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The Honourable **Samuel Gargan**, Speaker

MEMBERS PRESENT

Honourable Jim Antoine, Honourable Goo Arlooktoo, Mr. Barnabas, Honourable Charles Dent, Mr. Enuaraq, Mr. Erasmus, Mr. Evaloarjuk, Mrs. Groenewegen, Mr. Henry, Mr. Krutko, Mr. Miltenberger, Mr. Ningark, Mr. O'Brien, Mr. Ootes, Mr. Picco, Mr. Rabesca, Mr. Roland, Mr. Steen, Honourable Manikot Thompson, Honourable John Todd.

ITEM 1: PRAYER

Oh, God, may your spirit and guidance be in us as we work for the benefit of all our people, for peace and justice in our land and for constant recognition of the dignity and aspirations of those whom we serve. Amen.

DEPUTY SPEAKER (Mr. Ningark):

Good afternoon. Thank you, Mr. Enuaraq. Item 2, Ministers' statements. Mr. Todd.

ITEM 2: MINISTERS' STATEMENTS

Minister's Statement 77-13(4): The Northern Employment Strategy

HON. JOHN TODD:

Thank you, Mr. Speaker. Mr. Speaker, during the past two years it has been all too rare to hear good news about new program spending. For reasons all Members know well, it has been my responsibility to present the sobering, if not always popular, facts of this government's difficult financial situation. Our government was determined to lead, rather than be led, by circumstances seemingly beyond our control. But today I have the privilege of reporting that the last 18 months of difficult decisions and wise choices are beginning to pay off.

Responsible and prudent fiscal management has allowed us to reallocate government funds. Funds that we have raised from the sale of our property holdings such as staff housing are being reinvested in people and in community economic development and job creation.

Mr. Speaker, after consultation with my colleagues in the House who identified the need for such a program, I am pleased to announce today the launch of the Northern Employment Strategy. This \$16

million, in each of the next two years, is a focused action plan to stimulate job creation, economic growth and labour force development. It is specifically targeted to young people and those out of work - people out of hope - people who need a reason to believe in themselves and to believe in a better future.

Certainly, the challenges facing our communities are great. Whether we talk about unemployment, school drop-out, teenage pregnancy, alcohol and solvent abuse, crime or suicide rates, northern communities account for some of the most alarming statistics in the country. Clearly, Mr. Speaker, we cannot wait for our economic futures and fortunes to improve before we act. We face a socio-economic crisis that demands an urgent response.

I am confident the Northern Employment Strategy will go a long way to providing that response. Here is how it will work. The GNWT will directly support private sector and community economic development initiatives which:

- Stimulate immediate job and work experience opportunities, particularly for summer students and youth;
- Provide new job and work-related educational opportunities to social assistance recipients and unemployed residents; or,
- Offer training and technical support to build capacity within individual communities.

We will invest in seed initiatives that result in increased private sector access to equity capital and debt financing programs. This, in turn, will stimulate partnerships that lever other sources of funding to optimize access to capital, job creation, skills development and economic activity.

If approved by this Legislative Assembly, the Northern Employment Strategy will invest \$16 million in departmental programs. When combined with existing budgets, this means a total of \$30 million will be strategically invested in community, economic and labour force development initiatives this year. A further \$8 million is projected to be levered through contributions from partnerships and client equity. A minimum of \$12.5 million in project funds is expected to be spent on NWT goods and services.

As a result, at least 43,000 work weeks of employment -- the equivalent of 1,072 full-time jobs or \$17 million in payroll -- will be created, this year

alone. With the infusion of an additional \$16 million in the next fiscal year, we anticipate even greater results.

Mr. Speaker, the Northern Employment Strategy will be coordinated and co-managed by the Department of Resources, Wildlife and Economic Development, the Department of Education, Culture and Employment and the Financial Management Board Secretariat. These three departments will work together to reduce red tape and get more mileage out of every government dollar. They will maximize benefits to communities by offering an integrated one window access to capital and skills development opportunities to meet immediate job creation needs and to stimulate long-term economic growth.

Communities are the key to the success of the strategy. Consistent with this government's commitment to community empowerment, the Northern Employment Strategy will

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strengthen community efforts to achieve greater self-sufficiency and to improve social and economic conditions.

It will increase support for empowerment initiatives by providing the necessary advisory, human resource development, planning support and programming. It will give business, industry and communities the tools and flexibility they require to make wise economic decisions that will lead to the responsible management of our resources.

Mr. Speaker, we know the GNWT is no longer the engine of the economy. Business and community development drive economic growth, and are the lifeblood of job creation in a sustainable economy. We know, too, that the only lasting solutions to community challenges are invariably homegrown. That is why community-based and regional organizations, working in partnership with local private sector interests, will have control over project design, development and, more importantly, delivery.

With these new powers come new responsibilities. Communities will now be held accountable for the outcomes of their employment strategies. Achievable targets have been identified and projects will be measured against these standards to assess whether initiatives produce the expected results.

This represents a significant shift in the government's approach to how programs are delivered and how results are achieved. In today's difficult economy, it is essential that we focus our energies and resources on strategies that demonstrate the best performance. It is also important to note that the additional \$16 million, this year and next, will build on what ever works. In the interests of efficiency and cost effectiveness, most of the funds will go to six existing programs with the remainder being reinvested in two new initiatives. The monies will be allocated as follows:

- \$3 million to the Business Development Fund, to stimulate business growth through business planning, creation, marketing and the development of business skills;

- \$3 million to Community Futures, to replenish community funds that have been exhausted and to expand the program into the Sahtu, Deh Cho, Kitikmeot and North Slave regions;

- \$2 million to the Community Initiatives Program, which supports community-based projects such as community wellness, municipal infrastructure, student programs and pathways;

- \$2 million to the GNWT/Canada Infrastructure Initiative, to revitalize local infrastructure, provide skills training, work experience and short-term jobs to individuals in the community;

- \$2 million to investing in people, which helps individuals become more employable through adult basic education and personnel development;

- \$2 million to Working Together, Youth at Work which will provide subsidies to employers who hire students or young people;

- \$1.5 million to the Community Empowerment Development Fund to support municipal governments as they take on more responsibilities transferred from the GNWT; and,

- \$500,000 in grants to small businesses which are geared to individuals - typically social assistance recipients - who are unable to access larger business programs.

I remind this House that these are not new dollars. They are reinvested dollars. Dollars re-directed to areas of greatest need. We are making strategic investments, investing in people, providing incentives for learning, encouraging self-reliance and creating opportunities for economic growth and lasting

employment. We are increasing our investments where it counts, in the areas that will make the most difference over the longer term. More to the point, we are putting our investment in people first.

Mr. Speaker, I am not suggesting the Northern Employment Strategy will be a panacea. Our needs are great and funding is still scarce. But it is a critical first step on the path to greater economic growth and self-sufficiency for northern communities.

I want to thank my colleagues, the Honourable Charles Dent, Honourable Stephen Kakfwi and Honourable Maniok Thompson for the productive partnerships which have made this important new initiative possible. I would also like to recognize the role of the Standing Committee on Government Operations in identifying the need to develop a comprehensive northern employment strategy and their advice in the development of this strategy.

Mr. Speaker, every Member of this Legislature can take pride in this accomplishment. Our collective commitment to fiscal responsibility to making difficult, but ultimately the right choices, has allowed us to make this progress. Thank you, Mr. Speaker.

-- Applause

DEPUTY SPEAKER:

Thank you, Mr. Todd. Ministers' statements. Mr. Dent.

Minister's Statement 78-13(4): Providing Opportunities for Students and Youth

HON. CHARLES DENT:

Thank you, Mr. Speaker. Good afternoon. Mr. Speaker, as the Minister of Finance has just said this government is committed to helping students and youth find meaningful employment. Two months ago, along with my honourable colleague, Mr. Erasmus, I was pleased to announce a new initiative of my department called Working Together: Providing Opportunities for Students and Youth. Mr. Speaker, the funding for Working Together was part of the

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Northern Employment Strategy just announced by the Finance Minister a few minutes ago.

This two-part program is aimed at helping post-secondary and senior high school students in their search for summer work, and at young people who

have been unemployed for at least three months. Working Together provides wage subsidies to employers to help offset the costs of hiring students and/or youth with limited skills. Although the program has been in existence for less than two months, it is already a resounding success.

To date, 110 contracts have been written with northern employers. This represents jobs for 332 students and youth. The two-year program is expected to generate 10,000 work weeks of employment.

-- Applause

Student and youth employment is a critical challenge for the Northwest Territories. However, government cannot meet that challenge on its own. We are pleased with the level of co-operation we have experienced so far with employers. We continue to seek partnerships with private sector employers, municipal governments, band councils and other non-governmental organizations to get more youth and students working.

Mr. Speaker, together, we can ensure that youth acquire the skills and knowledge they need to increase their employability and in the longer term, make a successful transition from school to work. Thank you.

-- Applause

DEPUTY SPEAKER:

Thank you, Mr. Dent. Ministers' statements. Mr. Ootes. Thank you.

MR. OOTES:

Thank you, Mr. Speaker. Mr. Speaker, pursuant to rule 34(5);

I move, seconded by the honourable Member for Amittuq that the Minister's Statement 77-13(4), entitled "The Northern Employment Strategy" be moved into committee of the whole for further discussion. Thank you, Mr. Speaker.

DEPUTY SPEAKER:

Thank you. The motion is in order. Question has been called. All those in favour of the motion, signify. Down please, thank you. Opposed? The motion is carried. Minister's statement 77-13(4) will be moved into the committee of the whole for today. Thank you.

I would like to take this opportunity to recognize one of our young men, Mr. Jay Bran, who is our deputy Sergeant-at-Arms. Jay is a student who is attending Langara College in Vancouver and is taking environmental studies. I would also like to recognize Jay's parents, Mrs. Eleanor and Mr. Barry Bran, who are sitting in the Gallery today. Welcome.

-- Applause

Thank you. Welcome to the Assembly. On behalf of Mr. Picco and our colleagues, Members of this Legislature I would like to wish a happy birthday to one of the Pages from Iqaluit, Alex Stubbing. Happy birthday.

-- Applause

Item 3, Members' statements. Mr. Miltenberger.

ITEM 3: MEMBERS' STATEMENTS

Member's Statement 335-13(4): Settlement Allowance

MR. MILTENBERGER:

Thank you, Mr. Speaker. My Member's statement today deals with the long outstanding issue of settlement allowances as it affects the communities of Fort Smith, Hay River and Yellowknife. There is an ongoing difference between the union and the government about whether settlement allowances should have been paid to unionized employees in these communities. Excuse me. I have been watching my colleague Seamus in public speaking and I am starting to regress.

DEPUTY SPEAKER:

Thank you, Mr. Miltenberger. I would like to remind all Members again, in recognition of the dignity of the House, a Member of the House cannot use another Member's first name. You should use the last name, in respect of other Members. Thank you. Madam Groenewegen, Member for Hay River.

Member's Statement 336-13(4): Power Corporation Division Plans

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. Mr. Speaker, as Members of the Assembly we have access to an abundance of information that we try to stay ahead of. I can only imagine that it is difficult for the public to keep

informed and decipher fact from fiction with the information that they glean through our public proceedings, through the media et cetera. Today, Mr. Speaker, I would like to assist the public by clarifying an issue dealing with the Northwest Territories Power Corporation, based on concerns which have been raised to me by the public.

Several months ago, after the release of Footprints in the Snow 2 and after a very comprehensive briefing of Members by senior officials of the Power Corporation, there was general

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agreement by the GNWT, federal government and NTI that the Power Corporation would remain as a single entity. The two new governments would be the shareholders. This general agreement, in my opinion, addressed the immediate future of the Power Corporation's operations. However, it would appear that a persistent myth in the west that we are subsidizing power rates in Nunavut is still out there. This myth, in turn, feeds ongoing debate surrounding division of the Power Corporation.

It is important for the public to understand the following points: First, the rate structure of the NWT Power Corporation is such that there is no, I repeat, no cross subsidy between Nunavut and the West. Each rate zone supports itself. Secondly, there is a subsidy for power rates, but that subsidy is through the territorial Power Support Program, not the NWT Power Corporation. The Power Corporation neither administers nor has any authority over this support program.

Quite frankly, I find the often revisiting and reopening of this issue to be disturbing. First of all, it appears that a part of the discussion is predicated on misinformation regarding cross subsidization. It creates confusion, not to mention apprehension on the part of the employees and it is very likely driven by individuals representing interests relating to privatization which only complicates matters at this junction in time. It also takes away time that should be spent on the many outstanding issues relating to division. I hope that this information provides some clarification to the public. Thank you, Mr. Speaker.

-- Applause

DEPUTY SPEAKER:

Thank you, Madam Groenewegen. Members' statements. I have the honourable Member for Mackenzie Delta, Mr. Krutko.

Member's Statement 337-13(4): Flood Preparedness in the Mackenzie Delta

MR. KRUTKO:

Thank you, Mr. Speaker. My statement today is regarding the situation the people of Aklavik find themselves in again this year, where they are presently on flood watch because of the high water in the Mackenzie Valley and also in the Delta. I think that one thing we can say, watching on the television about what is happening in the United States, Manitoba and the Peace River Basin, that it is better to be proactive rather than reactive in regard to floods. I think we have to have a mechanism in place to ensure that we protect not only the residents of those communities, but the property and the infrastructure we presently have in those communities to ensure there is adequate infrastructure built in those communities, such as we have seen carried out in Manitoba to protect the property of individuals and also the city of Winnipeg.

This government has to take an effective approach through its Emergency Measures Act and ensure that when they build infrastructure for those communities who are in flood areas, the adequate infrastructure is built. Instead of failed reactions to floods, we should have adequate arrangements built in those communities when we put infrastructure there such as dykes and whatnot, and also have adequate drainage systems so when it does flood, it does not cause individual homes to be flooded or property to be damaged. I believe this government should take an active role in developing a policy and also developing infrastructure with the understanding of where that infrastructure is being built.

Mr. Speaker, at the appropriate time I will be asking the appropriate Minister a question regarding emergency measures and also, in the case of Aklavik, to ensure that resources are made available to that community to develop proper infrastructure. Instead of reacting to floods, let us be proactive and put something there to protect them. Thank you.

-- Applause

DEPUTY SPEAKER:

Thank you, Mr. Krutko. Members' statements. The honourable Member for Yellowknife Centre, Mr. Ootes.

Member's Statement 338-13(4): Government Contracting Policies

MR. OOTES:

Thank you, Mr. Speaker. After the last session of this House, I was invited to speak at the annual meeting of the NWT Construction Association. This was in response to my comments on sole source and negotiated contracts. Now the association represents a cross section of firms from across the Northwest Territories, small ones, large ones, engineering firms, architects, suppliers and contractors. At this meeting, 75 people were present, Mr. Speaker. After my presentation, we had a question and answer period. One of the questions I posed was how many people here are in favour of sole source and negotiated contracts and see a benefit to it? Not one hand went up, Mr. Speaker, out of 75 people there.

-- Applause

Now, the association itself has taken quite an aggressive stand in supporting public tendering systems. While I am not against sole source and negotiated contracts on a 100 percent basis, I feel that there is need for clarification of the policy. Now, since Mr. Picco's motion last year, seconded by myself, the government produced an initial report but now has produced this particular report. It is the latest one and I have to compliment the government. I do not go out of my way to compliment the government much, except yesterday and today, and this is an excellent report. It provides all the data that we have been seeking. At the back is a summary, tabulated in sole source, negotiated and tendered in columns of where they went. I think it is very, very valuable. My compliments.

However, what it does point out that while we have come a long way, we have a great many sole source and negotiated contracts and that is of concern. It is the percentage of sole source contracts that are of concern to me. We need clarification of the conditions under which those are let, and then address the concern about the quantity. We need to reduce the quantity of sole source and negotiated contracts, Mr. Speaker, because the system and volume is building resentment amongst a number of businesses in our

communities. I want to watch that we do not create a system of corporate support which is available to some, but not to others. If we could address that, Mr. Speaker. And we want to ensure we have...

DEPUTY SPEAKER:

Mr. Ootes, your allotted time has elapsed. Mr. Ootes.

MR. OOTES:

I am finished.

DEPUTY SPEAKER:

The honourable Member for Yellowknife South, Mr. Henry. Thank you.

Member's Statement 339-13(4): Preparations For Division

MR. HENRY:

Thank you, Mr. Speaker. Mr. Speaker, when I came to this legislative building approximately 18 months ago, there were many issues my constituents wanted me to address. One of these issues was preparation for division. There was a feeling that Nunavut was well on its way with a clear vision and lots of support from the federal and the territorial governments. People did not think the west was getting equal treatment. They told me they were worried that the west would not be properly represented when it came time to divide the pie. The hot topic was assets and liabilities. Over the past year, I have looked at the assets and liabilities and reviewed the papers prepared by the government. Like most MLAs, I do not see major concerns in this area. Most of the assets and liabilities are quite straightforward as to how they should be divided. It is very clear how they should be divided, with the exception of a couple or three items.

People then told me they were worried about material changes between the two territories. Again, I have looked at this and it is not going to be a big deal, Mr. Speaker. The Members of the Legislative Assembly have spent the last week reviewing the initial division costings of the two new governments. We were prepared for some significant differences in opinion between eastern and western Members, but it never happened. There are not many trouble spots, just more technical details. I am convinced that there are not very many areas where east and west will have major differences. There is not a big fight coming, Mr. Speaker. What we do have is a lot of work to do to get

people and programs in place in both territories by April 1, 1999.

I am aware of the fears of some western residents about division and what it will mean. One of the things that I have done with the support of my colleagues in the Western Caucus of the Assembly is to become involved with the Western Coalition. This group is working hard, yes very hard, Mr. Speaker, and it is focused with working with other parties to make division happen as smoothly as possible. Mr. Speaker, there is lots being done to prepare for division both east and west. If we can stay focused and not get sidetracked by unnecessary tangents, we will be ready. Thank you, Mr. Speaker.

-- Applause

DEPUTY SPEAKER:

Thank you, Mr. Henry. The honourable Member for Inuvik, Mr. Roland.

Member's Statement 340-13(4): Addressing Western Concerns About Division

MR. ROLAND:

Thank you, Mr. Speaker. Mr. Speaker, I rise today to speak on the issue of division and the concern that was raised from Members of the west not only in this Assembly, but outside of this Assembly when it comes to businesses and other people. Mr. Speaker, as we heard earlier, a Western Coalition was formed and through that I represent the Members of the Western Caucus. This coalition was formed early last winter and began on the road of looking at issues that would affect the west when it comes to division. The partnership is made up of the Aboriginal Summit, the NWT Chamber of Commerce, and the NWT Association of Municipalities. All of the western groups of those bodies are represented at the table. I am trying to bring information out here to show people of the west that we are definitely working to ensure that, as division comes, what we have today as services and programs continue to exist after division.

I think the same would be going for the east as they go about their work to ensure that we have no less after division than we have today. We struggled through hard times as we have heard earlier when it comes to balancing the budget. I think we have a long road to go, but with the continued cooperation and effort of all parts of the coalition and the Assembly we can get through this without much difficulty. There will

be a lot of work and there will be pick-ups along the way, but through hard work and a good effort from all parts, I am sure that we will be able to see compromises come and reach conclusions in the necessary time that we are allotted.

So to let the people of the west know that we are at work not only as an Assembly, but as people from the west to make sure that we look at what impacts will come down because of division. We will look out for the best interests of the western population as well as I am sure the eastern groups will be doing for the east. Thank you, Mr. Speaker.

-- Applause

DEPUTY SPEAKER:

Thank you, Mr. Roland. Members' statements. The honourable Member for High Arctic, Mr. Barnabas.

Member's Statement 341-13(4): Municipal Service Problems in Grise Fiord

MR. BARNABAS:

Qujannamiik. (Translation) Thank you, Mr. Speaker. Mr. Speaker, I would like to make a Member's statement in regards to the residents of Grise Fiord. They have had problems with their municipal services such as water delivery. I would like to state that even though the community is relatively small, it is growing every year because of high birth rates. At the appropriate time, I would like to ask the Minister of MACA questions regarding my statement. Thank you, Mr. Speaker. (Translation ends)

DEPUTY SPEAKER:

Thank you, Mr. Barnabas. The honourable Member for Iqaluit, Mr. Picco.

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Member's Statement 342-13(4): Potential Telephone Service Competition

MR. PICCO:

Thank you, Mr. Speaker. Mr. Speaker, northern telephone users will soon find out what type of savings they will experience from long distance calling charges. The CRTC has requested NorthwesTel to submit by May 30th a plan that will bring competition to the long distance service in northern Canada. As of today, NorthwesTel is the only legal provider of long

distance in the Yukon and the Northwest Territories. The reason for this submission is because a southern based company, specializing in long distance carrier rates, filed a complaint about the NorthwesTel monopoly.

What has happened to date is that telephone companies charge higher long distance rates and this extra revenue was used to offset the cost of local service. Here in the north, NorthwesTel's local phone rates have continually increased over the past few years as a result of CRTC approval for rate rebalancing. The new submission as requested by CRTC could mean dramatic increases to the local phone rates. As one of the largest customers of NorthwesTel does the GNWT have a position on the plan to bring competition to the long distance market and has the GNWT looked at the implications if local users costs continue to rise?

Mr. Speaker, with job reductions, wage rollbacks, increased water and sewage costs, et cetera to the average GNWT resident, what will the impact of increased local phone rates have? For business and government, what will the extra cost of business be? Who will pay this extra cost? Will the cost be turned over to the consumer? Mr. Speaker, NorthwesTel must make its proposal available for public inspection during normal working hours at every NorthwesTel business office but who will be representing the local resident? The consumer? There is only one public meeting scheduled for the Northwest Territories and that is here in Yellowknife on June 24, 1997. Later today, I will be asking the appropriate Minister questions on this matter. Thank you, Mr. Speaker.

DEPUTY SPEAKER:

Thank you, Mr. Picco. The honourable Member for Kivallivik, Mr. O'Brien.

Member's Statement 343-13(4): Replacement of Keewatin Dental Therapists

MR. O'BRIEN:

Thank you, Mr. Speaker. Mr. Speaker, once again today I rise on a sad note. Mr. Speaker, over the past ten years, dental therapists have been working, educating and caring for students in the Keewatin schools. Mr. Speaker, at the end of this month, it is the intention of the Keewatin Health Board to terminate the dental therapists and replace them with a dentist. Mr. Speaker, I do not know the details as to what services will be delivered, how many hours the

dentist will serve. I can tell you that most of the communities do not want this change. They are happy with the level of service that they presently enjoy. Most of these individuals, these therapists, have worked for the past ten to 12 years in the school system with the children. The parents and the teaching staff are very happy with them. They would like to see the system stay as it is.

Mr. Speaker, the concerns of the communities, the hamlets have been made known to the health boards. This week we received letters from the hamlets and the hamlet councils stating that they did not want this system changed. They want it left the way it presently is. Up to this point, Mr. Speaker, there has been no change in the direction of the decision by the health board. They are still forging on with their decision to impose this new concept.

Mr. Speaker, it was only eight months ago that this government tried to impose a new Keewatin resupply system on the Keewatin people. The response by the mayors and the hamlets was that they did not agree with the new proposal. They felt it was not feasible. They did not want it to go ahead. Still, Mr. Speaker, the government forged on with this proposal. After eight months of meetings and a \$100,000 study, the proposal was killed. Mr. Speaker, once again the people want to be heard. They do not agree with this new proposal. In the end, Mr. Speaker, we do not want to see another David and Goliath story. Thank you.

-- Applause

DEPUTY SPEAKER:

Thank you, Mr. O'Brien. Members' statements. The honourable Member for Yellowknife North, Mr. Erasmus.

Member's Statement 344-13(4): Need For Partnerships in Northern Governance

MR. ERASMUS:

Thank you, Mr. Speaker. I rise today to speak about partnerships. Mr. Speaker, one of the current buzz words everyone hears is partnerships. Although it may seem like jargon, the 13th Assembly is committed to the idea behind the word. Committed to finding ways to let the various parties, the GNWT, the municipalities and the aboriginal governments have a voice and a role to work together rather than against each other, to recognize current and future common

interests. Historically, government has not been great about bringing all parties to the table. In Yellowknife, government has often talked to the Yellowknives Dene First Nation or to the municipality, but seldom to both. Decisions were made which made some people unhappy or left them in the dark.

Mr. Speaker, the big push of this Assembly has been to recognize the need for partnerships, to encourage greater sharing of authority and responsibility through community empowerment. One of the first steps was to get public government and self-government working together on the Western Constitutional Process. There is a more local and a more recent example of how this could work in Yellowknife. I am talking about the process to appoint an administrator for the Yellowknife Health and Social Services Board. I am pleased to see both Yellowknife City Council and the Yellowknives Dene First Nation were consulted. Mr. Speaker, nothing was imposed. The territorial government, the municipality and the first nation reached agreement on how to get the work done and who should be hired to do it. Everyone was involved and a good decision was made. This is one small but important step in building the kinds of partnerships we need, partnerships based on trust and working together. I

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hope this will serve as an example for other departments and communities. Thank you.

-- Applause

DEPUTY SPEAKER:

Thank you, Mr. Erasmus. Members' statements. Item 4, returns to oral questions. Item 5, recognition of visitors in the gallery. Mr. Henry.

ITEM 5: RECOGNITION OF VISITORS IN THE GALLERY

MR. HENRY:

Thank you, Mr. Speaker. Mr. Speaker, I would like to recognize Michael Adam. He has been a GNWT employee for the past 12 years. He is a technical consultant with Systems and Computer Services. He is taking some time off and visiting us in the Legislative Assembly. Thank you, Mr. Speaker.

-- Applause

DEPUTY SPEAKER:

Thank you. Welcome to the Assembly. Recognition of visitors in the gallery. Item 6, oral questions. Mr. Enuaraq.

ITEM 6: ORAL QUESTIONS

Question 476-13(4): Moving Airstrip in Pangnirtung

MR. ENUARAQ:

(Translation) Thank you, Mr. Speaker and honourable colleagues. Today, I would like to a question to the Minister of Transportation, Honourable Jim Antoine. It is in regards to the airstrip that should be moved to another location. I just wonder whether it has been considered by the Department of Transportation whether the airstrip could be moved to another location from its present location. (Translation ends)

DEPUTY SPEAKER:

Mr. Antoine.

Return To Question 476-13(4): Moving Airstrip in Pangnirtung

HON. JAMES ANTOINE:

Thank you, Mr. Speaker and good afternoon colleagues. Mr. Speaker, the Pangnirtung airport, there was a study done by the Department of Transportation on this airport in 1993. As a result of that study, the cost of relocating the airstrip was very expensive. I think it was estimated at about \$11 million to relocate, the least cost of relocation. As a result, the department had concluded that kind of expenditure could not be justified at that time. At the present time, the department's position is that we cannot afford to relocate the airstrip at this time. However, because of the numerous requests from other communities for work on their airstrip and because of the outstanding requests of residents of Pangnirtung, which are very expensive, and the current level does not allow us to program these projects at this time. As a department we have been trying to undertake a full review of the existing airports to determine long term improvement plans which can be supported with the existing funds that we have. At the same time, carriers and communities such as Pangnirtung are being directly involved in these studies. Thank you.

DEPUTY SPEAKER:

Thank you. Supplementary, Mr. Enuaraq.

Supplementary To Question 476-13(4): Moving Airstrip in Pangnirtung

MR. ENUARAQ:

(Translation) Thank you, Mr. Speaker. I wrote a letter to the Minister of Transportation recently and asked him whether he could provide some partial funding for the transfer or the moving of the airstrip. I wonder if he could provide some partial funding for the relocation of the airstrip in Pangnirtung? Thank you. (Translation ends)

DEPUTY SPEAKER:

(Translation) Mr. Antoine. (Translation ends)

Further Return To Question 476-13(4): Moving Airstrip in Pangnirtung

HON. JAMES ANTOINE:

Thank you, Mr. Speaker. Mr. Speaker, the airport in Pangnirtung has been studied, like I said, there was an intensive study done in 1993 which looked at the options for relocating and upgrading the airport. During the study, the department identified about five alternative airport sites and we also compared the cost of a new airport at these sites, upgrading the existing airport. Like I said, the cost to relocate is more than what we have. As we know, in the last 18 months we went through a very intensive cost cutting exercise. The Department of Transportation took a very big cut in our existing capital money. It is very impossible to commit to funding any part of relocating this airport project. However, the department is looking at long term plans. We cannot afford it now, but we could at least look at long term plans on how something like this could be achieved in the future. Thank you.

DEPUTY SPEAKER:

Thank you. Oral questions. The honourable Member for Thebacha, Mr. Miltenberger.

Question 477-13(4): Settlement Allowance For Unionized Employees

MR. MILTENBERGER:

Thank you, Mr. Speaker. My question is to the Minister of FMBS and it is regarding the issue of settlement allowances that I addressed in my Member's statement. I have been in contact with the Minister on this particular issue for many months now

and it seems no nearer to any kind of clear resolution than when I first contacted him. Could the Minister please indicate the status of this particular matter to this House and time-lines, please?

DEPUTY SPEAKER:

Thank you. The honourable Minister for the Financial Management Board, Mr. Todd.

Return To Question 477-13(4): Settlement Allowance For Unionized Employees

HON. JOHN TODD:

Yes, Mr. Speaker. I can appreciate my honourable colleagues concern and the concern of some of the constituents he represents, but I am not really in a position to make any comment on that. I mean, it is before arbitration. It would be inappropriate for me to make any comment. We

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have to let due process take its course and I will do what I can to encourage a speedy resolve, one way or the other, to this outstanding issue. Thank you.

DEPUTY SPEAKER:

Thank you, Mr. Todd. Mr. Miltenberger, supplementary.

Supplementary To Question 477-13(4): Settlement Allowance For Unionized Employees

MR. MILTENBERGER:

Thank you, Mr. Speaker. This matter affects, as I indicated, about 2,000 employees located in Hay River, Fort Smith, and Yellowknife. There are a number of us that are concerned about this issue. Information I received indicates that the matter was in fact taken out of arbitration. So could the Minister elaborate further on his particular comment that it is before arbitration? It seems to be causing some confusion. If in fact it is before arbitration, I agree then the method of resolution that the union would agree to as well. But my understanding is that, in fact, it is not before arbitration. Thank you.

DEPUTY SPEAKER:

Thank you. Mr. Todd.

Further Return To Question 477-13(4): Settlement Allowance For Unionized Employees

HON. JOHN TODD:

It is not uncommon for the honourable Members to know more than I do in this job, and I say that in all seriousness, but my to understanding it is. As I said, I think it would be unfair of me at this time to make any comment. We are going to have to let due process take its course and my notes say that it was referred to arbitration. I will double check on that, but I am not prepared to answer any other questions on this issue at this time. Thank you.

DEPUTY SPEAKER:

Thank you, Mr. Todd. Second supplementary, Mr. Miltenberger.

Supplementary To Question 477-13(4): Settlement Allowance For Unionized Employees

MR. MILTENBERGER:

Thank you, Mr. Speaker. Could the Minister give some assurances then, as to the time-lines involved with his checking on this particular issue, and clarifying whether in fact it is within the arbitration process or not? His timely response would be appreciated and would greatly direct the slant of the questions that I would have. Thank you.

Further Return To Question 477-13(4): Settlement Allowance For Unionized Employees

DEPUTY SPEAKER:

Thank you. The honourable Minister, Mr. Todd.

HON. JOHN TODD:

Thank you, Mr. Speaker. I do apologize. I will answer that question because now I read my notes properly. My understanding is that right now it is in justice and there are grey areas, so at this time I would not be in a position to respond, in a definitive way, to my honourable colleague as to how this issue is going to progress. Thank you.

DEPUTY SPEAKER:

Thank you. Final supplementary, Mr. Miltenberger.

Supplementary To Question 477-13(4): Settlement Allowance For Unionized Employees

MR. MILTENBERGER:

Thank you, Mr. Speaker. It is gratifying to see the decisive nature of the Minister for FMBS as he quickly comes to grips with this complicated matter and shuffles through his briefing notes. The issue of it being a grey matter before the Department of Justice, does that have the same legal weight as you cannot talk about it because it is before the courts? Or you cannot talk about it because it is in the arbitration process? Is this a new generic umbrella phrase which we could park a whole number of issues? Thank you.

DEPUTY SPEAKER:

Thank you. Mr. Todd.

Further Return To Question 477-13(4): Settlement Allowance For Unionized Employees

HON. JOHN TODD:

Thank you, Mr. Speaker. I agree with my colleague. Thank you.

DEPUTY SPEAKER:

Thank you. The honourable Member for Mackenzie Delta, Mr. Krutko.

Question 478-13(4): Flood Preparedness Plan For Aklavik

MR. KRUTKO:

Thank you, Mr. Speaker. My question is for the Minister of Municipal and Community Affairs, Manitok Thompson. It is in regards to my opening statement about being pro-active versus being reactive in relation to floods, especially in relation to Aklavik. As you know, right now Aklavik is on flood watch. Are there emergency measures and a plan in place to protect the residents of Aklavik and also the buildings and infrastructure in the community, such as private property and government property, such as the water treatment plant, the airport, the hospital, and the housing corporation residents?

I would also like to ask the Minister that they work along with the community to ensure that an adequate plan is in place that not only looks at the planning process, but looks at what infrastructure can be built in that community to protect it against floods that may occur in the next couple of years. The last big flood was five years ago and I think we have seen that it is a better strategy to ensure there is adequate

infrastructure built to protect the community, such as drainage systems and dykes, or rims that can be built around the community to protect it when a flood occurs.

I would like to ask the Minister, along with her department, if she can assure me that the adequate human resources will be in place with individuals from the Emergency Measures Department, the Department of Public Works and also her Department to ensure that they look at the whole question of infrastructure to protect the community against floods and the possibility of having the adequate funds identified through the

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committee that has been established in Aklavik to work with the community. Thank you.

DEPUTY SPEAKER:

Thank you. There were a number of questions. The honourable Minister for Municipal and Community Affairs, Madame Thompson.

Return To Question 478-13(4): Flood Preparedness Plan For Aklavik

HON. MANITOK THOMPSON:

Thank you, Mr. Speaker. There seems to have been a lot of questions asked on the issue of flooding in Aklavik. I can say that my staff has been monitoring the flood in Aklavik daily and we are doing everything we can to help the community. The community seems to be satisfied with the initiatives that we have put in place for the emergency measures in regards to the flood in Aklavik. It has not been an extreme emergency situation as yet, but we are monitoring it every day. Now, in regards to infrastructure, there is no new money coming for building, I think he said a new hospital? We will investigate dykes and drains further, but I have not had any serious concerns from the community as to what infrastructure they want. Thank you, Mr. Speaker.

DEPUTY SPEAKER:

Thank you, Madame Thompson. Supplementary, Mr. Krutko.

Supplementary To Question 478-13(4): Flood Preparedness Plan For Aklavik

MR. KRUTKO:

Thank you, Mr. Speaker. To clarify my position on developing infrastructure, I was looking more in line of developing a protective regime in the community to protect the assets that are presently there, such as the water treatment plant which is pretty close to the river system so if flood water goes over the bank, there is something there to protect that infrastructure instead of just having it sit on a flat surface. The same thing for the drainage systems in the community, if there is some plan in place to ensure that the drainage system that is there can take a flood by allowing the water to run out of the community rather than over the roads and whatnot, so if she can get her department to look at those particular infrastructure aspects of the community. Thank you.

DEPUTY SPEAKER:

Thank you. Madame Thompson.

Further Return To Question 478-13(4): Flood Preparedness Plan For Aklavik

HON. MANITOK THOMPSON:

Thank you, Mr. Speaker. I will have my department look into the problem and see what we can do. We have been monitoring the flood in Aklavik and the department is looking into it daily. I have not had any serious concerns from the department in regards to the Aklavik situation. We are doing everything we can to help them. I think we have also evacuated the elders and some children from what I gather. We are doing everything we can to help the situation and we will work with the Member in his community. Thank you.

DEPUTY SPEAKER:

Thank you. Second supplementary, Mr. Krutko.

Supplementary To Question 478-13(4): Flood Preparedness Plan For Aklavik

MR. KRUTKO:

Thank you, Mr. Speaker. I would also like to ask the Minister if it is possible for her department to maybe contact the Canadian Armed Forces in regards to their expertise in flood control after doing such an excellent job in Manitoba in relation to that flood, so that you could coordinate the emergency measures with the military and also with this government to ensure adequate arrangements are made to protect the residents and communities when events such as

floods happen in the Northwest Territories? Thank you.

DEPUTY SPEAKER:

Thank you. Madame Thompson.

Further Return To Question 478-13(4): Flood Preparedness Plan For Aklavik

HON. MANITOK THOMPSON:

Thank you, Mr. Speaker. I know the department is doing everything they can to help Aklavik. If it becomes an extreme emergency such as the Manitoba flood, then we will look into the other ideas that the Member is suggesting, but right now we are satisfied with the emergency measures plan that we currently have in Aklavik. Thank you, Mr. Speaker.

DEPUTY SPEAKER:

Thank you. Final supplementary, Mr. Krutko.

Supplementary To Question 478-13(4): Flood Preparedness Plan For Aklavik

MR. KRUTKO:

Thank you, Mr. Speaker. I am not exactly clear with the Minister's response. The point I am trying to make is if there is a committee in place in Aklavik, because of the circumstances that we are in to date, I believe it will be easier to deal with the whole question of flooding and whatnot because there is a committee to look at that, and if it is possible for your people within your department to deal with this, in regards to the emergency measures plan, to sit down with the community as soon as possible to look at the whole question about flooding while it is still current? Thank you.

DEPUTY SPEAKER:

Thank you. Madame Thompson.

Further Return To Question 478-13(4): Flood Preparedness Plan For Aklavik

HON. MANITOK THOMPSON:

Thank you, Mr. Speaker. We have been monitoring the community and working with the community. We are doing everything we can to help the community and I will investigate this further and get a full briefing on the flooding in Aklavik. We will work with the

committee. I know the department has already been working with the community and the committee in Aklavik. Thank you, Mr. Speaker.

DEPUTY SPEAKER:

Thank you, Madame Thompson. Oral questions. The honourable Member for Iqaluit, Mr. Picco.

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Question 479-13(4): NWTel Rate Increase

MR. PICCO:

Thank you, Mr. Speaker. Mr. Speaker, my question is regarding my Member's statement on NorthwesTel. My question is for the Minister of Communications regarding the Northwest Territories' submission to the CRTC. Mr. Speaker, as one of the largest customers of NorthwesTel, this government will be dramatically affected by any NorthwesTel rate increase to local service costs. Will this government be appearing as an intervener on the NorthwesTel CRTC application? Thank you, Mr. Speaker.

DEPUTY SPEAKER:

Thank you. The Honourable Mr. Arlooktoo.

Return To Question 479-13(4): NWTel Rate Increase

HON. GOO ARLOOKTOO:

Thank you, Mr. Speaker. The answer is "Yes". We have started working on a submission on the GNWT position to be put forward to the CRTC.

DEPUTY SPEAKER:

Thank you. Supplementary, Mr. Picco.

Supplementary To Question 479-13(4): NWTel Rate Increase

MR. PICCO:

Thank you, Mr. Speaker. Mr. Speaker, recently this government signed a financing deal with Ardicom, of which the NorthwesTel is a partner. Would the GNWT be in a conflict as a funder of NorthwesTel through the Ardicom contract in regards to the CRTC hearing?

DEPUTY SPEAKER:

Thank you. Mr. Arlooktoo.

Further Return To Question 479-13(4): NWTel Rate Increase

HON. GOO ARLOOKTOO:

Mr. Speaker, I would believe the answer is "No". The rate increase is totally separate from the Ardicom contract which deals with the digital communication infrastructure.

DEPUTY SPEAKER:

Thank you. Second supplementary. Mr. Picco.

Supplementary To Question 479-13(4): NWTel Rate Increase

MR. PICCO:

Thank you, Mr. Speaker. Mr. Speaker, I know it is a separate issue, but on one hand we are funding NorthwesTel as a partner of Ardicom to about \$5 million a year over the next five years to help upgrade equipment. On the other hand, we are now going to be appearing before the CRTC because of the rate increase. Are we biased in our presentation to the CRTC because of that implication? That is my question.

DEPUTY SPEAKER:

Thank you. The honourable Minister for Public Works and Services, Mr. Arlooktoo.

Further Return To Question 479-13(4): NWTel Rate Increase

HON. GOO ARLOOKTOO:

Mr. Speaker, the Ardicom contract is now one which the GNWT just gives the company \$5 million a year. In fact, what we are getting is a system across the territories and service the digital communication services. I will be pleased to pass on a briefing note to the Member to ensure that he has more information on the matter.

DEPUTY SPEAKER:

Thank you. Final supplementary. Mr. Picco.

Supplementary To Question 479-13(4): NWTel Rate Increase

MR. PICCO:

Thank you, Mr. Speaker. Mr. Speaker, if the government is actually going to sit down and appear before the CRTC as an intervener, I wonder has the government then looked at the possible implications of cost to this government of the rate increases as proposed in the CRTC submission? Thank you.

DEPUTY SPEAKER:

Thank you. Mr. Arlooktoo.

Further Return To Question 479-13(4): NWTel Rate Increase

HON. GOO ARLOOKTOO:

Mr. Speaker, as I said, we are still developing the position paper and, at some point in time, I would expect that the position would be shared with committees of the House. The position would include our views of the rate increase and the levels of service to small communities, et cetera.

DEPUTY SPEAKER:

Thank you. Oral questions. The honourable Member for Yellowknife Centre, Mr. Ootes.

Question 480-13(4): Report on Government Contracting

MR. OOTES:

Thank you, Mr. Speaker. As I said earlier, the government has come a long way in producing a report on sole source and negotiated contracts in this report, I found it extremely useful. It tabulates under sole source and negotiated contracts and provides totals at the end of the report for each. It is easy to identify where the money is being spent, on what companies and in what regions, what communities. I have a concern with the amount of sole sourcing and negotiating we are doing in this government and I will address a question on that, but my first question will be to the Deputy Premier, Mr. Arlooktoo, if he could tell me where people can obtain this publication and is it available in a format other than in a printed format? Thank you.

DEPUTY SPEAKER:

Thank you. Deputy Premier, the Honourable Arlooktoo.

Return To Question 480-13(4): Report on Government Contracting

HON. GOO ARLOOKTOO:

Mr. Speaker, I believe the report is available for a small fee, but I will find out exactly how it can

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be accessed from the government and I will pass it on to the Member.

DEPUTY SPEAKER:

Thank you. Supplementary. Mr. Ootes.

Supplementary To Question 480-13(4): Report on Government Contracting

MR. OOTES:

Thank you, Mr. Speaker. Yes, I just wanted to reconfirm that there is, I understand, an effort to put this on the Internet. I wonder if the Deputy Premier could advise us if work is progressing on doing that.

DEPUTY SPEAKER:

Thank you. Deputy Premier, Mr. Arlooktoo.

Further Return To Question 480-13(4): Report on Government Contracting

HON. GOO ARLOOKTOO:

Mr. Speaker, as the Member can see from the size of the report and the detail in it there is an awful lot of work to put the report together. It is true that the report is being put into electronic format and going into the Internet, but it has taken a fair amount of human resources and financial resources to put that together. The work is continuing.

DEPUTY SPEAKER:

Thank you. Second supplementary. Mr. Ootes.

Supplementary To Question 480-13(4): Report on Government Contracting

MR. OOTES:

Thank you, Mr. Speaker. I can appreciate that it does take a lot of work to put this together. There is no doubt about it. I think we have to remember that this is a very useful publication for a lot of individuals throughout the territories. It is a matter of accountability too because for me, I can see what is happening and I can direct my questions when I have

concerns about things. Again, it is a matter of being transparent for the public.

My question, Mr. Speaker, is in the area of the volume of the numbers of sole-sourced and negotiated contracts that we are letting as published in this book. I am wondering if the Deputy Premier can commit to me that they will look at this and look at the possibility of reducing the number of sole-sourced and negotiated contracts. I appreciate that there are cases where there is need for sole-sourced and negotiated. I would like a commitment from the Deputy Premier to start reducing the number of sole-sourced and negotiated contracts. Thank you.

-- Applause

DEPUTY SPEAKER:

Thank you. Deputy Premier, Mr. Arlooktoo.

Further Return To Question 480-13(4): Report on Government Contracting

HON. GOO ARLOOKTOO:

Mr. Speaker, as we have told Members in the House many times before, there are three ways that the government awards contracts. The most used one is the public tender process and that is a large percentage of the work that we do. Then there is the sole source system which has very specific criteria and which is governed by the Financial Administration Act and the contract regulations require criteria such as urgency and the number of firms that are available to do such work. The final one which I think is the one that creates some controversy is the negotiated contracts. The number that I have tabulated from that report indicates that nine percent of the total dollars are in the negotiated format. That is one area that we will be looking at and I think we will be discussing later when the motion is put forward to start talking about a negotiated contracts policy.

DEPUTY SPEAKER:

Thank you. Final supplementary, Mr. Ootes.

Supplementary To Question 480-13(4): Report on Government Contracting

MR. OOTES:

Thank you, Mr. Speaker. As I mentioned in my statement, the sole source and negotiated contracts in some sectors of the business community is leading

to some resentment and there is no understanding of why this is happening. It is very important for us to go through and pass my motion. We want to create a system that supports all businesses on a fair and equal basis and not a corporate support system available to some and not to others. I think that is very important because otherwise, we are going to drive efficient business people out of the territories and not create an efficient entrepreneurial system in the territories. The question I have centres around again, will you look at reducing both the sole source and negotiated because I heard you say something about negotiated but I would like to have a look at both. Thank you.

DEPUTY SPEAKER:

Thank you. I have been informed that the final supplementary of the honourable Member is out of order.

-- Applause

It is dealing with the motion that is in the order paper that Members will be dealing with. Thank you. Oral questions, Mr. Barnabas.

Question 481-13(4): Grise Fiord Water Treatment Plant

MR. BARNABAS:

(Translation) Thank you, Mr. Speaker, I stated earlier in my Member's statement about the Grise Fiord water plant. I would like to direct this question to the Honourable Manik Thompson. What is the status of the MACA presentation on this particular issue? Thank you, Mr. Speaker. (Translation ends)

DEPUTY SPEAKER:

(Translation) Thank you. Ms. Thompson. (Translation ends)

Return To Question 481-13(4): Grise Fiord Water Treatment Plant

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HON. MANITOK THOMPSON:

(Translation) Thank you, Mr. Speaker. Today I had lunch with Mike Ferris, the Baffin Island MACA Superintendent. He reported to me that they had worked on the issue of the water treatment plant. He reported to me that the status of it is the hamlet of

Grise Fiord will be working with MACA. Also, iceberg cutting will be re-established. They stopped cutting ice for water in May. In the future, the Grise Fiord hamlet will be establishing a system and they will be hiring a consultant to make plans for the future of water supply in Grise Fiord. We will find out from the local people exactly what the intent is and they will be getting water trucks so they can buy water from the community. The hamlet CEO is also working with MACA officials to deal with the issue of water supply in Grise Fiord. Thank you. (Translation ends)

DEPUTY SPEAKER:

(Translation) Thank you. Mr. Barnabas, do you have an addition to your question? (Translation ends)

Supplementary To Question 481-13(4): Grise Fiord Water Treatment Plant

MR. BARNABAS:

(Translation) Thank you, Mr. Speaker. In Grise Fiord the water supply has been used for about ten years now. The community's population is growing. Is an update going to be set up for the water supply in Grise Fiord? (Translation ends)

DEPUTY SPEAKER:

(Translation) Thank you. Madame Thompson. (Translation ends)

Further Return To Question 481-13(4): Grise Fiord Water Treatment Plant

HON. MANITOK THOMPSON:

(Translation) Thank you, Mr. Speaker. As I said earlier, they are investigating this situation through a consultant on a water system. As soon as I hear more about this, I will let the Member know. Thank you. (Translation ends)

DEPUTY SPEAKER:

(Translation) Second supplementary for Mr. Barnabas. (Translation ends)

Supplementary To Question 481-13(4): Grise Fiord Water Treatment Plant

MR. BARNABAS:

(Translation) I think they have done a lot of studies on this. When will the study be completed and when will

they start building a new water system? Thank you. (Translation ends)

DEPUTY SPEAKER:

(Translation) Thank you. Minister of MACA, Madame Thompson. (Translation ends)

Further Return To Question 481-13(4): Grise Fiord Water Treatment Plant

HON. MANITOK THOMPSON:

(Translation) Thank you, Mr. Speaker, this is the first time I have heard about the issue of the water. I did not know there was going to be a question on this, however, I had a meeting on this issue and the study that is being done will be in May. Thank you, Mr. Speaker. (Translation ends)

DEPUTY SPEAKER:

(Translation) Thank you. Mr. Barnabas. (Translation ends)

Supplementary To Question 481-13(4): Grise Fiord Water Treatment Plant

MR. BARNABAS:

(Translation) Mr. Speaker, I talked to my constituency assistant and he explained the river that the community gets the water from is running out. What is happening on this issue? (Translation ends)

DEPUTY SPEAKER:

(Translation) Madame Thompson. (Translation ends)

Further Return To Question 481-13(4): Grise Fiord Water Treatment Plant

HON. MANITOK THOMPSON:

(Translation) Thank you, Mr. Speaker. I will be asking my department about this issue and I will get back to the Member, but we are looking into this. They know about the concern of this matter. I will let the Member know as soon as I find out. Thank you. (Translation ends)

DEPUTY SPEAKER:

Thank you. Mr. Roland.

Question 482-13(4): CRTC Intervention on NWTel Application

MR. ROLAND:

Thank you, Mr. Speaker. My question will be directed to the Minister responsible for Public Works. I heard earlier a question about the intervention by this government with the CRTC. My question to the Minister is, who is putting together this package or the intervention? Thank you.

DEPUTY SPEAKER:

Thank you. The honourable Minister for Public Works and Services, Mr. Arlooktoo.

Return To Question 482-13(4): CRTC Intervention on NWTel Application

HON. GOO ARLOOKTOO:

Mr. Speaker, the majority of the departments will have input into this submission, along with Ministers. The coordination is being done by the Department of Public Works and Services.

DEPUTY SPEAKER:

Thank you. Supplementary, Mr. Roland.

Supplementary To Question 482-13(4): CRTC Intervention on NWTel Application

MR. ROLAND:

Thank you, Mr. Speaker. Can the Minister inform us if there has been any input from the private sector in this submission? Thank you.

DEPUTY SPEAKER:

Thank you. Mr. Arlooktoo.

Further Return To Question 482-13(4): CRTC Intervention on NWTel Application

HON. GOO ARLOOKTOO:

Mr. Speaker, I do not think so. The submission that we are talking about is one from the

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DEPUTY SPEAKER:

Thank you. Second supplementary, Mr. Roland.

Supplementary To Question 482-13(4): CRTC Intervention on NWTel Application

MR. ROLAND:

Thank you, Mr. Speaker. Can the Minister inform me how this government plans to get input from the private sector in the submission? Thank you.

DEPUTY SPEAKER:

Thank you. Mr. Minister.

Further Return To Question 482-13(4): CRTC Intervention on NWTel Application

HON. GOO ARLOOKTOO:

Mr. Speaker, the general public, individuals and the private sector will have opportunities to make their own intervention as usual, and those interested will do so. The coordinators in the Department of Public Works and Services will do their best to gather as much information as possible from within government and whatever we can find from outside of government in the short time we have. So, there will be no major consultation process that is being planned.

DEPUTY SPEAKER:

Thank you. Final supplementary, Mr. Roland.

Supplementary To Question 482-13(4): CRTC Intervention on NWTel Application

MR. ROLAND:

Thank you, Mr. Speaker. Can the Minister inform me when Cabinet decided upon this direction?

DEPUTY SPEAKER:

Thank you. Mr. Minister.

Further Return To Question 482-13(4): CRTC Intervention on NWTel Application

HON. GOO ARLOOKTOO:

Mr. Speaker, I am not sure if I heard the question properly, but the Department of Public Works and Services has been directed to put together a proposed submission position paper for review and for input by Ministers and the departments. That work is going on as we speak and should be done in the next few weeks.

DEPUTY SPEAKER:

Thank you. In order to be fair to Members, I will recognize the Members who have not spoken or asked questions. At this particular time, there are Members who wish to ask second questions. I have Madam Groenewegen, Member for Hay River.

Question 483-13(4): Settlement Allowance Arbitration Process

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. I would like to follow up on the questions asked by my colleague from Thebacha with respect to the outstanding settlement allowance to do with the South Slave communities and the request from UNW to resolve this. The Minister referred to due process but it would appear that due process is not progressing very well on this matter since this issue has been outstanding since 1995. I would suggest that this government has learned from experience to leave these matters on the table unresolved can turn into a very costly exercise and a very costly position to take. Having said that, is there anything the Minister can do to expedite a decision in this matter, since it has been around for such a long time? Thank you.

DEPUTY SPEAKER:

Thank you. Chairman of the Financial Management Board, Mr. Todd.

Return To Question 483-13(4): Settlement Allowance Arbitration Process

HON. JOHN TODD:

Thank you, Mr. Speaker. We all understand this is a longstanding problem. It is still in dispute. Discussions are underway between the government, arbitrators and the Justice Department. I am not in a position to make a comment on it. You do not want me to interfere in due process or yourselves. So I am telling you that we are moving forward in the normal procedure that we undertake between arbitrators, the Justice Department and the parties. I am not in a position to comment. I certainly am not going to interfere in due process, but we are trying to seek a resolve to the issue and all parties are working towards that resolve. I am advised by others that it would be inappropriate for me to make a comment that may prejudice or influence the process that is underway between arbitrators, justice and the parties. Thank you.

DEPUTY SPEAKER:

Thank you. Supplementary, Madam Groenewegen.

Supplementary To Question 483-13(4): Settlement Allowance Arbitration Process

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. I understand the Minister's advice he is receiving on this, but in a very general sense, we would just like reassurance that there is no stone-walling on the part of the government, no dragging of feet and that in fact, the parties involved will act diligently in resolving this matter. Thank you.

DEPUTY SPEAKER:

Thank you. Mr. Todd.

Further Return To Question 483-13(4): Settlement Allowance Arbitration Process

HON. JOHN TODD:

Mr. Speaker, due process is underway. All parties are aware of due process. We have been in this game, all of us, all the parties many times and I suggest to you again that I am not in a position to state an opinion on this issue because it is in the process right now and would be inappropriate. Thank you.

DEPUTY SPEAKER:

Thank you. Second supplementary, Madam Groenewegen.

Supplementary To Question 483-13(4): Settlement Allowance Arbitration Process

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MRS. GROENEWEGEN:

From the Minister's vast previous experience, might he be able to give the House any kind of an indication of time-frames if all parties are cooperating and everyone has agreed to abide by whatever the arbitrator's decision is, as it would appear they are? When could we look forward perhaps to some sort of a time-frame of when this matter might be resolved?

DEPUTY SPEAKER:

Thank you, Mr. Todd.

Further Return To Question 483-13(4): Settlement Allowance Arbitration Process

HON. JOHN TODD:

Mr. Speaker, I am unable to respond to that question on the grounds that I could be seen as interfering in the process. Thank you.

DEPUTY SPEAKER:

Thank you. I have two Members who have not spoken or asked questions at this particular time. We have Mr. O'Brien and Mr. Erasmus. Mr. O'Brien.

Question 484-13(4): Baker Lake School Extension

MR. O'BRIEN:

Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister responsible for DPW. Yesterday I asked the Minister as to what the status was of the tender opening regarding the Baker Lake School extension. The Minister indicated that there was one bid and that they were reviewing it at this time. I would like to ask the Minister when we could expect, since there was only one bid, to get an answer on the results of this tender? Thank you.

DEPUTY SPEAKER:

Thank you. Minister for Public Works and Services, Mr. Arlooktoo.

Return To Question 484-13(4): Baker Lake School Extension

HON. GOO ARLOOKTOO:

Mr. Speaker, the tender was just opened on Friday and I think the staff just started the review yesterday or the day before, so it is going to take a few more days to determine whether the proposal is acceptable with its scope and with the price, et cetera. We do realize there is some urgency with the building season coming up and we are doing this as quickly as possible.

DEPUTY SPEAKER:

Thank you. I have the honourable Member for Yellowknife North, Mr. Erasmus. Thank you.

Question 485-13(4): Settlement Allowance Dispute

MR. ERASMUS:

Thank you, Mr. Speaker. My question is for the Minister of Finance. Mr. Speaker, the Yellowknife MLAs have also been keeping an eye on the

settlement allowance issue, since we were alerted to it by the union last year. Through the form of a letter, we had been informed that it was an arbitration so we had not been asking any questions in the House. We received information now that this may no longer be the situation. I guess what I would like is clarification from the Minister whether the settlement allowance issue is currently before the court or in arbitration?

DEPUTY SPEAKER:

Thank you. Mr. Todd.

Return To Question 485-13(4): Settlement Allowance Dispute

HON. JOHN TODD:

Talk about a Pandora's box. Mr. Speaker, I think I have said clearly in previous responses to questions asked by Mr. Miltenberger and Mrs. Groenewegen. I do not think that it would be appropriate for me to comment at this time. It is my understanding that this matter is under discussion and is in dispute and that arbitrators, justice and the parties are all discussing it. I am not in a position to make a comment other than that at this time. Thank you.

DEPUTY SPEAKER:

Thank you. Supplementary. Mr. Erasmus.

Supplementary To Question 485-13(4): Settlement Allowance Dispute

MR. ERASMUS:

Thank you, Mr. Speaker. I respect the Minister's situation that he cannot comment. Could the Minister commit to providing the Members with briefing outside of this House on this issue.

DEPUTY SPEAKER:

Thank you. The honourable Minister of Finance, Mr. Todd.

Further Return To Question 485-13(4): Settlement Allowance Dispute

HON. JOHN TODD:

I am not a lawyer and I am not an arbitrator. What I will undertake is to discuss this matter with the deputy minister of the FMBS and report back to my colleague. Thank you.

DEPUTY SPEAKER:

Thank you. Oral questions. Mr. Enuaraq.

Question 486-13(4): Clyde River Adult Education Centre

MR. ENUARAQ:

(Translation) Thank you, Mr. Speaker. There is to be an adult education school set up in Clyde River. There were some people who were interested in the construction of the adult education school. I was supported by the Minister of DPW at the time. I would like to ask the Minister of DPW whether there has been a contract set with his department? (Translation ends)

DEPUTY SPEAKER:

(Translation) The Minister of DPW, Mr. Arlooktoo. (Translation ends)

HON. GOO ARLOOKTOO:

Mr. Speaker, I will take that question as notice.

DEPUTY SPEAKER:

Thank you. The honourable Minister has taken the question as notice. Oral questions. Mr. Miltenberger.

Question 487-13(4): South Slave Re-Fueling Facilities

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MR. MILTENBERGER:

Thank you, Mr. Speaker. My question is to the Minister of Transportation and it is in regards to the lack of refuelling facilities in the South Slave. Currently in Fort Smith, we have been working with the Minister's department to try to resolve that issue with the community. I would like the Minister to publicly assure me that his department will in fact be working in a full cooperative mode with the community to try to resolve this very important issue so that we do have refuelling facilities for aircraft other than Canadian in the South Slave. Thank you.

DEPUTY SPEAKER:

Thank you. The honourable Minister for Transportation, Mr. Antoine.

Return To Question 487-13(4): South Slave Re-Fueling Facilities

HON. JAMES ANTOINE:

Thank you, Mr. Speaker. Mr. Speaker, in Hay River and Fort Smith where for quite a few months now, these airports no longer have commercial suppliers of aviation fuel on site. As a result of changes to the storage facilities and the cost of changing the storage facilities, the department had requested proposals for suppliers to come forward. There has been very little movement in that area. However, in Fort Smith the department is negotiating with one of the proposals. We will continue to try and reach some sort of agreement there. Yes, I could commit publicly here that the department will work cooperatively with the people that we are negotiating with. We certainly would like to see a private industry established service levels in both communities. I think that is the goal that we are trying to reach. However, if we are unable to reach any type of an arrangement, then we will have to look at other options. Thank you.

DEPUTY SPEAKER:

Thank you. Supplementary. Mr. Miltenberger.

Supplementary To Question 487-13(4): South Slave Re-Fueling Facilities

MR. MILTENBERGER:

Thank you, Mr. Speaker. I would like to thank the Minister for that public assurance. Could the Minister also indicate whether he would be prepared to instruct his officials to try to resolve this issue within this fire season, before winter? I know they have made temporary arrangements with Renewable Resources to fuel their tankers and such, but this matter has now been under discussion and negotiation for many months. I was just hoping that the Minister would be prepared to give a commitment to try to have this matter resolved before fall. Thank you.

DEPUTY SPEAKER:

Thank you. Mr. Antoine.

Further Return To Question 487-13(4): South Slave Re-Fueling Facilities

HON. JAMES ANTOINE:

Thank you, Mr. Speaker. Mr. Speaker, yes I will instruct the Department of Transportation officials who

are involved with these negotiations to try to come to a conclusion as quickly as possible to resolve this issue. At the present time, I know that the air carriers who are based at these airports and who are scheduled through there have made their own arrangements. However, it is a temporary arrangement and we will try to resolve this issue as quickly as we can. Thank you.

DEPUTY SPEAKER:

Thank you. Oral questions. Mr. Picco.

Question 488-13(4): Auditor General's Report

MR. PICCO:

Thank you, Mr. Speaker. Mr. Speaker, my questions concern the tabled document, the auditor general's report that was tabled yesterday in the House. Mr. Speaker, the auditor general has found the government lacking in some areas. I would like to ask some questions today to the Minister of Finance on the questions regarding the auditor general's report.

DEPUTY SPEAKER:

Thank you. The honourable Minister for Finance, Mr. Todd.

Return To Question 488-13(4): Auditor General's Report

HON. JOHN TODD:

Yes, thank you, Mr. Speaker. We take the auditor general's report seriously every year. It is an important document. Certainly, we will be undertaking to review the recommendations he makes and will in due course take the course of action that we think is necessary to meet some of the recommendations that he has made in the report. Thank you.

DEPUTY SPEAKER:

Thank you. Supplementary. Mr. Picco.

Supplementary To Question 488-13(4): Auditor General's Report

MR. PICCO:

Thank you, Mr. Speaker. I know he takes it seriously because I remember last year when he called the auditor general the bogey man and the bogey man, Mr. Auditor General was not happy when he heard

that as he said in a public meeting. In chapter 6 of the report the auditor general notes that the Northwest Territories Housing Corporation is paying very large subsidies to occupants of rental and mortgage properties. In addition the Northwest Territories Development Corporation continues to provide large amounts of capital and operating assistance to its subsidiaries, ostensibly to provide jobs. Mr. Speaker, my question on the auditor general's report again is that the recommendation was that the government assemble all the data on subsidized programs so that the Legislative Assembly, we here as legislators can see the complete picture because we do not see it right now. I am wondering when this

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recommendation would be forthcoming from this government? Thank you, Mr. Speaker.

DEPUTY SPEAKER:

Thank you. The honourable Minister of Finance, Mr. Todd.

Further Return To Question 488-13(4): Auditor General's Report

HON. JOHN TODD:

Thank you, Mr. Speaker. We do in fact subsidize residential properties and I understand a great deal of them in Mr. Picco's constituency. We do in fact subsidize jobs for people in Mr. O'Brien's riding and my riding where people are jobless and looking for jobs. So that is the policy of this government and it will be maintained as long as I am in the chair as Chairman of the Financial Management Board and until such time as we think otherwise. On the issue of the overall subsidies, we are going to look at that recommendation as we have looked at others and as I said in the previous answer to his question, we will respond in a timely manner to the auditor general with respect to the recommendations he makes and which ones we intend to incorporate. Thank you.

DEPUTY SPEAKER:

Thank you. Second supplementary. Mr. Picco.

Supplementary To Question 488-13(4): Auditor General's Report

MR. PICCO:

Thank you, Mr. Speaker. Mr. Speaker, of course the recommendation was that we would have a look at all the subsidies that are payable by this government because we do not know what they are. So, my follow up supplementary question to the Minister is when his recommendations are followed and this government responds will he be tabling those response here in this House and when does he think that would be happening? Thank you, Mr. Speaker.

DEPUTY SPEAKER:

Thank you. Honourable Mr. Todd.

Further Return To Question 488-13(4): Auditor General's Report

HON. JOHN TODD:

I am not in position to indicate to my honourable colleague when we will be able to respond. Once we have developed a response to the auditor general, I will consider his request as to whether I should table it in the House or not. Thank you.

DEPUTY SPEAKER:

Thank you. Supplementary, Mr. Picco.

Supplementary To Question 488-13(4): Auditor General's Report

MR. PICCO:

Mr. Speaker, I am disappointed with the Minister's response. The House will not be sitting again until October. This report will almost be a year old and we will be into a new fiscal year. I think that even though the House would not be sitting, this government, over the next three to four months would be able to put a report together. Again, I would ask the Minister, is the government looking at this report? Are they actually taking it as seriously as Mr. Todd says they are? Then I would expect that a report or a recommendations follow-up would be made in the next six to eight weeks. So again I ask the Minister when will they be reporting on the recommendations made by the auditor general so that the Members of this Assembly and the people of the Northwest Territories can see that the recommendations by the Office of the Auditor General of Canada are being followed? Thank you, Mr. Speaker.

DEPUTY SPEAKER:

Thank you, that was the final supplementary. Mr. Todd.

Further Return To Question 488-13(4): Auditor General's Report

HON. JOHN TODD:

Yes, Mr. Speaker. When I evaluate the auditor general's report in an orderly way and in a manner that meets the priorities of this government of all the other issues that we have to deal with, I will then respond to this House or to my colleagues in Cabinet as to what action we are going to take. So, the answer is when I am ready.

DEPUTY SPEAKER:

Thank you, Mr. Todd. Oral questions. Item 7, written questions. Thank you. Item 8, returns to written questions. Thank you. Item 9, replies to opening address. Item 10, Petitions. Thank you. Item 11, reports of standing and special committees. Item 12, reports of committees on the review of bills. Thank you. Item 13, tabling of documents. Mr. O'Brien.

ITEM 13: TABLING OF DOCUMENTS

MR. O'BRIEN:

Thank you, Mr. Speaker. Mr. Speaker, I would like to table two documents, one from the Mayor of Arviat, Tabled Document 77-13(4), and one from the Mayor of Baker Lake, Tabled Document 78-13(4), concerning their disagreement over the dental therapy program being cancelled. Thank you.

DEPUTY SPEAKER:

Thank you, Mr. O'Brien. Mr. Todd.

HON. JOHN TODD:

Thank you, Mr. Speaker. I would like to table on behalf of Mr. Kakfwi the proposed Natural Environment Recreation Park Order, Tabled Document 79-13(4), and the proposed Outdoor Recreation Parks Order, Tabled Document 80-13(4), Mr. Speaker.

DEPUTY SPEAKER:

Thank you, Mr. Todd. Tabling of documents. Mr. Miltenberger.

MR. MILTENBERGER:

Thank you, Mr. Speaker. I wish to table a package of two form letters that I received from two residents of Fort Smith who are employees of the Government of the Northwest Territories requesting payment of settlement allowance owing from their employer, Tabled Document 81-13(4). Thank you.

DEPUTY SPEAKER:

Thank you, Mr. Miltenberger. Tabling of documents. Mr. Miltenberger.

MR. MILTENBERGER:

Mr. Speaker, if there are any no further requests for tabling of documents, I was going to

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request unanimous consent to return to item 10, petitions. Thank you.

DEPUTY SPEAKER:

Thank you. Are there further tabling of documents? If not, the honourable Member is seeking unanimous consent to go back to item 10, petitions. Are there any nays? Agreed. Proceed Mr. Miltenberger, item 10, petitions.

REVERT TO ITEM 10: PETITIONS

MR. MILTENBERGER:

Thank you, Mr. Speaker. I would like thank my colleagues for their indulgence. Mr. Speaker, I would like to present a petition, Petition 22-13(4), dealing with the matter of overdue settlement allowances to unionized GNWT employees. Mr. Speaker, the petition contains 203 signatures from residents of Fort Smith. Mr. Speaker, the petitioners request that the Government of the Northwest Territories pay the overdue settlement allowance owing to union members who are employees of the Government of the Northwest Territories that was paid to non-unionized employees prior to March 31, 1996 and that the settlement allowance issued be referred back to arbitration immediately for a decision within 90 days of referral. Thank you, Mr. Speaker.

DEPUTY SPEAKER:

Thank you, Mr. Miltenberger. Petitions. Item 14, notices of motion. Thank you. Item 15, notices of motion for first reading of bills. Mr. Todd.

ITEM 15: NOTICES OF MOTIONS FOR FIRST READING OF BILLS

Bill 18: An Act to Amend the Territorial Hospital Insurance Act No. 2

HON. JOHN TODD:

Thank you, Mr. Speaker. Mr. Speaker, I give notice that on Friday, May 30, 1997 I will move that Bill 18, an Act to Amend the Territorial Hospital Insurance Act No. 2, be read for the first time. Thank you, Mr. Speaker.

DEPUTY SPEAKER:

Thank you, Mr. Todd. Notices of motion for first reading of bills. Item 16, motions. Mr. Ootes.

ITEM 16: MOTIONS

Motion 14-13(4): Policy on Non-Competitive Contracts

MR. OOTES:

Thank you, Mr. Speaker. Mr. Speaker, I have a motion on the policy on non-competitive contracts.

WHEREAS the Government of the Northwest Territories is responsible for the expenditure of public funds provided to them under the appropriation authority of the Legislative Assembly;

AND WHEREAS the Government of the Northwest Territories has a responsibility to be fully accountable for the manner in which funds are expended;

AND WHEREAS the Government of the Northwest Territories awards a number of non-competitive contracts as well as those awarded through normal bidding and tendering processes, including negotiated sole-source construction management and site superintendent services contracts;

AND WHEREAS there is no single policy to govern non-competitive contracts across government;

AND WHEREAS individuals, businesses and business associations have expressed concern about the lack of a clear process for awarding contracts and lack of public information about contracts awarded;

AND WHEREAS Members of this Legislative Assembly have on numerous occasions requested

clarification of issues related to non-competitive contracts;

AND WHEREAS Members of the Legislative Assembly and the public accept there is a need from time to time for non-competitive contracts but believe that the need for clear and open rules governing these contracts;

AND WHEREAS the Premier has in this Assembly committed to establishing a government wide policy on negotiated contracts;

NOW THEREFORE, I move, seconded by the honourable Member for Inuvik that this Legislative Assembly request the Premier to clarify the government's position on government wide non-competitive contracts by providing a draft policy on non-competitive contracts to the Standing Committees of this Assembly by August 15, 1997.

--Hear! Hear!

DEPUTY SPEAKER:

Motion 14-13(4) is in order. To the motion. Question has been called. Mr. Ootes. To the motion.

MR. OOTES:

Thank you, Mr. Speaker. I would like to speak for a moment to the motion. The government does not have a government-wide policy at the moment and it is widely recognized, I believe, that this is needed. The government has indicated itself that there is no policy on non-competitive contracts. They are managed at the moment through a variety of instruments. A lot of dollars go through the non-competitive system and we need an accountability and a transparency of what is spent. The business sector has expressed concern in this end, Mr. Speaker, and asked that the process be clearly defined and readily understood by the public. I feel that it is important that the process be seen by all that it is above reproach. I would like to also state that the Premier, in a letter I tabled yesterday, has committed to address this concern. He has committed in that letter to proceed with the development of a policy. I felt it important to proceed with the motion because it ties into a deadline. Thank you, Mr. Speaker.

DEPUTY SPEAKER:

Thank you. Mr. Ootes.

MR. OOTES:

If I may ask for a recorded vote on this, Mr. Speaker.

DEPUTY SPEAKER:

Thank you. Mr. Picco has indicated he wanted to speak to the motion. Mr. Picco.

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MR. PICCO:

Thank you, Mr. Speaker. Mr. Speaker, I speak in favour of this motion. I note in the motion that the honourable Member for Yellowknife Centre is asking for the policy to be provided to the standing committees of the Assembly so we can see them. Yesterday, in response to a written request that I had asked on negotiated contracts and sole source contract policy, it was explained in the written response from the honourable Don Morin, Premier, which was tabled in this House and in the Hansard from yesterday, that there is no sole source contracts policy. Sole source contracts are governed by the government contract and regulations of the Financial Administration Act.

The reason why I am supporting this motion, Mr. Speaker, is because it is governed under the FAA, a lot of times that seems to be circumvented and maybe not because of duplicitous reasons but because the Financial Administration Act is large and maybe is not being followed by the different government departments. I think that by having a policy, we will be able to look at and monitor this policy. In the book that Mr. Ootes spoke about earlier today, where all the tendered, negotiated and sole source contracts are now listed, listed as such, it has been evident that about 47 percent of all contracts issued by this government are either sole sourced or negotiated. Mr. Speaker, that is a number that is too high and we do not know as a government in these tough fiscal times what is the premium that we are paying as a government for going to sole sourced and negotiated.

After saying that, Mr. Speaker, I am not saying that I am not in favour of all negotiated contracts. If a health board falls tomorrow and you have to negotiate a contract, I have no problem with that. There are certain instances. But sometimes it would seem, Mr. Speaker, that this government over the past x-number of months has been using the sole source and negotiated contracts as a way of potential, and Mr. Speaker, the word I will use is potential, for favouritism. Mr. Speaker, I am hoping that this policy and now the motion following on our motion of May

13th of last year and Mr. Ootes' motion of today will hopefully bring some conclusion and some direction by this government to this policy and thus I will be voting and supporting this motion. Thank you, Mr. Speaker.

-- Applause

DEPUTY SPEAKER:

To the motion. Mr. Arlooktoo.

HON. GOO ARLOOKTOO:

Mr. Speaker, firstly I would indicate for the record that it was the Member for Iqaluit that was applauding his own speech there, that goes on the record.

MR. PICCO:

Hear, hear again.

HON. GOO ARLOOKTOO:

The Premier did make a commitment to the House during the last sitting of the Assembly to have a policy provided to the committees. Shortly after that this winter, I, as Minister of Public Works was directed by Cabinet to put together such a policy. The Department of Public Works has been working hard in putting one together. There is a draft policy that is ready for review by Cabinet and, still in its draft form, there is a plan to put this to the committees. So what is being asked for in the motion is being done already. The one thing I would like to clarify is that sole source contracts are governed by the government's contract regulations, so therefore there are no requirements, in our view, to deal with that. The majority of contracts are done under the public tender process so for the vast majority of contracts that the government does, more than 90 percent, there is no cause for concern.

There is the perception though, amongst a few of the MLAs and some of the business community that there is not enough accountability and transparency in the negotiated contracts area and we will look at that and we will give to MLAs the draft policy to review and give some input to. Thank you.

DEPUTY SPEAKER:

Thank you. Nothing in the rule book prevents Members from applauding themselves. Mr. Picco has every right to applaud himself. Thank you.

-- Laughter

To the motion. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Speaker. I was going to speak in favour of this motion but considering the policy is already virtually drafted then perhaps it is more appropriate that the motion be withdrawn at this time. Thank you.

DEPUTY SPEAKER:

Thank you. I have Mr. Krutko. To the motion.

MR. KRUTKO:

Thank you, Mr. Speaker. At this time I will state that I will not be supporting this motion. As you know, my views on negotiated contracts. It is a beneficial arrangement that is presently in place and there is a policy to follow it, especially in relation to the smaller communities that I represent and especially in ridings where there are those big boys from the bigger centres who would make the initiative to set up business in those regions, and also be able to employ those people, which most larger companies would not take the chance of even employing all these individuals in these smaller communities. I think it is pretty ironic when larger centres like Iqaluit and Yellowknife stand up in this House and yell that, oh, we do not have enough. Yet, you go to the region I represent, where the only statistic we have is unemployment and social statistics and I think that it is a shame that these larger centres have to pick on these communities and those policies that protect them and ensure them that there is an avenue there to assist them. At this time, I will be stating I will not be supporting this motion. Thank you.

-- Applause

DEPUTY SPEAKER:

Thank you. If there are no other Members who wish to speak to the motion, I will allow the mover of the motion to put forward the final argument. Mr. Ootes.

MR. OOTES:

Thank you, Mr. Speaker. Several points regarding proceeding with this motion. I think it is important to proceed with the motion, to put it on the record. It has a date by which the government has to respond. Without proceeding

with the motion, then the government is not obliged to proceed by any date. That is my concern about it. With regard to whom this benefits, I think it benefits everybody in the Northwest Territories. The country was built on private enterprise. Let us not forget that, Mr. Speaker. Let us never forget that. It is public money. I think the purpose of this is to make it transparent and clear to everybody where the money is going. I am not against sole sourced negotiated contracts, 100 percent. What I am saying is, let us make it apparent where the money is going. That is very important.

DEPUTY SPEAKER:

Thank you. The honourable Member, the mover of the motion has indicated earlier that he requests a recorded vote. All those in favour of the motion, please stand up.

CLERK OF THE HOUSE (Mr. Hamilton):

Mr. Ootes, Mr. Erasmus, Mr. Henry, Mrs. Groenewegen, Mr. Steen, Mr. Picco, Mr. Roland, Mr. Miltenberger.

DEPUTY SPEAKER:

Thank you. Down please. Opposed, please stand.

CLERK OF THE HOUSE (Mr. Hamilton):

Mr. Krutko, Mr. Rabesca.

DEPUTY SPEAKER:

Thank you. All those abstaining, please stand.

CLERK OF THE HOUSE (Mr. Hamilton):

Mr. Evaloarjuk, Mr. Barnabas, Mr. Enuaraq, Mrs. Thompson, Mr. Antoine, Mr. Todd, Mr. Arlooktoo, Mr. Dent.

DEPUTY SPEAKER:

Thank you. Can we have order here, please. The results, as follows. For the motion, eight. Against the motion, two. Abstentions, eight. The motion is carried. Thank you. Motions. Item 17, first reading of bills. Mr. Todd.

ITEM 17: FIRST READING OF BILLS

HON. JOHN TODD:

Thank you, Mr. Speaker. Colleagues, I seek unanimous consent to proceed with the first reading of Bill 14, Supplementary Appropriation Act No. 1, 1997/98.

DEPUTY SPEAKER:

Thank you. The honourable Minister is seeking unanimous consent to proceed with his motion. Are there any nays? None. Proceed Mr. Todd.

Bill 14: Supplementary Appropriation Act, No. 1, 1997/98

HON. JOHN TODD:

Thank you, Mr. Speaker. I move, seconded by the honourable Member for Nahendeh, that Bill 14, Supplementary Appropriation Act No. 1, 1997/98, be read for the first time. Thank you, Mr. Speaker.

DEPUTY SPEAKER:

Thank you, Mr. Todd. All those in favour of the motion, please signify. Thank you. Down. Against. The motion is carried. Bill 14 has had first reading. First reading of bills. Item 18, second reading of bills. Mr. Todd.

ITEM 18: SECOND READING OF BILLS

Bill 14: Supplementary Appropriation Act, No. 1, 1997/98

HON. JOHN TODD:

Thank you, Mr. Speaker. I move, seconded by the honourable Member for Baffin South, that Bill 14, Supplementary Appropriation Act No. 1, 1997/98, be read for the second time. Mr. Speaker, this bill makes supplementary appropriations for the Government of the Northwest Territories for the fiscal year ending March 31, 1998. Thank you.

DEPUTY SPEAKER:

Thank you. The motion is in order. To the principle of the Bill. Question has been called. All those in favour, please signify. Thank you. Down. Opposed? Bill 14 has had second reading and is now moved to the committee of the whole. Second reading of bills. Item 19, consideration in committee of the whole of bills and other matters. We have Bill 14 and Minister's statement 77-13(4) with Mrs. Groenewegen in the chair.

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

CHAIRPERSON (Mrs. Groenewegen):

I would like to call the committee of the whole to order. We have two items on the agenda today. Bill 14 and Minister's statement 77-13(4). What is the wish of the committee? Mr. Ootes.

MR. OOTES:

Thank you, Madam Chair. I would like to recommend that we proceed with Bill 14, Supplementary Appropriation Act No. 1, 1997/98, but first have a break for 15 minutes.

CHAIRPERSON (Mrs. Groenewegen):

Is the committee agreed? Okay, we will take a 15 minute break.

-- Break

CHAIRPERSON (Mrs. Groenewegen):

I will call the committee to order. We are considering Bill 14, Supplementary Appropriation Act, No. 1, 1997/98. Is the committee in agreement that we proceed with Bill 14? Would the Minister like to introduce the bill?

HON. JOHN TODD:

Thank you, Madam Chair. Supplementary Appropriation, No. 1 can select requested authority for additional appropriations of \$39,119,500 made up of \$13,866,500 for O and M expenditures, \$25,253,000 for capital expenditures. A number of inter-departmental transfers are also included in the supplementary, which do not require additional funding. The additional appropriations have been provided for in the estimated supplementary appropriation requirements included in the 1997/98 main estimates, or will be funded out of new revenue sources. The appropriation requirements include: \$16 million for the implementation of the Northern Employment Strategy that we announced today, \$12,341,000 with capital projects carried over from 1996/97. These funds were lapsed in the 1996/97 fiscal year. \$8,087,000 for the replacement of the Pagnirtung high school, which was destroyed by fire. A major portion of this appropriation will be recovered from our insurer. \$1,096,000 with implementation of the government's self-government mandate. The balance of about \$500,000 which will be directly

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offset by additional revenues. Thank you, Madam Chair. I now would be prepared to get into the detail, along with my staff, if you so wish.

CHAIRPERSON (Mrs. Groenewegen):

Thank you very much, Mr. Todd. At this time I would like to ask the chairman of the Government Operations Committee if he would like to read the committee's review of the Bill.

Standing Committee on Government Operations Report on the Review of Bill 14, Supplementary Appropriation Act, No. 1, 1997/98

MR. ERASMUS:

Thank you, Madam Chair. On behalf of the Standing Committee on Government Operations, it is my pleasure to provide our report on the Supplementary Appropriation Act No. 1, 1997/98. The committee met with the Minister of Finance on Friday, May 23, 1997 to review the appropriation. Many of the items in the Bill are related to five areas: funding for the northern employment strategy, capital carry-overs from 1996/97, medical travel funding to boards, user-say/user-pay transfers from the Department of Public Works and Services, and transfers of funds to support community empowerment.

We had some concern about the amount of capital carry-overs. However, we note that it is about \$6 million less than last year. Better planning should reduce this amount even further, than has already been done. In areas where the Members had questions about the Bill, we were generally satisfied with the explanations provided by the Minister. This concludes Government Operations report on Supplementary Appropriation No. 1, 1997/98. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Erasmus. Is the committee agreed that the Minister could bring in witnesses at this time? Mr. Todd, would you like to bring in witnesses? I will ask the Sergeant-at-Arms to bring them in. Thank you. Mr. Todd, could you please introduce your staff for the record?

HON. JOHN TODD:

Yes, Madam Chair. It is Mr. Voytilla, who is the deputy minister of FMBS. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Todd. Moving on. General comments by Members. Any general comments? Mr. Ootes.

MR. OOTES:

Thank you. I have a general question, Madam Chair. My question is, with respect to the amount of funding, how does that impact upon our bottom line at the end of the year?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Ootes. Mr. Todd.

HON. JOHN TODD:

Thank you, Madam Chair. Good question. It will not impact negatively on our bottom line at the end of the year. This was funded through the reserves and some, as I said in my speech - are you talking about the \$16 million? It is funded by good, solid fiscal management of this government and the sale of some of our assets, which we sold more than we expected in the time period that we had and will have no impact on the bottom line based upon the targets that we have set early in the year. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Todd. General comments? There are no further general comments. Is the committee agreed that we proceed with the detailed clause-by-clause review of the Bill? Clause-by-clause. Could I please refer your attention to page 5 of the detailed booklet that is in your Bills binder.

We will stand down the Bill at this time and we will consider the Bill after we are finished the detail. On page 5, Legislative Assembly, operations and maintenance, Office of the Clerk. Not previously authorized, \$229,000. Mr. Ootes.

MR. OOTES:

Madam Chair, if we could just proceed at a measured pace. Sometimes we seem to proceed through this fairly quickly, and we do not have time to look at each particular item. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Ootes. I will take that advice. Office of the Clerk, not previously authorized, \$229,000.

SOME HON. MEMBERS:

Agreed.

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CHAIRPERSON (Mrs. Groenewegen):

Total department, not previously authorized, \$229,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Department of the Executive, operations and maintenance, Cabinet Secretariat, not previously authorized, -\$222,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Directorate, not previously authorized, \$320,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Human resource management, not previously authorized, -\$61,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Audit, budgeting and evaluation, not previously authorized, \$102,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

We are at the top of page 8. Aboriginal affairs, not previously authorized, \$396,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Total department, not previously authorized, \$535,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

I am going to halt for a second while the Members find their place. We are on page 9, now. Finance, operations and maintenance, directorate, not previously authorized, \$74,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Total department, not previously authorized, \$74,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Page 10. Municipal and Community Affairs, operations and maintenance, corporate affairs, not previously authorized, \$397,200.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Community operations, \$626,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Mr. Picco.

MR. PICCO:

Thank you, Madam Chair. Madam Chair, the amount under self-government negotiating mandate, is that money that is available to be paid back to this government from the federal government? Because

self-government talks, of course, are a federal responsibility.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Picco. Mr. Todd.

HON. JOHN TODD:

No, Madam Chair. That is within our existing budget and that is not recoverable from the federal government. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Todd. Mr. Picco did not hear your answer. Could you be kind enough to repeat it please, Mr. Todd.

HON. JOHN TODD:

No, Madam Chair. That is not money that would be recoverable from the federal government. That is the fiscal money that we have allocated to our role in the self-government discussions. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Todd. It would appear that Mr. Picco went back two pages without the permission of the committee and we are going to deal with line-by-line as they come up, Mr. Picco. We are on page 10 now. Municipal and community affairs, operations and maintenance, corporate affairs, not previously authorized, \$397,200.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Community operations, not previously authorized, \$626,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Regional operations, not previously authorized, \$359,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Page 11. Community development, not previously authorized, \$2,770,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Emergency measures, not previously authorized, \$153,500.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Total department, not previously authorized, \$4,305,700.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Page 12. Department of Public Works and Services, operations and maintenance, directorate, not previously authorized, -\$2,896,300.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Project management, not previously authorized, -\$2,271,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Asset management, not previously authorized, -\$20,884,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Page 14. Systems and communications, not previously authorized, -\$109,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Total department, not previously authorized, -\$26,160,300.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Department of Health and Social Services, operations and maintenance, community programs and services, not previously authorized, \$8,646,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Support and health services administration, not previously authorized, \$1,047,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Support and health services administration, special warrants, \$215,900.

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SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Not previously authorized, \$1,047,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Total department, special warrants, \$215,900.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Not previously authorized, \$9,693,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Page 16, Department of Justice, operations and maintenance, directorate, not previously authorized, \$121,600.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Justice and community corrections, not previously authorized, \$1,549,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Registries and court services, not previously authorized, \$103,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Lawyer support services, not previously authorized, \$170,000. Mr. Ootes.

MR. OOTES:

Thank you, Madam Chair. My question relates to the expense factor here. I also noted before that we have under corporate affairs funding for self-government under the Department of Municipal and Community Affairs. Could we get an explanation of what the role of the territorial government is with respect to self-government negotiations and where this expenditure is going?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Ootes. Mr. Todd.

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HON. JOHN TODD:

Thank you, Madam Chair. I think perhaps I can clear it up fairly quickly. There are a number of tables, as they say, negotiating tables underway in this self-government exercise. Our expenditures are based on the Financial Management Board Secretariat because it has a role in this. Aboriginal Affairs has a role in this, Justice because there is a lever component and MACA. So each of these departments has identified the resources necessary for them to sit at the negotiating tables as it relates to representing the interests of the GNWT in the self-government exercise, hence the identification, for example, in legal services in Justice of \$170,000. You will see in the MACA budget \$323,000, in the Aboriginal Affairs budget, \$391,000 and in FMBS, \$212,000. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Todd. Mr. Ootes.

MR. OOTES:

Does this also apply to land claims, in addition to self-government?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Ootes. Mr. Todd.

HON. JOHN TODD:

It is primarily in the self-government negotiations that are underway. These departments are, in political terms, looking after the interests of the GNWT by being active participants in the envelopes surrounding self-government.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Todd. Department of Justice. Mr. Steen.

MR. STEEN:

Thank you, Madam Chair. Madam Chair, during the budget discussions the Minister of Finance identified \$1 million for self-government talks and land claim participation and he suggested at that time I believe, that this money would come and be identified in future

through supplementary appropriations. I am wondering if this is what I am seeing now?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Steen. Mr. Todd.

HON. JOHN TODD:

Yes, my honourable colleague is correct, what we are identifying here is by department the monies that have been allocated for us to be at the different negotiating tables in self-government. Yes, correct.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Todd. Mr. Steen.

MR. STEEN:

That is all I have, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen):

Mr. Krutko.

MR. KRUTKO:

Thank you, Madam Chair. Just a question with regards to the amount. There are a number of negotiating tables that are out there now, I believe there is the Inuvialuit, the Gwich'in, the Dogribs, Treaty 8, and the other groups presently under negotiations. With the amount of resources we have and the amount of human resources we have put to it, I do not think this is adequate, and I think maybe we should increase the amount to maybe \$6 million or \$7 million to get the job done before division. Maybe the Minister can tell us exactly the demand from the aboriginal organizations and the responsibility this government has at those tables to ensure we have adequate human resources there, as well as the time-frame that we are looking at for these agreements to be concluded. I believe we are looking at a deadline for the Beaufort Delta of April 1999 to have the agreement in principle completed. Do they have the adequate resources in place with the amount of resources that we have earmarked? I believe it is a little low.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Krutko. Mr. Todd.

HON. JOHN TODD:

I know it is a serious issue, so I will not jest, I was just going to say that if I see Mr. Antoine sending gifts to Mr. Krutko, he is in trouble.

--- Laughter

I think that Mr. Antoine and his group who have the responsibility for this exercise and have the coordinating responsibility in the government have identified \$1 million plus in resources. If it is not adequate, has not moved forward, we have a responsibility to re-examine that. As far as I understand it, from discussions with Mr. Antoine and the departments, this is the number they have requested, this is the number the FMB have approved. I do not know if it is going to be \$1 million, \$1.5 million or \$6 million or \$10 million, but we have approved the dollars that were presented to us by Mr. Antoine's department who coordinated the request by the departments who have officials at the table on the self-government discussions.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Todd. On page 17, Department of Justice, operations and maintenance, lawyer support services, not previously authorized, \$170,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Total department, not previously authorized, \$1,943,600.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

NWT Housing Corporation, operations and maintenance, NWT Housing Corporation, not previously authorized, -\$8,100.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Total department, not previously authorized, -\$8,100.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Education, Culture and Employment, operations and maintenance, directorate and administration, not previously authorized, \$81,100.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Culture and careers, not previously authorized, \$5,874,600.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Educational development, not previously authorized, \$4,905,700.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Total department, not previously authorized, \$10,861,400.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, page 21, Department of Transportation, operations and maintenance, corporate services, not previously authorized, \$553,249.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Ferries, not previously authorized, -\$470.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Highways, not previously authorized, -\$799.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Community marine, not previously authorized, \$56,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Airports, not previously authorized, -\$2,380.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Total department, not previously authorized, \$605,600.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Department of Resources, Wildlife and Economic Development, operations and maintenance, corporate management, not previously authorized, \$3,071,700.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Resource management and economic development, not previously authorized, \$8,500,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Total department, not previously authorized, \$11,571,700.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Department of Executive, capital, Financial Management Board Secretariat directorate, not previously authorized, \$262,000.

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SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Total department, not previously authorized, \$262,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Page 24, Department of Municipal and Community Affairs, capital, community operations, not previously authorized, \$1,461,000. Mr. Krutko.

MR. KRUTKO:

Can I have clarification on the \$1.5 million to Rankin Inlet, with regards to the prepaid condition for the hamlet of Rankin, and also how that affects other communities with regard to this initiative?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Krutko. Mr. Todd.

HON. JOHN TODD:

I think it is important because, as usual it is Rankin Inlet and I am sitting in the chair, to explain in detail what took place here. There was \$14.7 million originally in the budget to put a utilidor into the community of Rankin Inlet over a five year period. In keeping with our contribution to fiscal restraint and the deficit strategy, \$7.9 million was cut from the budget over that period of time. The hamlet of Rankin Inlet came to MACA and asked them to complete the existing loop in Rankin Inlet. They asked us if we would be prepared to give them \$1.5 million. MACA went back to them and said they were not prepared to do that, in keeping with the new policy with respect to land development, and that Rankin Inlet and other communities in the future will have to develop some

form of repayment schedule whether it is through a debenture, lease payments or whatever.

In recognition of that, Rankin Inlet agreed to a \$1.5 million repayable contribution to complete installation of water and sewer mains on streets six and seven, and this repayment contribution would be no different from the normal debenture funding that exists elsewhere. The hamlet will make payments according to a schedule with the funds realized through community lease payments and will be subject to the interest rates normally charged for debenture loans. The balance that is required to complete water and sewer over the following three or four years of another \$6.1 million will have to be done in a similar manner. There is no more money so this \$1.5 million is a repayment schedule that the community of Rankin Inlet is prepared to fund through an increase in its landlot leases to the constituency at large. It has no impact on other communities because it is a repayment loan similar to what we do with other constituencies like Hay River, Fort Smith, Fort Simpson, Yellowknife, et cetera.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Todd. Mr. Krutko.

MR. KRUTKO:

I have a question with on contributions to hamlets. How many other hamlets have been or have there been put in this situation to allow them the same opportunity to access funds to develop infrastructure in those communities through this initiative?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Krutko. Mr. Todd.

HON. JOHN TODD:

I think it is important to put it into terms of the new land use policy in place where communities have to recover the costs of their land developments. All communities have access to this and they can do the same as any other community can do, either through some kind of debenture, through borrowing from ourselves through lease payments or whatever. It is open to everybody, provided they have the capability and the capacity to repay it. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Todd. Mr. Krutko.

MR. KRUTKO:

I am not too sure the land lease policy has been approved by this House yet. Presently, it is still in draft form so I am wondering how we are approving this when the policy has not been approved by this House, with regards to how it sets rates for lots and properties.

CHAIRPERSON (Mrs. Groenewegen):

Mr. Todd.

HON. JOHN TODD:

Thank you, Madam Chair. Legislation was approved in the last session. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Mr. Krutko.

MR. KRUTKO:

Yes, I believe the legislation was passed but I do not believe we agreed to allow the increases for the particular leases in those communities at this time. I believe it is presently being drafted for the House.

CHAIRPERSON (Mrs. Groenewegen):

Mr. Todd.

HON. JOHN TODD:

That is correct, but it is a community choice. If a community wishes to put forward a land development, they have to pay for it, that is what the legislation now says. So the community choice in the constituency of Rankin Inlet was that they do not have the capability, they tell me, for the \$6.5 million but they are prepared to conclude one loop to the tune of \$1.5 million. It is a repayable contribution, in keeping with the way in which we contributed to other municipalities including Yellowknife, Fort Smith, Hay River, Fort Simpson, et cetera, by increasing the costs of their leases and meeting the schedule of payments that is required under the policies that we have in place. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Todd. Mr. Erasmus.

MR. ERASMUS:

Thank you, Madam Chair. The repayment schedule that was mentioned. How long of a time period is

there within which the municipality has to repay the loan?

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Mr. Todd.

HON. JOHN TODD:

I do not have the term of that loan or any other loan, but I imagine it would be under the normal debenture loan system that we put in place. We give those out all the time to municipalities. There is a clear policy in place as to a repayment schedule, as well as interest payments. I do not know off the top of my head whether it is a five, ten, or 15

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year period, but I could check into that one, as well as the others that we give across the territories. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Todd. Mr. Erasmus.

MR. ERASMUS:

Thank you, Madam Chair. It is good to know that it is under the normal conditions, but what are the normal terms? Does it have to be within 20, 50, or 100 years? I am sure it must be something reasonable. Is there a policy in place to govern this so that it is reasonable length of time?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Erasmus. Mr. Todd.

HON. JOHN TODD:

The policy in place is no different than for any other constituency across the territories. I do not know whether it is a 10, 15, or 25 years. Seamus is saying it could be 25. I do not know. It is a normal repayment policy. I could check into it and get back to the Member. I do not know what the payback is, but it is just normal, whatever we do. When someone goes and asks for \$10 million like the City of Yellowknife did some time ago, we work our repayment schedule or Fort Simpson, Hay River, Fort Smith or whatever. I can look into it though and get back to my honourable colleague as to what the schedule is on this particular expenditure.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Todd. Mr. Erasmus.

MR. ERASMUS:

Thank you, Madam Chair. How are the interest rates determined for the various loans?

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Mr. Todd.

HON. JOHN TODD:

The interest rates are what we normally charge for debenture loans to everybody across the territories.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Mr. Erasmus.

MR. ERASMUS:

Thank you, Madam Chair. Is there just one rate then? Everybody gets five percent, say? It does not matter what time of the year or what the current interest rates are at the bank?

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Mr. Todd.

HON. JOHN TODD:

Mr. Voytilla advised me it is a set rate for everybody across the territories.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Mr. Erasmus. Mr. Henry.

MR. HENRY:

Thank you, Madam Chair. The subdivision that the Minister is talking about. I believe there are residences already on those streets that he referred to. Is that correct?

CHAIRPERSON (Mrs. Groenewegen):

Mr. Todd.

HON. JOHN TODD:

That is correct.

CHAIRPERSON (Mrs. Groenewegen):

Mr. Henry.

MR. HENRY:

Thank you, Madam Chair. I take it that these streets and homes are presently being serviced by water delivery and sewer pick-up?

CHAIRPERSON (Mrs. Groenewegen):

Mr. Todd.

HON. JOHN TODD:

That is correct.

CHAIRPERSON (Mrs. Groenewegen):

Mr. Henry.

MR. HENRY:

Thank you, Madam Chair. Probably as many communities have in the territories, in Yellowknife we also have some subdivisions that have water delivery and sewage pick-up. Would those loans be available, for example, to the municipality of Yellowknife on a repayment schedule similar to the ones that are proposed by the Minister?

CHAIRPERSON (Mrs. Groenewegen):

Mr. Todd.

HON. JOHN TODD:

It would be through a debenture like a sophisticated municipality such as Yellowknife would issue a debenture, yes.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Mr. Ootes.

MR. OOTES:

Thank you, Madam Chair. Going back to my earlier question as to how this affects our bottom line. I interpret this to be a repayable loan and therefore will presumably go on our books as a debt. It really does not cut into our bottom line, I take it, at the end of the year. But perhaps the Minister could speak on that for a moment?

CHAIRPERSON (Mrs. Groenewegen):

Mr. Todd.

HON. JOHN TODD:

Like the loans that we issue to Yellowknife or anywhere else, it would be set up as a receivable. Yes.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Mr. Krutko.

MR. KRUTKO:

Thank you, Madam Chair. Regarding the loan that is being allocated. Under the new arrangement we made for communities to borrow money, is the government going to guarantee that all these loans will be in place for the municipalities or communities that want them? Will there be a written guarantee for all those communities so that if they do default on those loans, this government will be liable for those loans?

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Mr. Todd.

HON. JOHN TODD:

Can I get clarification? Is Mr. Krutko saying if we are lending money to municipalities under the new legislation that we set in place to allow hamlets, et cetera, to borrow money - are we guaranteeing that borrowing, is that what we are saying, if they default? Is that what he is saying? That is the question I want to ask.

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CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Todd. For clarification, Mr. Krutko.

MR. KRUTKO:

Yes, that is what I am saying.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Mr. Todd.

HON. JOHN TODD:

The answer is no. Why would we? That is why you borrow the money. You demonstrate you have a repayable schedule and you repay it. If you are in default, you sue. I am not being flippant, it does not make any sense. If you have a debenture or you have

a loan in place, it is not the job of the government to guarantee. These municipalities now have more flexibility than they have had in the past, and if they can demonstrate, and they have to demonstrate it, I do not know whether this is the first one or not, but I know at a personal level, I had a heck of a time convincing the guys to do this because they were going to get it for nothing. The bottom line is, they have to pay it back. They have to demonstrate the capacity to pay it back. My constituency is all going to contribute to it, not just the people in the area, to ensure there is water and sewer in there by them all agreeing to increase the lease costs and paying the government back on a regular basis. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Todd. Mr. Krutko.

MR. KRUTKO:

The motion passed in March basically allows the communities to have more say and more power in regards to allowing them to borrow. I believe at that time the understanding was that this government will guarantee the loans that those municipalities have to borrow money in regards to a land lease policy. Is that the position of this government?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Krutko. Mr. Todd.

HON. JOHN TODD:

I am not sure what my colleague is trying to say. Let us say the community of Fort McPherson wishes to borrow money from the government or in a repayable contribution. It has to show the capacity to pay it back. If it defaults by not paying it back, I am not sure what the answer is to that one, quite frankly, if I can be very blunt about it. I would have to confer with my honourable colleague, Mr. Lew Voytilla, for a moment.

Sorry, Madam Chair. It is not that I am trying to avoid it. It is just so simple, sometimes you cannot see it. In the request for borrowing, they have to show, first of all, capacity to repay. So you make the assumption, like a bank, that they have the capability. If we are in a situation where there is the isolated case where they are unable to repay, we will work with that municipality to work out a repayment schedule that they can afford. There have to be circumstances to that effect. But when you approve a loan, you approve a loan based on certain principles, certain capacities, certain criteria, so yes, if, what has been suggested

by Mr. Voytilla, if there were isolated cases, then we would work with the constituency. One could be to refinance it, two could be look at a schedule of payments, et cetera. So, yes, there is a caring capacity within this policy to ensure that we look after the communities as best we can.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Todd. Mr. Krutko.

MR. KRUTKO:

Thank you, Madam Chair. In regards to the process of loans being approved by the communities. Is this the process that is going to be used, or will they be put in the annual budgets or through supplementaries? Is this going to be the process where the communities come forth, we put in supplementaries, or it is going to be in the overall annual expenditure of this government so that we see it all at once or come in sections?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Krutko. Mr. Todd.

HON. JOHN TODD:

That is not a precedent. This is a situation where, the monies were taken out of the capital budget. It took some time to negotiate with the constituency that they had to repay it. They should be complimented for taking that initiative to do that. That is the only reason it is in here and it is certainly the precedent where there is a repayment schedule and that is the process that will be under way in the coming months with whatever communities ask for borrowing to work within their land development proposals. Absolutely.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Todd. Mr. Picco.

MR. PICCO:

Thank you, Madam Chair. Madam Chair, my question concerns in generalization under \$1.5 million that was being loaned to Rankin under this new policy that we have passed by this government under the land development. What is going to happen if the demand over the next x number of months from different communities increase, so we have to end up with \$10, \$12, \$15, \$20 million to borrow or lend to these communities? Rankin Inlet being an non-taxed base municipality and not necessarily one of the largest in

the Northwest Territories and this \$1.5 million. What about these other communities? I am saying, would that cause a demand or a problem for the cash flow of this government if we lend out \$20 or \$30 million and will not be getting it back over five or 10 years? What would happen then, at the end of the day, division on April 1, 1999? Does the money that has to be paid back by the Hamlet of Rankin go to one or the other jurisdictions? Have those types of things been looked at? Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Picco. Mr. Todd.

HON. JOHN TODD:

A good question in relationship to how do you control the amount of lending that is out there. Mr. Voytilla advises me, reminded me, every year we come in with a Loan Authorization Act with a certain amount of money allocated to it, so there is an element of control there. That has to come forward every year on an annual basis. On the issue of who pays what in 1999, I would see that as part of the asset and

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liability. Whatever arrangement we make, there is a million amount there, this will just be one tiny, small part to the overall divvying up of assets and liabilities, et cetera. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Todd. Mr. Picco.

MR. PICCO:

Thank you, Madam Chair. Madam Chair, Mr. Voytilla, in conversation with Mr. Todd, gave him the indication that there indeed was an amount that comes forward under the loan authorization. As we all know, in this House, over the past 15 months, those monies are targeted for different areas, not necessarily the land development money, as such. My supplementary question to Mr. Todd as the Finance Minister, under this area of community operations is, do they have a targeted amount set for land development? If not, are they going to be setting up one? As this new policy now has only taken place in the last month, we already have seen a request for \$1.5 million from one community and it was only approved in the last session, in March. We have another twelve months to go. What type of budget have you got there and what happens to a community if all the money is gone, if

the community of Tuktoyaktuk wants to develop land and there is no money left to be borrowed because we are already at our limit? How are we going to do this? I think there are some very good questions. Thank you, Madam Chairperson.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Picco. Mr. Todd.

HON. JOHN TODD:

I always assume all questions of Mr. Picco are very good. Madam Chair. I think Mr. Picco is correct, the policy is relatively new and the legislation was changed. What is going to be the uptake, I think is the question, and do we have the capability if the uptake is greater than our fiscal needs, right? My understanding is that MACA will be going out and is going out on an annual basis, as they normally do asking municipalities. They do it under municipalities who can issue debentures and taxes. You know, what are your fiscal borrowing requirements? It is merely an expansion of that, in a sense.

Now I would not deny that there are some growing pains to this policy. There is no question about that. Anybody to suggest otherwise is just silly and naive. The reality is, MACA does have a process in place. It goes out and seeks from the constituencies at large what their requirements are for capital money, what the requirements are going to be for infrastructure money and they will also ask what its requirements are, and if it requires borrowing under the new policy. We will collate that and determine what the appropriate levels are that are going to be required. That would probably come in under the Loan Authorization Act. So there is a system in place, but it does have some growing pains, no question. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Mr. Ootes.

MR. OOTES:

Thank you, Madam Chair. It is a good discussion and I think it certainly allowing us to see that there may be a bigger need out there as we go. Perhaps we should think about this and develop policy area guidelines in this area. The other concern that I think is there is when is this done? Do we do this through the main estimates, so we can keep in control the amount of money that is issued? I guess the other question is, in this particular case, if I heard Mr. Todd correctly, he

stated that this particular project was already underway and hence it is here through the supplementary appropriation. Perhaps he could just re-address that for me. I guess the question was, could this not have been addressed at an earlier time or did it just crop up that the municipality decided to take control of this and saw an urgent need for it?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Ootes. Mr. Todd.

HON. JOHN TODD:

Thank you, Madam Chair. I would have thought my colleague here would have applauded Rankin Inlet for their initiative in paying it back, since all we ever hear from these municipalities that have got a tax base is that we are not pulling our weight. This new policy, brought forward by my colleague, Hon. Maniok Thompson, does in fact do that. It puts the responsibility and the onus at the community level to pay back and find ways to pay back the land use development. That is what this is all about. Nothing else, nothing more. I wonder if this was Gjoa Haven would this be taking place? That is all this is, nothing else. It is no different and is consistent with how we treat Yellowknife, Fort Smith, Hay River, et cetera. Nothing else, nothing more. There is going to be more of it, he is absolutely correct, because that is the policy in the legislation that we approved the last time around. I do not know how else to answer it.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Todd. Mr. Ootes.

MR. OOTES:

I think the Minister is misunderstanding. I am trying to say this should not be developed further. I am saying it is perhaps an area of growth and therefore we need to continue to look at it and say how do we handle this in the future? Obviously you are already addressing it, to a degree. That is my point. I think it requires continued attention. Obviously, communities have needs and if there is an opportunity to borrow money, the area of concern in the end becomes can we meet their needs? Are we able to meet the financial needs out of our cash flow for those communities? I agree, and I do applaud Rankin Inlet for taking the initiative on this, that they are prepared to pay the money back. I think that is good. Every other community, certainly the community I live in does the same thing. I think that is good. I am just saying that we want to watch

that we, as a territorial government, have adequate funds to provide this and have the criteria by which it is given under. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Ootes. That was a comment. Did you want the Minister to respond?

MR. OOTES:

No.

CHAIRPERSON (Mrs. Groenewegen):

Okay. Thank you, Mr. Ootes. I have Mr. Steen.

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MR. STEEN:

Thank you, Madam Chair. Madam Chair, first of all, perhaps I can get some clarification from the Minister? I understand the supplementary appropriation does not increase the spending power of the territorial government in that particular fiscal year? Is that true?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Steen. Mr. Todd.

HON. JOHN TODD:

I always like a sober second thought when Mr. Steen asks me a question. I think I understand the question. Sometimes I worry about this. Thank you, Madam Chair. It will increase our expenditure side, obviously, because that is where supplementary appropriation is. On this particular one, we will show it as a repayable loan. It will have no overall impact on the bottom line.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Todd. I just like to remind the Members we are dealing with the detail of the Bill and we should restrict our questions and comments to the item that we are on, which is Municipality and Community Affairs, capital, community operations. Mr. Steen.

MR. STEEN:

Thank you, Madam Chair. I am, I hope, dealing with the figure on page 24, \$1.5 million. I have questions about whether or not we are increasing this government's ability to expend. As far as I am

concerned, whether you are lending money out, or whether you have spent it, you do not have it any longer and so you did in fact spend it. Whether you get it back in ten years or five years, you do not have it any longer. My question would be, does Cabinet or anyone have a maximum in this particular program, that we would lend out? In other words, can Rankin Inlet come back and ask for another \$3 million this year? Can Tuktoyaktuk ask for \$3 million? What is the line that we draw this program at? If I may use an example Madam Chair, I believe the Minister said it is quite a popular program. I also heard at one point in time that access roads was a popular program, but we decided to put a ceiling on that popular program, so that only so much money was spent on access roads. Are we following the same process here?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Steen. Mr. Todd.

HON. JOHN TODD:

Thank you, Madam Chair. This is new legislation that came in the last time round. It is in its infancy and is not going to be without some growing pains. Some concerns were raised by Mr. Henry and Mr. Ootes about the ability of these communities. I remember the debate, it was quite fiery, about the ability of these communities to repay, et cetera.

There will be an increased uptake on this program, assuming communities wish to do it, one, and two, that they can demonstrate the ability to repay. We have to find and plan for the fiscal requirements, whether it is in land development in Tuktoyaktuk or land development in Grise Fiord. I could not tell you today, quite frankly, Mr. Steen, what the uptake is going to be because this policy only came into place a few months ago. It is a change, a significant change, because this government no longer has the capacity to continue to pay for land use and land development like water and sewer and land development, in the communities as we have in the past. In the past it was all paid for by the government. In the future it has to be repayable. So I am not sure what the overall uptake is at this early stage of the game because we are early into it. I would remind everybody there is a requirement to repay it, which is a significant shift from the way in which we did business before. That is all I am saying.

If you look at Rankin Inlet, let us use that one as an example. We had \$15 million in a five year budget, we had \$6.9 million put in, in the ground at no cost to the

constituency. We paid for that. That was the policy of the government at the time. I am using it as an example. The policy changed. The community of Rankin Inlet now has to contribute, through a repayable loan, if they wish to continue with this. They need an additional \$7.9 million but they recognize they do not have the capability at this time to pay for that. They need to complete the loop. I am not a technician but a loop has to be done - that is going to cost \$1.5 million. They have the capability to do that. That is how we are approaching this thing in the communities. The degree of spending, I think you are asking about where it is going to cap out. I really could not tell you at this stage of the game. We do not know how much demand will be placed on it. MACA will be now asking the communities, as part of the overall budgetary strategy, for what their requirements will be in lending for land use development each year. We will be getting a better picture in the coming months, because this policy only took place the last February/March, as Mr. Voytilla says.

I would like to be a little more definitive with you, but I just cannot do it at this time. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Todd. Page 24, Municipal and Community Affairs, community operations not previously authorized, \$1,461,000. Mr. Krutko.

MR. KRUTKO:

Thank you, Madam Chair. In regards to the comments made by the Minister, what if there are communities who cannot afford to generate those revenues because, say, the community is not stable with regard to having those economic opportunities and they do not have a way to generate those revenues because of the economic situation they find themselves in, but there is a demand for some infrastructure or say a water problem, problem with the utilidor or whatnot. Will this eliminate them, this option because this is the only option they will have? So, basically the advantage of this is the communities that can generate those revenues to pay down those loans but what if there are communities which cannot afford that?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Krutko. Mr. Todd.

HON. JOHN TODD:

I would suggest to my honourable colleague that is a policy question and I am here to discuss the budget. I am not trying to avoid it, but I do not have the answer for that as the Minister of Finance and that may be an appropriate question to ask in the House tomorrow from the Minister of MACA. It is a policy question and I do not have the policy before me at this time. That is an important one, do not

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misunderstand me, and I have said several times while I am sitting here that this is a new policy that does have serious implications, no question my colleague is correct. The reality is, it was put in place for a variety of reasons and one was fiscal. So I would suggest that tomorrow in question period or later on this week, you may wish to ask the Minister of MACA and she can probably answer that during question period. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Todd. Mr. Krutko.

MR. KRUTKO:

Just a question with regarding the Deficit Elimination Act presently in place. I believe there is a percentage in there of which we are allowed to spend at least two percent. This is just one community that has come forth for \$1.5 million. At what stage is it going to be capped? I believe that is important so we do not find ourselves breaching the Act.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Krutko. Mr. Todd has already said that he does not have the policy in front of him. That is a policy question. Mr. Todd.

HON. JOHN TODD:

I can answer in terms of the overall fiscal framework which I think Mr. Krutko is talking about. We are managing the budget and are going to meet as I have said frequently, hopefully meet our targets that were set by this House in relationship to our Deficit Elimination Strategy. A policy question really should be asked to the Minister in question period or privately, but in terms of the overall fiscal health of this constituency and this policy, how it will impact on it, it will be managed overall through the FMBS and as part and parcel of our targets, we will keep a watchful eye on this issue. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Todd. Mr. Steen.

MR. STEEN:

Thank you, Madam Chair. Madam Chair, the Minister said that he believes the arrangement that was made shows x-number of dollars being paid back to the government each year. I wonder if the Minister could tell me, on April 1, 2000, assuming the loan started April 1st of this year, who does it show the payment going to, Nunavut or the NWT?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Steen. Just before I recognize Mr. Todd for that answer, I would like to recognize Percy and Betty Hardisty in the visitor's gallery, friends from Fort Wrigley. Welcome to the House.

-- Applause

Mr. Todd.

HON. JOHN TODD:

There are a million examples that Mr. Steen is talking about out there as we move forward on division. It will be part and parcel of the assets and liabilities exercise that we undertake, whether it is in a debenture for the city of Yellowknife, whether it is in a repayable contribution for the town of Rankin Inlet, whether it is in a variety of things we have out there. It will have to be part and parcel of the assets and liabilities discussions and negotiations that we get underway. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Todd. I think that might more aptly fall under division, however, Mr. Steen, my honourable colleague, go ahead.

MR. STEEN:

Madam Chair, I would agree with you to some degree that this question goes towards division, however, we are talking about how the money is going to be returned and we are talking about the figure. Now the reason this question entered my mind is I seem to recall legislation saying that once the interim commissioner is appointed, he is the only guy who can approve debts for Nunavut. I am wondering if this debt was entered into before he was appointed or

after he was appointed and if it was entered into with his approval.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Mr. Todd.

HON. JOHN TODD:

I guess what Mr. Steen is saying is we do nothing for the next 20 months because that is what he is suggesting, I think. The reality is, we are working out a protocol with the interim commissioner on a variety of issues and this is a very small one and when that protocol is worked out, we will share that with the House. But the reality is, we still have to run the business of government. This is one tiny, small part of it and ultimately, whether it is a debt in the west or a debt in the east, it will be determined through some negotiations on the assets and liabilities. So I should suggest then that we do not enter into any debt in the west because the way I see it, it is the dividing of two territories not one. The current budget is all of our budget. I do not wish today to debate this if it is going to be a division issue, Madam Chair. I want to debate the merits of the investment here and move on.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Todd. To update Members who have just returned to the committee, we are on page 24, Supplementary Appropriation no. 1, Municipal and Community Affairs, community operations, not previously authorized, \$1,461,000. Mr. Steen.

MR. STEEN:

Madam Chair, I appreciate the Minister's comments and response but I believe it is a legitimate question and I do not believe that I am talking about limiting programs to the east versus west at this time. I do not believe I am talking about limiting expenditures, east versus west. We are talking about a loan and it is quite different, the way I look at it. Who is going to pay it back to who and if the Minister can clarify it with me, the land claims that says the interim commissioner has the only authority to make expenditures towards Nunavut after he is appointed, whether or not that has any weight? How are we going to abide by it, statements like that, because I am concerned about how we are going to get this money back and whether we have the authority to lend it.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Steen. Mr. Todd.

HON. JOHN TODD:

I give up. First of all, the community of Rankin Inlet will pay it back to whatever government is in place at the time, the Nunavut government, same as city hall will pay back its expenditure which comes out of the overall budget of

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this government for the western governments. I have told Mr. Steen that we are working out right now a protocol with the interim commissioner as to whether he has authority, whether it is advisory et cetera. We are working that out on a variety of fronts right now and we have not got total clarity on that but when we do, I will share it with the House. We have a responsibility to carry on with government business. Long-term debt in the east is no different than long-term debt in the west. It is an expenditure that has to be divided up at the end of the day, east and west. I cannot see it any other way.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Todd. Moving on, Municipal and Community Affairs, community operations, not previously authorized, \$1,461,000. Mr. Krutko.

MR. KRUTKO:

Thank you, Madam Chair. With regard to the communities and the planning process they have been in, they have also had to cut project and whatnot in their ridings to get to this and I think to be fair to the other communities that do not have this opportunity at this time or basically do not have the resources to carry something like this out, we have to consider that there is a planning process in place and I do not see why this project was not part of the overall planning process for municipalities in regards to looking at their capital expenditures for each year for a five year capital process and why was that process not used before it came to this stage?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Krutko. That was a comment. Does the Minister wish to respond to the comment? Okay, thank you. Municipal and community affairs, community operations, not previously authorized, \$1,461,000. Mr. Krutko.

MR. KRUTKO:

Thank you, Madam Chair. The question to the Minister is, why was this specific project not followed through the five year capital planning process of Rankin Inlet to ensure that basically it is done through the process so everyone in this House has the opportunity to review those capital projects through the planning process and also through the budgetary process that everyone else had to go through, instead of going through supplementary appropriations?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Krutko. Mr. Todd.

HON. JOHN TODD:

Madam Chair, it was in the capital plan. It was taken out, \$7.9 million. The community of Rankin Inlet contributed to the deficit strategy. It has come back in so we can conclude the loop. They are going to pay it back.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Mr. Krutko.

MR. KRUTKO:

I believe we just finished the planning process a couple of months ago with regards to the 1997-1998 budgetary approval process for that. Why was this not part of that process?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Krutko. Mr. Todd.

HON. JOHN TODD:

It was taken out because of the change in policy, Madam Chair. I have said it three times. It was taken out because of the change in policy. They have come back and requested a repayable contribution, we have agreed, period. Full stop. I do not know how else to explain it.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Todd. Mr. Krutko.

MR. KRUTKO:

With regards to the capital planning process, I believe a lot of other communities had projects taken out of their budgetary approvals and also through the deficit elimination process that we were told was to allow us to proceed on the line we were taking to resolving this

budgetary problem we had. For certain communities we would only allow certain projects to be accepted in communities. In the case of one of my communities, Tsiigehtchic, they were given \$43,000 for capital for next year, yet a community can come after that process for \$1.5 million.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Krutko. The deputy informs me here that we are off the topic. Mr. Todd would you like to respond?

HON. JOHN TODD:

I am glad to see you are bringing them back, Madam Chair, because this is just absolute nonsense. I mean what we are talking about is a new policy, new legislation that we put in place about land use expenditures, not about the capital planning process that said clearly that they themselves voted on that and the government would no longer pay for those costs. That is all we are talking about here. They mix this up with other capital planning processes. This is a repayable loan, I do not know how more to explain it. If I sound like I am exasperated, I will absolutely and unequivocally say I am. I do not know how to explain it.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Todd. I will just remind the Members that we are dealing with the two specific line items that are covered by the supplementary appropriation and the application for similar funding in other communities is not up for discussion at this point in time. Mr. Steen.

MR. STEEN:

Thank you, Madam Chair. Madam Chair, I know I asked this question before and I did not feel I got an appropriate answer. I would like to know if the equivalent amount of money, \$1.5 million is going to be available to each and every other community in the territories, if in fact they qualify or is the Cabinet planning to set a limit to this program? I believe the question is important because it suggests here, first come, first serve and I do not like that. So, I would like to know if the slow-moving communities will still have the ability to access this program to an equal amount as identified here or whatever they can afford?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Steen. Mr. Todd.

HON. JOHN TODD:

It is important for me to correct my honourable colleague, it is not first come, first serve and I, frankly, take exception to that. Secondly, these funds are

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available to all communities at all times, as long as they have the capability to repay. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Todd. Mr. Steen.

MR. STEEN:

Madam Chair, I do not wish to offend the Minister, although I appreciate that he is from Rankin Inlet, it is his riding. I do not wish to offend him, I just suggest here that because there is no limit to the fund, no ceiling, it seems to suggest that there is only x-number of dollars that this government can afford. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Steen. Mr. Todd.

HON. JOHN TODD:

Now I have clarity from Mr. Steen. I now understand what he is saying. The policy will be available to all constituencies, at all times, provided they have the capacity to repay it. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Todd. Municipal and Community Affairs, capital, community operations, not previously authorized, \$1,461,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Total department, not previously authorized, \$1,461,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Page 25. Public Works and Services, capital, asset management, special warrants, \$861,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Petroleum products, special warrants, \$342,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Total department. Mr. Steen.

MR. STEEN:

Thank you, Madam Chair. I would like to know what portion of the Sachs Harbour tank farm upgrading was carried over.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Steen. Mr. Todd.

HON. JOHN TODD:

The dollar amount was \$59,000, as my colleague knows and the notes said that just the project was delayed due to a change in scope. It may mean that they changed some things within the upgrade of the tank farm. I do not have any further detail than that, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Todd. Public Works and Services, capital, petroleum products, special warrants, \$342,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Total department, \$1,203,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Department of Health and Social Services, capital, community programs and services, special warrants, \$2,918,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Total department, special warrants, \$2,918,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Department of Justice, capital, community justice and corrections, special warrants, \$1,130,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Total department, special warrants, \$1,130,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Department of Education, Culture and Employment, capital, culture and careers, special warrants, \$652,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Culture and careers, not previously authorized, \$2,204,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Educational development, special warrants, \$10,916,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Not previously authorized, \$898,000. Mr. Steen.

MR. STEEN:

Madam Chair, I have a question in regards to the recovery from the government's insurer. I believe we have heard on a number of occasions from the Minister of Education that the funding for the Fort McPherson school from the insurer was nowhere near what they thought it was going to be. I am wondering if the Minister could give me a better idea what the amount would be in terms of dollars?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Steen. Mr. Todd.

HON. JOHN TODD:

It would be difficult. Again, I am not trying to avoid the question, but it would be difficult to quantify what

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that is going to be because we are under discussions right now with the insurance brokers. I will say this much, if there is a shortfall in funding, that has to be eaten by the Department of Education and they understand that. Just for clarity purposes, there is in our overall insurance policy, Mr. Steen, there is a million dollars deductible that we have in place, but I would not be able to quantify with the day, did we get the \$8 million, did we get \$7.5. I can assure you though that any shuffling of dollars Mr. Dent and his department will be, and have agreed to, finding the money from within. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Todd. Mr. Steen.

MR. STEEN:

Madam Chair, the figures shown for Fort McPherson is \$1.4 million. Surely the insurance would be more than \$1.4 million?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Steen. Mr. Todd.

HON. JOHN TODD:

Yes, Madam Chair. No, that project was under way. All that is just a carry over for the work that was not completed during this period of time to the next period of time. That is all that is. That is not the insurance recovery.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Todd. Mr. Krutko.

MR. KRUTKO:

Thank you, Madam Chair. In regards to the insurance for the school in Fort McPherson, what if the insurance is higher than what the cost to replace it is? Will that money go to McPherson to pay off that \$250,000 that is being debated in this House?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Krutko. Mr. Todd.

HON. JOHN TODD:

I do not think that there is a chance in heaven that will happen, but if it does, then I think it would only be appropriate, if we were even fortunate, remotely, in a million in one chance to get it to put it against the deficit, but I do not think we will be in that position, Mr. Krutko, to get a windfall on an insurance policy, to be very blunt with you. We do have a million dollars deductible in this government and I would have to check with Mr. Nielsen and his department, even into that deductibility I am assuming we have. I do not know of any occasion in the time I have been around where we are actually going to get more than what we have asked for. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Todd. Special education development, special warrants, \$10,916,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Not previously authorized, \$898,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Total department, special warrants, \$11,568,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Not previously authorized, \$3,102,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Page 30. Mr. Krutko.

MR. KRUTKO:

The \$1,122,000 for Rankin, for the school, is that a carryover, or is that for a new gym?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Krutko. Mr. Todd.

HON. JOHN TODD:

It is a carryover, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Total department, special warrants, \$11,568,000. Not previously authorized, \$3,102,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Moving on to Page 30. The Department of Transportation, capital, community marines, special warrants, \$507,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Airports, special warrants, \$2,217,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Community local access roads, special warrants, \$121,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Highways, special warrants, \$521,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Ferries, special warrants, \$86,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Motor vehicles, special warrants, \$157,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Total department, special warrants, \$3,609,000.

SOME HON. MEMBERS:

Agreed.

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CHAIRPERSON (Mrs. Groenewegen):

Are Members ready to move on to clause-by-clause consideration of Bill 14?

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. In your green binders, Bill 14, Supplementary Appropriation Act No. 1, 1997/98. Page 1, clause 1.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Clause 2.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Clause 3.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Clause 4.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Clause 5.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Clause 6.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Clause 7.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Page 3. Schedule, part 1, vote 1, operations and maintenance, total operations and maintenance, \$13,866,500.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Part 2, vote 2, capital, total capital, \$25,253,000.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Total supplementary appropriation in parts 1 and 2, \$39,119,500.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Bill as a whole.

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Does the committee agree that Bill 14 is ready for third reading?

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Bill 14 is now ready for third reading. Thank you, Mr. Todd. Thank you, Mr. Voytilla. I would now like to ask what the wish of the committee is with respect to the remaining time today. Mr. Ootes.

MR. OOTES:

Madam Chair, I would recommend that we report progress.

CHAIRPERSON (Mrs. Groenewegen):

Is that a motion to report progress?

MR. OOTES:

I move that we report progress.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Ootes. The motion is in order. It is not debatable. All those in favour of the motion? All those opposed? The motion is carried. I will now rise and report progress.

DEPUTY SPEAKER:

I would like to call the House back to order. Item 20, report of the committee of the whole. Madam Chair, Mrs. Groenewegen.

ITEM 20: REPORT OF COMMITTEE OF THE WHOLE

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. Mr. Speaker, your committee has been considering Bill 14 and would like to report that Bill 14 is ready for third reading. Mr. Speaker, I move that the report of the committee of the whole be concurred with. Thank you, Mr. Speaker.

DEPUTY SPEAKER:

Thank you. Is there a seconder to the motion? Seconded by Mr. Picco. The motion is in order. To the motion. Question has been called. All those in favour? Thank you. Opposed? The motion is carried. Item 21, third reading of bills. Mr. Todd.

ITEM 21: THIRD READING OF BILLS

Bill 13, Miscellaneous Statutes Amendment Act, 1997

HON. JOHN TODD:

Thank you, Mr. Speaker. I move, seconded by the honourable Member from Nahendeh that Bill 13, Miscellaneous Statutes Amendment Act, 1997, be read for the third time. Thank you.

DEPUTY SPEAKER:

Thank you. The motion is in order. Question has been called. All those in favour? Thank you. Opposed? The motion is carried. Bill 13 has had third reading. Item 21, third reading of bills. Item 22, orders of the day. Mr. Clerk.

ITEM 22: ORDERS OF THE DAY

CLERK OF THE HOUSE (Mr. Hamilton):

Mr. Speaker, meetings tomorrow at 10:00 a.m. of the Nunavut Caucus and at 11:00 a.m. of the Ordinary Members Caucus.

Orders of the day for Thursday, May 29, 1997:

1. Prayer
 2. Ministers' Statements
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3. Members' Statements
 4. Returns to Oral Questions
 5. Recognition of Visitors in the Gallery
 6. Oral Questions
 7. Written Questions
 8. Returns to Written Questions
 9. Replies to Opening Address
 10. 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 Motion for First Reading of Bills
 16. Motions
 17. First Reading of Bills
 - Bill 15 An Act to Amend the Workers' Compensation Act
 - Bill 16 An Act to Amend the NWT Housing Corporation Act
 - Bill 17 An Act to Amend the Territorial Hospital Insurance Services Act
 18. Second Reading of Bills
 19. Consideration in Committee of the Whole of Bills and Other Matters
 - Minister's Statement 77-13(4): The Northern Employment Strategy
 20. Report of Committee of the Whole

21. Third Reading of Bills

- Bill 14 Supplementary Appropriation Act,
No. 1 1997/98

22. Orders of the Day

DEPUTY SPEAKER:

Thank you, Mr. Clerk. This House stands adjourned to
1:30 p.m., May 29, 1997.

-- ADJOURNMENT