the interim payments on the cost of living offset. As far as writ goes, we are under the assumption that we are going to work to try and get our piece of legislation passed so our approach would be implemented on September 1st. Thank you, Mr. Chair.

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

MS. GREEN: Just one last question. I didn't make myself clear in that question. I am asking whether the federal backstop would be implemented prior to the federal election in the event that this plan is not endorsed by Members. Thank you.

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

HON. ROBERT MCLEOD: Again, I would assume that it would be, but I am also confident that this Legislative Assembly would support an initiative that we feel is better for the people of the Northwest Territories than the alternate. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you. Next on the list, I have Mr. Beaulieu.

MR. BEAULIEU: Thank you, Mr. Chair. I guess when you are taxing people, it is difficult to have any positive aspects. However, this bill appears to have best features. The best features of the bill seems to be that we are not taxing heating fuel or aviation fuel. I would like to ask the Minister if that includes hauling aviation fuel and heating fuel. Thank you.

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

HON. ROBERT MCLEOD: No, Mr. Chair. That does not because they would be using motor fuel to haul the heating fuel. Thank you.

CHAIRPERSON (Mr. Simpson): Thank you. Mr. Beaulieu.

MR. BEAULIEU: Thank you, Mr. Chair. I guess I was close to the business of hauling fuel into small community as the Minister of Public Works in the last government. A large cost of heating fuel was the hauling of the heating fuel. In addition to that large cost of hauling the heating fuel, sometimes they get a pretty good price buying, I think it is called purchasing off the rack or something. I can't remember the exact term. The hauling of it, the transportation of the diesel fuel was substantial.

I wonder, if we are going to rebate heating fuel at the point it is purchased, each of us, if we are on Facebook, we have Facebook friends. A lot of

those guys are saying that this portion of the tax where it is rebated at the pumps or rebated at purchase is not going to be that substantial of a savings because it costs so much to haul it. If we were hauling to Yellowknife, it is a cost, but then we have to haul it from Yellowknife, also. It is okay to haul it to Hay River, but then we have to barge it from Hay River, also. The hauling, the barging, and we are barging it ourselves, I am pretty sure, through MTS. I would like to ask the government or the Minister if there is any consideration for rebating that cost, as well.

We purchase heating fuel, and then there is going to be a carbon tax on it because everybody is in a carbon tax mode. Then we pay for the haul to Hay River, and then there is going to be a carbon tax on the engines that are going to haul it to Hay River. Is there going to be a continuous carbon tax on the transportation of that fuel from Hay River to the point where it is delivered to the small communities? Thank you.

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

HON. ROBERT MCLEOD: Thank you, Mr. Chair. Any motor fuel that is burned will be subject to carbon tax. For those who are hauling it, if they have a garage that relies on heating fuel to keep their garage heated, then that part of it is going to be rebated at the pump. Any motor fuel that they use to haul is going to be subject to carbon tax. Then the cost of living offset, which we were discussing earlier, is a way to help residents try to mitigate some of the impact of those costs. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Mr. Beaulieu.

MR. BEAULIEU: Thank you, Mr. Chair. Again, I will use the term "best features" of this bill. One of the best features of this bill is the fact that the fuel is rebated at the point of purchase. However, in comparison to all other costs added to that fuel on its way to your house, it becomes very substantial. I guess it is a little bit of a savings at the end, but the fact that hauling the heating fuel, we have no control over it except we have control over hauling it by barge.

I would like to ask the Minister if they contemplated not charging any extra on the cost of moving that fuel once it crosses our borders, that there is no extra cost passed on to the consumer for the hauling of that fuel, especially through barging. I know that the barging will affect one of my communities, Lutselk'e, but it will also affect a lot of communities up the valley. We actually have control over whether or not we are going to add carbon tax on the movement of that fuel by barge. I would like to ask the Minister if the government considered not

charging any carbon tax on the movement of that fuel by MTS. Thank you, Mr. Chair.

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

HON. ROBERT MCLEOD: Thank you, Mr. Chair. As I said earlier, any type of motor fuel is going to be subject to the carbon tax. I have to point out that with the heating fuel and propane, 100 percent rebate comes to about \$9.5 million dollars. That is a substantial amount right there. We worked with Canada. We came up with an approach that we thought would be beneficial. Nobody likes a tax. That is the way a lot of people see this.

What people out there need to understand is that there is going to be a carbon tax regardless. If our approach is not used, there will be a federal backstop, which I believe will be not as good for the people of the Northwest Territories, especially a lot of those living in smaller communities, having to pay a higher cost of living. We were able to work with them to come up with the approach that we thought would be best for the people of the NWT. We need to be quite clear that the carbon tax is going to happen regardless. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Mr. Beaulieu.

MR. BEAULIEU: Thank you, Mr. Chairman. I would like to just make a comment and ask another questions. My comment was: it would be good for if our government has gone to the federal government and asked for a complete exemption from carbon tax considering that between ourselves and Nunavut, we probably spend most of the year heating our house. I know that it is August here. I think we are in the middle of August. Our furnaces are on. We are starting now in August, and we are heating our houses until May. That is not normal.

I talked to a guy today who was putting a new fuel tank in my house, and he said to me, he said, "My brother moved to Edmonton, and his total utility bill in Edmonton, where he's got many options of heating his home, is \$350 on average," which includes his cable TV. He threw that in. I thought to myself what a difference between what we pay up here and what they pay down south. We are 40,000 people. We are hardly responsible for climate change. We have very little impact on climate change ourselves. Okay? We do our share to reduce, yes, I agree, but I think, per person, we probably produce less greenhouse gases than anybody else, but we are asked to pay more than anyone else. For some reason or other that does not seem fair, and I think that the federal government should be able to see that, as well. What is fair about us being probably the least emitters but we pay the most for carbon tax? I am assuming that Nunavut will pay more, but I wonder

if this government would consider, like, we are going to have an election soon, and, if the liberals win, there is going to be a carbon tax, and, if the unthinkable happens and the conservatives win, then we may not have a carbon tax, at all, so this government, I guess, will repeal the carbon tax if it's in place.

I am thinking about that, and I am thinking maybe if we sat down with the government and asked them if we could be exempt in the NWT from the carbon tax totally, at least that share. I mean we cannot do anything about them hauling it. That is true. The Minister is correct in that. I would like to ask the government if they would consider going back to the federal government and asking to have a complete exemption in the NWT. Thank you, Mr. Chair.

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

HON. ROBERT MCLEOD: Thank you, Mr. Chair. The reason we are here having this discussion on the carbon pricing and our approach to carbon pricing which would help mitigate the impact on people in the Northwest Territories is because we have already asked the federal government to give us an exemption. Because we are here, you know what their answer was. They were bent on implementing carbon pricing; it does not matter which part of the country you lived in. So the initial discussion we had with the federal government is we just want to be exempt, and, of course, their answer was no. They said, "You guys go back; do some work to tell us what your approach might be," so we did that. We came back. We did a lot of work, and we talked to a lot of people.

Again, I cannot stress this any more importantly. Nobody is a fan of a tax. Nobody is a fan of a tax. I am not a fan of the tax, but these are the cards we have been dealt, and we are trying to put the best hand together to help mitigate the impact on the people of the Northwest Territories. Is it perfect? It could be worked on. We managed to get the aviation exemption because we spoke with the federal government and told them that is one of our high cost drivers; heating fuel, one of the biggest cost factors in the Northwest Territories, especially for those from outside of the capital who are having to deal with the high cost of heating fuel; and motor fuel, they were bound and determined they were going to keep motor fuel as part of it. So we went to them with our approach, and our approach, actually, there is a lot of work that went into it from a lot of people within the Northwest Territories. I understand, Mr. Speaker, that I need to speed up, but this is an important issue, and I want the people out there --

CHAIRPERSON (Mr. Simpson): [Microphone turned off] ...so what I will do is I'll allow the Minister to speak, and I will put 10 minutes on the clock for you, just so we are staying within the rules. Minister.

HON. ROBERT MCLEOD: Thank you, Mr. Chair. I am done.

CHAIRPERSON (Mr. Simpson): Cheeky today. Thank you, Minister. Next, Mr. Nakimayak.

MR. NAKIMAYAK: Thank you, Mr. Chair. I won't be long. Listening to the debate, I won't repeat too much, if anything. You know, my region in the territories has the highest costs of living, likely the highest cost of transportation. One of my questions after listening, this is just a question. Aviation fuel is exempt and heating fuel is exempt. I am wondering if flying in fuel to the communities would bring the cost down as opposed to shipping it by sea. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. Nakimayak. Minister.

HON. ROBERT MCLEOD: Thank you, Mr. Chair. I never thought of that, but I know of a community that does fly a lot of their fuel in, and I don't think you'd want to be paying the prices they pay, and their distance is not as far as the Member's riding. So I have seen that, and that is a creative way of looking at it, but the airline would still have to recover some of their costs, and I do know of a community in Northern Yukon that pays an extremely high cost for their gasoline. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you. Mr. Nakimayak.

MR. NAKIMAYAK: Yes, thank you, Mr. Chair. It might be a good idea to look into buying an airplane, now that we have barges.

---Laughter

MR. NAKIMAYAK: Those were my concerns, Mr. Chair. You know, there are a lot of complaints about this, but, at the same time, you know, it's okay, but I do not like it. That is just the way it is. It's going to raise the cost of living, and I am sure the government and the Minister and his staff are doing the best to bring the costs down. Like you said, like everybody says, this is imposing. We cannot mistake this with anything else, any other programs that the government are putting out, but this is a bill in itself. I will support this, knowing that it's going to bring the cost of living up, but, then again, looking at the feds and what they are doing, it would be even higher as it stands right now, so I just want to point that out. Thank you, Mr. Chair.

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

HON. ROBERT MCLEOD: Yes, thank you, Mr. Chair, and I will be very quick. The easiest thing for this government to do would have been to say, okay, well, we will do nothing. We had a lot of people working on this, trying to mitigate some of the impact, but the easiest thing to do would have been to just sit back, do nothing, and let the federal government put their backstop in. Then this government would have been accused of not doing anything and letting the federal government just come in and impose their backstop on us without trying to work for the people of the Northwest Territories and help mitigate some of those impacts. I believe that is what we did. Again, as I said before, Mr. Chair, is it perfect? It could use some work. I think the Member from Tu Nedhe-Wiilideh was asking before about the election, and, you know, if a new federal government came in and decided that they were going to repeal the carbon tax, well, it's not a tax that we wanted, and we would make amendments to our -- I would assume that the future government would make an amendment to their legislation so quickly it would probably be one of the fastest pieces of legislation ever to go through this Assembly, and rightfully so, and rightfully so. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you. It looks like we are entering the second round of comments, and I am going to allow it because somehow the Minister was not at his witness table for the first round, so I guess that is just the way it is. Mr. O'Reilly.

MR. O'REILLY: Thanks, Mr. Chair. I will try to keep this short. I agree no one likes to pay taxes, but sometimes taxes are the price of civilization. However, I think what people want to know is that there has been careful consideration of options. Unfortunately, standing committee did not have options to look at. In the plain-language summary of the bill, the federal backstop information that is presented here is based on rural communities in New Brunswick. Can I have some explanation as to why the federal backstop presented in this paper is about rural New Brunswick? Thanks, Mr. Chair.

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

MR. STEWART: Thank you, Mr. Chair. The comparison to rural New Brunswick is related to the climate action incentive that the federal government has implemented. They have implemented the backstop in four jurisdictions, I believe. That is the only one where they have adjusted for a more remote and rural population, where they have actually done an increased amount, so we thought that was the fairest comparison. If you were in

urban areas of New Brunswick, the amount would have actually been lower. All of the information of this climate action incentive which is similar to our COLO is available on the federal government website, and it does change by jurisdiction, but this seemed to be the only case that I could see in terms of the federal backstop approach where they actually adjusted it for a more rural or remote location, so that is why the comparison was there. Thanks, Mr. Chair.

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

MR. O'REILLY: Thanks, Mr. Chair. So, yes, we have got a comparison now between GNWT's approach and what's being done in New Brunswick, so I don't think it's really fair to say that this is what the federal backstop would look like for the Northwest Territories. I just want to make that very clear. The debate, some of the debate, is around that this would cost us less or that the rebates would be larger under the GNWT approach than the federal backstop. This is a federal backstop for New Brunswick. It has nothing to do with us.

The federal backstop that has been negotiated though in the Yukon, this is what it consists of: Yukon individuals; businesses; First Nations governments; municipal governments; and quartz mining operations would get rebates. Yukon First Nation governments are expected to pay about .5 percent of the total tax, but will receive 1 percent of the revenues. Municipal governments will pay 2.5 percent of the total tax, and will receive 3 percent of the revenues. The rebates to individuals are also adjusted so that rebates to individuals living in remote areas of the Yukon will receive a supplement of 10 percent. That's what the federal backstop looks like in the Yukon. The federal government collects the money. It is given to the Yukon government, and they do the rebates through a legislated rebate program. Their rebates are set in legislation.

I just would like to know why our approach couldn't look a little bit more like this with rebates to Indigenous governments to municipal governments, a sliding scale of some sort for people, rebates for individuals who live in remote areas? Why couldn't we have designed a system like this? Thanks, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Minister.

HON. ROBERT MCLEOD: Thank you, Mr. Chair. We don't know what the federal backstop would look like for the Northwest Territories. That is a better backstop for the Yukon. Ours may have been different. We don't know that. Realizing that the federal backstop was going to be a little harder for the people of the Northwest Territories to swallow,

we wanted to work on an approach that we believe was fairer to the people in the Northwest Territories. I will go to Mr. Stewart to reply to some of the Member's concerns with the numbers. Thank you, Mr. Chair.

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

MR. STEWART: Thanks, Mr. Chair. I think one of the important distinctions are in terms of what's going on in the Yukon and Nunavut, and what is going on in other jurisdictions where the federal government has imposed the backstop. The difference is that, if the NWT decides not to put in a carbon tax, the federal government will impose one. They did not impose one in the case of the Yukon. The Yukon asked them to use their system, which meant that the federal government made the commitment to hand those revenues over.

In the case of the provinces where they did not come up with their own, or asked the federal government, the federal government makes the decisions of what they do with those revenues. That is a fundamental difference between the territories. I know, in the case of the Yukon and Nunavut, they actually collected a lot of our information. They have done some tweaks, obviously, in terms of their approach that were more appropriate for their jurisdiction, but again, the difference is that, because they asked the federal government, the federal government agreed to let them make those decisions. In those provinces where the federal government is imposing the backstop, the federal government is deciding what to do with those revenues. Thanks, Mr. Chair.

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

MR. O'REILLY: Thanks, Mr. Chair. I agree with most of what our witness has said, but the federal government has also agreed that they will return revenues that are collected through the federal backstop to the jurisdiction where they are collected, so there is already a commitment to do that. In fact, that is exactly what the Yukon negotiated.

My point in raising these questions, Mr. Chair, is that we had an opportunity to design a different system. Committee asked to try to work with the department, with the Minister, to come up with options for what our system could look like in terms of making sure that people in rural, remote communities would receive greater consideration, ways of revenue sharing. All of those sorts of ideas were put on the table, but we got nothing back. As much as the committee tried to get some options discussed and laid out scenarios, it just didn't work. What we've got now is a bill that sets out what the

carbon tax is going to be. Everything else is left to the discretion of Cabinet. We could have had a system like the Yukon, but we don't. We could have had revenue sharing with First Nations, Indigenous governments, municipalities. We could have had some consideration of rebates that would provide more for people in rural and remote communities. We don't have that. We could have negotiated a system like they have in the Yukon. That's why my position is not to accept the plan that Cabinet has developed, but leave it to the 19th Assembly, redesign this for our own needs, make a truly made-in-the-North approach. Thanks, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you. Anything from the Minister?

HON. ROBERT MCLEOD: Yes, thank you, Mr. Chair. We designed a program that would mitigate the impact to the people of the Northwest Territories, the cost of doing business in the Northwest Territories. Like I said before, the easiest thing we could have done is nothing and let the government decide what's good for us, like they have been doing for a long time. Those days are over. I've said before, to delay this to the 19th, we need to come up with a decision. Do we just stop what we do and say, well, federal government, you take over because nobody wants a carbon made-in-the-North approach to carbon tax, and mitigate the impact of carbon pricing to the people of the Northwest Territories? We like your approach better even though it is going to cost our residents more money, and we can put that in our campaign brochure. Thank you, Mr. Speaker.

CHAIRPERSON (Mr. Simpson): Thank you. Anything further? Seeing nothing further, can we agree that we move to the clause-by-clause consideration?

SOME HON. MEMBERS: Agreed.

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

MR. TESTART: Thank you, Mr. Chair. I just have a few other questions for the Minister. During this process and in previous communications the government has put out, there has been a claim that the federal government will control how carbon tax revenues are spent, or as the Minister said in his opening comments, "spend the carbon tax revenue as they see fit." Yet the federal government has a stated policy that every dollar raised from a province or territory will return back to the jurisdiction. Can the Minister or his witnesses provide me with a federal policy that contradicts the stated policy that all dollars raised from that federal carbon tax would be returned to the jurisdiction? Thank you.

CHAIRPERSON (Mr. Simpson): Mr. Stewart.

MR. STEWART: Thanks, Mr. Chair. The Member is right that they have said that they will spend the money in the jurisdiction where it is raised, but how they spend it will be up to the federal government. I will use the example for a small business. They came up with some specific examples around small business, where they are going to provide rebates in those provinces where they have imposed the carbon tax. The small business would have to pay some money to do things like retrofits and those sorts of things, and they will use part of the carbon tax revenue to offset some of that. That doesn't change how much money the small business will actually be able to pay in carbon tax, so when you compare that with our approach, where we will have that point-of-sale rebate of heating fuel, that makes quite a difference to small businesses. We also already have programs under the low carbon economy for businesses to be able to get access to funding for retrofits and those sorts of things. What the federal government is doing in other jurisdictions, we already have in existence.

The Member is correct that they have said they will return the revenues to the jurisdiction where it is collected, but they will do it under whatever programs that they feel, will see fit to implement, and those may or may not be the priorities of the Northwest Territories. Thanks, Mr. Chair.

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

MR. TESTART: Thank you. I think that's a much more balanced assessment than what the public has been told with most of the advertising and materials that have been put out there, so I appreciate that clarification.

My second question is: we've heard a lot about how the federal backstop is much worse for the North. Can the Minister produce a costed federal carbon tax plan for the NWT that is specific to the NWT, informed by data drawn for the NWT, and has been previously shared with the department so that they are able to do their own assessment of their plan versus the federal backstop plan? Can the Minister produce that? Thank you.

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

MR. STEWART: Thanks, Mr. Chair. I will start on the revenue side. On the revenue side, there are a lot of similarities, as one would expect, given that the federal government set the criteria of how the carbon tax should be implemented and had jurisdiction that wanted to do their own, develop their plans, and then, had to check against the

federal approach to make sure there is at least a level of consistency.

The one area that is different is related to the large emitters and their output-based pricing system, and we have had discussions about that with committee.

On the expenditure side, we have come up with an approach around offsets and rebates that reflect more of what the northern context is. For example, the heating fuel one is a big issue, as the Minister talked about in our small communities. Also, the way we are doing the cost of living offset, so it will be a quarterly payment rather than waiting for in other jurisdictions in the south, you would actually get that back as part of your income tax filing, so it would come once a year as opposed to quarterly. That has a huge impact on people's cash flow as they are trying to pay bills and those sorts of things.

To answer the question directly, no, I wouldn't be able to produce a very specific example of where those differences are, but what we have tried to do in the plain language summary is say, "This is what the feds are doing elsewhere, and we can't know for sure what they would do in the Northwest Territories if they were forced to impose, but they would make those decisions." Thanks, Mr. Chair

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

MR. TESTART: Thank you. In response to the questions from the honourable Member for Tu Nedhe-Wiilideh, the Minister made comments to the effect that we would repeal the carbon tax if the federal government scrapped the approach.

I would like to ask the Minister why he is so certain. That sounds like a decision made for the next government, and we have had a whole sitting here where Ministers are telling us that some decisions are left to the next government. Why is the Minister so confident that the next government will scrap the carbon tax once it is in place? I don't know how he is able to make those kind of decisions for a future government. Can he clarify those comments? Thank you.

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

HON. ROBERT MCLEOD: Thank you, Mr. Chair. You know, I speak Beaudel English, but I still don't think that I need an interpreter. I said that I would assume that the next government coming in would repeal the legislation if the federal legislation approves our appeal. I said I would assume that they would, based on the effect that it is having on of people in the Northwest Territories. It was an assumption, and they would make that decision. Thank you.

CHAIRPERSON (Mr. Simpson): Thank you. Nothing further. Does committee agree that we move into clause-by-clause consideration of the bill?

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mr. Simpson): Thank you, committee. We will consider the bill number and title after consideration of the clauses. Please turn to page 1 of the bill. I will call out each clause. If committee agrees, please respond accordingly. Clause 1.

---Clauses 1 through 7 inclusive approved

CHAIRPERSON (Mr. Simpson): Clause 8. Mr. O'Reilly.

MR. O'REILLY: Thanks, Mr. Chair. I do have some questions on clause 8. There is provision in this clause for a rebate of carbon tax. It says that the Minister may, in accordance with the regulations, provide a rebate. Also, in 2.3, large emitters are to be, I guess, defined by regulation, and grants can be prescribed by regulation. Firstly, there is no definition of what a large emitter is in the bill. What is a large emitter? Thanks, Mr. Chair.

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

MR. STEWART: Thanks, Mr. Chair. The large emitter definition will be in the regulations, and it is consistent with what the federal government has done, which I believe is 50 kilotons of emissions or higher. My understanding is that we have four of those in the Northwest Territories, based on the federal data that I have seen. Thanks, Mr. Chair.

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

MR. O'REILLY: Thanks, Mr. Chair. How are the regulations going to be put together? Is there going to be any opportunity for the public, industry, large emitters, to comment on the regulations in draft form? Thank you, Mr. Chair.

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

MR. STEWART: Thanks, Mr. Chair. Some of the regulations are going to need to be put together fairly quickly. I think that we have committed to share those as we develop them. We certainly have been talking with stakeholders about some of the more program elements, like the individual trusts and what the criteria may be around that. We will share the detail on those with committee, as well. Thanks, Mr. Chair.

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

MR. O'REILLY: Thanks, Mr. Chair. Well, that is kind of interesting. Committee is not going to exist in about 10 to 12 days. How can this be shared with committee when committee is only going to be around until August 31st? Thanks, Mr. Chair.

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

MR. STEWART: Thanks, Mr. Chair. The specifics of what I was referring to, in terms of sharing with committee, are things like the individual trust for the large emitters and some of the criteria, and I assume that would be done with the standing committees of the 19th Assembly. There is no real urgency in terms of implementing the trust program. Yes, we will have to collect the data, but in terms of taking applications and that, I think that we have a little bit of time to get that implemented. Thanks, Mr. Chair.

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

MR. O'REILLY: Thanks, Mr. Chair. I am a bit surprised to hear that some details of these regulations may have already been shared with outside interests or parties. Can that be confirmed, and what sort of level of detail are we talking about? Thanks, Mr. Chair.

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

HON. ROBERT MCLEOD: Thank you, Mr. Chair. No, the regulations haven't been shared. Thank you.

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

MR. O'REILLY: Thanks, Mr. Chair. That's not what I asked. I believe that the deputy minister had indicated that there had been some discussions already with large emitters around regulations. Can someone confirm whether that is the case? Thank you.

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

HON. ROBERT MCLEOD: Yes, Mr. Chair. Let's not try and confuse things here, and apologies to the Member if he misunderstood. My understanding is that they have spoken to some of the large emitters on the program, not the actual regulations themselves, as he is implying. Thank you.

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

MR. O'REILLY: Thanks, Mr. Chair. I am not trying to imply anything; I am trying to understand what is actually going on, because this side of the House

has not really received much information about what the program is. We have received nothing. There seems to be some kind of commitment from the deputy minister to possibly share draft regulations with a future committee. Is there going to be an opportunity for the public to comment on draft regulations made pursuant to this section of the bill? Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you. Can the Member please repeat the question?

MR. O'REILLY: Thank you, Mr. Chair. I would like to know whether there is going to be an opportunity for the public to comment on draft regulations made to establish rebates of the carbon tax and grants under the carbon tax as this bill sets out. Thank you, Mr. Chair.

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

HON. ROBERT MCLEOD: Thank you, Mr. Chair. The regulations need to be developed very quickly, so we will get that done, and then, as the next government goes through the main estimates process, there may be other opportunities for input, but the regulations need to be done as quickly as possible, and we are going to undertake that work. Thank you.

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

MR. O'REILLY: Thanks, Mr. Chair. Can the Minister then confirm that there will be no opportunity for the public to comment on the draft regulations? Yes or no? Thank you, Mr. Chair.

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

HON. ROBERT MCLEOD: Thank you, Mr. Chair. Not at this point. We didn't contemplate that at this point, but there may be opportunities in the future. We don't know; right? We don't know, but at this particular point, the direct response to the Member's question is "not at this point." My interpreter can interpret that.

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

MR. O'REILLY: Thank you, Mr. Chair. Yes, I heard that one loud and clear. There will not be an opportunity for the public to comment on draft regulations to establish the rebates or the grants pursuant to the carbon pricing system that Cabinet is going to implement.

I just wish to contrast that with the Yukon approach, where a bill went through the House, a public review; those rebates are set out by statute in the

Yukon; there was some public accountability oversight for that. That will not happen in the Northwest Territories. That is one of the fundamental problems with this bill; there is no opportunity for the public to have any say in how these rebates or grants are going to be given out. For that reason, I oppose this bill. Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you. To clause 8.

---Clauses 8 through 13 inclusive approved

Clause 14. Mr. O'Reilly.

COMMITTEE MOTION 179-18(3):
BILL 42: AN ACT TO AMEND THE PETROLEUM
PRODUCTS TAX ACT – CLAUSE 14.1, RULED
OUT OF ORDER

MR. O'REILLY: Thanks, Mr. Chair. I move that Bill 42 be amended by adding the following to clause 14.

14.1 The following is added after Section 20.1:

20.2 (1) The Minister shall prepare an annual report with respect to the administration of this act during each fiscal year including

- (a) the total amount of carbon tax collected with respect to each of the petroleum products listed in the schedule and natural gas;
- (b) the total amount of penalties assessed and collected under subsections 16(2) and (5) in respect of carbon tax;
- (c) any orders for the payment or refund of tax, interest, penalties, or costs under subsection 16.7(5);
- (d) the total amount of fines ordered under subsections 21(1.1) and (1.2) in respect of offences related to carbon tax;
- (e) the total amount of rebates provided under subsection 22(1);
- (f) a list of large emitters to which a grant was provided under subsection 2.3(2) and the purpose for which each grant was provided;
- (g) an estimate of the anticipated reduction in greenhouse gas emissions relating to each grant provided under subsection 2.3(2);
- (h) any other expenditures made in the collection and administration of the carbon tax;
- (i) an estimate of the total reduction in greenhouse gas emissions in the Northwest Territories expected and achieved as a result

of the expenditures incurred based on the amount of carbon tax collected; and

- (j) any other information the Minister considers to be in the public interest as it relates to the imposition of the carbon tax, use of the carbon tax revenues, and impacts on the cost of living in the Northwest Territories and the environment.

(2) The Minister shall cause the annual report prepared under subsection (1) to be laid before the Legislative Assembly at the earliest opportunity following the end of the fiscal year.

Thank you, Mr. Chair.

CHAIRPERSON (Mr. Simpson): Thank you, Mr. O'Reilly. Mr. O'Reilly, this motion is out of order on two counts. It is being moved at the incorrect time. It is a new clause, and it should be moved at the end of the bill. It is also beyond the scope of this bill, as the bill does not touch on reporting. The motion is out of order. Clause 14. Mr. Beaulieu.

MR. BEAULIEU: Thank you, Mr. Chairman. I move that the chair rise and report progress.

CHAIRPERSON (Mr. Simpson): There is a motion on the floor to report progress. The motion is in order and non-debatable. All those in favour? All those opposed? The motion is carried.

---Carried

I will rise and report progress.

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

Report of Committee of the Whole

MR. SIMPSON: Thank you, Mr. Speaker. Your committee has been considering Committee Report 26-18(3): Standing Committee on Government Operations Report on the Review of the Carbon Tax Bills, Bill 42: An Act to Amend the Petroleum Products Tax Act and Bill 43: An Act to Amend the Income Tax Act; Bill 42: An Act to Amend the Petroleum Products Tax Act; Bill 43: An Act to Amend the Income Tax Act and would like to report progress that Committee Report 26-18(3) has concluded. Mr. Speaker, I move that the report of the Committee of the Whole be concurred with. Thank you.

MR. SPEAKER: Do I have a seconder? Member for Mackenzie Delta. The motion is in order. All those in favour? All those opposed?

---Carried

Masi. Item 22, third reading of bills. Minister of Industry, Tourism and Investment.

Third Reading of Bills

BILL 37:
AN ACT TO AMEND THE OIL AND GAS
OPERATIONS ACT

HON. WALLY SCHUMANN: Mr. Speaker, I move, seconded by the honourable Member from Yellowknife South, that Bill 37: An Act to Amend the Oil and Gas Operations Act be read for the third time. Mr. Speaker, I request a recorded vote. Thank you, Mr. Speaker.

MR. SPEAKER: Masi. The Member has requested a recorded vote. The motion is in order. To the motion.

SOME HON. MEMBERS: Question.

MR. SPEAKER: Question has been called. All those in favour, please stand.

RECORDED VOTE

CLERK OF THE HOUSE: The Member for Hay River South, the Member for Thebacha, the Member for Hay River North, the Member for Mackenzie Delta, the Member for Sahtu, the Member for Yellowknife North, the Member for Kam Lake, the Member for Tu Nedhe-Wiilideh, the Member for Nahendeh, the Member for Frame Lake, the Member for Yellowknife Centre, the Member for Deh Cho, the Member for Nunakput, the Member for Inuvik Boot Lake, the Member for Range Lake, the Member for Yellowknife South, and the Member for Inuvik Twin Lakes.

MR. SPEAKER: Masi. All those opposed, please stand. All those abstaining, please stand. The results of the recorded vote: 17 in favour, zero against, zero abstentions.

---Carried

Bill 37 has had its third reading. Third reading of bills. Minister of Education, Culture and Employment.

BILL 48:
POST-SECONDARY EDUCATION ACT

HON. CAROLINE COCHRANE: Mr. Speaker, I move, seconded by the honourable Member for Inuvik Boot Lake, that Bill 48, Post-Secondary Education Act, be read for the third time; and, Mr. Speaker, I request a recorded vote. Mahsi cho, Mr. Speaker.

MR. SPEAKER: Masi. The Member has requested a recorded vote. The motion is in order. To the motion.

SOME HON. MEMBERS: Question.

MR. SPEAKER: Question has been called. All those in favour, please stand.

RECORDED VOTE

CLERK OF THE HOUSE: The Member for Range Lake, the Member for Yellowknife South, the Member for Inuvik Twin Lakes, the Member for Hay River South, the Member for Thebacha, the Member for Hay River North, the Member for Mackenzie Delta, the Member for Sahtu, the Member for Yellowknife North, the Member for Kam Lake, the Member for Tu Nedhe-Wiilideh, the Member for Nahendeh, the Member for Frame Lake, the Member for Yellowknife Centre, the Member for Deh Cho, the Member for Nunakput, the Member for Inuvik Boot Lake.

MR. SPEAKER: Masi. All those opposed, please stand. All those abstaining, please stand. The results of the recorded vote: 17 in favour, zero opposed, zero abstentions.

---Carried

Bill 48 has had its third reading. Third reading of bills. Mr. Clerk, orders of the day.

Orders of the Day

CLERK OF THE HOUSE: Orders of the day for Friday, August 16, 2019, at 10:00 a.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 the 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

The House adjourned at 6:42 p.m.

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

- Bill 25, An Act to Amend the Workers' Compensation Act
- Bill 39, Environmental Rights Act
- Bill 42, An Act to Amend the Petroleum Products Tax Act
- Bill 43, An Act to Amend the Income Tax Act
- Committee Report 27-18(3), Standing Committee on Economic Development and Environment Report on Bill 39: Environmental Rights Act
- Committee Report 28-18(3), Standing Committee on Economic Development and Environment Report on the Review of Bill 25: An Act to Amend the Workers' Compensation Act
- Committee Report 30-18(3), Report on the Review of Bill 56: Legislative Assembly and Executive Council Act and Draft Code of Conduct
- Minister's Statement 151-18(3), New Federal Infrastructure Agreement
- Minister's 158-18(3), Developments in Early Childhood Programs and Services
- Minister's 211-18(3), Addressing the Caribou Crisis
- Tabled Document 442-18(3), 2030 NWT Climate Change Strategic Framework 2019-2023 Action Plan

21. Report of Committee of the Whole

22. Third Reading of Bills

23. Orders of the Day

MR. SPEAKER: Masi, Mr. Clerk. [Translation] This House stands adjourned until Friday, August 16, 2019, at 10:00 a.m. [Translation ends]

---ADJOURNMENT