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The Honourable Samuel Gargan, Speaker

WEDNESDAY, MAY 15, 1996

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MEMBERS PRESENT

Hon. Jim Antoine, Hon. Goo Arlooktoo, Mr. Barnabas, Hon. Charles Dent, Mr. Enuaraq, Mr. Erasmus, Mr. Evaloarjuk, Hon. Samuel Gargan, Mrs. Groenewegen, Mr. Henry, Mr. Miltenberger, Hon. Kelvin Ng, Mr. Ningark, Mr. O'Brien, Mr. Ootes, Mr. Picco, Mr. Roland, Mr. Steen, Hon. Manitik Thompson Hon. John Todd

ITEM 1: PRAYER

--- Prayer

SPEAKER (Hon. Samuel Gargan):

The House will come to order. Thank you, Mr. Ningark. Good afternoon. I would also like to thank Mr. Ningark for acting in my place for the last two days.

Orders of the day, item 2, Ministers' statements. Mr. Arlooktoo.

ITEM 2: MINISTERS' STATEMENTS

Minister's Statement 53-13(3): Minister Absent From The House

HON. GOO ARLOOKTOO:

Mr. Speaker, I wish to advise Members that the Honourable Stephen Kakfwi will be absent from the House today to attend Rendezvous Canada, 1996, in Edmonton. Thank you.

MR. SPEAKER:

Thank you. Item 2, Ministers' statements. Mrs. Thompson.

Minister's Statement 54-13(3): Status Of Women Council Of The Northwest Territories

HON. MANITOK THOMPSON:

Thank you, Mr. Speaker. It's nice to have you back. Mr. Speaker, as you are aware, the Status of Women Council is an agency of this government and has a legislated mandate to work towards the equality of all women in the NWT. It provides advice to the GNWT, conducts research, public education, and advocacy

on behalf of women. It also provides assistance to women's groups.

Through its community worker, the council has helped community groups in every constituency and almost every community. Workshops requested by communities have included board development, self-esteem, effective parenting, family violence and sexual assault, women's health issues and child sexual abuse.

In the past five years, the council has been able to access an increasing number of dollars from funding programs outside the NWT, to add to the core funding provided by this government. Last year, for each dollar of core funding, it raised an additional dollar for programs and projects to benefit women, children and families.

This does not include the additional funding obtained by community groups as a result of council assistance, including research and proposal writing. In the past five years, the council has done research, lobbying, public education and a wide range of practical initiatives in the following areas: family violence, justice, individual and community wellness, child care, education and employment, the environment and community development.

Mr. Speaker, I'm pleased to advise you that the six-member Status of Women Council board was in Yellowknife last week for three intensive days of strategic planning for the next three years. It developed a vision that equality is based on healthy families and communities where women's traditional role as nurturers, advisors and teachers is respected and recognized as a valuable resource to all members of the community.

The Status of Women Council's vision recognizes the need for communities, families and women to be united and to work together. If this happens, we will have a healthy, productive northern society which respects everyone's differences.

The council will now begin developing a detailed workplan to set priorities and outline the next steps to realize its vision. This will be done through developing practical initiatives in four key areas: education and training; wellness, with a focus on prevention health and treatment; community and individual empowerment; and, women in leadership.

Some initiatives the council intends to work on include developing community-based resources, facilities and

peer counsellors to support community wellness initiatives; developing economic initiatives for both the council and northern women; designing initiatives to encourage women to become leaders in business, government and politics; and, expanding on past initiatives in community wellness, family violence and sexual assault, alcohol and drugs, education on equality, child care, western NWT political development and justice.

The Status of Women Council recognizes that it can be both a resource and an ally through creative and cooperative partnerships with businesses, government, aboriginal women's and community organizations.

Mr. Speaker, I commend the council, its board and staff for their hard work to date, and I encourage this Assembly's support for their vision and for their initiatives in the coming year. Thank you, Mr. Speaker.

--- Applause

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MR. SPEAKER: Thank you, Mrs. Thompson. Item 2, Ministers' statements. Item 3, Members' statements. Mr. Picco.

ITEM 3: MEMBERS' STATEMENTS

Member's Statement On Consensus Government

MR. PICCO:

Mr. Speaker, over the past few days, I have spent a lot of time soul-searching for the elusive answer to a most-important question. Mr. Speaker, when the fogshrouded veil was lifted, the answer appeared to me like a thunderbolt from the mighty hand of Thor. When you bring a collective of 24 people together without a party structure, allegiances are made from common ground or geography. This appears to be the case in this Assembly. I have no problems with this, Mr. Speaker, but sometimes the Borg collective takes over.

Mr. Speaker, the Borg collective controls the thought patterns and sometimes interrupts independent thought practices. I've been trying to resist the Borg collective but, Mr. Speaker, because of Thor's thunderbolt, I can see now that in some cases the Borg collective is not necessarily a bad thing.

--- Laughter

Mr. Speaker, consensus government allows independence of thought and ideas. Although the collective is at work, I think that this has been evident this past week. I, for one, am thankful for this. Qujannamiik, Uqaqtii.

--- Applause

MR. SPEAKER:

Thank you, Mr. Picco. Item 3, Members' statements. Mr. Miltenberger.

Member's Statement On Mackenzie River System

MR. MILTENBERGER:

Thank you, Mr. Speaker. Here in the North, there is water everywhere. In the West, we all live in the Mackenzie River Basin. Most of us take our rivers and lakes for granted. They provide us with wetlands for our birds and mammals. We use the rivers for transportation and generating electricity. As northern students know, there is a thriving aquatic ecosystem in our waters; our own version of the circle of life.

Unfortunately, the time has come where we can't take our river system for granted. There are too many threats to it. For example, information just released on the impact of climate change on the northern environment along the Mackenzie River Basin, indicates that apparently over the past 30 years, the average temperature in our part of the world has gone up three degrees; the highest in Canada. This may seem insignificant or even a bonus given our seven or eight months of winter along the Mackenzie. However, scientists have proven that this increase along with increased average wind speeds, means the water in our lakes and rivers is evaporating more quickly than it used to. As a result, we have lost almost one-quarter of the water flowing in our rivers and streams in only 20 years.

On June 5th, I'll expect we'll hear more about the potential dangers to our river basin when the final report on the northern river basin study will be released. Jointly sponsored by the Government of Canada, the Government of Alberta and the GNWT, this five-year research study has examined the impacts of industrial and human development on the Peace/Athabasca/Slave River systems. I understand the report will detail findings in the area of hydrology, contaminants, drinking water, food chain, nutrients and traditional knowledge.

The NWT was represented in the study team by Robert McLeod of Yellowknife, Danny MacDonald of Salt River, and Mayor Dennis Bevington from Fort Smith. I'm sure these three individuals did their best to ensure the report will make recommendations which will preserve the quality of our river basin.

People living in the South Slave area are looking forward to the final report. With the river system feeding into the bigger Mackenzie Basin, I'm sure the results will also be of interest to all people living in the Western Arctic.

All indications are that massive development is scheduled for the Peace/Athabasca/Slave system. This includes forestry projects, expansion of tar sands extraction, increased agricultural use and more people living along the rivers.

Mr. Speaker, I seek unanimous consent to conclude my statement.

MR. SPEAKER:

Thank you. The Member for Thebacha is seeking unanimous consent to conclude his statement. Are there any nays? There are no nays. Conclude your statement, Mr. Miltenberger.

MR. MILTENBERGER:

Thank you, Mr. Speaker, and to the Borg collective.

--- Laughter

These developments have serious implications for the Mackenzie Basin. If someone in Alberta or BC is pouring poison into our river, it is eventually going to show up on our doorstep here in the North. In order to protect our water, we need to look carefully at the studies recommendations and move quickly to implement those which will help to preserve this basin for the future use and enjoyment of northern residents.

Mr. Speaker, we need to protect the Mackenzie River system. One of the things that will help us do this is the Mackenzie River Basin master agreement, once it is signed by all parties. Our government, the federal government and Alberta have signed this agreement. However, this government needs to encourage British Columbia, Saskatchewan and the Yukon to endorse the agreement as soon as possible.

Mr. Speaker, the river system will need attention and protection to ensure its future. In the late 1980s, this

government took a strong stand against pulp mill pollution. We need to continue to take action, both alone and in conjunction with our neighbours upstream, to ensure the

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clear, clean territorial lakes and rivers we rely on will be there for us in the years to come. Thank you.

--- Applause

MR. SPEAKER:

Thank you, Mr. Miltenberger. Item 3, Members' statement. Item 4, returns to oral questions. Mr. Todd.

ITEM 4: RETURNS TO ORAL QUESTIONS

Further Return To Question 179-13(3): Transfer Of Occupational Health And Safety To WCB

HON. JOHN TODD:

Thank you, Mr. Speaker. Mr. Speaker, I have a return to an oral question asked by Mr. Ootes on May 7th, with respect to the transfer of occupational health and safety to WCB.

Fines imposed by the inspectors under the Explosives Use Act, the Mine Health and Safety Act and the Safety Act shall, when collected, be paid over to the Workers' Compensation Board and form part of the accident fund established under the Workers' Compensation Act.

The revenue from these penalties will not come back to the Government of the Northwest Territories. Thank you.

MR. SPEAKER:

Thank you. Item 4, returns to oral questions. Item 5, recognition of visitors in the gallery. Mr. Arlooktoo.

ITEM 5: RECOGNITION OF VISITORS IN THE GALLERY

HON. GOO ARLOOKTOO:

Mr. Speaker, I would like to recognize Les Clegg, a very long-time employee of the Government of the Northwest Territories.

--- Applause

MR. SPEAKER:

Item 5, recognition of visitors in the gallery. That was easy. Item 6, oral questions. Mr. Miltenberger.

ITEM 6: ORAL QUESTIONS

Question 221-13(3): Final Report On Affirmative Action Review

MR. MILTENBERGER:

Thank you, Mr. Speaker. My question is to the Minister responsible for the FMBS. Could the Minister indicate to this House when the final report on the affirmative action review will be tabled in this house? Something we've all been waiting for with bated breath. Thank you.

MR. SPEAKER:

Minister responsible for the Financial Management Board, Mr. Todd.

Return To Question 221-13(3): Final Report On Affirmative Action Review

HON. JOHN TODD:

Thank you, Mr. Speaker. I believe I had indicated earlier, in our last sitting, that we are endeavouring to table this very important affirmative action report during this session. I believe that's still our objective. I will check with my deputy minister on this issue, and try to ensure that this important report and study is tabled before the end of this session. Thank you.

MR. SPEAKER:

Item 6, oral questions. Mr. O'Brien.

MR. O'BRIEN:

Thank you, Mr. Speaker. My question today is to the Minister of Health and Social Services. Mr. Speaker, I'm referring to a document we received today from the Yellowknife Women's Centre. This letter stated that their organization received five complaints from Inuit and aboriginal and Metis people who have been denied social assistance or income support over a three-month period since they returned to their place of birth. Would the Minister inform this House as to his knowledge, if any, of these allegations and whether or not residents born in the Northwest Territories have to put up with this type of treatment? Thank you, Mr. Speaker.

MR. SPEAKER:

Minister of Health and Social Services, Mr. Ng.

HON. KELVIN NG:

Thank you, Mr. Speaker. Mr. Speaker, I believe the question is in respect to social assistance. As such, the Minister of Education, Culture and Employment is responsible for income reform. Thank you.

MR. SPEAKER:

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

HON. CHARLES DENT:

Thank you, Mr. Speaker. Could I ask that the question be repeated, please?

MR. SPEAKER:

Mr. O'Brien, please clarify your question.

Question 222-13(3): Rejection Of Social Assistance Applications

MR. O'BRIEN:

Thank you, Mr. Speaker. Mr. Speaker, I am referring to a document received today from the Yellowknife Women's Centre. The letter states that the organization has received five complaints from Inuit, aboriginal and Metis people who have been denied social assistance or income support over a three-month period, since their return to their place of birth in the North. Would the Minister inform this House as to his knowledge, if any, of these allegations or whether or not residents born in the NWT have to put up with this treatment. Thank you, Mr. Speaker.

MR. SPEAKER:

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

Return To Question 222-13(3): Rejection Of Social Assistance Applications

HON. CHARLES DENT:

Thank you, Mr. Speaker. Mr. Speaker, I am not aware of the individual circumstances the Member is referring to. I can advise that a person is not considered a resident just because they were born in the Territories. A person changes their residence when they leave the Territories and, if they choose to

come back to the Territories, they must establish residence before they are

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qualified to receive support from the income support program.

MR. SPEAKER:

Thank you. Supplementary, Mr. O'Brien.

Supplementary To Question 222-13(3): Rejection Of Social Assistance Applications

MR. O'BRIEN:

Thank you, Mr. Speaker. Can the Minister inform this House as to the time frame? That individual has left the North and has returned. What is the time frame before they can receive benefits?

MR. SPEAKER:

Mr. Dent.

Further Return To Question 222-13(3): Rejection Of Social Assistance Applications

HON. CHARLES DENT:

Thank you, Mr. Speaker. Mr. Speaker, typically, proof of residence is acquired through an NWT health care card or through the demonstration that a person has a job here. That doesn't mean that people are out on the street if they can't demonstrate those things. The department is very careful to make sure that nobody is going hungry or being forced to sleep on the street, but full services of the department are available only to residents, as it says in our regulations.

MR. SPEAKER:

Thank you. Supplementary, Mr. O'Brien.

Supplementary To Question 222-13(3): Rejection Of Social Assistance Applications

MR. O'BRIEN:

Thank you, Mr. Speaker. Mr. Speaker, the document I am referring to is addressed to all MLAs. I would ask if the Minister would review the document when he has an opportunity and report back to the House as to their concerns and questions regarding this matter. Thank you, Mr. Speaker.

MR. SPEAKER:

Mr. Dent.

Further Return To Question 222-13(3): Rejection Of Social Assistance Applications

HON. CHARLES DENT:

Thank you, Mr. Speaker. Mr. Speaker, I have not yet received a copy of the letter the Member refers to. Upon receiving it, I will respond to it as I do to all letters that come to my attention.

MR. SPEAKER:

Thank you. Item 6, oral questions. Mr. Picco.

Question 223-13(3): Review Of Rents Charged In NWT Elders' Facilities

MR. PICCO:

Thank you, Mr. Speaker. Yesterday, in a Member's statement and last week I asked the Minister of Health about the increase to board and lodging charged to our senior citizens. Mr. Speaker, we all realize that the government has major deficit problems, but surely the increasing board and lodging for our elders to fight the deficit ... My question to the Minister is will he review the

increases to ensure that our elders are not being singled out or put in hardship. Thank you, Mr. Speaker.

MR. SPEAKER:

Thank you. Minister of Health and Social Services, Mr. Ng.

Return To Question 223-13(3): Review Of Rents Charged In NWT Elders' Facilities

HON. KELVIN NG:

Thank you, Mr. Speaker. Mr. Speaker, in responding to this question in the past, I have said that as it stands now, the standardized rates were brought into place to even off the different rates between level 1/11 and level III/IV clients. As it stands now, unless there are some serious problems as a result of these rates, they will stand. Thank you.

MR. SPEAKER:

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

Supplementary To Question 223-13(3): Review Of Rents Charged In NWT Elders' Facilities

MR. PICCO:

Thank you, Mr. Speaker. Mr. Speaker, I have an elders' facility in my community. We have some very serious concerns with it. Not only is it in my community, but it is a regional centre. How much does the government project as revenue or cost-savings by increasing board and lodging amounts?

MR. SPEAKER:

Mr. Ng.

Further Return To Question 223-13(3): Review Of Rents Charged In NWT Elders' Facilities

HON. KELVIN NG:

Thank you, Mr. Speaker. Mr. Speaker, based on the June 1 st implementation date, the expected net gain for the Government of the Northwest Territories would be approximately \$400,000. Thank you.

MR. SPEAKER:

Thank you. Supplementary, Mr. Picco.

Supplementary To Question 223-13(3): Review Of Rents Charged In NWT Elders' Facilities

MR. PICCO:

Mr. Speaker, that sounds like a considerable sum. How many elders do we have staying in these types of facilities where the increases are being implemented?

MR. SPEAKER:

Mr. Ng.

Further Return To Question 223-13(3): Review Of Rents Charged In NWT Elders' Facilities

HON. KELVIN NG:

Thank you, Mr. Speaker. We have approximately 195 individuals staying in our facilities which would be impacted by the standardized rates. Of those, Mr. Speaker, 106 are in current level III/IV designations, where their rates would be decreased; and 89 are in

the level 11 classification, in which their rates would be increased. Thank you.

MR. SPEAKER:

Final supplementary, Mr. Picco.

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Supplementary To Question 223-13(3): Review Of Rents Charged In NWT Elders' Facilities

MR. PICCO:

Mr. Speaker, I am not Albert Einstein. Sometimes I do have trouble adding, but I can see from the number -- that \$400,000 -- and the numbers given by the Minister for an increase seems to be out of whack; the stated increase of revenue of \$400,000. Can the Minister inform me what the formula used was to base this increase of the board and lodging?

MR. SPEAKER:

Mr. Ng.

Further Return To Question 223-13(3): Review Of Rents Charged In NWT Elders' Facilities

HON. KELVIN NG:

Thank you, Mr. Speaker. Mr. Speaker, again, in answering the question, these rates were based on taking the lowest averages of other jurisdictions within Canada to come up with a reasonable rate that is still below the Canadian average. Thank you, Mr. Speaker.

MR. SPEAKER:

Thank you. Item 6, oral questions. Mr. Ootes.

Question 224-13(3): Inclusion Of Summer Students In Collective Agreement

MR. OOTES:

Thank you, Mr. Speaker. I have a question for the Minister of FMBS. This is to follow up on my question yesterday on student employment. I could not find any reference to the word 'student' in my copy of the collective agreement. I wonder if the Minister might be able to tell me why the students fall under the collective agreement when they are hired by the GNWT for the summer only.

MR. SPEAKER:

Thank you. Minister responsible for FMBS, Mr. Todd.

Return To Question 224-13(3): Inclusion Of Summer Students In Collective Agreement

HON. JOHN TODD:

Thank you, Mr. Speaker. All casual employment, whether it is summer students or otherwise, falls under the terms of reference of the bargaining unit representing the employment with respect to the Public Service Act.

MR. SPEAKER:

Thank you. Supplementary, Mr. Ootes.

Supplementary To Question 224-13(3): Inclusion Of Summer Students In Collective Agreement

MR. OOTES:

I wonder if it could be considered by the Minister to develop a separate process by which they could be employed, specifically identifying summer employment for students so we can set a constant rate. I wonder if the Minister could answer my question if it is possible to set up a system whereby we could strictly identify summer employment for students.

MR. SPEAKER:

Mr. Todd.

Further Return To Question 224-13(3): Inclusion Of Summer Students In Collective Agreement

HON. JOHN TODD:

Thank you, Mr. Speaker. As I tried to say yesterday, and perhaps wasn't as explicit as I should have been, we proposed a specific system. In the last round of bargaining with the union with respect to student employment, we believed that we could get a reasonable rate and be able to expand the employment opportunities. This was rejected by the union. Unfortunately, it wasn't incorporated into the current contract that is out for ratification. It is my understanding that anyone who is a public servant and not excluded, the rates of pay must be negotiated within the union. So it would be difficult, even though we would like to move forward on a separate rate of pay for students -- I believe my colleague is of a similar mind as I am -- to ensure that more students

get recruited. It would be difficult, given the way our bargaining organization is set up. Thank you.

MR. SPEAKER:

Thank you. Supplementary, Mr. Ootes.

Item 6, oral questions.

Supplementary To Question 224-13(3): Inclusion Of Summer Students In Collective Agreement

MR. OOTES:

I can appreciate the Minister's answer on that. Yesterday, I also made reference to the fact that the federal government was providing a summer employment program through the federal government. Is the territorial government going to be a beneficiary of that program whereby we can get funds from the federal government to hire summer students?

MR. SPEAKER:

Thank you. Mr. Todd.

Further Return To Question 224-13(3): Inclusion Of Summer Students In Collective Agreement

HON. JOHN TODD:

Thank you, Mr. Speaker. My colleague, Mr. Dent, who has the lead on this issue, has advised me that there is a meeting set up tomorrow with the appropriate parties to determine what, if any, assistance the federal government, under this program, is prepared to provide this government. I suggest that later on this week may be an appropriate time to raise that question with the Minister after he has met with his counterparts tomorrow. Thank you.

MR. SPEAKER:

Thank you. Item 6, oral questions. Mr. Erasmus.

Question 225-13(3): City Of Yellowknife Operational Evaluation

MR. ERASMUS:

Thank you, Mr. Speaker. My question is for the Minister of MACA. It is in relation to the recently announced operational evaluation on the city of Yellowknife. Section 189 of the Cities, Towns and Villages Act requires that an operational evaluation be undertaken on an annual basis. It is my understanding that the department has not

undertaken such an evaluation since October 1991. Would the Minister please clarify what the driving force is for the review being done at this time?

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MR. SPEAKER:

Minister of Municipal and Community Affairs, Mrs. Thompson.

Return To Question 225-13(3): City Of Yellowknife Operational Evaluation

HON. MANITOK THOMPSON:

Thank you, Mr. Speaker. The city and the department agreed that there is now an opportunity to undertake a focused evaluation. The department has not done a comprehensive evaluation with the city of Yellowknife since 1991. In 1993 and 1994, the department did review and follow up on the compliance recommendation of the comprehensive evaluation as required annually under the Cities, Towns and Villages Act. These annual inspections do confirm that the city has implemented recommendations in a comprehensive evaluation. The department's practice has been to undertake a comprehensive evaluation of municipalities every three years and a routine inspection in the intervening years.

MR. SPEAKER:

Supplementary, Mr. Erasmus.

Supplementary To Question 225-13(3): City Of Yellowknife Operational Evaluation

MR. ERASMUS:

Thank you, Mr. Speaker. As the Minister is no doubt aware, there is ongoing litigation between the city of Yellowknife and the Yellowknife Ratepayers' Association concerning the legality of the alderman's briefings. Will the alderman's briefings be part of the review that is being done?

MR. SPEAKER:

Mrs. Thompson.

Further Return To Question 225-13(3): City Of Yellowknife Operational Evaluation

HON. MANITOK THOMPSON:

Thank you, Mr. Speaker. No.

MR. SPEAKER:

Supplementary, Mr. Erasmus.

Supplementary To Question 225-13(3): City Of Yellowknife Operational Evaluation

MR. ERASMUS:

Thank you, Mr. Speaker. The Government of the Northwest Territories is facing a serious fiscal problem, as is the rest of Canada. I understand that the city of Yellowknife has at least one international award for its outstanding operations. It is a sophisticated municipality. I would like to know if the Minister truly feels that such an evaluation is the best use of the government's scarce resources.

MR. SPEAKER:

Mrs. Thompson.

Further Return To Question 225-13(3): City Of Yellowknife Operational Evaluation

HON. MANITOK THOMPSON:

Thank you, Mr. Speaker. I would first like to congratulate the city of Yellowknife for having received an international award for its outstanding operation. Evaluations are very important to me. They are a two-way process that provides invaluable feedback between the territorial and community governments to

strengthen the partnership between the two levels of government for the betterment of the community residents who are served by them.

The evaluation process has increased and become an important development tool to assess and increase community capacity through training and development. It is an opportunity for communities to receive guidance and advise and identify issues facing them and their training requirements. I feel that it is a very valuable tool and it is very important to me. Thank you, Mr. Speaker.

MR. SPEAKER:

Thank you. Item 6, oral questions. Mr. Miltenberger.

Question 226-13(3): NWTPC Plans In Case Of Low-Water Levels

MR. MILTENBERGER:

Thank you, Mr. Speaker. My question is to the Minister responsible for the Power Corporation. In my Member's statement, I stated that water is the life-blood for the Northwest Territories, especially in the West with the river systems. There is a significant diminishment. In fact, by some standards, it would be considered huge. One of the first things that comes to mind is power. Could the Minister indicate the effect of such a loss of water resources and water levels on the Power Corporation and the anticipation of the loss of those resources? Thank you.

MR. SPEAKER:

Minister responsible for the NWT Power Corporation,
Mr. Dent.

Return To Question 226-13(3): NWTPC Plans In
Case Of Low-Water Levels

HON. CHARLES DENT:

Thank you, Mr. Speaker. Mr. Speaker, we have, particularly in the area served by the Snare hydro system, seen the effects of increased loss of water. We are hopeful that this is just a cyclic type of event and that it isn't necessarily an ongoing problem. To date, there hasn't been a similar problem in the Taltson system. As I said earlier when asked by the Member for Yellowknife Centre about the low-water issue for the Snare system, we won't know until the end of June exactly what the results of the run-off have been. The amount of moisture that was in the snow that fell over the winter was, on average, the same as what we have seen in the past 18 years. So the amount of moisture that came down over the winter was about average. It will now remain to be seen how much of that winds up in the reservoirs.

There have been occasions in the past number of years, Mr. Speaker, where in spite of having a good snowfall over the winter, the evaporation has been so heavy that there has been very little of the moisture that winds up in the reservoirs. At this point in time, I don't foresee any change to rates as a result of low water. It is only in the Snare system so far that we have seen any indication of problems in the past. Thank you.

MR. SPEAKER:

Thank you.

Milttenberger.

Supplementary, Mr.

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Supplementary To Question 226-13(3): NWTPC
Plans In Case Of Low-Water Levels

MR. MILTENBERGER:

Thank you, Mr. Speaker. The Minister indicated that he hoped the low water was cyclical and there would be some sort of resurgence. Indications are that the water level has dropped over the last 30 years, due to the increase of evaporation and temperature increases. Is the Minister working on any kind of contingency plans on the off chance or the high probability that, if that isn't cyclical, we have a trend that is going to go more of a linear approach?

MR. SPEAKER:

Mr. Dent.

Further Return To Question 226-13(3): NWTPC
Plans In Case Of Low-Water Levels

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HON. CHARLES DENT:

Thank you, Mr. Speaker. Mr. Speaker, as I said in the Taltson system, we haven't noticed an effect at this point in time. In the Snare system, we went in 1991 from the highest water level on record to what we were faced with last year; the lowest water level on record. So it is too short a period of time to assess whether or not this is something that is ongoing. We will have to watch and see what happens over the next few years. In terms of a contingency plan, we don't have any plans to hire an aircraft to seed clouds, if that is what the Member is wondering about. We are going to wait for awhile to make sure this isn't just a cyclic occurrence.

MR. SPEAKER:

Supplementary, Mr. Milttenberger.

Supplementary To Question 226-13(3): NWTPC
Plans In Case Of Low-Water Levels

MR. MILTENBERGER:

Thank you, Mr. Speaker. Possibly the CANSOs, if they could fly that high, will be used to seed clouds if the Minister is looking for aircraft that are going to be available. My follow-up question to the Minister is will the northern basin study be reviewed by yourself and

your officials, and the recommendations that are going to be contained therein, to see if there's any possible benefit to be gained from the millions of dollars that have been spent and the recommendations that are made? Thank you.

MR. SPEAKER:

Mr. Dent.

Further Return To Question 226-13(3): NWTPC Plans In Case Of Low-Water Levels

HON. CHARLES DENT:

Thank you, Mr. Speaker. I think the Member is absolutely right, that a CANSO couldn't get high enough to do the cloud-seeding job. Yes, we are always going to watch the recommendations that come out from a body such as the one that's looking at our northern rivers. And, yes, we will take a look at the advice they provide and make sure that we are looking ahead for whatever the eventuality might be, as much as possible. Thank you, Mr. Speaker.

MR. SPEAKER:

Thank you. Item 6, oral questions. Mrs. Groenewegen.

Question 227-13(3): Review Of Rents Charged In Elders' Facilities

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. My question today is to the Minister of Health and Social Services, and following along Mr. Picco's questions about the rates charged to seniors in care facilities in the Northwest Territories. I also have a multi-level care facility for seniors in Hay River and I attend the meetings of the Hay River Seniors' Society as often as I can. It was my impression, from attending one of those meetings, that the seniors, at least in Hay River and perhaps the NWT Seniors' Society, had considered the issue of these rates. I was wondering if the Minister had ever received any formal correspondence, either from the Hay River seniors or the NWT Seniors' Society, with respect to the amendments to the rate. Thank you.

MR. SPEAKER:

Minister of Health and Social Services, Mr. Ng.

Return To Question 227-13(3): Review Of Rents Charged In Elders' Facilities

HON. KELVIN NG:

Thank you, Mr. Speaker. To my recollection, I don't personally recall receiving correspondence on the matter. However, I am aware that departmental officials did have consultations with the seniors' organizations over the course of developing these rate changes. Thank you.

MR. SPEAKER:

Thank you. Item 6, oral questions. Mr. Roland.

Question 228-13(3): Status Of Water/Sewer Subsidy Policy

MR. ROLAND:

Thank you, Mr. Speaker. My question will be directed to the Minister of MACA. We've heard many things about the changes that are happening, and I would just like to know what the department is doing with the water/sewer subsidy. Thank you.

MR. SPEAKER:

Minister of Municipal and Community Affairs, Mrs. Thompson.

Return To Question 228-13(3): Status Of Water/Sewer Subsidy Policy

HON. MANITOK THOMPSON:

(Translation) Thank you, Mr. Speaker. The water and sewage program has been worked on. Once the communities are able to operate these on their own, they were able to get their funding as of April 1st. Those that are not yet ready to take on this program will have three months to try and take on this program. That's what we have planned. Thank you, Mr. Speaker.

MR. SPEAKER:

Supplementary, Mr. Roland.

Supplementary To Question 228-13(3):Status Of Water/Sewer Subsidy Policy

MR. ROLAND:

Thank you, Mr. Speaker. At the end of the three months, if the communities aren't ready, what will happen then? Thank you.

MR. SPEAKER:

Mrs. Thompson.

Further Return To Question 228-13(3): Status Of Water/Sewer Subsidy Policy

HON. MANITOK THOMPSON:

(Translation) Thank you, Mr. Speaker. After three months, if the communities are not yet ready to take on this responsibility, my officials would be able to give workshops on how to take on this program. That's what will be happening if they're not yet ready to take on that responsibility after three months. Thank you.

MR. SPEAKER:

Item 6, oral questions. Mr. O'Brien.

Question 229-13(3):Privatization Of NWT Power Corporation

MR. O'BRIEN:

Thank you, Mr. Speaker. Mr. Speaker, my question is to the Minister responsible for the NWT Power Corporation. Mr. Speaker, during a briefing meeting held for the Government Operations committee a few months ago, the Minister indicated that there was no intention to privatize the corporation at this time. Can the Minister advise this House whether or not this status has changed? Thank you.

MR. SPEAKER:

Minister responsible for the NWT Power Corporation, Mr. Dent.

Return To Question 229-13(3): Privatization Of NWT Power Corporation

HON. CHARLES DENT:

Mr. Speaker, there has been no change at this point in time.

MR. SPEAKER:

Supplementary, Mr. O'Brien.

Supplementary To Question 229-13(3): Privatization Of NWT Power Corporation

MR. O'BRIEN:

Thank you, Mr. Speaker. Mr. Speaker, can the Minister advise this House whether there has been any consideration given to this to make this change in the term of this Assembly?

MR. SPEAKER:

Mr. Dent.

Further Return To Question 229-13(3): Privatization Of NWT Power Corporation

HON. CHARLES DENT:

Thank you, Mr. Speaker. I think that we've made it clear to Members of this Assembly, in general, that we're going to look at all of the options that are out there. It is something that this Assembly could decide to take a look at during the life of the Assembly, but it would be premature for me to say that it's something that's on the agenda right now. Thank you, Mr. Speaker.

MR. SPEAKER:

Thank you. Supplementary, Mr. O'Brien.

Supplementary To Question 229-13(3): Privatization Of NWT Power Corporation

MR. O'BRIEN:

Thank you, Mr. Speaker. Mr. Speaker, can the Minister advise this House whether or not there have been any detailed discussions regarding this issue over the past few months? Thank you.

MR. SPEAKER:

Mr. Dent.

Further Return To Question 229-13(3): Privatization Of NWT Power Corporation

HON. CHARLES DENT:

Thank you, Mr. Speaker. I have been asked by my Cabinet colleagues to take a look at the issue and come back to them with recommendations. We will be taking a look at it some time in the next little while, but there hasn't been any direction given to move either way. We're going to take a look at all the options that are out there and that's one of them. I think before any decision is made, we're going to make sure there would be a balanced discussion on the issue. Thank you, Mr. Speaker.

MR. SPEAKER:

Thank you. Item 6, oral questions. Mr. Picco.

Question 230-13(3): Elimination Of French Translator/Interpreter Position In Iqaluit

MR. PICCO:

Thank you, Mr. Speaker. Mr. Speaker, during the review of the main estimates for the Department of Education, Culture and Employment, I had asked the Minister to explain the reason why the only French translator/interpreter position has been deleted. Mr. Speaker, this has caused major concern in my riding where, as you know, we have the largest Francophone population in the Territories. Why was the position eliminated?

MR. SPEAKER:

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

Return To Question 230-13(3): Elimination Of French Translator/Interpreter Position In Iqaluit

HON. CHARLES DENT:

Thank you, Mr. Speaker. Mr. Speaker, I believe I answered that question when the Member asked it in the House during Committee of the Whole; at which time, I said that a position was entirely funded by the federal government and the federal government reduced their funding. The reduction of the position was a direct result of that. At the time, I committed to the Member that I would have the department take a look at where all of the reductions have taken place, and we would get back to him with the rationale and an explanation. And, Mr. Speaker, that will be done. Thank you, Mr. Speaker.

MR. SPEAKER:

Thank you. Supplementary, Mr. Picco.

Supplementary To Question 230-13(3): Elimination Of French Translator/Interpreter Position In Iqaluit

MR. PICCO:

Thank you, Mr. Speaker. If the funding was cut from the federal government, the reallocation of funds within the department would be warranted, I think, before that type of decision was made to maybe have

contact with the region. What type of review was done before that decision was made?

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MR. SPEAKER:

Mr. Dent.

Further Return To Question 230-13(3): Elimination Of French Translator/Interpreter Position In Iqaluit

HON. CHARLES DENT:

Thank you, Mr. Speaker. I can't answer whether or not there was public consultation done. Since the funding was to pay for positions that the federal government paid for completely, those were the positions that were cut. I will have to check with the department to find out what sort of consultation was done. Thank you, Mr. Speaker.

MR. SPEAKER:

Thank you. Supplementary, Mr. Picco.

Supplementary To Question 230-13(3): Elimination Of French Translator/Interpreter Position In Iqaluit

MR. PICCO:

Mr. Speaker, my understanding is that the position was not funded by the federal government. The total money that comes to the NWT government is spread over the Territories as a whole. Will the Minister reallocate funds from his headquarters department to reinstate that position? It's a fair question because the only language services we have are ... There are no French services provided now in Nunavut.

MR. SPEAKER:

Thank you. Mr. Dent.

Further Return To Question 230-13(3): Elimination Of French Translator/Interpreter Position In Iqaluit

HON. CHARLES DENT:

Thank you, Mr. Speaker. Mr. Speaker, it's not my intention to mislead this House. The Member is implying that I am and I don't believe that I am. The position was not one that is funded within the department. I have committed that we will take a look at why that position was reduced and we will get back to the Member with the rationale. More than that, I can't do.

MR. SPEAKER:

Thank you. Item 6, oral questions. Mr. Miltenberger.

Question 231-13(3): Department Position On Chiropractic Services

MR. MILTENBERGER:

Thank you, Mr. Speaker. My question is to the Minister of Health and Social Services. Given the Minister's characterization in the House the other day of the wide spectrum of opinion of chiropractic services, would the Minister indicate to the House at which end of the spectrum the department is leading towards in terms of responding to the issue of chiropractic services? Is it a serious effort or one that is not quite as serious? Thank you.

MR. SPEAKER:

Minister of Health and Social Services, Mr. Ng.

Return To Question 231-13(3): Department Position On Chiropractic Services

HON. KELVIN NG:

Thank you, Mr. Speaker. Mr. Speaker, I think that chiropractic services are a valuable service to a lot of individuals who believe in them. Certainly, they contribute to the overall well-being of a person's health, if you're inclined to support that type of rationale. That's the direction that we're leaning towards right now, Mr. Speaker. Thank you.

MR. SPEAKER:

Mr. Miltenberger, supplementary.

Supplementary To Question 231-13(3): Department Position On Chiropractic Services

MR. MILTENBERGER:

Thank you, Mr. Speaker. In light of that comment and given the Minister's indication that the department is looking at the issue of chiropractic services, could he attach any kind of time frame as to what a considered look will entail?

MR. SPEAKER:

Mr. Ng.

Further Return To Question 231-13(3): Department Position On Chiropractic Services

HON. KELVIN NG:

Thank you, Mr. Speaker. No, I haven't attached a specific time frame to that because of the heavy agenda that we have within the department, meeting the requirements of committees, meeting the requirements of this House, meeting the requirements of priority legislation that is already in the works. At this time, I would like to advise all honourable Members of this House that I have recognized the issue of chiropractic services. It's just a matter of the timing of trying to put something together to address that issue. Thank you.

MR. SPEAKER:

Thank you. Item 6, oral questions. Mr. O'Brien.

Question 232-13(3): Meeting With Federal Finance Minister Re Division Expenses

MR. O'BRIEN:

Thank you, Mr. Speaker. My question is to the Minister of Finance. Can the Minister confirm whether or not a date has been set for discussions with the federal Minister of Finance regarding the gross expenditure situation as it relates to division?

MR. SPEAKER:

Minister of Finance, Mr. Todd.

Return To Question 232-13(3): Meeting With Federal Finance Minister Re Division Expenditures

HON. JOHN TODD:

Thank you, Mr. Speaker. No, I can't confirm at this time when Mr. Martin will be available to meet with me on this important issue. What I can say is we are working daily to fit into whatever schedule Mr. Martin has. We have indicated to his office that we'll meet with him, whenever, wherever and however, as quickly as possible. Thank you.

MR. SPEAKER:

Thank you. Item 6, oral questions. Mr. Barnabas.

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Question 233-13(3): Shortage Of Office Space For Arctic Bay Hamlet Staff

MR. BARNABAS:

(Translation) Thank you, Mr. Speaker. I have a question to the Minister of MACA. As we all know, in one of my communities there is a new hamlet office. Some of the offices are inadequate and there are sometimes two people in one office. For example, our mayor has an office in the chambers of the hamlet office. Thank you.

MR. SPEAKER:

Minister of Municipal and Community Affairs, Mrs. Thompson.

Return To Question 233-13(3): Shortage Of Office Space For Arctic Bay Hamlet Staff

HON. MANITOK THOMPSON:

(Translation) Thank you, Mr. Speaker. During the community transfers to the hamlet councils, during the negotiations they can ask for the office buildings, even if it's not the same building they are in. If there is another office available, then they can negotiate and try to get different offices if they wish. Thank you, Mr. Speaker.

MR. SPEAKER:

Thank you. Item 6, oral questions. Mr. Ootes.

Question 234-13(3): Employment For Mining Course Graduates

MR. OOTES:

Thank you, Mr. Speaker. I have a question for the Minister of Education, Mr. Dent, and it's in reference to a letter sent to him from 12 graduates of the Arctic College mining course. The graduates state that they have not been able to find employment in the mining industry since that course was held, which was in the summer of 1995; one year ago. In the letter, they state that in their judgement, the mines have not lived up to the commitments that they made to the Government of the Northwest Territories. My first question would be if the Minister has had an opportunity to look into this matter. 233

MR. SPEAKER:

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

Return To Question 234-13(3): Employment For Mining Course Graduates

HON. CHARLES DENT:

Thank you, Mr. Speaker. Yes, Mr. Speaker, I have received a copy of the letter that the Member is referring to. From what I understand, the information in the letter is a bit incomplete in some cases, I've had my department trying to track down the individual graduates from the courses that have been run and it would appear that not all of them are working. In fact, it would appear that, from the first course, three of the graduates are working in mining; three are continuing their studies in other fields; one is with the Government of the Northwest Territories, and, two are unemployed, as far as I know fight now.

Of course, when they open the mine, they will have the capacity to hire on most of the graduates from the courses. But at this point in time, with them not having an operating mine, of course, the potential is not as great as what might otherwise be the case. But it would appear that other operating mines have not picked up the grads, other than Treminco and the new Discovery Mine. Thank you, Mr. Speaker.

MR. SPEAKER:

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

Supplementary To Question 234-13(3): Employment For Mining Course Graduates

MR. OOTES:

I wonder if the Minister could continue to look at this and perhaps also see, first of all, if the course is adequate and meeting the mining companies' needs or, conversely, if there's some reason why the mining company might not be interested in pursuing employment of people.

MR. SPEAKER:

Mr. Dent.

Further Return To Question 234-13(3): Employment For Mining Course Graduates

HON. CHARLES DENT:

Thank you, Mr. Speaker. Mr. Speaker, when I met with BHP, they assured me that the course had been set up in full consultation with them and that they did, in fact, think that the course was properly designed to prepare people to work at their mine. I suppose that may mean that it may not meet the needs of other

mining companies. BHP has provided significant resources by taking graduates up to Koala camp for a two-week period on the completion of their courses and allowing them an opportunity to find out what life is like in a camp. I think that the Member can count on me staying in close contact with companies that have the potential of hiring northerners to ensure that we are preparing northerners for jobs when those mines open. Thank you, Mr. Speaker.

MR. SPEAKER:

Item 6, oral questions. Supplementary, Mr. Ootes.

Supplementary To Question 234-13(3): Employment For Mining Course Graduates

MR. OOTES:

Yes, I think it's ultimately important for us to continue to develop these courses because there is no doubt in my mind that mining is going to continue to boom and develop here in the Territories. I just wonder if the Minister could apprise me if this particular course is going to be conducted again or if this was a one-time course.

MR. SPEAKER:

Mr. Dent.

Further Return To Question 234-13(3): Employment For Mining Course Graduates

HON. CHARLES DENT:

Thank you, Mr. Speaker. In the budget that the House has just considered, I believe we have funds in there for the course to run four more times, so that would be in this current year. As well as that, the community business group put together by BHP will also be

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running courses in Kugluktuk and in Hay River. The courses that the college will be running will generally be in the Dogrib communities. Thank you, Mr. Speaker.

MR. SPEAKER:

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

Supplementary To Question 234-13(3): Employment For Mining Course Graduates

MR. OOTES:

Thank you, Mr. Speaker. There is a program that's called "community mobilization partnership and job development strategy," and I wonder if the college is working in conjunction with this organization or this strategy.

MR. SPEAKER:

Mr. Dent.

Further Return To Question 234-13(3): Employment For Mining Course Graduates

HON. CHARLES DENT:

Thank you, Mr. Speaker. I believe the Member is referring to the community business group that I was talking about running the course in Kugluktuk and in Hay River. I have met with the people involved in that course, and they are working with the college. I think what we are endeavouring to do is make sure that there is a dialogue between all people involved in providing training in the North. Thank you, Mr. Speaker.

MR. SPEAKER:

Item 6, oral questions. Mr. Roland.

Question 235-13(3): Status Of NWTTA Bargaining Process

MR. ROLAND:

Thank you, Mr. Speaker. I would like to direct a question to the Minister of Finance. A while ago, I asked for an update on the progress of the NWTTA negotiations. I wonder if there is anything further on that. Could the Minister update the House?

MR. SPEAKER:

The Minister of Finance, Mr. Todd.

Return To Question 235-13(3): Status Of NWTTA Bargaining Process

HON. JOHN TODD:

Thank you, Mr. Speaker. My understanding is that the two parties will be getting together later next week to exchange positions and to move forward, hopefully, on reaching an arrangement for a collective agreement. Thank you.

MR. SPEAKER:

Item 6, oral questions. Supplementary, Mr. Roland.

Supplementary To Question 235-13(3): Status Of NWTTA Bargaining Process

MR. ROLAND:

Thank you, Mr. Speaker. On those negotiations, seeing as the school year is nearly coming to an end now in many parts of the Territories, I have some concerned constituents. On the section in the agreement on ultimate removal, can the Minister inform us if that's on the table?

MR. SPEAKER:

Mr. Todd.

Further Return To Question 235-13(3): Status Of NWTTA Bargaining Process

HON. JOHN TODD:

I certainly don't want to circumvent, if you want, the collective agreement process and the discussions that are under way between the NWTTA and ourselves, but I think it would be fair to say that all aspects of the agreement are on the table and ultimate removal is one of them. Thank you.

MR. SPEAKER:

Item 6, oral questions. Item 7, written questions. Item 8, returns to written questions. Mr. Clerk.

ITEM 8: RETURNS TO WRITTEN QUESTIONS

Return To Written Question 4-13(3): Lack Of Availability Of Aviation Fuel In The Nunavut Area

CLERK OF THE HOUSE (Mr. Hamilton):

On Wednesday, May 1, 1996, the Member for Iqaluit submitted a written question to the Minister of Transportation consisting of three separate questions relating to the limited availability of aviation gasoline at the airports in the Nunavut area.

1. Will the Minister investigate the possibility of a more even spread of locations that would have AV fuel available?

There is a limited and declining demand for AVGAS because it is used exclusively by piston engine aircraft at a time when more and more of the aircraft

flying in the North, privately or commercially, have turbo-prop or jet engines.

Over and above the limited demand for the product, the distribution and storage of AVGAS presents special technical difficulties. Turbo fuel that has fallen off specification for aviation purposes can still be sold and used as fuel in diesel engines or heating furnaces. There is no alternative use as a fuel for high octane AVGAS once it has gone "off-spec" for aviation purposes. Stocks of AVGAS that have exceeded their shelf life and deteriorated in quality must be shipped, at the distributor's expense, to southern Canada for disposal. More so than for other fuels, the distributor's inventory of AVGAS must closely match sales volumes. This is particularly difficult to manage economically with a specialized product for which there is a small and irregular demand. In recent years, the petroleum products division and the Department of Public Works and Services has written off inventories of AVGAS worth \$300,000 that it could not sell before it went "off-spec" in storage.

For these reasons, stocks of AVGAS for retail sale are maintained only at the larger airports in the Nunavut area of Cambridge Bay, Kugluktuk, Iqaluit and Rankin Inlet. The petroleum products division has no plans to extend the distribution, storage and sale of AVGAS to the smaller airports in Nunavut.

2. Has the Department of Transportation been made aware of possible safety concerns of the lack of AV fuel specifically in the Baffin and generally in the NWT?

The Department of Transportation is aware that the limited availability of AVGAS at northern airports can present a

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logistical inconvenience for private or commercial operators of piston engine aircraft. This is not a matter of air safety. The federal air regulations pursuant to the Aeronautics Act require that pilots carry enough fuel to reach their planned destination plus maintain a reserve of fuel to continue flying for another 45 minutes.

As part of routine flight planning, pilots determine in advance the points along their route where they can refuel. Pilots on itinerant flights in the Arctic regularly make arrangements, weeks or months ahead of time, to have fuel stored and ready for them along their

route. Through poor or inadequate flight planning, the pilot of a piston engine aircraft might stop at a northern airport where no AVGAS is available. Becoming stranded at a remote northern airport may prove an expensive and time-consuming mistake but it presents no threat, risk or hazard to air safety.

3. Will the Minister commit to having AV fuel made more easily available and that the required supply structure be in place by the fall of 1997 to meet sealift requirements?

The Government of the Northwest Territories is currently preparing plans to privatize the fuel distribution system maintained and operated by the petroleum products division. Imposing new obligations on the petroleum products division to increase the number of outlets for the sale of AVGAS is likely to make the purchase of the fuel distribution system a less attractive investment for prospective private interests.

The new owner/operator of the fuel distribution system could evaluate the commercial potential of expanded AVGAS distribution, storage and sales as a business decision.

MR. SPEAKER:

Item 8, returns to written questions. Item 9, replies to opening address. Item 10, petitions. Item 11, reports of standing and special committees. Item 12, reports of committees on the review of bills. Item 13, tabling of documents. Mr. Todd.

ITEM 13: TABELLING OF DOCUMENTS

HON. JOHN TODD:

Mr. Speaker, I wish to table Tabled Document 45-13(3), Working Towards 1999, GNWT's response to the NIC and NTI report. Thank you.

MR. SPEAKER:

Item 13, tabling of documents. Item 14, notices of motion. Mrs. Groenewegen.

ITEM 14: NOTICES OF MOTION

Motion 9-13(3): Removal And Recovery Of Consumer Price Index Increase To Members' Allowances And Expenses

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. I give notice that on Friday, May 17, 1996, I will move the following motion: I move, seconded by the honourable Member for Yellowknife Centre, that the Legislative Assembly and the Executive Council Act be amended to eliminate all those provisions that permit an annual increase to allowances and expenses; and further, that the increase of 2.1 per cent to allowances and expenses that was effected April 1, 1996, be recovered from Members of the Legislative Assembly for all expenses and allowance payments made since that date.

Mr. Speaker, at the appropriate time today, I will be seeking unanimous consent to move this motion today. Thank you.

--- Applause

MR. SPEAKER:

Item 14, notices of motion. Item 15, notices of motions for first reading of bills. Item 16, motions. Mrs. Groenewegen.

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. I would like to seek unanimous consent to deal with Motion 9-13(3) on the removal and recovery of consumer price index increases to all Members' allowances and expenses.

MR. SPEAKER:

Thank you. The Member for Hay River is seeking unanimous consent to deal with this motion today. Do we have any nays?

AN HON. MEMBER:

Nay.

MR. SPEAKER:

There is one nay. Item 16, motions. We have one nay. Item 17, first reading of bills. Item 18, second reading of bills. Item 19, consideration in Committee of the Whole of bills and other matters: Bill 8, Bill 11, Committee Report 1-13(3) ... Sorry, item 18, second reading of bills. Mr. Todd.

ITEM 18: SECOND READING OF BILLS

Bill 13: Loan Authorization Act, 1996-97

HON. JOHN TODD:

Thank you, Mr. Speaker; my apologies. Mr. Speaker, I move, seconded by the honourable Member for Nahendeh, that Bill 13, Loan Authorization Act, 1996-97, be read for the second time. Mr. Speaker, this bill authorizes the Commissioner, or a Minister acting on behalf of the Commissioner, to make loans to municipalities for the 1996-97 fiscal year.

Thank you for your indulgence, Mr. Speaker.

MR. SPEAKER:

Thank you. Your motion is in order. To the principle of the bill.

SOME HON. MEMBERS:

Question.

MR. SPEAKER:

Question has been called. All those in favour? All those opposed? Motion is carried. Bill 13 has had second reading and, accordingly, stands ordered to a standing committee.

Item 18, second reading of bills. I would like to advise the House that, by the authority given me by Motion 3-13(3), I have set the sitting hours, until further ordered, to be Monday to Thursday at 1:30 p.m. to 6:00 p.m. and 6:30 p.m. to 8:30 p.m., and Friday 10:00 a.m. to 2:00 p.m. These sitting hours will be effective with today's sitting.

Item 19, consideration in Committee of the Whole of bills and other matters: Bill 8, An Act to Amend the Income Tax Act; Bill 8, An Act to Amend the Income Tax Act; Committee

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Report 1-13(3), Standing Committee on Government Operations Report on the Review of the 1996-97 Main Estimates; Committee Report 2-13(3), Standing Committee on Infrastructure Report on the Review of the 1996-97 Main Estimates; Committee Report 3-13(3), Standing Committee on Resource Management and Development Report on the Review of the 1996-97 Main Estimates; and, Committee Report 4-13(3), Standing Committee on Social Programs Report on the Review of the 1996-97 Main Estimates, with Mr. Ningark in the Chair.

ITEM 18: CONSIDERATION IN COMMITTEE OF THE WHOLE OF BILLS AND OTHER MATTERS

CHAIRMAN (Mr. Ningark):

Thank you. The committee will come to order. On item 19, we have a number of items that we still have to consider. What is the wish of the committee? Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. We would like to continue the review of Bill 11, Appropriation Act, 1996-97, and, since Mr. Kakfwi is out of town, propose to move on to Public Works and Services.

CHAIRMAN (Mr. Ningark):

Do we have the concurrence of the committee that we will move on to Public Works and Services?

SOME HON. MEMBERS:

Agreed.

--- Agreed

Bill 11: Appropriation Act, 1996-97

Department Of Public Works And Services

CHAIRMAN (Mr. Ningark):

Thank you. We will take a 10-minute break and resume after. Thank you.

--- SHORT RECESS

CHAIRMAN (Mr. Ningark):

Thank you. The committee will come back to order. We will be reviewing the Department of Public Works and Services estimates and Bill 11. The Minister responsible for Public Works and Services, if you wouldn't mind providing your opening remarks. Mr. Arlooktoo.

Minister's Introductory Remarks

HON. GOO ARLOOKTOO:

Thank you, Mr. Chairman. I am pleased to present the 1996-97 main estimates for the Department of Public Works and Services. The department's budget for 1996-97 is \$98.643 million. This represents a 13 per cent decrease in funding from the 1995-96 revised main estimates.

A total of over 458 person years are included in this budget, which is down from the 516 person years last year. This is an 11 per cent reduction.

These figures do not represent all of the resources of the department. Two major areas of our operation are funded by other means.

The fuel oil revolving fund operates on a cost-recovery basis. Its expenditures for 1996-97 are estimated at \$51.07 million. Built into the revolving fund cost projections for 1996-97 are estimated savings of \$1.7 million in the cost of fuel purchases as a result of recently awarded resupply contracts. The division will have a staff of 30.9 person years, which is a reduction of four person years from 1995-96.

The development and operation of government computer systems is operated on a chargeback basis, with a budget for 1996-97 of \$5.375 million and 29 person years. This represents an approximate 10 per cent reduction from the previous year.

Over the next 18 months, Mr. Chairman, both of these operations will be privatized. This reflects the government's commitment to use its resources to stimulate business development. Wherever possible, we will obtain our services from the private sector and promote the best method for delivery of services.

Public Works and Services provides support for many of the resources that will be devolved to communities as part of the community empowerment initiative. The department will be working with Municipal and Community Affairs to ensure that this process works smoothly.

In order to implement these changes effectively, the department will be reorganized, both at headquarters and in the regions. This will ultimately reduce the number of supervisor levels and the number of managers by half. Last week, the number of management positions at headquarters was reduced by one-third. The department no longer has assistant deputy ministers and five of the existing divisions have been consolidated into two. This process will be continued over the next few months at the regional level. The total cost savings of these changes will not be clear for a few months, until the organizational design is complete and approved. I will report back to the House in the fall.

Mr. Chairman, a transition team has been created to steer the department's privatization, user pay and community empowerment initiatives. This transition

team is temporary and will phase itself out over the next two years.

This fall, the department, along with Education, Culture and Employment, Transportation and the private sector, is sponsoring the first-ever northern pre-engineering program at Aurora College. Students in this program will work toward careers as engineering technologists.

With the changes in this budget, and through the user-pay initiative, the customers of Public Works and Services will have more authority to acquire services themselves. For example, the local contract authority limit has been increased from \$1,000 to \$5,000. In 1996-97, the department has already moved on the user-pay initiative by transferring the responsibility for telephone services to user departments.

One of the department's ongoing responsibilities has been the administration of the business incentive policy. A major consultation effort has been under way over the past two years to improve the policy so it provides better support to

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northern companies. While Public Works and Services will continue to apply this policy in its contracts, the authority and the resources associated with the program are being transferred to Economic Development and Tourism in recognition of the policy's potential for economic development.

Mr. Chairman, the Department of Public Works and Services will be a much smaller organization as we move towards division, and I believe that the transfer of responsibilities will be a positive approach to making effective use of public funds.

That completes my opening remarks, Mr. Chairman. I will be pleased to answer Members' questions.

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Arlooktoo. Chairperson of the Infrastructure committee, which reviewed the department, has opening remarks. Mr. Picco.

MR. PICCO:

Do we have a quorum, Mr. Chairman?

CHAIRMAN (Mr. Ningark):

Yes, 13 is a quorum so we do have a quorum. Mr. Picco.

Standing Committee On Infrastructure Comments

MR. PICCO:

Thank you, Mr. Chairman. It is my pleasure to present the comments of the Standing Committee on Infrastructure, regarding the Department of Public Works and Services.

The standing committee noted, with approval, the significant reductions in proposed capital spending by the Department of Public Works and Services. Committee Members recommended only small further reductions in the amounts proposed for office accommodation capital improvements. However, the committee felt that the department was able to handle further reductions in operations and maintenance spending. As a result, the department was able to trim about \$4 million further in proposed expenditures over the review process.

This department is moving away from its traditional role as an actual provider of services to government and municipalities, towards being a coordinator for providing these services. As a result of this trend and the spending reductions forced upon all government departments, many of the reductions in this department relate to the project management function. Committee Members recognize that the department will need fewer staff in this area. However, reductions should take place in an efficient manner. The department should discuss project management needs with other departments, to ensure that the best use is made of the government's existing staff and other resources.

In February, the Premier announced a number of privatization initiatives, mostly within this department: petroleum products; computer systems and services; property management; and, community resupply operations. The Standing Committee on Infrastructure has discussed these proposals with the Minister and his staff, and is looking forward to seeing the detailed plans for privatization as soon as they are complete. Therefore, the standing committee recommends that no privatization initiatives be implemented until the detailed privatization plans have been reviewed by the appropriate standing committee. In this case, privatization plans for petroleum products, computer systems and services, property management and community resupply operations should be forwarded

to the Standing Committee on Infrastructure before implementation.

While committee Members agree with the Premier that the government should get out of government functions that can be handled better by the private sector, the standing committee wants to ensure that any privatization initiatives are done in the right way, for the right reasons. Privatization should be a way to provide better service for lower costs, and if a given privatization initiative does not meet that test, it should not be implemented.

Related to privatization was a concern noted by committee Members regarding the petroleum products stabilization fund. This fund is in a deficit position of approximately \$2 million, and the deficit is apparently growth. The standing committee recommends that privatization of the petroleum products division not take place without a plan to recover said deficit.

The standing committee also welcomed plans by the department to invoke a user-pay strategy for services provided by the department. Making client departments and other organizations pay for services rendered is more likely to encourage efficient use of these services. This policy is already being implemented for telecommunications costs, and the standing committee recommends that the user-pay concept be implemented in other areas as soon as possible.

This is especially important when it comes to services provided to communities by this department. If the communities are receiving services without having to pay for them, they will not have any incentive to reduce costs and operate more efficiently. The user-pay concept must be implemented with communities as well as with client departments, in order to strengthen the government's message of community empowerment.

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analysis of the costs of this policy to be provided by the department as soon as the analysis is complete.

While the standing committee recognizes that many benefits have accrued to the NWT business community as a result of the BIP, we also recognize that we can't afford to do everything we want to in the current fiscal climate. Therefore, the standing committee recommends that the government include reducing total costs to government as a prime

objective in its plans to change or replace the business incentive policy.

That concludes the comments of the Standing Committee on Infrastructure. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Picco. Before we move on, Mr. Enuaraq, I apologize. I should have recognized you before I recognized Mr. Picco. The point of order to make sure there was a quorum in the House was noted. I apologize for not having recognized you before I recognized Mr. Picco. Mr. Picco, I take it you had a very good English literature teacher. I liked the way you read the remarks, it was good. Thank you.

According to our procedure, we will get into general comments. Before we get into general comments, I would like to ask the honourable Minister if he wishes to bring in the witnesses. Mr. Arlooktoo.

HON. GOO ARLOOKTOO:

Yes, I have a couple of witnesses I would like to bring in.

CHAIRMAN (Mr. Ningark):

Do we have the concurrence of the committee that the Minister will bring in the witnesses? Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

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

Mr. Minister, for the record, please introduce the witnesses to the committee.

HON. GOO ARLOOKTOO:

Thank you, Mr. Chairman. On my left is Ken Lovely, deputy minister of the Department of Public Works and Services; on my right is Dave Waddell, director of finance, Department of Public Works and Services.

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Minister. Department of Public Works and Services estimates, general comments from the Members of the committee. Do we have any general comments? Mr. Miltenberger.

General Comments

MR. MILTENBERGER:

Thank you, Mr. Chairman. I have reviewed the budget and the work done by the Infrastructure committee with regard to this department. My understanding, from listening to people talk and to people in my constituency, especially private-sector people, is that the

I would just like to raise another general comment that I think is going to have a bearing on the work we're doing here, and that's the additional restructuring that is now taking place in the Department of Public Works and Services that, as we speak, is going to have a bearing on what we're approving right now in terms of budgets and the way we do business. Being a regional centre, of course -- as my colleague from Inuvik pointed out -- we're starting to watch with considerable interest about the restructuring that's taking place, especially in the regions, so that there is fairness and equity in what's being done, as long as there is an improvement of service and it is fair and equitable.

Tied into this, I'm very interested in the restructuring that will be taking place and will be finalized in the coming weeks and months. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Miltenberger. General comments. Mr. Roland.

MR. ROLAND:

Thank you, Mr. Chairman. As stated earlier by my counterpart from Thebacha, the breakdown of reductions when it comes to regional centres is a concern, as well as in the area of privatization. I am concerned when it comes to the privatization idea. We've heard from many people, especially the private sector in the communities, how they can do the job better. But I've heard of cases where that isn't a fact. So I grow concerned when we discuss privatization. If it is a true savings, then I will be asking questions later on to the actual savings we are perceived to gain. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Roland. General comments to the Public Works and Services department. Do we wish to go into detail now?

SOME HON. MEMBERS:

Agreed.

--- Agreed

Line By Line

Directorate

CHAIRMAN (Mr. Ningark):

Thank you. We are on page 7-8. Directorate, operations and maintenance, total operations and maintenance, \$6.795 million. Agreed? Mr. Miltenberger.

MR. MILTENBERGER:

Thank you, Mr. Chairman. Would it be appropriate at this point to question since it's the directorate, which initiatives are planned for privatization; to ask questions about privatization? Or, am I getting ahead of myself?

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CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, we're prepared to discuss that now. There's another section in the activity area where it would be possible, but it would be up to the committee.

CHAIRMAN (Mr. Ningark):

Thank you. Do we have the concurrence of the committee that Mr. Miltenberger can ask a specific question at this time? Agreed?

SOME HON. MEMBERS:

Agreed.

-- Agreed

CHAIRMAN (Mr. Ningark):

Mr. Miltenberger.

MR. MILTENBERGER:

Thank you, Mr. Chairman. Could the Minister indicate to the committee that, in light of what's in the report read by Mr. Picco with regard to privatization and the concern that they are efficient and they are going to save money, what is happening in the overall approach to privatization within the department?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, the privatization plans are being developed at the officials level. They will soon be forwarded to Cabinet for review and it is my intention to make sure that the committees of the House are fully informed and have some input. With regard to specific areas, if the Member has specific questions on whether it is POL or computer services, I would be pleased to answer them.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Miltenberger.

MR. MILTENBERGER:

Thank you, Mr. Chairman. To be more specific, with regard to petroleum products and the anticipated privatization, could the Minister indicate what is happening in that regard, especially with the deficit that apparently exists there?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, the petroleum products revolving fund is approximately a \$50 million business. The accumulated deficit, as it stands now, is approximately \$1.884 million, as of the end of March past. I expect it to rise to \$2.6 million a year from now. I would like to ask the deputy minister to go into further detail, with your permission, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Lovely.

MR. LOVELY:

Thank you, Mr. Chairman. The accumulated deficit in the fund has really resulted from increases that the revolving fund has faced over the last few years, which haven't been reflected in cost increases to the public. So the losses in the fund have increased as we have maintained the prices at the former levels. We haven't had a price increase since 1992 in the 45 communities where the government provides the product. We recognize that we need to get the deficit under control and stabilize the fund. Two things have

happened recently that will allow us to balance the budget over the next few years: The first is an award in April 1996 for the Western Arctic fuel resupply, which should save us \$2.8 million over the next three years. The second was the award of the Eastern Arctic fuel resupply which is expected to save \$1.5 million over the same period. We are currently negotiating the Iqaluit fuel resupply and we are expecting to see some savings in that area as well, which should allow us to balance this budget in fairly short order. That is one of our priorities before we move on the privatization.

CHAIRMAN (Mr. Ningark):

Thank you. Directorate, operations and maintenance, Mr. Miltenberger.

MR. MILTENBERGER:

Thank you, Mr. Chairman. So the plan would be that you aren't going to proceed with privatization of petroleum products until you balance the budget; so that when you privatize it, there is no debt and the books are balanced. You indicated that is going to take up to a few years.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, Mr. Lovely will respond.

CHAIRMAN (Mr. Ningark):

Mr. Lovely.

MR. LOVELY:

Thank you, Mr. Chairman. We don't think that privatization is going to happen overnight, obviously. We are probably talking about 12 to 18 months before we have it finalized, if we are able to do it. The

savings that we expect to achieve through these resupply contracts are savings that will apply either to the companies that take over the petroleum products operation or to the government, if they retain the responsibility. So we don't see the requirement to balance the budget as being an impediment to proceeding with privatization because the ability to balance the budget is there, whether it is handled by the private sector or by the government, just because of the new deals we have been able to negotiate. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Minister. Thank you, Mr. Deputy Minister. Mr. Miltenberger.

MR. MILTENBERGER:

Thank you, Mr. Chairman. You mentioned in your comments that there has been no price increase in the cost of petroleum products since 1991. Is it 1992? Will that area be looked at and is there a method to set prices that could be instituted that would prevent those kind of huge increases, with plateaus and then huge increases? It seems to me that issue has already come up in one of the programs where we are trying to avoid or come up with a consistent method where there are incremental increases as opposed to arbitrary large increases periodically when there is a crisis. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Lovely.

MR. LOVELY:

Thank you, Mr. Chairman. The issue of price regulation and control is one that needs to be looked at in a

detail before we proceed on this. We don't want to be

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in a position where we see, because of a monopoly situation, that prices can fluctuate so dramatically that they have a very negative impact on the lifestyle of northerners. That is one of the biggest issues we want to explore before we come up with a privatization plan. We need to consider how we maintain a

reasonable balance of prices across the Northwest Territories, even in a deregulated sector.

Right now, the price structure that is in place allows a certain degree of fairness across the Territories. Not all the prices are the same, but we aren't in a situation where some of the communities in the higher transportation cost areas are paying costs for home heating fuel and for gasoline that are way beyond their means to purchase. We don't want that situation to disappear with privatization. So it will be one of the major elements of any proposal we come forward with.

CHAIRMAN (Mr. Ningark):

We are reviewing Public Works and Services, directorate, operations and maintenance, I have two people who want to speak. Mr. Ootes and then Mr. Erasmus. Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. The Infrastructure committee has read their report and they have stated that no privatization occur until the report is issued and considered by the committee. I wonder if the Minister could tell us, Mr. Chairman, if any privatization has taken place yet and, if so, what it was and where in the past six months.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, there is some privatization that has been occurring over the past few years and that has to do with the garages that we have privatized in the Baffin, the Keewatin and this year in Inuvik. As I stated earlier, the privatization plans that are being drafted up at the officials level have yet to be reviewed by Cabinet. I have yet to review them. I stated earlier that I would share those with the Standing Committee on Infrastructure and the Standing Committee on Government Operations.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Ootes.

MR. OOTES:

I take it it was garages in the case of the Baffin, Keewatin and Inuvik. I wonder if that is ongoing or if

that is going to be part of the overall report and everything will come to a stop until it is put before the committee.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, the privatization of the garages is an initiative that was started by the previous government about two years ago. It is in its final stages with the Inuvik garage being privatized this year. It is an ongoing initiative from the previous Assembly. I believe that one will go ahead. It is separate from these new initiatives.

CHAIRMAN (Mr. Ningark):

Mr. Ootes.

MR. OOTES:

Qujannamiik, Mr. Chairman. The concern I have with privatization is there has been a bit of a perception in my community, when privatization took place, that employees who were employed by the department then bid

on handling the business. I am wondering how we are going to handle that in future where people don't have an advantage because of information availability and knowledge, so this is fairly done and it is properly done. Then we don't leave the impression with the public that there may be situations where employees were able to take advantage of it that were there before.

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Ootes. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, firstly, I do recognize that in areas where we are privatizing or laying off people, there are people involved who are displaced and who need to find employment. Where we lay them off has usually been industry where they are specialized. With that, I would encourage them to go into private business and create their own employment. I would ask the deputy minister to make a comment about safeguards or about the cautionary measures the Member asked about.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Lovely.

MR. LOVELY:

Thank you, Mr. Chairman. This issue is one that has come up when we have talked about some of the larger privatization initiatives that are being considered now, such as systems and computer services, for example. Some consideration was given to actually proceeding with a negotiated contract with the existing staff. However, we rejected that and decided that, when we do move in this direction, we would put it out to public tender so those companies that are starting to get a foothold in the business will have the same opportunity to take on the job as any staff who might form their own companies or who might go out and work for them. That is another opportunity that many of the staff will have in some of these larger privatizations.

When that process occurs, the documents that are provided to the public to enable them to submit bids contain enough information to give them an overview of the service to be performed and the environment within which they will do it. While there may be a slight advantage to some of the staff who currently work there, it wouldn't be enough of an advantage to win the bid unless they were seriously competitive. We think there are enough safeguards built in to allow for a reasonably competitive process.

CHAIRMAN (Mr. Ningark):

Thank you. Directorate, operations and maintenance, Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. My two questions that I had were almost exactly the same as Mr. Ootes. I was concerned about unfair advantages of former employees bidding on contracts and I still do hold reservations where there are huge profits to be made; for example, in the petroleum products area.

My other question had been in relation to whether there had been any privatization of petroleum products at all. That has also been answered. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Directorate, operations and maintenance, Mr. Henry.

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MR. HENRY:

Thank you, Mr. Chairman. We had touched earlier on the privatization of petroleum products. There is a possibility of cherry-picking if we get into the issue of privatization of petroleum services. The larger volume communities could go first and the government could be potentially left with a small number of communities which would really increase the cost of fuel delivery because there isn't the volume. Has the department looked at that possibility?

CHAIRMAN (Mr. Ningark):

Mahsi. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, I will ask the deputy minister to respond to that.

CHAIRMAN (Mr. Ningark):

Mr. Lovely.

MR. LOVELY:

Thank you, Mr. Chairman. That is a concern of ours as well because, in many ways, there is privatization going on out there right now in that we have contractors at the community level who deliver the fuel and bill the customers. So there is a level that has already occurred over the years because it makes better sense to have a local businessman doing that than to have the government handle it all. When we looked at the privatization of the entire POL division or PPD division, we realized that, in order for this to be a viable business enterprise, a company would need to be able to count on certain volumes in order for them to achieve a reasonable profit margin. We don't anticipate going out at this point with a call for expressions of interest to see what kind of interest we can generate in the business community for this opportunity. We would put it out as a package rather than as 44 separate communities where it might not be possible for a small local entrepreneur to generate the capital that would be needed to buy the tanks and the truck and the inventory. If that individual was a franchise operator associated with a larger company that had the whole contract, they would be in a lot better position to generate the capital they needed to get into the business.

We realize that that is a big concern and we know that unless we make it an attractive high-volume operation, it isn't likely to be of interest to too many people. We don't want to be left in a position where we have bits and pieces left over in the final analysis. We want to be out of the business because we think the private sector is at the point where they are mature enough to handle this at this stage. When we got into this in 1973, there was no one else to do it. That has changed.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Henry.

MR. HENRY:

Thank you, Mr. Chairman. I guess there are issues I want to ensure that the department looks at as they go down that road. Another area in that concern is let's look at the possibility that you get rid of 44 units, so the government isn't in petroleum services at this stage. What happens to the community that, for whatever reason, goes bankrupt or isn't able to perform the functions; what obligation will the government take on in that situation or what responsibility do you think they have?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Lovely.

MR. LOVELY:

Thank you, Mr. Chairman. That would be a concern if we proceeded with a lot of independent contracts with individual entrepreneurs in communities. That's one of the reasons why we think it makes better sense to put this out as a package so that when that kind of situation occurs - and small business has a high incidence of failure across the country -- it's the large contractor who has responsibility for each of the community operations who would have to go and find a way to get another franchise operator so that services continue to be delivered, because that would part of the arrangement we would enter into.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Henry.

MR. HENRY:

Thank you, Mr. Chairman. Just a comment on that last one. I think it will definitely work if there is a large supplier doing a lot of communities. I think the

government can alleviate that situation. I'm thinking of the situation of a community of 200 or 300 people, where an individual takes it on and is able to get the supplied product to the community but cannot get it disbursed within the community. I'm thinking of a small operator in a community, in that regard. I just bring this to your attention so that at least someone else has had a look at them for your future reference.

If I may go on to another part that was mentioned earlier about the privatization of computer services. Mr. Lovely has talked about some safeguards that he has built in. I would certainly encourage the Minister and the department to look at that a lot closer. I believe the Minister did state in the House that he would be having some people from outside of the department assist him, or at least look at the proposals as they were being prepared, because I would suggest to you that I could, for a contract that I have in place, for example, prepare tender documents that I could have you legitimately bidding extremely high on. Because I have inside information about it, I would be able to take that contract every single time. So I would encourage the department to ensure that they definitely get that input from the outside, and that private enterprise has the opportunity to look and truly understand what is being asked for, and that there isn't anything prepared ahead of time where it's not extremely clear what is being asked for.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, I completely understand what the Member is saying. I did commit, in the House, to the Member that these areas of concern would be looked at. The privatization plan for computer services is nearly complete for my review. I will ensure that there's a section in there that deals with ensuring fairness to companies that may have a disadvantage because others may have inside information. I can say that we will go ahead in the coming weeks to get some input from the industry on this.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Henry.

MR. HENRY:

Do I understand from the Minister's last comments that, before this document is finalized, the private sector will have input into it?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, yes. We will ensure that they have input to the relevant sections of the privatization plan.

CHAIRMAN (Mr. Ningark):

Thank you. I would remind the Members of the committee that we have general comments. Without seeming to take away the privilege of Members to speak to any item on the table, I would remind the Members and the Minister that when we ask questions we try to be as concise as possible. We have some items to go through. Thank you. Directorate, operations and maintenance. Mr. Roland.

MR. ROLAND:

I was going to save this to later but since we're in the area of privatization ... One of the comments you made earlier in answering some of the other questions is that the process has been going on for a number of years in the privatization, especially in the area of garages. Does the department have any statistics that show that there's an actual savings when operations are privatized?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Evaloarjuk.

MR. EVALOARJUK:

(Translation) Do we have a quorum here?

CHAIRMAN (Mr. Ningark):

(Translation) Thank you, Mr. Evaloarjuk. We'll ring the bells.

---Ringing of bells

Thank you. There was a question from Mr. Roland. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, I'll just reply briefly. As I understand it, the government went into the garage and vehicle business back in the days when there weren't any in the communities. Over the years, the capacity has

happened in the larger communities. There are private businesses now that run garages and that repair vehicles, at cetera. It's an area where the government shouldn't be competing with the local businesses.

With regard to savings, we do not have any statistics about savings of prior years. The way we're making sure that there's a savings in the privatization of garages through this business plan, through this budget, is that we are transferring to departments an amount of money that is less than what they had spent in previous years for vehicle maintenance.

CHAIRMAN (Mr. Ningark):

Thank you. Directorate. Mr. Roland.

MR. ROLAND:

Thank you, Mr. Chairman. In the past, you say you have no statistics on if there were actual savings. We, as the 13th Assembly, are looking at reductions. Will this government be going back to the other operations that are out there to see if there is a net savings and if there isn't, make it so?

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Roland. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, I haven't looked into that at all, but I would be pleased to take the Member's advice and review that part of it.

CHAIRMAN (Mr. Ningark):

Thank you. The question is taken under advisement. Mr. Roland.

MR. ROLAND:

Thank you, Mr. Chairman. Can I continue on with a different question?

CHAIRMAN (Mr. Ningark):

Mr. Roland, for page 7-8, directorate, you may, yes.

MR. ROLAND:

Mr. Chairman, seeing it was brought up on the user fees and stuff, that this was one of this department's initiatives of savings, will the department, as it enters into this area, be transferring the funds that were paid

for those resources before? Would they be transferred to the other department, as well? For example, vehicles, a health board. Right now, the fuel supply cost is paid for by Public Works. I believe that's one of your user-pay areas that you'll be heading into.

CHAIRMAN (Mr. Ningark):

Qujannamiik. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, the Member is right, those are some of the areas that we are going to userpay with. Telephones is another area, heating fuel and power. The money is being transferred to the departments so that they will pay their own bills. But, at the same time, we are transferring less money than has been paid in the past.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Roland.

MR. ROLAND:

Thank you, Mr. Chairman. You're saying the money will be transferred to the department if they're affected by user-pay, at a reduced amount, Will you share that amount that it has been reduced by?

CHAIRMAN (Mr. Ningark):

Mahsi. Mr. Waddell.

MR. WADDELL:

Thank you, Mr. Chairman. We will show those savings in our business plan in the areas where we will be achieving those savings, as we did with the telecommunications funding reduction. I believe there was a cost savings of \$392,000 shown in the business plan.

CHAIRMAN (Mr. Ningark):

Thank you. We have directorate, operations and maintenance. Mr. Erasmus, then Mr. Picco. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Previously, Mr. Ootes had asked about petroleum product contracts that had been awarded. I heard that there had been some awarded in Baffin, Keewatin and Inuvik, but there was

no indication if there had been any awarded recently. Have there been any recent contracts awarded?

CHAIRMAN (Mr. Ningark):

Thank you. Substantiation, Mr. Minister.

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HON. GOO ARLOOKTOO:

Mr. Chairman, I wonder if we could ask the Member to clarify that question; we didn't get the whole question.

CHAIRMAN (Mr. Ningark):

Thank you. Clarification, Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Earlier, Mr. Ootes had asked a question about petroleum product contracts in the area of privatization. Due to the fact the committee had recommended that no privatization occur before they approve a plan, he asked if there had been any privatization whatsoever. The reply was that yes, there had been. But he also asked if there was any in the last six months, and I don't think there was any indication whether there had been any in the last six months. What I want to know is if there has been any in the last six months; particularly, since the committee put in their report.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, there have been none. The three major contracts we spoke of were for our resupply and not privatization. The Western Arctic fuel resupply, the Eastern Arctic fuel resupply is another famous one, and the Iqaluit fuel resupply is in the final stages of awarding of the contract.

CHAIRMAN (Mr. Ningark):

Qujannamiik. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. I note that the criteria the committee recommended was that privatization should be a way to provide better service for lower costs, and if the given privatization initiative does not

meet that task, it should not be implemented. Perhaps these awards were prior to that, but were these awarded privatization contracts done at a cheaper rate than previously?

CHAIRMAN (Mr. Ningark):

Mahsi. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, the three major contracts that I spoke of are cheaper, they cost less money, but they are not part of the privatization. The contracts were for resupplying communities in the surrounding regions.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Picco.

MR. PICCO:

Thank you, Mr. Chairman. Mr. Chairman, on the privatization, when does the Minister expect the plans to come to the committee, because the implementation of these areas are part of the government's deficit reduction plans... (Microphone turned off).

CHAIRMAN (Mr. Ningark):

Mr. Picco, the microphone was off. Could you repeat the last sentence, please?

MR. PICCO:

The last sentence. My question was, on the privatization plans, when will the Minister be bringing those proposals forward to the committee, because those privatization plans are a key part of our deficit reduction goal/strategy announced in the budget. There haven't been any privatization yet, so maybe that is slowing things down. I just want to know when these privatizations will occur and when is he going to bring that forward to my committee so we can review it.

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Picco. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, as I said previously, the privatization plans are under development and they have not been forwarded to me for review. Shortly after that occurs, I

will bring them to the appropriate committee and I would hope that would be by mid-June.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Picco.

MR. PICCO:

Mr. Chairman, I seek unanimous consent to return to number five.

CHAIRMAN (Mr. Ningark):

Thank you. The orders of the day are for when the House is sitting and the Speaker is seated, so we aren't able to go back to item 5 because the Speaker isn't in the House. The appropriate way to recognize someone in the gallery is to send a note and the chair will recognize the people you wish to recognize on your behalf. Mr. Picco.

MR. PICCO:

Thank you, Mr. Chairman. I just wanted to recognize Dorothy Komangapik, who has been trying to reach me for the last three days in town. She is now in the gallery and I will go up and see her. She has been waiting for me. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Picco, do you have a question for the Minister?

MR. PICCO:

No, I have no questions right now.

CHAIRMAN (Mr. Ningark):

Directorate, operations and maintenance, Mr. Henry.

MR. HENRY:

Thank you, Mr. Chairman. I have just one question dealing with the directorate regarding the Minister's opening comments. I noted that the Minister informed this committee last week that a number of management positions at headquarters were reduced; one-third. How many people were laid off?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, there were three senior managers who were laid off last week.

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Minister. Directorate, page 7-8, operations and maintenance, total operations and maintenance, \$6.795 million.

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Thank you. Page 7-9, detail of capital, directorate, buildings and works, headquarters, total region, \$25,000.

SOME HON. MEMBERS:

Agreed.

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--- Agreed

CHAIRMAN (Mr. Ningark):

Thank you. Total buildings and works, \$25,000.

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Total activity is \$25,000.

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Mr. Steen.

MR. STEEN:

Are we on project management?

Project Management

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Steen. We are getting into project management. Project management, total operations and maintenance, \$7.096 million. Mr. Steen.

MR. STEEN:

Thank you, Mr. Chairman. I wonder if the Minister could possibly respond to questions I might have with regard to benefits to businesses. Would that include the BIP?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, the BIP would have been discussed properly under contracts, but I will answer any questions the Member may have.

CHAIRMAN (Mr. Ningark):

Thank you. We are discussing construction on this page. Mr. Steen.

MR. STEEN:

I note here it says design and construction of buildings and works, but it also says that special approaches are utilized to increase the benefits to businesses. I am wondering if that special approach would be the BIP. Are there other special approaches they are talking about?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, the BIP is one of the special approaches. The more specific ones are such things as negotiated contracts, the accommodation policies and there is a whole range of ways the government tries to increase benefits to business labour in communities.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Steen.

MR. STEEN:

Thank you, Mr. Chairman. Would the Minister confirm that statements made in the past by the Minister and his department, with regard to the cost of implementing the BIP to this government is roughly \$31 million a year?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, the direct cost of the business incentive policy that has been identified is one

per cent. The estimated other costs the government incurs in implementing BIP is somewhere around \$30 million. That is an average of six per cent or over \$400 million worth of business the government does.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Steen.

MR. STEEN:

Mr. Chairman, if we have a quorum, I would like to put forward a motion.

CHAIRMAN (Mr. Ningark):

Go ahead.

Committee Motion 15-13(3): To Suspend Application Of The Business Incentive Policy

MR. STEEN:

I move that this committee recommends that the Government of the Northwest Territories suspend application of the business incentive policy until such time as the Government of the Northwest Territories introduces a balanced budget.

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Steen. We need a copy of the motion. We also need a translated version of the motion for the Members of the committee. The motion will be translated into Inuktitut, so we will take a 10-minute break. Thank you.

--- SHORT RECESS

CHAIRMAN (Mr. Ningark):

Thank you. Before I rule on the motion, I would remind the Members -- in order to minimize the disruption of the proceedings of the committee -- who wish to leave the committee room to ensure that there is, in fact, a quorum here. Thank you.

The motion is translated and circulated to Members, therefore I rule the motion in order. I will read the motion, for the record, moved by Mr. Steen.

Mr. Chairman, I move that this committee recommends that the Government of the Northwest Territories suspend application of the business incentive policy until such time as the government of the Northwest Territories introduces a balanced budget.

You have a copy of the motion. To the motion. Mr. Steen, would you speak to the motion?

MR. STEEN:

Thank you, Mr. Chairman. Mr. Chairman, we've just heard the opinion of the Minister of Public Works and Services who stated that its estimated cost of implementing the BIP over the year is approximately \$30 million. I firmly believe that this government has to take some definite steps towards trying to balance the budget this year. I believe that this would be a definite step towards this goal.

Mr. Chairman, I believe that it would not interfere with the government's responsibility to honour the benefits and preferential treatments that are suggested in land claims. I believe that those are law. The land claims suggest that the land claims groups would receive preferential treatment for business in their areas. I don't believe that elimination of the BIP would interfere with that process. The reason I believe

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this is because the Minister has been stating over the last number of days and weeks that the people, particularly in Nunavut, have been asking for 10 per cent over and above what the BIP is. Therefore, it seems to stand to reason that if you remove the BIP, we're only dealing with 10 per cent. I think that the people in Nunavut realize that the BIP is really not beneficial to them at this point in time.

All I'm asking for at this time is that we suspend it until we have a balanced budget. It may also give the government time that they need to see whether, in fact, this thing was beneficial. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Steen. To the principle of the motion. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. At this time, I cannot support this motion. I believe that the local businesses do have higher costs of operation and they do need some type of assistance to enable them to compete with southern firms whose offices and operating costs are much lower, because their supplies and their offices are all directly from the South. Also, because many of those firms have the opportunity to buy their goods in much larger numbers, a greater number of whatever it is that they're using, so they can get better prices. In order for our businesses to compete, they do need some type of a levelling, something to level the playing field. At this time, we still have not reviewed the report that was commissioned or that is being done. I would be in support of reducing the BIP, perhaps in half, for a couple of years until we balance the budget; but I cannot totally support doing away with it, even for a short period of time unless we have something to replace it. So, as I said, I cannot support this motion. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Erasmus. Minister of Public Works and Services, Mr. Arlooktoo.

HON. GOO ARLOOKTOO:

Mr. Chairman, thank you. I would just like to make a few comments on the motion, which comes as a surprise to me. The business incentive policy, as another Member stated, is there to level the playing field to allow our northern companies that have higher overhead costs, higher costs in transportation, salaries, et cetera, to be able to compete with southern companies.

Twenty or 30 years ago, there were hardly any northern companies. Most of the contracts done in the North were done by companies in the South. Today, through contracting procurement policies like the business incentive policy, over 91 per cent and as high as 97 per cent, in some cases, of contracting that is done in the North is done by northerners. That is because of these special approaches like the business incentive policy.

Another point that I want to bring up is that, in the Nunavut final agreement, which is a constitutionally-

protected document, the GNWT is required to have procurement policies such as the business incentive policy. Even if Members decided to do away with the business incentive policy and be able to do it only outside of the Nunavut land claim area, some of the benefits that I ran quickly talk about include the fact that although we have not completed the cost-benefit analysis of the BIP, it is very clear right now that the cost is exceeded by the benefits. The benefits exceed costs.

Increased employment and training for northerners is one of the benefits which has a direct relationship with increased business and personal income and increased tax revenues for the government, et cetera. It wouldn't take long to figure out that the more employment you have, the less social assistance and welfare you pay. So I agree that we do need to identify exactly and pinpoint what the benefits are, and we are doing that. It's going to take a little bit of time, but we are doing that.

In the last little while, in fact, since last year, the business incentive policy has been reviewed. There has been a working group that has been visiting the communities and they have travelled all over the North, in Nunavut and in the West, and there has been no outcry to get rid of the business incentive policy. Northerners are in support of the business incentive policy. They do agree there are areas where we could improve and change it; and that is in process, that's what we're going to do,

I would strongly encourage Members to vote against this motion that goes directly against northern companies and northern workers. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. To the principle of the motion. Mrs. Groenewegen.

MRS. GROENEWEGEN:

I definitely cannot support this motion. One of the priorities stated by this government is to promote economic growth in the Northwest Territories, and I do not see how sending our money to southern companies and southern contractors is going to do that in any way. There are businesses that will shut down and there will be jobs lost. We already have social programs consuming a huge portion of our budget, and that is ever-expanding. If we were to do something like get rid of the BIP, I think it would be

highly regressive and we would be shooting ourselves in the foot.

The intent of the BIP is to provide insurance so that northern contractors can, on an equal footing, bid against southern contractors and southern suppliers. That is a good initiative, it has worked well, it has helped to develop our northern

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economy, to the point now where there is competition amongst northern companies and I think the government is getting good value for their money.

Other provinces and jurisdictions also have business incentive initiatives. Particularly in my riding, a lot of people have gotten into the area of manufacturing, and they are competing with provinces like Quebec where the Quebec government will subsidize employees in the manufacturing sector to the amount of 50 per cent. I think it would be absolutely ludicrous to have this government remove that assurance that we are interested in promoting and supporting northern businesses. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you, Mrs. Groenewegen. To the motion. Mr. Miltenberger.

MR. MILTENBERGER:

Thank you, Mr. Chairman. I, as well, can't support this motion. This motion has come up quite unexpectedly, and I share the concern about the impact it will have at this point. BIP is not a perfect vehicle, but it's the only vehicle we have. I think in the last six months, I've come to realize that there will be an impact if we arbitrarily cut this. We're going to have to be very careful in that regard. I've listened to the discussion around the House on the pros and cons of the issue so, at this point, I cannot support this motion. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Miltenberger. To the motion. Mr. Picco.

MR. PICCO:

Thank you, Mr. Chairman. Mr. Chairman, the topic of the BIP was discussed in great detail within our committee, as we said in our Infrastructure report. We asked for the figures, the substantiation of said BIP

contracts. However, if it is thrown out right now, my fear is that this government could be in legal implications because of the contracts being awarded under the policy, then other companies would come back and say what's happening.

We did recommend in our committee that it should be reviewed, it should be debated more fully in the Assembly. I think we need some more time to look at the facts and figures before we have a chance to move it today.

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Picco. To the motion. Mr. O'Brien.

MR. O'BRIEN:

Thank you, Mr. Chairman. We're all aware that the cost of doing business in the North is higher than in other areas in Canada. I've had dealings with the BIP over the last number of years and I know it's not a perfect arrangement. It's very frustrating at times and very time consuming. It's a nightmare for most of the business people trying to carry out the necessary paperwork to complete their jobs for payment. At this point, I would find it very difficult to get rid of this particular arrangement, until something was put in place that would be acceptable to all parties. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you, Mr. O'Brien. To the motion. Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. I think at \$30 million, this issue is of concern and it is of concern in our overall budget. If \$30 million could be eliminated, then it solves a lot of problems for us. However, a report is in the process of being prepared. It has been studied, hearings have been held. I would feel uncomfortable at this time to deal with this motion on a positive basis on my end. I want to have the opportunity to hear what the results of that will be and what a revised BIP might look like or recommendations on the elimination of the BIP. That, to me, is very, very important. I am not, at this point, against the gist of the motion, but I'm going to vote against it because I want to ensure that I have the opportunity to see what this future report that the department is preparing will be. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. To the motion. Mr. Henry.

MR. HENRY:

Thank you, Mr. Chairman. I also was a little taken aback by the introduction of this motion today, as the Minister of Public Works and Services was. I will speak to the motion, regardless.

I think the Minister and other Members have made some inaccurate assumptions. The assumptions they have made is that business will go south. I believe, without a doubt, that that would not happen. Yes, there would be some, but it would not be a mass exodus of funds going south with the suspension. I would like to reiterate the word "suspension" of this application.

I think suspension of it is extremely timely, if you consider that this program has been in place for approximately 20 years and, on numerous occasions, I have asked government officials and this government to produce some documentation to tell us what the BIP costs the government on a yearly basis. We have had figures from \$30 million today. I saw figures presented to this committee, stating \$22 million. I've heard discussions that it's not costing any more than \$5 million. I would suggest that those inaccuracies show this is probably as good a time as any to suspend the policy which has been in place for so long, until we find out how much this is actually costing us and the benefits we're getting for it.

We sit here with documents in front of us, and I can inform anyone how much project management is costing us; we have the figures there. We can work out what the benefits are. Accommodation services ... It's all here. We know what the benefits are. So this is one program which we're spending a large amount of money on. If we take it at face value that this program is costing \$30 million, suspending it for a year would take us a long way to balancing our budget for the next year.

In the saving of \$30 million, there would also be an additional saving of \$7 million the following year, which this government, if it does not balance the budget and, as it's proposing, runs an accumulated debt of \$85 million; the following year, there's an additional \$7 million in interest payments that this government is going to pay out and will not be able to contribute to services for people in the Northwest Territories.

I think we're all very well aware of the federal government debt they have. I have no doubt in my mind that when the government debt was at \$1 million, there was no concern about it. When it got to \$600 billion, now it's a concern. The federal government presently, and apparently for the last five years, has had an operating surplus. In other words, they brought in more revenue than they put out in goods and services for the benefit of the Canadian population. What's killing us is the interest we pay. We, by cancelling or suspending this program for a year, have the opportunity to not go down that same road and save \$7 million in the following year, because we could potentially balance our budget this year.

Mr. Chairman, if I thought for one minute that the suspending of the business incentive policy would have serious detrimental effects to business in the North, I could not support it. I do not believe it would have detrimental effects. I believe that businesses in the North would sharpen pencils, get a little more creative and would keep the business in the North. I think that it is an insult to a mature business community to say that they need to be pampered and that they can't compete. The Department of Public Works and Services produced a document for us where it stated that, out of a number of products, a large percentage of them purchased by this government in a period of time -and I apologize; I don't have it here at hand -were actually cheaper in the Northwest Territories. So, again, I think that business community in the Northwest Territories is mature enough and can survive without this incentive policy.

So, the main point of a letter to the Premier from the NWT Chamber of Commerce, which represents businesses across the Northwest Territories -- and I might add that this government has made great praise that we're going to leave the job of helping this economy to northern business, but they choose to ignore a main recommendation that they make which states that: "However, in dealing with the government's current financial situation, it is the considered opinion of the board of directors of the NWT Chamber of Commerce that every effort should be made to present a balanced budget for the 1996-97 year. Dealing with accumulated debt would be done in the following two years."

Mr. Chairman, for a program that this government is spending \$30 million on each year, by the government's own admission, I believe it would be appropriate to suspend this program until those

statements can be verified and until we can get documentation to say what the benefits are to the Territories. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Henry. To the principle of the motion. Mr. Steen, do you wish to have the final argument? To the motion.

MR. STEEN:

Thank you, Mr. Chairman. We have heard from the Minister of Public Works and Services that, in the Nunavut land claim agreement, it states that there will be a similar procurement policy to the BIP. It does not say it has to be the BIP. That's one point I would like to point out.

I have business people in my communities as well as in other communities, and there are a number of business -- and they are not Inuvialuit business -- that say that the ability of this government to properly analyze the bids based on the BIP is impossible and is unfair. They've said that time and time again, and this government itself admits that they have a hard time analysing these bids put forward, so that they are, in fact, fairly analyzed and awarded based on merit.

There's a suggestion put forward that a new type of bid should take the place of this one which would be more suitable for the purpose. Fine, I have no problem with that, but it should wait until we balance the budget.

I would also like to point out that the Minister of Finance, on more than one occasion, has stated that all people must bear the pain of balancing this budget. Now, we fired a whole pile of guys, or we laid them off, and we've also cut back on some of our school capital projects when we just went through the budget and put them down the road another year because we don't have the money. So, what is the portion of the pain that the business community is bearing? I don't know. Do they go to school? Are they workers that work for us? Obviously not. So where are they bearing the pain? Is it the amount of capital projects that we don't have any more? They must look at the fact that if we don't pay out of BIP worth \$30 million, we would then have \$30 million worth of capital dollars that we could use to produce more capital projects. It stands to reason.

The Minister said there were no sacred cows, but this is one cow that has really been hiding good, and it's time for it to come out, time for us to chase this cow out, put a brand in it and let's see what it's worth. That's all I am saying here.

The Minister and this whole Assembly have approved cuts to salaries, cuts to positions. I didn't hear a big outcry like I am hearing now. But those people were our workers. We cut; we made them bear the pain. We cut their positions to balance the budget, we were told, but we are not balancing the budget. So obviously somebody is not bearing their share of the pain; otherwise, it's quite possible we would have a balanced budget.

The Finance Minister also said, we will not balance the budget on the backs of the needy. I also heard the same statement being made by the Premier and by other people who were running for Cabinet last fall. Well, who is the needy? Are the businessmen really the needy? That is the question we really have to ask ourselves because, in my communities, I've seen a lot of needy people and not one of them was a businessman.

I don't believe for one minute that we are treating our workers fairly by trying to balance the budget on them without everybody bearing a fair and equal share. Mr.

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Chairman, I've said more today than I've said since I've been here, so that's the end of my response. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. To the motion. Question ... Mr. Todd, sorry.

HON. JOHN TODD:

If I may, Mr. Chairman, I just want to clarify: We are not balancing all of the budget on the backs of our employees. I want that clarified. I just want to make it clear to my honourable colleague that we are not balancing it. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. To the motion.

AN HON. MEMBER:

Question.

CHAIRMAN (Mr. Ningark):

Question has been called. All those in favour of the motion, please signify in the usual manner. Down. Thank you. Against the motion, please signify. Thank you. The motion is defeated.

Back to the review of the Public Works and Services Department, project management. We are on page 7-10, Operations and maintenance, total operations and maintenance, \$7.096 million. Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

Accommodation Services

CHAIRMAN (Mr. Ningark):

Thank you. Page 7-11, accommodation services, operations and maintenance, \$23.502 million. Mr. Ootes.

MR. OOTES:

I have a question. I hope it is in the right area. I am wondering about the bill-back system and user-pay system that the department is introducing. Could the Minister tell me if they are charging rent back to the various departments for the floor space that they occupy?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, that is part of the plan, that departments will start paying their share of rent costs or lease costs. It isn't being implemented now. On the part of the user-pay initiative, the part in place now is on telephone charges. The rent portion of that is down the road.

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Minister. Mr. Ootes.

MR. OOTES:

Does that mean with next year's budget, the cost of telephone services, rent, heat, lights, electricity and janitorial services will be charged within the

departments? (Microphone turned off) ... rather than the Public Works and Services budget?

CHAIRMAN (Mr. Ningark):

Did you get the question, Mr. Minister? The microphone was momentarily off.

HON. GOO ARLOOKTOO:

The answer is yes.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Evaloarjuk.

MR. EVALOARJUK:

(Translation) Thank you, Mr. Chairman. This says for accommodations; we are talking about the government and staff housing? As I stated before, is there a mistake here. Can we correct it?

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Evaloarjuk. Mr. Minister.

HON. GOO ARLOOKTOO:

(Translation) We are not talking about actual housing. This is to accommodate offices of the government; buildings. It isn't housing. It is for offices.

CHAIRMAN (Mr. Ningark):

Thank you. Operations and maintenance, total operations and maintenance, \$23.502 million. Mr. Ootes.

MR. OOTES:

Just to go back to my earlier question, I wonder if I could know how many personnel were involved in administering the areas such as the administration of floor space, janitorial services, telephones and so forth within the Department of Public Works.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Lovely.

MR. LOVELY:

Thank you, Mr. Chairman. The responsibility for these services falls into a number of different activities within the department, so I couldn't give a clear answer on how many staff are actually involved in that

at this point, although it would be possible to put it together fairly quickly. I have a table that shows that information fairly clearly. Those staff wouldn't necessarily be gone as a result of this. It is just that the cost of their salaries would go to the departments that use the services and those departments would buy the services back from the Department of Public Works and Services in the short term and, in the longer term, they might buy their services directly from the private sector as a user-pay initiative moves to user-pay and departments have a choice of either buying it from the government or going to the private sector.

CHAIRMAN (Mr. Ningark):

Thank you. Member for Yellowknife South, Mr. Ootes.

MR. OOTES:

It is Yellowknife Centre, Mr. Chairman. I am concerned about duplication of personnel if the department is going to continue to handle the administration; in other words, receiving invoices and processing of those invoices to the departments and then, in turn, the departments are billed presumably for those services. I always get concerned about the bureaucracy and what kind we are creating with this. Ultimately, I understand the Minister to state that the supplier will deal directly with the departments, which is the way to go. If we have an interim period there, how long are we going to be in this situation? Within the departments, we are going to have personnel handling these functions as well, so we will start duplicating services.

CHAIRMAN (Mr. Ningark):

Thank you, Member for Yellowknife Centre. Mr. Lovely.

MR. LOVELY:

Thank you, Mr. Chairman. The user-pay initiatives that we have been talking about as part of our

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1996-97 and 1997-98 business plans cover a wide range of government services to itself. Some of those services are fairly easy to move out of, simply by having the Department of Public Works cast its resources onto the departments that currently have this service delivered on their behalf. The telephone services was a good example of that, where we were paying the bills on behalf of the government centrally

and had the money in our budgets to do so. When we were doing it that way, there was no incentive for the departments to save any money because we simply paid the bills on their behalf. However, in our dealings with the phone company, we get a better rate on the phone costs because we pay as one organization rather than 15 to 20 different departments and agencies. So we have maintained the responsibility for paying the bills centrally, but it is a computerized information system that requires a very limited bureaucracy. It is a simple matter of the system charging the departments for the money that is spent on their telephone bills.

So there are those kinds of creative solutions that we will be looking for as we move ahead with the property management user-pay initiative. The difference in property management is at least in the short term, we have a variety of leases with organizations that provide us with office space. So it isn't as though government departments can simply say we want smaller, better or less costly office space, so we are going to divest ourselves of this lease and go somewhere else. We have to fulfil our obligations under those leases and so, at least for the next three to five years, we are going to have to continue to pay the people who are currently providing us with space under contractual arrangements. This one is a little more difficult to do with user-pay than some of the others.

The important thing to recognize as we implement the user-pay initiatives is that at least the actual cost of the organizations to do their business will be reflected in their budgets. It won't be artificially in the budget of the Department of Public Works, in the Department of Personnel, in the Financial Management Board Secretariat. It will be in the hands of the departments and we will know exactly what their programs and services cost because it will be reflected in their main estimates documents. So for the short term, there will be some central administration of the billings, but we should be able to deal with that as some of these leases expire.

CHAIRMAN (Mr. Ningark):

Thank you. Accommodation services, operations and maintenance, total operations and maintenance, \$23.502 million.

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Thank you. Detail of capital, accommodation services, buildings and works, headquarters, total region, \$50,000. Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Thank you. Buildings and works, Inuvik, total region, \$27,000. Sorry, Fort Smith. I skipped over that one. Total region, Fort Smith, \$28,000.

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Buildings and works, Inuvik, total region, \$27,000.

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Thank you. Buildings and works, Baffin, total region, \$16,000.

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Thank you. Buildings and works, Keewatin, total region, \$39,000.

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Thank you. Buildings and works, Kitikmeot, total region, \$92,000.

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Thank you very much.

---Laughter

Total buildings and works, \$252,000.

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Total activity for this page, \$252,000.

SOME HON. MEMBERS:

Agreed.

--- Agreed

Buildings And Works

CHAIRMAN (Mr. Ningark):

Page 7-13, Public Works and Services, buildings and works, operations and maintenance, total operations and maintenance, \$20.684 million.

SOME HON. MEMBERS:

Agreed.

---Agreed

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CHAIRMAN (Mr. Ningark):

Thank you. Page 7-14, detail of capital, buildings and works, headquarters, total region, \$910,000.

SOME HON. MEMBERS:

Agreed.

---Agreed

CHAIRMAN (Mr. Ningark):

Thank you. Total region, buildings and works, Fort Smith, total region, \$190,000.

SOME HON. MEMBERS:

Agreed.

---Agreed

CHAIRMAN (Mr. Ningark):

Thank you. Total region, buildings and works, Baffin, \$600,000.

SOME HON. MEMBERS:

Agreed.

---Agreed

CHAIRMAN (Mr. Ningark):

Thank you. Total buildings and works, \$1.7 million.

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Total activity, \$1.7 million.

SOME HON. MEMBERS:

Agreed.

--- Agreed

Vehicles And Equipment

CHAIRMAN (Mr. Ningark):

Vehicles and equipment, operations and maintenance, total operations and maintenance, \$3.278 million. Mr. Ootes.

MR. OOTES:

I noticed in the preamble that vehicle pools are eliminated. Could I get an explanation of what that is?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, previously the Department of Public Works and Services maintained a fleet of vehicles that were for use by different departments on request. Those are being eliminated.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Henry. Pardon me, Mr. Ootes, it won't happen again.

MR. OOTES:

Does that mean there is no vehicle pool in Yellowknife; that each department is responsible for supplying their own vehicles?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, the vehicle pool in Yellowknife has been eliminated. I believe there are certain departments that have their own vehicles. The departments will have to rent vehicles that they need.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Miltenberger.

MR. MILTENBERGER:

Thank you, Mr. Chairman. Will there be a transfer of resources? How are departments going to cover off the cost? Is that built in or do they just have to eat that cost?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, there were no funds transferred for this activity. The departments that require the use of vehicles will have to find them from within.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Miltenberger.

MR. MILTENBERGER:

Thank you, Mr. Chairman. So there is no money being transferred. Are existing vehicles being transferred? Once it is time to be replaced, do the departments have to come up with the money from within their own budgeting process?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, the vehicles that were in the vehicle pools are being disposed of in the usual manner as surplus vehicles.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Ootes.

MR. OOTES:

I wonder if we could be advised if this is a cheaper way of handling transportation needs for government employees. Has there been some study done on this?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, I am not aware of any kind of study, but an immediate savings would be in the maintenance of the vehicles and I believe that once departments have to pay from within their budgets to use a vehicle, there would be a lot less demand for a vehicle. So in those two areas, there will be an immediate savings.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Roland.

MR. ROLAND:

Thank you, Mr. Chairman. Again, I raise concerns in this area of vehicles and equipment. Are there proposed privatization plans laid forward in your vehicles and equipment? I believe that is where garages would be laid out.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, I wonder if I can get clarification on that question.

CHAIRMAN (Mr. Ningark):

Mr. Roland.

MR. ROLAND:

Thank you, Mr. Chairman. Are your proposed reductions for privatization in the business plan under vehicles and equipment?

CHAIRMAN (Mr. Ningark):

Mr. Minister.

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HON. GOO ARLOOKTOO:

Mr. Chairman, the particular garage that we are privatizing this year in Inuvik will be reflected in next year's business plan as a net reduction of three positions. It isn't reflected here.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Roland.

MR. ROLAND:

Thank you, Mr. Chairman. I was notified when I was elected that I had no position left with the government.

--- Laughter

Thank you very much. So it isn't covered in this business plan.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, the privatization of the Inuvik garage has been planned for some time. The privatization will result in a lay-off of three PYs, as I said earlier. The lay-offs are scheduled to take place around the beginning of October of this year. The 1997-98 main estimates, next year's business plan, will reflect this change.

CHAIRMAN (Mr. Ningark):

Thank you. Vehicles and equipment. Mr. Roland.

MR. ROLAND:

Thank you, Mr. Chairman. Would the department have any back-up plan if the privatization goes ahead and the cost of maintenance and repairs to the existing equipment goes above and beyond the contract that is stated. Is there a back-up plan there, or do you just park vehicles?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, I will ask Mr. Lovely to respond.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Lovely.

MR. LOVELY:

Thank you, Mr. Chairman. As with any other privatization initiative or any other situation where the government buys its services from the private sector, we're assuming that we're going to get competitive costs, competitive services. However, we don't just base the assessment of the cost on the amount of money that we're spending on the actual contractual arrangements. There are also spin-off benefits to the economy of having these services provided by the private sector and by increasing the capacity, in some of the communities, to provide those services to other members of the public. In the case of Inuvik, it's a bit different because I think there's an established garage operation in Inuvik. But in many of the smaller communities, if the government doesn't get out of the business, there will never be services provided to the public from the private sector. But as with any situation, if the government simply can't afford to pay the kinds of rates -- or exorbitant rates, let's say -- if the private sector doesn't respond, then we would have to reassess the situation and decide whether we do it through a staffing arrangement, or, if we could go out and negotiate a better deal with a particular company. There is a whole range of things that would have to be considered before we would go back to actually having staff do the job for us.

CHAIRMAN (Mr. Ningark):

Thank you. Vehicles and equipment. Mr. Roland.

MR. ROLAND:

Thank you, Mr. Chairman. We heard earlier on the other privatization areas where there was a concern of fairness in the process of privatization if it goes out to tender -- as Mr. Picco would say, fairness. But in a small community where you have maybe one operation, you mentioned your earlier response to me about the business community picking up in the economic value of this. In this instance you would have the same amount of money being taken from one pot to another. There's no increase. Instead, you are putting more people off the workforce. There are no guarantees that there would be future employment for those that are being laid off. This is where my concern comes in, again, being a regional centre where these things seem to be taking part more than in larger communities, because this wouldn't affect the smaller communities.

My concern, as we've heard throughout the time we've been in the House and as we've gone through budget plans, is the fairness and dealing compassionately and fairly with employees as well. Now, we've heard some Members here state that the process of tendering and that would be fair, and I would put the other side of the equation there. Will it be fair to those who want the opportunity to be able to stay gainfully employed and possibly take over? Thank you.

CHAIRMAN (Mr. Ningark):

(Translation) Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, on the actual privatization itself, it's been a couple of years since the other maintenance garages were privatized: one in the Baffin, one in the Keewatin and there were some in Yellowknife, too, that were privatized, and Inuvik was the next logical place to do this.

I share some of the Member's sentiments that we do need to be compassionate to the employees that we are laying off and we should try to assist them as much as we can and make sure they get back up on their feet, and I think we're doing that in quite a number of ways through the different packages. I heard concern earlier, though, from other Members, about making sure that any process we get into is fair to everyone, including those that are in the private sector already.

One of the things I should mention, too, is that because we are eliminating the vehicle pools these garages will have less vehicles to work on, so that's part of the thinking there.

CHAIRMAN (Mr. Ningark):

Thank you. Vehicles and equipment. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. The Minister just mentioned laying people off and the fact that people have to be compassionate and all this. What I want to know is, when the people are being laid off, does the department consider the length of time a person has been working for

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the government and affirmative action. In other words, are people who are eligible for affirmative action the last people to be laid off?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, the Department of Public Works and Services follows the same process as the rest of the government, and I will ask the deputy minister to explain part of that process.

CHAIRMAN (Mr. Ningark):

Mr. Lovely.

MR. LOVELY:

Thank you, Mr. Chairman. When determining where budget reductions are going to be made and where lay-offs might occur, the first emphasis is on where the savings can be achieved, and as a result of identifying the savings, what happens is that the staff who currently provide those services or who are in those areas are the first who are considered for lay-off, and, at that point, the determination of who gets a lay-off notice is based on who does the job that is no longer going to be done. However, when the lay-off notice is actually issued, those individuals have the highest level of staffing priority across the Government of the Northwest Territories, in other regions and in their own communities. Staffing priority means that things like length of service, affirmative

action -- all those kinds of things are taken into account in deciding how people will be reassigned and, in many cases -- I can think of some of the more recent ones in Public Works and Services, particularly when we've talked about aboriginal staff -they've been quite successful in obtaining jobs in other locations because they have been given priority hiring status.

But we don't do the assessment of who should be laid off on the basis of length of service or anything like that. It's who is actually doing the work that will no longer be done. People get preference following that.

CHAIRMAN (Mr. Ningark):

Thank you. Vehicles and equipment, operations and maintenance, total operations and maintenance, \$3.278 million. Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Thank you. Page 7-16, detail of capital, vehicles and equipment. Equipment acquisition, Fort Smith, total region, \$143,000. Mr. Roland.

MR. ROLAND:

Thank you, Mr. Chairman. On this equipment, how many vehicles is this purchasing?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, there are five vehicles being purchased.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Roland.

MR. ROLAND:

Thank you, Mr. Chairman. Are these replacement vehicles or new to the fleet?

CHAIRMAN (Mr. Ningark):

Mr. Minister.

HON. GOO ARLOOKTOO:

I'm sorry, I didn't hear the question.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Roland, would you mind repeating the question? Thank you.

MR. ROLAND:

Thank you, Mr. Chairman. Are these new vehicles additional to the fleet, or are they replacement?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, they are replacement vehicles. They are not new vehicles. I can give you a quick breakdown. Health and Social Services is replacing their vehicle in Fort Smith; in Fort Simpson, Public Works is replacing their van; in Fort Resolution, Renewable Resources is replacing their pick-up; in Hay River, ED&T is replacing their truck; and, in Hay River, Health and Social Services is getting a replacement pickup.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Roland.

MR. ROLAND:

Thank you, Mr. Chairman. What's the average age of these replacement vehicles?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, the average age of the vehicles being replaced is 10 years old, give or take a couple of years.

CHAIRMAN (Mr. Ningark):

Thank you. I hope they are Canadian made. Total region, \$143,000. Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Thank you. Equipment acquisition in Inuvik, total region, \$23,000. Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Thank you. Equipment acquisition, Baffin, total region, \$32,000. Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Evaloarjuk.

MR. EVALOARJUK:

(Translation) Thank you, Mr. Chairman. Can you give us a breakdown of how many vehicles there will be for the Baffin region? Thank you.

CHAIRMAN (Mr. Ningark):

(Translation) Mr. Minister.

HON. GOO ARLOOKTOO:

(Translation) Mr. Chairman, there will be a replacement vehicle for Arctic Bay, just one vehicle.

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CHAIRMAN (Mr. Ningark):

Equipment acquisition, Baffin, total region is \$32,000. Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Thank you very much. Total region acquisition, \$198,000. Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Thank you. Total activity for this page, \$198,000. Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

Utilities

CHAIRMAN (Mr. Ningark):

Qujannamiik. Page 7-17, utilities, operations and maintenance, total operations and maintenance, \$21.150 million. Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

Supply Services

CHAIRMAN (Mr. Ningark):

Thank you. Page 7-18, supply services, operations and maintenance, total operations and maintenance, \$6.848 million. Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Mr. Henry.

MR. HENRY:

Thank you, Mr. Chairman. First of all, does the department provide these services to other departments?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, the Department of Public Works assists other departments in buying these services. We just assist them.

CHAIRMAN (Mr. Ningark):

Qujannamiik. Mr. Henry.

MR. HENRY:

Do I understand then that the department doesn't have a criteria that they give to departments, or do the departments just come and say this is what we want?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, it varies. For some of the services, the departments will come to the Department of Public Works and Services and tell us what we need and we will assist them in whatever way we can.

In other areas, especially in things like purchasing, there are standards and there are limits, et cetera, that are spelled out.

CHAIRMAN (Mr. Ningark):

Thank you. Supply services. Mr. Henry.

MR. HENRY:

Do I understand that at least the Department of Public Works doesn't set any criteria for other departments? Each department sets their own, is that right, as far as quality goes?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

I'll ask Mr. Waddell to answer that.

CHAIRMAN (Mr. Ningark):

Mr. Waddell.

MR. WADDELL:

Thank you, Mr. Chairman. It does depend, to some degree, on the type of service. There is a whole host of different services under this particular activity, but for purchasing of computers, for example, there are standards that are in place government-wide that departments are to conform to.

In terms of some printing services that people may wish to have for special publications, basically, that would be the department's call as to how they would like something printed or published. But they would use our services in terms of obtaining the best design service in the private sector and so on.

CHAIRMAN (Mr. Ningark):

Thank you. Supply services, total operations and maintenance. Mr. Henry.

MR. HENRY:

Thank you, Mr. Chairman. I guess the point I'm trying to get at is there are many such documents that are produced. I mean, this one here is pretty old. It was in February 1990. I would suspect this document would go out of the Territories, also, and I think there are many cases where documents try and promote tourism and that. You have another market that you have to compete with, with documents that are prepared by different departments. What I'm looking for is some direction on who could set the criteria for the quality that goes into it. These products are pretty expensive to produce. You know, coloured and that. I guess what I'm looking for is some direction as to who could we approach to look at the overall cost in providing something in black and white, as opposed to colour, from a practical point of view. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Lovely.

MR. LOVELY:

Thank you, Mr. Chairman. The difficulty in dealing with the whole publications area is the fact that there are so many different reasons and so many different audiences that we're trying to appeal to with different publications. Years ago, almost all government departments used to put out an annual report and it cost the government a lot of money because there were no clear definitions of the standards which should apply, whether an annual report should be prepared, and where it wasn't appropriate to do so

because in some departments it doesn't make sense to have an annual report for an organization that only provides

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internal services; like Public Works, for example. So we stopped doing annual reports, generally, three to five years ago. But when we moved away from the central control of the standards of publication, the kind of documents that were put out, we put it in the hands of departments to make those kinds of decisions themselves, based on who they had to appeal to in terms of the audience, where they could get the best deal, what kind of message they were trying to convey. 'So there is no clear standard on exactly what a public should look like, but every department is guided by who they have to appeal to, but also how much money they're spending and is it a cost-effective use of government funds.

We find generally that departments rely on us to give them advice on whether or not they're getting a good deal. That's the sort of central service that we provide and we make sure that we follow the contracting regulations.

CHAIRMAN (Mr. Ningark):

Thank you. Supply services. Mr. Ootes.

MR. OOTES:

It raises a good question in terms of what you institute for the user-pay system; will the department be looking at establishing guidelines in all these areas? For example, in the publication area, it's not that difficult to set some rules and regulations to what should be in full colour or what shouldn't be and so forth. Someone needs to coordinate this. If we're going to maximize our value of dollars and continue to try and cut the cost of operating this government, we have to look at setting up guidelines, rules and regulations that departments fall into. It doesn't just apply with publications, it would apply to vehicle usage, it would apply to amount of space they have, the kind of space they have. So departments need some guidelines in this area. I'm wondering if the Department of Public Works and Services has looked at this.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister. Mr.

Lovely.

MR. LOVELY:

Thank you, Mr. Chairman. This is an issue that generates a lot of controversy amongst my colleagues when we talk about the extent to which they'll have flexibility when it comes to the way that they use their money. We feel that the strongest mechanism that we can institute to get positive cost benefits is holding each deputy minister accountable for bottom-line management, and making sure that every expenditure they make, whether it's in the area of buying fuel for their vehicle, renting a vehicle to drive to Rae or from Fort Smith to Hay River, putting out a publication to promote better understanding of programs and services, or to attract tourism to the Northwest Territories. The best way to deal with that is to deal with it from the point of view of assessing the results that we get from the expenditures that are made.

The move towards user-pay is, in many ways, a move towards the empowerment of government departments who, for many years, have been restricted by central agencies like the Financial Management Board Secretariat and Public Works and Services, who have put a lot of roadblocks in their way and made it more difficult for them to get their jobs done. Many of the problems that we experience are because

of the fact that we have too many rules and regulations and we haven't held our managers accountable for the bottom line. That's really a big change that we expect to see as we move ahead on this user-pay initiative and, ultimately, towards community empowerment. Monitoring of those results is going to be critical, I think, to determining whether it's going to work.

CHAIRMAN (Mr. Ningark):

Thank you. Supply services, operations and maintenance, total operations and maintenance, \$6.848 million. Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

Operations

CHAIRMAN (Mr. Ningark):

Thank you. Page 7-19, operations, operations and maintenance, total operations and maintenance, \$1.026 million. Mr. Roland.

MR. ROLAND:

Thank you, Mr. Chairman. Just a comment on this; with the privatization of different programs within this department, is this another area where the department can realize savings once it privatizes vehicles and equipment, supply services and so on. Is this an area that can be targeted for savings possibly?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, this is an activity that has undergone some changes already. There has been a reduction in PYs in this area and there have already been some savings. I cannot say right now what the forecast would be for next year.

CHAIRMAN (Mr. Ningark):

Thank you. Operations, total operations and maintenance, \$1.026 million. Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

Systems And Communications

CHAIRMAN (Mr. Ningark):

Thank you. Page 7-20, systems and communications, operations and maintenance, total operations and maintenance, \$2.374 million. Mr. Miltenberger.

MR. MILTENBERGER:

Thank you, Mr. Chairman. Could the Minister indicate whether this ... (inaudible) ... systems and communications is going to be involved in that GNWT informatics strategy, where you're trying to integrate the systems and update them to bring us into the 21st century?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, this activity is involved in the planning for it, but it is also the division that is slated to be privatized.

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CHAIRMAN (Mr. Ningark):

Thank you. Total operations and maintenance, \$2.374 million. Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Thank you. Page 7-21, detail of capital, systems and communications, equipment acquisition, headquarters, total region, \$140,000.

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Thank you. Total equipment acquisition, \$140,000.

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Thank you. Total activity, \$140,000.

SOME HON. MEMBERS:

Agreed.

--- Agreed

Petroleum Products

CHAIRMAN (Mr. Ningark):

Thank you. On page 7-23, detail of capital, petroleum products, buildings and works. Mr. Steen.

MR. STEEN:

Thank you, Mr. Chairman. Mr. Chairman, my question is with regard to something that was brought up earlier by other Members. I would like to ask the Minister why the Western Arctic fuel delivery contract and the Keewatin delivery contract are for three years, while the department is suggesting a 10-year contract for the Baffin region.

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Steen. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, I believe that the Member, when he was talked about the East, was referring to the Baffin or Iqaluit fuel resupply.

MR. STEEN:

(Microphone turned off) ... supply.

CHAIRMAN (Mr. Ningark):

Mr. Steen.

MR. STEEN:

Mr. Chairman, I am referring to the Iqaluit fuel supply.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister, you have the clarification.

HON. GOO ARLOOKTOO:

Mr. Chairman, I would like to ask Mr. Lovely to respond to that.

CHAIRMAN (Mr. Ningark):

Mr. Lovely.

MR. LOVELY:

Thank you, Mr. Chairman. I have to apologize. I am not clear that it actually is 10 years. I haven't been given that detail. I do know that it is a longer term contract. The fuel supply for Iqaluit is a very large proportion of the Eastern Arctic fuel resupply. In 1996, Iqaluit received over 53 million litres of fuel. For the rest of the Territories, in 1995-96, the total resupply was 94.857 million. This Iqaluit contract is a large one that will be entered into with a consortium of Nunavut firms who will have to make a relatively large

investment in order to get it off the ground. It was felt that a longer-term contract was needed to encourage them to get going on it.

This is a new requirement for the government because it was previously handled by the federal government. They are only turning it over to us for this coming season. So it will be the first time that we have an obligation in Iqaluit that previously has been handled by the federal government. It was our intention, rather than continuing the arrangements they had, to go out to tender and see if we could get a northern business interested in doing it rather than continuing the arrangements the federal government had with Shell Canada.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Steen.

MR. STEEN:

Mr. Chairman, normally it takes more funding to encourage someone with a smaller contract rather than with a larger contract. I am also concerned about this government making commitments beyond the year 1999. I am concerned from two points. One is that we are committing ourselves to making payments for Nunavut when we know that in 1999, we will no longer be responsible for Nunavut. I am also concerned that we are committing the Nunavut government to contracts that we don't have a right to commit them to at this point in time. Is it really realistic that we should be committing ourselves to a contract longer and beyond 1999 if we were able to do shorter-term contracts for the Keewatin and for the Western Arctic?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, legally, the department can go into a longer-term contract with this group. However, I should note that the new Nunavut government is not really under an obligation to take it on. When you take on longer-term contracts of this size, you achieve economies of scale. You save money. So it would be in their interest to take on the contract, rather than paying more for another newer or shorter-term contract. This is something that the Minister of Finance will be dealing with when he starts negotiating with Ottawa on the new formula funding arrangements. Hopefully, that will be quite soon. That

question is a good one and it is something we are keeping an eye on.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Steen.

MR. STEEN:

Mr. Chairman, if we had taken on longer-term contracts for the Iqaluit fuel resupply in order to get the price down, why did we not do that with the Western Arctic and with the Keewatin? We just finished signing a contract in the Western Arctic.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

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HON. GOO ARLOOKTOO:

Mr. Chairman, the amount of capital infrastructure that was needed was different and the one in Iqaluit required more. It required the new contractor to put more of an investment in whereas, in the Western Arctic fuel resupply, the infrastructure is already there. That is where the difference is.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Steen.

MR. STEEN:

Thank you, Mr. Chairman. The same news report that we have been receiving is that this company is also claiming to have received the contract for privatization of the fuel tanks and tank farms in Iqaluit. I would like to know from the Minister if he would confirm or deny that this tank farm was part of the deal, bearing in mind that he just finished telling us that there is no privatization of the large facilities until the committee has had a chance to review the policy.

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Steen. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, I haven't reviewed this particular file, so I am not up to date on it. I am going to ask the deputy minister to respond.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Lovely.

MR. LOVELY:

Thank you, Mr. Chairman. There was an earlier question about whether or not the department was proceeding with any privatization without coming back to the Infrastructure committee, for example, to talk it over. The answer that we gave is we aren't doing that. The Iqaluit situation is one where we don't have responsibility for that until September 1996. The federal government is currently handling it through an arrangement with Shell. We didn't consider it privatization to find a way to avoid taking on one more responsibility that we felt the private sector could handle. So when the question was asked about whether we were privatizing it, we didn't consider this privatizing of an existing government operation. It was avoiding taking on more responsibility for something the private sector could do. This is no different than a situation that we have in Inuvik, Hay River or Yellowknife where the community is large enough for the private sector to do this work outside of government.

So we did this to get a better price and it looks, with this longer-term contract, like we are going to be getting some significant returns and going to avoid taking on more responsibility at a time when we are trying to encourage the private sector growth.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Steen.

MR. STEEN:

Mr. Chairman, thank you. The responsibility for the fuel delivery to Iqaluit is with the federal government. Considering that the federal government has indicated that they prefer to deal strictly with NTI at this time for preparation for Nunavut infrastructure, why are we taking on this responsibility for delivering fuel to Iqaluit when we have the opportunity to back out now and leave that with the federal government? Mr. Chairman, I bring this up with regard to recent meetings and developments of these

meetings they had in Arviat where it is a done deal. The feds are going to deal with NTI for putting in paid infrastructure for Nunavut. Why are we taking on this responsibility?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, this infrastructure we are talking about is not part of the new incremental Nunavut infrastructure we were talking about in Arviat. I am told that this may be part of the Arctic A airports transfer when the federal government devolved that responsibility over to the Northwest Territories. It came in conjunction with that.

CHAIRMAN (Mr. Ningark):

Thank you. Petroleum products, total region, Fort Smith, \$365,000.

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Thank you. Buildings and works, Inuvik, total region, \$255,000.

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Thank you. Total region, buildings and works, Baffin, \$2.71 million. Mr. Steen.

MR. STEEN:

Mr. Chairman, I would like to ask the Minister the time frame we are looking at for improving these fuel facilities in the Baffin. If we make these improvements, how long are they good for?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, most of the time frames for these improvements were started in prior years. For example, the one in Igloolik was started with the design in 1994-95 and the first year of construction was last year. It is scheduled to be completed in 1998-99. The lifespan of the tanks is expected to be

15 to 20 years but, in some cases, they have been in use for over 50 years or longer.

CHAIRMAN (Mr. Ningark):

Thank you. Total buildings and works for Baffin, Mr. Steen.

MR. STEEN:

Mr. Chairman, I wasn't particularly concerned about the life of the tanks. I was more enquiring as to how long it would be before we would have to include these facilities again as far as the capacity of these fuel tanks. I presume the department has a policy in place whereby they improve the capacity of the fuel tanks in the communities based on the number of people, or whatever, use that particular product. Therefore, I am wondering are we building the fuel tank in Igloodik ... What we are looking at? What is the government's estimate before we would have to increase the capacities again?

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CHAIRMAN (Mr. Ningark):

Thank you. I will allow the Minister to respond and immediately after the response, I will recognize the clock. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, it depends partly on how fast the community is growing, the condition of the tanks, et cetera. However, in planning for these fuel tanks, the government tries to project what the needs will be in future years. How far ahead we are looking at, we don't have that information right now, but I would be pleased to pass that on.

CHAIRMAN (Mr. Ningark):

Thank you. In light of the Speaker's statement today regarding the sitting hours, I will now recognize the clock and we will come back to order at 6:30 this evening. The bells will be rung at 6:30. Thank you.

--- DINNER RECESS

CHAIRMAN (Mr. Ningark):

Welcome back to Committee of the Whole. We're on page 7-23, reviewing Public Works and Services, petroleum products, building and works, Baffin. The total region is \$2.710 million. Mr. Steen.

MR. STEEN:

Thank you, Mr. Chairman. I still have questions on total Baffin region. I have questions with regard to those fuel tank construction projects. I understand that the Minister says they do not know, at this point in time, how long these tanks will serve the community as far as capacity. I was wondering when they do these types of projects in the communities, what is their policy. What do they look at for the capacity serving the community? What is normal?

CHAIRMAN (Mr. Ningark):

Thank you. For the record, we have Mr. Arlooktoo; Dave Waddell, director of finance and administration; Ken Lovely, deputy minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, I understand that the projection is that the tank farm would be good for a population growth in a community for 10 to 15 years.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Steen.

MR. STEEN:

Thank you, Mr. Chairman. Would the Minister then agree that we are constructing fuel tanks for Nunavut and that we should have an opportunity to claim some of this cost as incremental for preparation for Nunavut?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, absolutely not. The money the territorial government gets right now from the federal government and some that we get from tax revenues, the little that is there, is for the NWT East and the West. The incremental costs are for costs that would not have otherwise been borne, other than the fact that Nunavut is being created. These normal day-to-day capital projects that we are at looking at right now are part of what is slated for the whole of the Territories, including these ones in the Baffin.

CHAIRMAN (Mr. Ningark):

Thank you. Petroleum products. Mr. Steen.

MR. STEEN:

Thank you, Mr. Chairman. I understand then that this government will not be using this as possible claims against Nunavut, \$150 million, or any other future dollars as incremental costs.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, we would be paying for this now, even if Nunavut had not been planned. Even if Nunavut wasn't going to occur, we would be paying for this anyway. It isn't part of the planning or preparation for Nunavut. It isn't part of those allowable incremental costs.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Steen.

MR. STEEN:

Mr. Chairman, I believe we should be realistic. We know that Nunavut is a reality. The feds have agreed to it. They have set a date. Therefore, I suggest that these are projects that are preparing Nunavut. The Nunavut government will have no requirement to build these fuel tanks after 1999 because they are good for 10 years. The Minister suggested anywhere from 10 to 15 years should satisfy these communities. Therefore, knowing that we are having division in 1999, we are making expenditures towards the creation of Nunavut. I wish to point that out. I strongly believe that. It could be made as an argument here that we could be asking the federal government to reimburse us for some of this cost. We are preparing these communities for Nunavut. After looking at the capital expenditures: Inuvik region, \$255,000; Fort Smith, \$365,000. But, when we get to the Nunavut areas, \$2.7 million for Baffin; \$215,000 for Keewatin; and Kitikmeot is \$30,000. I don't suggest that the \$30,000 and the \$215,000 for the Keewatin really reflects what I am suggesting here, but it is strongly reflected here in the Baffin. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, there is something that we need to remember. The Nunavut region is still part of the Northwest Territories. We still have four Cabinet Members and 11 or 12 MLAs from that area. The revenues that the territorial government gets from the federal government is for all of Nunavut and part of it is for these different regions.

The reason you see these fluctuations between regions is that these projects are staggered. At one point, I am sure if you look back in the other budgets, the Inuvik region would have had more than any other region. It is just that we can't build tank farms on an equal basis across the Territories. It wouldn't be possible.

CHAIRMAN (Mr. Ningark):

Thank you. We are reviewing the budget funded under the funding formula between the federal government and the GNWT at this time. Mr. Steen.

MR. STEEN:

Mr. Chairman, I am not suggesting that we shouldn't be building these facilities in the Baffin. I am suggesting that we should have been taking the opportunity to claim some of these expenses back from the federal government as incremental costs for Nunavut. The Minister

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went and shot that opportunity by his statements tonight. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. That was a point made by Mr. Steen. Total region, \$2.71 million.

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Thank you. Buildings and works, Keewatin, total region, \$215,000.

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Buildings and works, Kitikmeot, total region, \$30,000.
Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Agreed, Mr. Ng? Reluctantly. Thank you. Total buildings and works, \$3.575 million. Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Total activity for this page, \$3.575 million.

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Thank you. We have page 7-24 and 7-25, details of grants and contributions. It is just an information item. Do we have any questions or comments? Granular program revolving fund; an information item. Schedule lease budget requirements, 7-27, just an information item. Do we have any questions? Schedule of lease budget requirements on page 7-28. Section 7-29, systems and computer services. Any questions? Moving along. Section 7-30, systems and communication, information item. Any questions? Section 7-31, public stores revolving fund, information item. Any questions?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Petroleum products revolving fund, page 32. Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Page 33, petroleum products revolving fund, information item. Detail of work performed on behalf of third parties, pages 34 and 35. These are information items. Total department on page 7-36. Total department is \$11.714 million. Do we agree?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

I'm sorry, I just missed something in that \$11 million that you mentioned. I wonder if I could refer to that section.

CHAIRMAN (Mr. Ningark):

We're on section 7-36, detail of work performed on behalf of third parties. Do we have the concurrence of the committee to go back for the Minister, \$11,714 million?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Thank you. Program summary, page 7-37, Public Works and Services, operations and maintenance, total operations and maintenance, \$92.753. Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Capital, total capital, \$5.89 million.

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Thank you. Total expenditures, \$5.89 million ... Where am I? Capital, total capital is \$5.89 million. Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Total expenditures is \$98.643 million. Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Does the committee agree we have concluded this department?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

I would like to thank the honourable Minister and his witnesses for appearing before the committee. Thank you. Mr. Steen.

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MR. STEEN:

Mr. Chairman, seeing as we finished that department, I would like to move we report progress.

CHAIRMAN (Mr. Ningark):

Thank you. There is a motion to report progress and the motion is not debatable. All those in favour of reporting progress, please raise your hand. All those against the motion? The motion is defeated. What is the wish of the committee? Mr. Miltenberger.

MR. MILTENBERGER:

Thank you, Mr. Chairman. I would like to suggest we move on to Housing.

CHAIRMAN (Mr. Ningark):

Thank you. Do we have the concurrence of the committee that we review the NWT Housing Corporation? Do we agree?

SOME HON. MEMBERS:

Agreed.

--- Agreed

NWT Housing Corporation

CHAIRMAN (Mr. Ningark):

Thank you. Does the Minister of Housing, Mr. Arlooktoo, have any opening remarks?

Minister's Introductory Remarks

HON. GOO ARLOOKTOO:

Thank you, Mr. Chairman. I am pleased to present the 1996-97 main estimates for the NWT Housing Corporation.

For 1996-97, we are asking the Legislative Assembly to approve a total capital contribution of \$46.87 million. In addition, we are requesting approval for a total O and M contribution of \$58.374. This totals \$105.244 million of GNWT funding. This contribution level is \$6.721 million less than that provided in 1995-96, a reduction of six per cent.

One of the corporation's major goals is to maximize the number of homes provided each year with the level of capital contributions provided. I am pleased to report that, despite a reduction in our capital contribution of \$2.13 million and a reduction of over \$4.5 million to our O and M contribution, we will actually help more families this year. The new downpayment assistance program was well received by NWT residents and the interest in this program will allow us to deliver over 300 new units this year.

The review of the main estimates by the Standing Committee on Social Programs resulted in several recommendations for action. I would like to briefly address those recommendations.

The funding reduction targets suggested by the committee have been met. Care has been taken to

meet these targets in areas that will not see a corresponding cut in federal costshared dollars and will have the least impact on community level resources and services.

The first phase of restructuring the corporation is complete. Further restructuring and downsizing options will be prepared by June. The administrative and organizational reductions recommended by the standing committee, although difficult, will be acted upon.

The standing committee recommends that more could be done to reduce the high cost of utility expenditures in public housing. The Housing Corporation agrees and is committed to working with local housing organizations, tenants and government departments to bring these costs down.

The standing committee was supportive of the corporate goal to complete a new housing needs study in the fall. The corporation has not completed a housing needs study since 1992 and this information is now dated. Careful planning will go into the design of the needs study questionnaire so that it can serve a number of purposes. Information collected will help in the planning of home ownership programs, as well as assessing the viability of the Mortgage Investment Corporation. Given our new fiscal reality, questions will focus less on people's wants and more on their housing needs.

Once this issue is resolved, negotiating the transfer of social housing to the GNWT can proceed. One benefit of negotiating a transfer agreement will be greater flexibility to address the NWT's unique housing needs. This flexibility can be passed on to communities that will be taking greater control over housing.

Before I close, I would like to tell Members of one area where we have made significant progress in empowering communities. Starting this fiscal year, local housing organizations are being block funded. A change from deficit funding means that LHOs will have greater flexibility to spend their budgets on local priorities. It also means LHOs will have an increased level of accountability to the community and to public housing tenants. This change can only improve how housing is delivered in NWT communities. That concludes my remarks, Mr. Chairman. I welcome the opportunity to discuss these plans with Members. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Keeping with the tradition of this committee, I will now recognize the Member for the Social Programs committee, Mr. Miltenberger, to make remarks on behalf of the Social Programs committee that has reviewed this Housing Corporation. Mr. Miltenberger.

Standing Committee On Social Programs Comments

MR. MILTENBERGER:

Thank you, Mr. Chairman. I am pleased to present the report of the Standing Committee on Social Programs on our review of the Northwest Territories Housing Corporation.

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During the review of the main estimates, the Minister alerted the standing committee to a potential reduction in federal government funding for housing. The standing committee encourages the Minister to continue his efforts to work with the federal Minister of Housing to minimize the reductions necessary. As well, Members will be looking for ongoing briefings from the Minister on this situation and on possible options if some or all of the reductions cannot be averted.

When the NWT Housing Corporation first appeared before the standing committee in January, Members felt there were additional areas which could be considered for reductions or as new ways of doing business in the Housing Corporation. Suggestions were made in the first review of the business plan. These recommendations were all accepted by the corporation. The standing committee appreciates the corporation's work to address our suggestions.

After reviewing the NWT Housing Corporation's mandate and organization, the standing committee believes the corporation may need to be restructured. Members are pleased to see that the Minister will report to the standing committee on this area by June.

In the standing committee's January report on the business plans, there was an error. The standing committee had only intended to request that the corporation provide options for restructuring and/or dismantling the corporation by June 1, 1996. The standing committee is pleased to see that this is the kind of plan the corporation will bring forward.

The standing committee expressed concern over the reductions in areas where cost-shared federal dollars

would be lost. The corporation has been asked to identify other options to reducing cost-shared funds.

One of the Housing Corporation's major costs is paying utilities. The corporation indicated that this was not an area where there had been much success in reducing client use. The standing committee believes more can and should be done to reduce this controllable expense. In response, the corporation has agreed to work with local housing authorities and the Department of Education, Culture and Employment to try to address utilities expenditures.

The corporation has indicated it can deliver the same number of housing units as in previous years for a lower cost. The standing committee supports the capital amount the corporation requested and encourages the corporation to continue to find ways to deliver more units for the same cost through new programs.

The upcoming housing needs study was discussed by the standing committee. Members feel the survey should capture housing needs as opposed to people's wants. As well, the needs survey should capture income information which would be useful in planning for home ownership potential, as well as in assessing the viability of the proposed Mortgage Investment Corporation.

The standing committee was concerned with the level of detail provided by the corporation. In the future, the standing committee would like to receive the corporation plan in advance if this is to replace the business plan. As well, the standing committee would like to have budget information to the division/department levels as well as position breakdowns by region.

Mr. Chairman, this concludes the report of the Standing Committee on Social Programs for the corporation. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Miltenberger. Before we move to general comments, I would like to ask the honourable Minister if he wishes to bring in the witnesses.

HON. GOO ARLOOKTOO:

Yes, I do.

CHAIRMAN (Mr. Ningark):

Thank you. Do we have agreement of the committee that the honourable Minister will bring in the witnesses?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

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

Thank you. Mr. Minister, brace yourself and introduce your witnesses to the committee,

HON. GOO ARLOOKTOO:

Mr. Chairman, on my left is the president of the Housing Corporation, Joe Handley, and on my right is Jim Nelson, vice-president of finance and administration.

CHAIRMAN (Mr. Ningark):

Thank you. Are there any general comments? We are doing the NWT Housing Corporation. General comments. Mr. Enuaraq.

General Comments

MR. ENUARAQ:

(Translation) Thank you, Mr. Chairman. I would just like to say that the Social Programs committee, since we're Members of the Legislative Assembly and we have to follow our rules, I think there are only 10 of us here.

CHAIRMAN (Mr. Ningark):

(Translation) We will ring the bells.

--- Ringing of bells

Thank you. Mr. Enuaraq.

MR. ENUARAQ:

(Translation) Thank you, Mr. Chairman. As I was going to mention, the Social Programs committee met a number of times and we spent quite a bit of time on housing because of the fact that there's a shortage of housing in the Northwest Territories. I would like to state that I was happy with the number of people who will get home ownership programs. I would like to ask

the Minister of the NWT Housing Corporation ... I went the local housing associations to have more control over housing programs. I want to ask the Minister if, maybe starting in July, the local housing authorities will be able to take more control of the programs. Thank you.

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CHAIRMAN (Mr. Ningark):

(Translation) Thank you, Mr. Enuaraq. Mr. Minister.

HON. GOO ARLOOKTOO:

(Translation) Mr. Chairman, thank you. I fully agree with the Member that this is one of the important departments, especially in the East. There aren't that many people who have their own homes and we have to try and encourage them to have their own homes. As I mentioned before, the local housing authorities will be getting block funding, and it will be up to the discretion of the authority how they want to spend the funding. If there is a surplus within that funding, then it will be up to the individual authorities to deliver housing programs.

CHAIRMAN (Mr. Ningark):

(Translation) Thank you, Mr. Minister. Mr. Enuaraq.

MR. ENUARAQ:

(Translation) Thank you, Mr. Chairman. My other question was will the local housing authorities be able to have more control by July 1996 from the NWT Housing Corporation?

CHAIRMAN (Mr. Ningark):

(Translation) Thank you, Mr. Enuaraq. Mr. Minister.

HON. GOO ARLOOKTOO:

(Translation) Mr. Chairman, starting April 1, 1996, they were given the funding which they can use and they will be starting that in July 1996.

CHAIRMAN (Mr. Ningark):

General comments. Mr. Ootes.

MR. OOTES:

I have some questions, Mr. Chairman, and I am wondering if it is appropriate to ask those now.

CHAIRMAN (Mr. Ningark):

If they are general in nature, it should be appropriate to ask.

MR. OOTES:

Thank you, Mr. Chairman. The Housing Corporation introduced a new rent scale program about a year ago. I am just wondering what the public reaction to that has been and if any problems have been encountered with that.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, it varied depending on where the tenants were and what kind of social situation they were in. A good portion of social housing tenants' rents either decreased or stayed the same. There were the seniors who had no other family income who were no longer paying rent. In those cases, you don't get a lot of feedback. There has been some concern coming from the communities, from the percentage that had some rent increases. How the corporation dealt with it is instead of allowing rents to increase in one shot, they phased it in over a three-year period. I believe this April was the second of the three phases. So it has been mixed, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Ootes.

MR. OOTES:

I would think that the local housing authorities would be the ones on the front line of this. I am just wondering if you could tell me how the overall basis ... Let me rephrase that. How many local housing authorities do we have? Thank you.

CHAIRMAN (Mr. Ningark):

Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, we have 47 local housing authorities in the Territories. If I could take this opportunity to inform you that we have put on your desk the 1996-97 corporate plan. We had been planning to table it tomorrow, however, we didn't realize that the Housing

Corporation would be up today. So we put it on your desk and we will table it formally in the House tomorrow.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Ootes.

MR. OOTES:

Just on the LHOs, likely they took the brunt of any of the problems associated with the rent scale increases. I noticed a comment that the local housing authorities, as they take on more responsibility, it is also realized that they need more training and development work to help them be successful. I am just wondering what is the feeling about the success of the local housing authorities?

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Ootes. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, on the training front, you have two areas to work on: one, on the staff level, managers and tenant relations; and, the other is on the board level. The communities have to deal with the allocations of houses and problem tenants and collection of arrears. I don't have a snapshot I could describe to you, but perhaps I could ask the president to comment on it.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Handley.

MR. HANDLEY:

Mr. Chairman, I think in terms of the record of our local housing organizations, it is probably about the same as it is on other community boards. We have an ongoing need for training and monitoring what is happening. Our district people help them. We do have some cases where fiscal management isn't as good as we would like. We have generally a very competent corps of managers for the housing organizations, but as in any small organization, there is that training need.

We are now just going to start another round of discussions with the LHOs to get their perception of what their needs are for training, particularly as we give them more and more responsibility on things like staff housing and partnership agreements and so on.

We will have more feedback within a matter of months following that survey.

CHAIRMAN (Mr. Ningark):

Mr. Enuaraq.

MR. ENUARAQ:

(Translation) Thank you, Mr. Speaker. I hope the Members could understand what I am trying to get at. I saw differences in the housing association where elders aren't paying for rent anymore. Some of the elders who are home owners also have to pay for fuel, even though they are elders. The elders who are using public housing aren't supposed to pay for that. I am not going against the elders, but it seems they are being dealt with differently in different situations. I would like a response to this. Thank you.

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CHAIRMAN (Mr. Ningark):

(Translation) Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

(Translation) Mr. Chairman, with regard to this discussion, we are looking into this and the elders are getting a fuel subsidy. They would have to pay a lower amount, but we are looking into this presently, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

(Translation) Thank you. Mr. Evaloarjuk.

MR. EVALOARJUK:

(Translation) Thank you, Mr. Chairman. I wonder how people who are employed, someone who isn't getting social assistance, are you looking at how a person would pay for rent if ... Do you look at the salaries or how much money the person would use for food? For instance, if a person was on social assistance, do you look at how much money they would use for food and do you look at where the money they receive would go to? Thank you.

CHAIRMAN (Mr. Ningark):

(Translation) Thank you, Mr. Evaloarjuk. Mr. Minister.

HON. GOO ARLOOKTOO:

(Translation) Thank you, Mr. Chairman. I won't be able to respond to all of his questions, but for people who are using public housing we don't take over 30 per cent of their salary. Looking at the other expenditures, for food, we looked into what a social assistance person would use for food, Mr. Evaloarjuk. There are agreements made or each person that uses public housing has a form to fill out. There are regulations. I will use myself as an example. If I get \$100 a month and one person would have \$1.25, you can't even get a pop for \$1.25. That is all I would get. You can probably get a gum, but that would probably be about all. I don't really agree with this. It isn't enough today. I feel this should be looked at again.

I have worked with social development in the communities in the past. It is very difficult, for example, for people who are getting a salary. Our staff, I have told people who are working in the Housing Corporation to look into this again and also to look at how much money is being spent in different areas. Thank you.

CHAIRMAN (Mr. Ningark):

Mr. O'Brien,

MR. O'BRIEN:

Thank you, Mr. Chairman. My question is in relation to social housing. I guess with the exploding population of most of the eastern communities and the loss and lack of CMHC funding and matching dollars, we find ourselves now not able to carry on with the social housing programs we had in the past.

Are there any plans or any discussions taking place now that are looking at this direction as to how we can increase or enhance our social housing situation?

CHAIRMAN (Mr. Ningark):

Thank you. Matna. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, following our meeting in Ottawa last month, Mr. Handley was able to arrange a meeting with CMHC officials on the 22nd of May

CHAIRMAN (Mr. Ningark):

Thank you. Mr. O'Brien.

MR. O'BRIEN:

Mr. Chairman, can I ask a further question on another matter?

CHAIRMAN (Mr. Ningark):

Go ahead.

MR. O'BRIEN:

Thank you, Mr. Chairman. I have a general question on what your views are on the housing transfers, how they are going and how much success we are having with them. In some communities, they are having their difficulties and they feel they jumped into it too quick. They weren't prepared. My question or concern is more that we make sure we aren't dumping the programs or dumping this onto the communities as opposed to downloading them. How are the transfers and how are they going?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, I am not in a position to give an analysis of how it is going day to day on these transfers. The six partnership arrangements that we have with the LHOs now are generally going well. The Members say there are some concerns, but I would like to ask Mr. Handley to give his own assessment.

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Minister. Mr. Handley.

MR. HANDLEY:

Mr. Chairman, the Minister said we now have six partnership agreements in place. Our district directors are at various stages of negotiating further ones. We also are beginning district meetings starting this month. At that time, we will be raising this issue with the LHOs again. I have also assigned one senior person who reports directly to me to monitor what is happening and ensure, if there are any cases where we are moving too fast or we aren't providing the support to the LHOs, that we find a way of remedying that situation. We are aware of it and we want to be careful we don't swamp the LHOs. The six agreements so far are working well. I don't see any major problems.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. O'Brien.

MR. O'BRIEN:

I have an observation and a caution. From my two communities and through talking to some other people, there seems to be a general consensus that it is happening too quick. Just because we are in this mode where we are trying to empower the communities and we are offering them the opportunity to take on additional responsibilities, just because a community says I want it, it shouldn't necessarily be the be all and end all. They have to be prepared and they have to be properly trained and ready to take on the additional responsibility. If not, we are just setting them up to fail. I think in the long term, we are better off to do it in a more gradual basis. That still gives the communities the opportunity to take on the additional responsibilities and take control of their own affairs in a

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safer, healthier and more constructive manner for them. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister, do you want to respond to the general comments?

HON. GOO ARLOOKTOO:

I'll just take that as advice of somebody who knows the business.

CHAIRMAN (Mr. Ningark):

Okay, thank you. Mr. Henry, general comments.

MR. HENRY:

Thank you, Mr. Chairman. Just a quick comment and also a short question. As the same Minister is responsible for Public Works, the point I was trying to make earlier was this type of a document -- black and white and nicely laid out -- is, I think, very sufficient. That was the point I was trying to make about the publications in Public Works. Maybe we can get away from the colour until we get some excess funds to contribute to that.

I was just looking at the home ownership forgiveness loans programs and the downpayment assistance programs. What criteria is in place to evaluate who falls under this program?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Nelson.

MR. NELSON:

Thank you, Mr. Chairman. Any of our home ownership programs, with the exception of the downpayment assistance, require individuals or families to be within what we call a coordinated income threshold. In other words, have incomes of at least the level that they could support a mortgage, with some assistance if they're in the assisted programs, up to the maximum amount at which they no longer would receive assistance from the corporation.

With respect to the downpayment assistance, we again use the upper strata of core need income thresholds to determine which applicants would be capable of maintaining their own home and mortgage and all the costs that go with home ownership, with an amount of equity that the corporation would provide as far as the downpayment assistance was concerned.

CHAIRMAN (Mr. Ningark):

Thank you. General comments. Mr. Henry.

MR. HENRY:

What types of dollars are we looking at here? What's the scale? It probably depends on the community. But approximately what are these grants to families or individuals for the downpayment assistance program?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Nelson.

MR. NELSON:

Thank you, Mr. Chairman. My recollection is that at the low end, they were in the neighbourhood of about \$7,000, the highest one would be in the neighbourhood of \$50,000, based on 25 per cent of the value of the house.

CHAIRMAN (Mr. Ningark):

Thank you very much. General comments. Mr. Roland.

MR. ROLAND:

Thank you, Mr. Chairman. Mr. Chairman, as I said in my address to the budget, I'm concerned about

fairness and how it happens, so I have questions later that will go in that area. But when it comes to the general reductions to LHOs, was there a percentage of reductions overall, or was there a sliding scale in some cases? We heard earlier on in another statement about the cutting down of programs without proper funding and training. There may be cases as such but, at the same time, there are cases of just poor management and that's costing this government a lot of money. We're going to have to address that at the same time. We can't always say everybody was unprepared and unable to deal with the tasks that were at hand. So I think when we're looking at things, we're going to have to take a serious look at both sides. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. That was just a point. Right, Mr. Roland?

MR. ROLAND:

Yes.

CHAIRMAN (Mr. Ningark):

Mr. Steen, general comments.

MR. STEEN:

Thank you, Mr. Chairman. Mr. Chairman, I have questions with regard to the home ownership assistance program. I'm wondering what is the suggested ceiling on this program now where people can access a mortgage from the Housing Corporation, assuming the banks won't allow for a mortgage in that community. What's the ceiling for that type of program?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Nelson.

MR. NELSON:

I think I can answer that, Mr. Chairman. If you're talking about what is the value of the house or what is the value of the assistance; I guess if it's the value of the house, it's the cost that the corporation incurs for three of the models of housing we provide in our programs, by community, based on the community costs. If it's the value of the mortgage, it's based on the core need income thresholds by community and

the capacity of the individual to pay a mortgage based on the cost of the house, and there's an assessment of that.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Steen.

MR. STEEN:

Mr. Chairman, I'm referring to the income from the applicant. I've been told that there's a ceiling of somewhere in the range of \$66,000. If you make more than that, then you're not eligible for the loan or the program. Is that correct?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Nelson.

MR. NELSON:

Mr. Chairman, that's correct in terms of the eligibility for the program. I will just read through a couple of the top ends of our core need income thresholds by community. If we pick Arctic Bay, for example, the salary limitation of family income is \$86,500 for the home ownership programs. Anything above that, then the corporation would not be providing assistance in the way of funding. However, we do still provide assistance in the way of providing advice and guidance, and will take potential clients to the banks and assist them in obtaining bank financing where that's feasible, as well. As far as direct

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assistance from the corporation, it would end in Arctic Bay where the family income exceeds \$86,500.

CHAIRMAN (Mr. Ningark):

Thank you. General comments. Mr. Steen.

MR. STEEN:

Mr. Chairman, I'm also aware of another program where it's suggested that seniors over 55 years of age are entitled to X number of dollars under the senior citizens' assistance program. I wonder if this program is only available to single seniors, or is it available to all seniors.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, I have a problem in that we do not have such a program for senior citizens, unless you're talking about the rent scale; that a person over a certain age living in social housing will not pay rent, depending on what kind of income is in that household.

CHAIRMAN (Mr. Ningark):

Thank you. Anything further, Mr. Steen?

MR. STEEN:

Mr. Chairman, I don't have a copy of the programs available to people in the NWT, in front of me here, but I recall in the program book, a program available to seniors. It could be that it's now obsolete, but at one point in time that program was there. I believe it was suggested that anybody over 55 years of age was entitled to a certain program. Perhaps the Minister or his staff could supply me with that type of information on the side or whatever, or maybe I clarified it for him now that he can recognize what I'm talking about.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, we'll look into it and get back to the Member.

CHAIRMAN (Mr. Ningark):

Mr. Steen.

MR. STEEN:

One another overall comment or question, I notice in my communities that there are getting to be more and more abandoned Housing Corporation units, all boarded up and closed up. I'm not sure if the buildings are still heated or not. For some reason or other, there seems to be more and more of these buildings. I wonder if the Minister or his staff could clarify for me if this is related to the amount of money we receive for O and M for these buildings, or is it related to some type of agreement we have with CMHC and we cannot write them off. Why are these buildings sitting there, taking up lots that are much needed in the communities?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, I'm not sure if I got the last bit, but it is true that we have the largest number of vacancies of social housing in the NWT and it's a very unusual and unique situation. In that community, I guess they've boarded them up and aren't using them.

CHAIRMAN (Mr. Ningark):

Thank you. General comments. Mr. Steen.

MR. STEEN:

Mr. Chairman, part of my point was that these buildings, if they're moth-balled, I'm not clear why they're moth-balled. There are two things here. If these buildings are moth-balled without heat and power that's one thing; but if we're still paying for heat in them, I would be concerned about that.

The other thing is, the lots in my community are very hard to come by and they are in very high demand, especially if you want to go into home ownership programs. Therefore, I was wondering if Housing has some plan to either demolish these buildings or put them to use so we can have those lots available to people who want to get into home ownership programs.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, as I said, the situation there is pretty much unique. There are a lot of other communities that use those houses. But there are a variety of reasons for that, so I will ask Mr. Nelson to explain a little bit further.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Nelson.

MR. NELSON:

Thank you, Mr. Chairman. We have been trying to deal with the vacancy issue in Tuktoyaktuk for some time now. I was in Tuk about two years ago and recognized some of the problems. One of the problems related to the housing being built in

Reindeer Point, and lack of interest by some of the community people to actually move out there. And there were problems with bussing. We hopefully have resolved some of that.

There was an arrears problem with some of the clientele in the community, and I think we're slowly resolving that problem. If a client has arrears, they're not entitled to move into social housing. There was another factor which was the overall cost to renovate some of the houses which were in fairly poor shape.

The district in Inuvik is looking at the matter, and we are looking to try and come up with some way to either use those houses that are available to the maximum we can for the community, because we recognize there are still people in need there. Or, where it's not feasible to either renovate or rent those units, simply tear them down and have some freed-up lots for future construction.

CHAIRMAN (Mr. Ningark):

Thank you. General comments. Mr. O'Brien.

MR. O'BRIEN:

My last question or comment before detail, if there's time? Regarding the community consultation process and also the housing survey, what are the dollars that are involved, the cost of carrying out these two major programs; the housing survey and the community consultation process?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, the way the housing needs survey is being planned now, it would be at a cost of approximately \$250,000 to \$300,000, which is about a third of what a similar one cost the last time around.

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This one will be designed and done differently. The community consultation meetings, I believe, will be worth about \$250,000 territorial-wide. These are to get LHOs together in the regions to get input from the communities on how they see the corporation going, and get their suggestions. This came about after the NWT Housing Corporation board was dismantled, then they went into the community consultation model.

CHAIRMAN (Mr. Ningark):

Thank you. Are there further general comments? Mr. Henry.

MR. HENRY:

Thank you, Mr. Chairman. I see lots of reference here to homes and home ownership and so forth. I go back to the corporate plan, and I notice that there's an estimated shortfall of 300 homes a year. When you're talking homes, are you talking about single-family detached homes, or units?

HON. GOO ARLOOKTOO:

Units, whether they're detached or a unit in an apartment building. Those are the numbers of units we need because that's the number of families who are in need of housing.

CHAIRMAN (Mr. Ningark):

Mr. Henry.

MR. HENRY:

Thank you, Mr. Chairman. Do you bill departments in communities? Because of the number of units that you're short a year, the economies of scale, are there apartments built there?

CHAIRMAN (Mr. Ningark):

Mr. Minister.

HON. GOO ARLOOKTOO:

No, we're not building apartment buildings. There are, in some communities, some duplexes and threeplexes; row housing of sorts. But most of them are detached units.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Henry.

MR. HENRY:

Thank you, Mr. Chairman. I think it is recognized that there are economies of scale that can be gained in providing multi-units, as far as heating systems, sewer, the cost of lot development. Has that not been looked at, or is there some reason it couldn't or shouldn't be looked at, providing more apartment units?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, it's something that I haven't looked into. I know it's something they do extensively in Greenland. I know in communist Russia, I used to see lots of pictures of what they did there. It's something I can look into. I know what you mean about economies of scale.

CHAIRMAN (Mr. Ningark):

Thank you. Should we go line by line?

MR. HENRY:

Detail.

SOME HON. MEMBERS:

No.

Line By Line

NWT Housing Corporation

CHAIRMAN (Mr. Ningark):

General comments. Detail. We are reviewing the NWT Housing Corporation on page 3-10. Operations and maintenance, total operations and maintenance, \$58.374 million.

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Mr. Roland.

MR. ROLAND:

Thank you, Mr. Chairman. My question in this area is that there's a reduction. I take it that this is to the LHOs. Is there an equal percentage across the board to all LHOs?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, I'll ask the vice-president in charge of finance and administration to answer.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Nelson.

MR. NELSON:

Thank you, Mr. Chairman. We went through two steps to establish the LHO budgets this year. One is we had a total amount that was set aside for all LHOs across the North, which we reduced by a five per cent factor. Then we introduced the new formula funding method which then equitably transferred the monies across throughout the LHOs, based on the number of units under their management so that it was on an equal footing. Of the total global money, it was equally distributed on the basis of the allocated units that they had under their management.

CHAIRMAN (Mr. Ningark):

Thank you. Total operations and maintenance, \$58.374 million. Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Thank you. Next page, detail of capital, NWT Housing Corporation, contributions, headquarters, total region, \$7.902 million. Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Thank you very much. Contributions, Fort Smith, total region, \$4.215 million. Mr. Ootes.

MR. OOTES:

I have a question with respect to the development of various industries. In Hay River, there are several of them, and I'm wondering if the corporation is continuing its effort to help develop and promote northern manufacturers. There are door manufacturers, window and so forth in Hay River.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, part of the Housing Corporation's mandate besides building houses is to support the employment of northerners, et cetera. So, yes, there is some ongoing support in terms of buying products from these manufacturers.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. Has it ever been looked into to provide premanufactured homes in the communities? If that's not feasible, why would it not be feasible?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, I believe the Member is talking about modular homes. There is a pilot project beginning this year where we will have one put together in one of the communities. They're looking into it now.

CHAIRMAN (Mr. Ningark):

Thank you. I believe we used to have pay-back programs in the early 1960s, where they were already put together. It was just a matter of putting them up and all the walls were complete. That was just a comment I wanted to make. I'm trying to be neutral here. Thank you. Total contributions, Fort Smith, total region, \$4.215 million. Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Thank you. Contributions, Inuvik, total region, \$5.67 million. Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Merci. Contributions, Baffin, total region, \$13.864 million. Mr. Roland.

MR. ROLAND:

Thank you, Mr. Chairman. Can the Minister tell me how many units this will build?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, just bear with me a moment and we'll find out. Mr. Chairman, in the Baffin there will be 112 units built.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Roland.

MR. ROLAND:

Thank you, Mr. Chairman. I guess this would apply to all the numbers we have here on capital. Was there an average per unit being built, a dollar figure attached per unit, and is that how you came about your numbers?

CHAIRMAN (Mr. Ningark):

Thank you very much, Mr. Roland. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, I believe the Member asked about costs per unit. I don't have that in front of me. Maybe I'll just quickly go through this. The Baffin is getting 112; Keewatin will get 65; Kitikmeot will get 53; North Slave will get 27; South Slave, 32; the Western Arctic or Delta will get 37; for a total in the NWT of 346.

CHAIRMAN (Mr. Ningark):

Thank you. Baffin, total region, \$13.864 million. Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Thank you. Contributions, Keewatin, total region, \$8.226 million.

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Contributions, Kitikmeot ... This is only half of what the Baffin is getting.

--- Laughter

Total region, \$6.993 million. Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, Kitikmeot has less than half the population of Baffin.

CHAIRMAN (Mr. Ningark):

Thank you. I'm not in a position to argue. Total contributions, \$46.87 million. Mr. Steen.

MR. MILTENBERGER:

Mr. Chairman, I wonder if the Minister could tell us whether the \$9 million that he received from the federal government recently is going to have any impact on these numbers.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, the \$9 million to \$10 million will be added to whatever numbers we have here; although we will have a 25 per cent contribution to make, it will be a plus to whatever numbers we have.

CHAIRMAN (Mr. Ningark):

Thank you. Total contributions are \$46.87 million. Agreed?

SOME HON. MEMBERS:

Agreed.

---Agreed

CHAIRMAN (Mr. Ningark):

Thank you. Total activity, \$46.87 million.

SOME HON. MEMBERS:

Agreed.

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--- Agreed

CHAIRMAN (Mr. Ningark):

Thank you. Page 3-12, detail of grants and contributions. Contributions are \$58.374 million. Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Thank you. Total department, \$58.374 million.

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Thank you. For information, pro forma income statement on page 3-13. Are there any questions to this page? We will now move back to page 39, program summary, NWT Housing Corporation, operations and maintenance, total operations and maintenance, \$58.374 million. Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Thank you. Capital, total capital is \$46.87 million.

Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Thank you. Total expenditures are ... Mr. Roland.

MR. ROLAND:

Thank you, Mr. Chairman. Just to be informed here, how many employees does the Housing Corporation have?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. GOO ARLOOKTOO:

Mr. Chairman, 161.

CHAIRMAN (Mr. Ningark):

Thank you. Total expenditures are \$105.244 million.

Agreed?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Thank you. Do we agree that the NWT Housing Corporation is now concluded?

SOME HON. MEMBERS:

Agreed.

--- Agreed

CHAIRMAN (Mr. Ningark):

Thank you. I would like to thank the honourable Minister and the witnesses for appearing before the committee. What is the wish of the committee? Mr. Miltenberger.

MR. MILTENBERGER:

Mr. Chairman, of course, I'm prepared to follow the wish of the committee, but we agreed to work until 8:30 so my suggestion would be we make a start on Transportation; but if that's not the wish...

CHAIRMAN (Mr. Ningark):

Does the committee agree?

SOME HON. MEMBERS:

Nay.

CHAIRMAN (Mr. Ningark):

What is the wish? Mr. Henry.

MR. HENRY:

I propose we report progress.

CHAIRMAN (Mr. Ningark):

Did you move?

MR. HENRY:

I move we report progress.

CHAIRMAN (Mr. Ningark):

Thank you. Now I can say we moved it this way. He was stationary before. There is a motion to report progress and the motion is not debatable. All those in favour of the motion, please signify. All those opposed to the motion? The motion is carried.

--- Carried

I will rise and report progress to the Speaker.

MR. SPEAKER:

The House will come back to order. Item 20, report of Committee of the Whole. Mr. Ningark.

ITEM 20: REPORT OF COMMITTEE OF THE WHOLE

MR. NINGARK:

Thank you, Mr. Speaker. Mr. Speaker, your committee has been considering Bill 11, Committee Report 2-13(3) and Committee Report 4-13(3) and would like to report progress and, Mr. Speaker, I move that the report of Committee of the Whole be concurred with. Thank you.

MR. SPEAKER:

Secunder to the motion? Mr. Arlooktoo. The motion is in order. To the motion.

AN HON. MEMBER:

Question.

MR. SPEAKER:

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

--- Carried

Item 21, third reading of bills. Item 22, Mr. Clerk, orders of the day.

ITEM 22: ORDERS OF THE DAY

CLERK OF THE HOUSE (Mr. Hamilton):

Mr. Speaker, there are meetings of subcommittees A and B of the Standing Committee on Government Operations at 9:00 a.m. tomorrow morning.

Orders of the day for Thursday, May 16, 1996:

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

12. Reports of Committees on the Review of Bills
13. Tabling of Documents
14. Notices of Motion
15. Notices of Motions for First Reading of Bills
16. Motions
 - Motion 8-13(3), Recision of March 28, 1996
 - Committee of the Whole Decision
17. First Reading of Bills
18. Second Reading of Bills
19. Consideration in Committee of the Whole of Bills and
 - Other Matters
 - Bill 8, An Act to Amend the Income Tax Act
 - Bill 11, Appropriation Act, 1996-97
 - Committee Report 1-13(3), Standing Committee on
 - Government Operations Report on the Review of the
 - 1996-97 Main Estimates
 - Committee Report 2-13(3), Standing Committee on
 - Infrastructure Report on the Review of the 1996-97
 - Main Estimates
 - Committee Report 3-13(3), Standing Committee on
 - Resource Management and Development Report on
 - the Review of the 1996-97 Main Estimates
 - Committee Report 4-13(3), Standing Committee on
 - Social Programs Report on the Review of the 1996-97

Main Estimates

20. Report of Committee of the Whole
21. Third Reading of Bills
22. Orders of the Day

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MR. SPEAKER:

Thank you, Mr. Clerk. This House stands adjourned until Thursday, May 16, 1996, at 1:30 p.m.

--- ADJOURNMENT