



**NORTHWEST TERRITORIES
LEGISLATIVE ASSEMBLY**

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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, Honourable Sam Gargan, Mrs. Groenewegen, Mr. Seamus Henry, Honourable Stephen Kakfwi, Mr. Krutko, Mr. Miltenberger, Honourable Don Morin, Honourable Kelvin Ng, 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 the constant recognition of the dignity and aspirations of those whom we serve. Amen.

SPEAKER (Hon. Samuel Gargan):

Thank you, Mr. Ningark. Good afternoon. Orders of the day. Item 2, Ministers' statements. Mr. Kakfwi.

ITEM 2: MINISTERS' STATEMENTS

Minister's Statement 48-13(5): Developing the NWT Economy

HON. STEPHEN KAKFWI:

Mr. Speaker, this government has an economic vision. We see a prosperous, diverse economy built on the strengths of our people and the wise use and conscientious protection of our natural resources, one which attracts investment and provides communities and individuals with opportunities to be productive and self-reliant.

Developing a sustainable economy that provides employment and income opportunities for northerners is a key priority of this government. This is a significant challenge and there is no easy answer or one simple solution to meet the increasing demands of job creation. The Department of Resources, Wildlife and Economic Development (RWED), tasked with addressing this challenge, has developed new strategies and approaches, which are seeing positive results.

Mr. Speaker, over this past year, the department has developed several fundamental principles which have

been applied in finding new, cost effective alternatives for job creation. Briefly, these principles are as follows:

-The NWT's rich natural resources must be managed responsibly, particularly since they are the basis of our economy. Economic activity in natural resource areas must ensure northern benefits and must consider environmental stewardship.

-The government is not the engine of economic growth. Business and community development drive economic growth and are the lifeblood of job creation in a sustainable economy.

-New partnerships must be formed at every regional level to provide cost-shared sources for programs and services that maximize capital formation, job creation, labour force development and economic growth.

-Regional and community based organizations must have more say and control over their own development to ensure local involvement in finding solutions.

These principles have been applied and have resulted in fundamental changes to program delivery and how results are achieved. All the department's program and Northern Employment Strategy budgets have been allocated on a regional basis and regional superintendents are now responsible for making decisions on where to place investments for best results.

Mr. Speaker, it is important to point out that the department of Resources, Wildlife and Economic Development would not have been able to fund \$34 million in projects on its own. Only through our new approach, which allows for increased access to flexible debt financing programs and cost sharing with regional partnerships, have we been able to achieve this volume. The impact on the economy of these investments has been significant. RWED superintendents and partners have been aggressive in supporting new businesses and community economic development, resulting in the creation of 376 full-time and 948 part-time jobs. In today's difficult economic climate many existing businesses and community development organizations require assistance to expand or maintain employment. Assistance was provided, with the result of 459 full-time and 554 part-time jobs maintained. A full-time job is calculated to be a minimum of 40 weeks of employment and a part-time job to be a minimum of ten work weeks of employment. The total work weeks

of employment created and maintained as a result of projects was 48,434 which is the equivalent of 1,210 full-time jobs.

RWED's contribution costs per full-time work week of employment were \$196, which clearly indicates a good return on investment in providing opportunities for northerners. Mr. Speaker, these results are very positive and clearly show that RWED is headed in the right direction in meeting this

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government's priorities. The bottom line is that we are devolving the money and authority to the regions and providing flexibility within each region to invest in its priorities. In closing, Mr. Speaker, I would like to thank colleagues and staff for their support in assisting RWED to achieve such positive results. Their hard work and efforts are greatly appreciated. Thank you.

--Applause

MR. SPEAKER:

Thank you, Mr. Kakwi. Ministers' statements. Mr. Arlooktoo.

Minister's Statement 49-13(5): Business Corporations Act

HON. GOO ARLOOKTOO:

Thank you, Mr. Speaker. I am pleased to announce that Cabinet has approved the regulations to be made under the Business Corporations Act and that this act will be proclaimed in force on April 1, 1998. This act is one of the cornerstones of the commercial law reform program announced by my colleague, Mr. Kakwi, when he was the Minister of Justice.

This act is a very significant step forward in the evolution of commercial law, adapting the present Companies Act to modern commercial practices and reducing overlap with other legislation. In the past 20 years, most of the provinces and the Yukon have adopted legislation based upon the Canada Business Corporations Act.

The Business Corporations Act strikes an appropriate balance between the interests of the majority and minority shareholders, creditors and the public dealing with companies. The act is also simplifies procedures, eliminates unnecessary applications to

the court and eliminates areas of duplication with other legislation.

The new act:

-simplifies the procedure for incorporating a company;

- provides greater flexibility in a corporation's share structure and in the relations between shareholders;

-simplifies the procedure for major amendments to the corporation's internal structure by reducing the need for court approval of significant changes.

-expands minority shareholder rights by providing for specific rights for shareholders who are not in agreement with fundamental changes; and

-simplifies the procedures for dissolving and reviving companies

Mr. Speaker, the act was also drafted with the creation of the two new territories in mind. By providing that the transitional requirements under the new act must be completed by March 31, 1999, the Companies Act and Companies Winding-up Act will be repealed and no longer apply in either territory on April 1, 1999.

By establishing a greatly improved legal framework within which existing and future Northwest Territories and Nunavut companies may operate, this act will support the economic development which is so critical to both territories. Thank you, Mr. Speaker.

--Applause

MR. SPEAKER:

Thank you, Mr. Arlooktoo. Ministers' statements. Item 3, Members' statements. Mrs. Groenewegen.

ITEM 3: MEMBERS' STATEMENTS

Member's Statement 179-13(5): Value-Added Diamond Industries

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. Mr. Speaker, last week saw a meeting of the joint territorial/federal task force on value-added diamond industries here in Yellowknife. It was obvious to me, Mr. Speaker from reports on the meeting, that by sending only one of the three deputy ministers that are on the task force, that the federal

government might not consider this process to be as high a priority as we do.

I wonder how much federal development money would be available to create value-added diamond industries if this diamond find was in Ontario or Quebec where nearly 200 of our federal representatives originate from, as opposed to our two Members of Parliament from the Northwest Territories. What Canada has to realize is that the more economically self-sufficient the north is, the less we have to rely on the resources of Ottawa and the rest of the country. I hope the diamond companies do not think that we are overstepping our bounds and dabbling in issues that no government has the right to be involved in a free-market economy. I heard, Mr. George Burne, the manager of the newly established De Beers presence in Canada, tell us this weekend that we should concentrate on diamond mining and leave everything else up to the professionals. Mr. Speaker, we are far too accustomed to the paternalistic attitude of Ottawa when it comes to charting our own course and being involved in where we want to take our northern economy.

Mr. Speaker, I have seen no quantifiable reports, studies or any other evidence that would convince me that value-added diamond industries would not flourish if located in the Northwest Territories. I see no major or insurmountable hurdles at the territorial, municipal or federal level that cannot be worked out in conjunction with the diamond producers and marketers. Mr. Speaker, the western NWT is fighting for our economic future. We have boomed and busted several times. The economy must diversify and expand.

Finally, Mr. Speaker, as the MLA for Hay River, I would like to thank Mr. Burne of De Beers for attending the NWT Chamber of Commerce meetings and banquet this weekend, the NWT Chamber for holding their meetings in Hay River and I would also like to thank the Honourable John Todd for taking the time to come to Hay River, being the keynote speaker for the banquet and also squeezing in several meetings with a number of my constituents and taking Hay River hospitality like a good sport. Thank you, Mr. Speaker.

--Applause

MR. SPEAKER:

Thank you. Members' statements. Mr.

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Barnabas.

Member's Statement 180-13(5): Grise Fiord Water Reservoir

MR. BARNABAS:

(Translation) Thank you, Mr. Speaker. Good afternoon. Mr. Speaker, I would like to address the issue of the water reservoir in Grise Fiord. The water reservoir has to be very clean because it is used for other household uses. There was a problem earlier with the reservoir. Mr. Speaker, because this is the main water reservoir, it is very important that it has to be clean for the health of the residents. The people, talking to the mayor of Grise Fiord, understood the reservoir was going to be cleaned. The mayor was told that the reservoir was going to be fenced in so that human and animal waste would not reach the reservoir. If the water reservoir was to be fenced in, this would be healthier for the people of Grise Fiord. Mr. Speaker, I will be asking the Minister of Municipal and Community Affairs on this issue later on. Thank you, Mr. Speaker. (Translation ends)

MR. SPEAKER:

Thank you. Members' statements. Mr. Enuaraq.

Member's Statement 181-13(5): Arctic College Student Living Allowances

MR. ENUARAQ:

(Translation) Thank you, Mr. Speaker. Good afternoon. I will also be speaking in Inuktitut. On January 12, 1998, there were 11 students going to Arctic College from Pangnirtung. They were from the Adult Education Centre. These students went to attend school from January 12 to February 6, and were given their per diem for two weeks. After their student allowance was paid for this time period, they received only \$30 after their initial student allowance. Some students have children to feed. I would like the government to realize that the amount of money they were making was as low as ten dollars a day. Considering that they were students and have children, this is not very much. I would be embarrassed if I was the government paying this amount of money to students who have many children to support. During question period, I will be asking the Minister of Education, Culture and Employment on this issue. Thank you, Mr. Speaker. (Translation ends)

MR. SPEAKER:

Thank you. Members' statements. Mr. Krutko.

Member's Statement 182-13(5): Income Support Workers

MR. KRUTKO:

Thank you, Mr. Speaker. Mr. Speaker, I rise again to speak about the plight of income support workers in my constituency and the problems they encounter in trying to do their jobs on a minimum budget.

The community of Tsiigehtchic receives approximately \$4,000 to administer the Income Support Program. They are unhappy about the work that has to be done to carry out these responsibilities and the amount of money that this government provides. At this point, Mr. Speaker, the communities of Tsiigehtchic and Aklavik are considering withdrawing from administering the Income Support Program for the department. This is to be expected, Mr. Speaker, with the method the department uses to calculate the Formula Financing Program. There are certain things that have to be looked at in regard to the background materials and the notes. The case numbers are based on how many times the income support worker sees a client. However, Mr. Speaker, it does not mention the number of clients that see the income worker who are rejected or do not receive income support, also the amount of time it takes for the income support worker to spend to evaluate the client or clients who have been rejected. Working on each case load, I know of income support workers who have to take their work home and spend many hours after work to conclude the reports. Mr. Speaker, taking into account all these problem areas, the income support workers are working at below minimum wage. Mr. Speaker, I would like to ask the Minister at the appropriate time, would he reconsider looking at the way this program is being evaluated? Thank you.

--Applause

MR. SPEAKER:

Thank you. Members' statements. Mr. Miltenberger.

Member's Statement 183-13(5): Fiscal Caution

MR. MILTENBERGER:

Thank you, Mr. Speaker. Mr. Speaker, as an Assembly, we have achieved some significant

progress in regard to balancing the budget and achieving a small surplus this year. I think we should all be very proud of that achievement. We cannot lose track of the fact, in the enthusiasm of the moment, that there are significant problems still before us, financial and social. Mr. Speaker, we have an accumulated debt of about \$40 million. There are a lot of forced growth issues we have yet to address in the social envelope. For example, we are short 4,000 housing units. We have not addressed the needs of education for a number of years where they have had no increases to their budget in spite of an increased population. We have pay equity before us with a price tag of anywhere from \$40 to \$200 or \$250 million. We have a P3 proposal that has a lot of potential providing it is done right with the proper check and balances. If we do not have the proper checks and balances, an amortization schedule and it is not coordinated properly by the government, then we have the potential, almost overnight, to put ourselves back in the same financial situation we have just spent two years digging ourselves out of. While we should be very proud of our achievements, we cannot lose track of the fact we have a lot of work to do. We are not out of the fiscal woods yet, and that we have to stay the course in a lot of ways as we plan for the future. Time is running short but we cannot afford to stray. We have to keep an eye on the fact that we are now fiscally solvent for the time being. We want to stay that way and build on that. Thank you, Mr. Speaker.

--Applause

MR. SPEAKER:

Thank you. Members' statements. Mr. Ootes.

Member's Statement 184-13(5): Yellowknife Community Events

MR. OOTES:

Thank you, Mr. Speaker. Mr. Speaker, this is a busy time of year for Yellowknife, with worthy events nearly

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every weekend. Last Friday, I had the privilege of attending a reception for some pretty amazing young ladies. Twenty-four from Yellowknife's two high schools are involved in a national pilot program where they learn the construction trade. It is fairly intense, four afternoons a week and one and a half hours at a time for the next two years. At least some of these

girls will likely graduate to a construction site one day, and we, as a society, will be all the better for it. I would like to salute them for breaking into what has traditionally been a male domain.

Another event I would like to mention is the Ball in the Mall, which is coming up this Saturday night . It is the second time the Yellowknife Association for Community Living has organized this major fundraiser benefiting the Abe Miller Centre. Many of you are probably familiar with the centre. It has been offering programs for people with intellectual disabilities for the past 20 years. The association's work is no longer limited to Yellowknife. Over the past few years, its programming has been expanded to several communities, including Rae-Edzo and Rankin Inlet. Programs are currently being developed for Inuvik. The Ball in the Mall is a fundraiser that raises more than money. It promotes community awareness and the acceptance of adults with a mental handicap into the community at large. I am pleased to say I will be attending the ball, and I would encourage all of you to support such a worthy cause.

--Applause

MR. SPEAKER:

Thank you. Members' statements. Mr. Henry.

Member's Statement 185-13(5): Value-Added Diamond Industries

MR. HENRY:

Thank you, Mr. Speaker. Mr. Speaker, I listened to a CBC news report this morning in which a Mr. George Burne from the Central Selling Organization, De Beers was interviewed. Mr. Burne told us in a nutshell to pay attention to the jobs the northerners can obtain through diamond mining and not worry about other activities after that diamond process. I would invite Mr. Burne to spend some time in the north and listen to what northerners would like and find out what they would like from their diamond industry. Sometimes, Mr. Speaker, mining companies mine diamonds. The Central Selling Organizations or a similar organization market diamonds. The Central Selling Organization charges the mining companies 11 percent for that service to sort and market their diamonds. BHP's annual production is scheduled to start later on this year and it is estimated between \$50 million and \$600 million a year. From my calculation, that service to market their diamonds is going to cost them, regardless whether they go with

CSO or some other organization, it is going to cost them \$55 million a year.

I visited London and Antwerp, Mr. Speaker, and I found the costs to be extremely high. Much higher than I found them to be in Yellowknife. What I would suggest is that De Beers, with some consultation with the mining industry and our government, look at spending as much of that \$55 million in the Northwest Territories as possibly can be accomplished.

--Applause

Mr. Speaker, if that service is provided in the north, the sorting for marketing, it will create infrastructure in the north. It will provide employment for northerners through security personnel that will be employed, maintenance people who will fix the equipment, banking and brokerage houses that will also come as part of that industry. It has been said we do not have the expertise to provide many of these services in the north. Mr. Speaker, I suggest that there are many things we do not have the expertise for, but we could bring it in. I would encourage that mining companies and so forth, do the same.

I would also demand, Mr. Speaker, that the federal government, the mining companies and the CSO, along with De Beers, listen to what the GNWT want for northerners so we can have some semblance in the north of self-sufficiency. Thank you, Mr. Speaker.

--Applause

MR. SPEAKER:

Thank you. Members' statements. Mr. Rabesca.

Member's Statement 186-13(5): Stanton Regional Hospital Board Appointment

MR. RABESCA:

Thank you, Mr. Speaker. Mr. Speaker, today I would like to take this opportunity to congratulate one constituent of mine, Mr. Moise Rabesca, for his reappointment to the Stanton Regional Health Board. Moise is a very strong person that has provided a voice for our region on this important board. Over his past term, he has dedicated himself to provide his input in all decisions made by the board, and I am sure he will continue to do the same for this term. Once again, I would like to congratulate Moise on behalf of Rae-Edzo and region. Thank you, Mr. Speaker.

--Applause

MR. SPEAKER:

Thank you. Members' statement. Mr. Roland.

Member's Statement 187-13(5): Concerns of Inuvik Constituents

MR. ROLAND:

Thank you, Mr. Speaker. Mr. Speaker, this past weekend I was able to travel home and touch base with constituents and my family. Mr. Speaker, I spoke to many people and held a constituency meeting while I was at home for the weekend. A number of issues came forward. There is a continuing concern with the education that is provided to the students and children of the Northwest Territories. There is concern in my community with the self-government process and what is happening. How will the Beaufort Delta self-government work and tie into the whole constitutional effort that we are going through as the Government of the Northwest Territories? Mr. Speaker, an issue that came forward as well is the ongoing concern with government and how it does its business. Mr. Speaker, as I said earlier in one of my other Member's statements, sometimes we need to nip things in the bud. They are like weeds because if they start growing, they will continue to grow. The concern out there, no matter how much information we put forward, the seed has been planted. It is a hard one to turn around. I would urge this government

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and all Members of this Assembly that we need to start doing some weeding. We need to get the Weedex out and clean up our image and show the people of the territories that we truly represent the people and their interests in the Northwest Territories as we know it. It is time to put action our words. It is time to move forward. It is time to be responsible. Thank you.

--Applause

MR. SPEAKER:

Thank you. Members' statements. Mr. Ningark.

Member's Statement 188-13(5): Assistance to the Arts and Crafts Industry

MR. NINGARK:

Thank you, Mr. Speaker. Mr. Speaker, over the weekend I had the opportunity to speak to the mayor of Gjoa Haven. We have talked about the economy of that community and around the community of Kitikmeot east. We talked mainly about the economy across the board. When we talk about economy we are talking about Arctic Bay, Pelly Bay, Lac La Martre, Yellowknife and so on. We have talked about the diamond and mining industries, small businesses and other opportunities in the NWT. Somewhere during the process, Mr. Speaker, we forget about the little people in the community. The little people who are trying to help out, who are dependent upon trapping, arts and crafts. Those people who do not wish to receive social assistance from this government, who wish to retain their pride and support their family in the job they are able to do. One area the mayor and I talked about was finding the market for arts and crafts. He indicated to me that although the products from the carvers are bought in the community, it is only in a limited quantity by the Co-op and by the Northern Store. He also indicated those who are internationally renowned artists are able to sell their carvings in the local community, but those who are capable of producing good carvings are not recognized as much as they should be. At the appropriate time I will be asking the Minister of Economic Development, what are we doing to help those carvers at the local level? Thank you.

MR. SPEAKER:

Thank you. Members' statements. Mr. Picco.

Member's Statement 189-13(5): Keewatin Pilot Project

MR. PICCO:

Thank you, Mr. Speaker. Mr. Speaker, the Keewatin pilot project is a proposal by the Keewatiners to look at block funding of capital and operations and maintenance funding allocated to the region locally. Last week we had the opportunity to meet with some of the mayors and discuss the proposal. Bringing government closer to the people is one of reasons Nunavut was and will come into being.

MACA has explained the initiative as a pilot project that will allow the capital process to be managed closer to the communities so that the communities can have more ownership of decisions about project management and can better link project management with training opportunities. The communities would still have to abide the department's policies, standards

and criteria. There are some questions that need to be answered concerning the Keewatin pilot project. Those include, as the committee of the GNWT and the Kivallivik leadership officials develop a transfer proposal as planned, would the legislation be required to enable the region to assume these functions or would some other legal mechanism be available? Have the NIC, NTI or the KIA been consulted? If so, what are their positions? Can this proposal be rationalized in light of Footprints 2?

Mr. Speaker, the proposal warrants further discussion. I thank the mayors from the Keewatin who came last week to Yellowknife to meet with us to discuss the proposal. Later today I will be asking the Minister for MACA, for an update for these and other issues concerning the Keewatin pilot project. Thank you, Mr. Speaker.

MR. SPEAKER:

Thank you. Members' statements. Mr. Morin.

Member's Statement 190-13(5): House Pages From Tu Nedhe

HON. DON MORIN:

Thank you, Mr. Speaker. It gives me honour and pleasure today to recognize two very important young people from my riding from the community of Fort Resolution in Tu Nedhe. I recognize Leanne Boucher from Fort Resolution and Ekecho Lockhart from Lutselk'e. They are here to serve the Members as Pages for this week. They were chosen by their principal and teachers to represent the communities and I am sure they will do an excellent job for us all. Welcome to this House and welcome to Yellowknife.

--Applause

MR. SPEAKER:

Thank you. Members' statements. Mr. Todd.

Member's Statement 191-13(5): House Pages from Rankin Inlet

HON. JOHN TODD:

Thank you, Mr. Speaker. Like my colleague I would also like to introduce two Pages from my home town of Rankin Inlet. One is Najuk Kusugak, who is the son of Sandy and Mike Kusugak and Brian Tattuinee, who is the son of Annie and Louie Tattuinee. Both are not only outstanding students in school but they are also

some of the better hockey players in the Keewatin. I would like all of you to join me in welcoming them here this week. Thank you.

--Applause

MR. SPEAKER:

Thank you. Members' statements. Item 4, returns to oral questions. Mr. Todd.

ITEM 4: RETURNS TO ORAL QUESTIONS

Return To Oral Question 174-13(5): Nunavut Government Infrastructure in Arviat

HON. JOHN TODD:

In response to Mr. O'Brien's questions with regard to progress on Nunavut government infrastructure in Arviat, I can offer an update, which has been provided by the Nunavut Construction Company, the party responsible for the construction of this infrastructure.

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I have provided to all Members a copy of a media advisory from the Nunavut Construction Corporation. It summarizes the labour force and construction situation for those NCC projects presently underway. As the media advisory suggests, winter weather is the reason for a slow down of construction activities. In Arviat, no outside work will be done on the housing units until the weather improves which will probably be in April. However, a crew of three continues to do electrical and mechanical work on the housing units in Arviat. This work is taking place inside the housing units. Thank you.

MR. SPEAKER:

Thank you. Returns to oral questions. Item 5, recognition of visitors in the gallery. Mrs. Groenewegen.

ITEM 5: RECOGNITION OF VISITORS IN THE GALLERY

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. I would like to today recognize two Pages from Hay River who have come up to serve the Members of the Legislature, Sarah Pope and Morgan Schauerte, incidently the nephew of the our Deputy Clerk.

--Applause

MR. SPEAKER:

Thank you. Welcome to the Assembly. Recognition of visitors in the gallery. Mr. Todd.

HON. JOHN TODD:

Thank you, Mr. Speaker. I am pleased to recognize two good friends of mine, Cecelia and William Palvialok who are both residents of Rankin Inlet. William was an original resident from Cambridge Bay, but when he met Cecelia, he had to come to Rankin to live there.

--Applause

MR. SPEAKER:

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

ITEM 6: ORAL QUESTIONS

Question 251-13(5): Marketing NWT Arts and Crafts

MR. NINGARK:

Thank you, Mr. Speaker. First of all I want to salute and recognize Mr. Stephen Kakfwi, Minister of RWED for his speech on developing the NWT economy, from the bottom of my heart, Mr. Speaker.

MR. SPEAKER:

The Minister of Resources, Wildlife and Economic Development, Mr. Kakfwi.

Return To Question 251-13(5): Marketing NWT Arts and Crafts

HON. STEPHEN KAKFWI:

Thank you, Mr. Speaker. It has been a fact for some time that while many of our people, businesses and community-based organizations have done well in producing arts and crafts, we have not done a proper job in developing marketing strategies. We produce, but we do not spend enough time developing a way in which to sell to make sure that we have a market place to go to. People are going to accept the goods, reproduce and move them on to the consumers. We need to do more work in deciding what type of arts and crafts we need to produce and in what quantities, so that we are meeting the needs of consumers and

tourists. We need to do more work so we know the volumes and the quality of work that is required to meet the needs of the consumers. We need to do more work in identifying the potential consumers and then alerting and making aware these potential consumers of the goods that we have available to us.

The NWT Development Corporation in the last year and a half has done considerable work just to shore-up the existing businesses we have across the territories to make sure they are running and operating in a manageable way. We are now turning our attention towards marketing. I have just come back from attending a conference in the United States, in Scottsdale, just outside of Phoenix, Arizona where we have brought producers of arts and crafts from all the aboriginal communities across Canada. The Northwest Territories was very well represented there under the organization of the Northwest Trading Company and the NWT Development Corporation and also with the involvement with the Cultural Institute. There we met with dealers, gallery owners and people from across the United States, who have a specific interest in becoming aware and acquiring carvings, paintings, arts and crafts from aboriginal communities. We think we have made a good start and a positive impact. We will know over the next couple of months whether this has been a good investment or not. Those are some of the examples of the things we are doing in regard to the concern to make sure as the market goes up and down that we continue to be diligent and trying to promote and maintain the markets that we have established to date. Thank you.

MR. SPEAKER:

Oral questions. Supplementary, Mr. Ningark.

Supplementary To Question 251-13(5): Marketing NWT Arts and Crafts

MR. NINGARK:

Thank you. Mr. Speaker. Supplementary to the same honourable Minister. Mr. Speaker, carving, arts and crafts are much more than providing an economy across the board, I think it is also retaining the pride and identity of the native people. Mr. Speaker, if indeed the honourable Minister has a plan or strategy to promote the arts and crafts in the jurisdiction, will the Minister share that strategy and plan with this House? Thank you.

MR. SPEAKER:

Mr. Kakfwi.

Further Return To Question 251-13(5): Marketing
NWT Arts and Crafts

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HON. STEPHEN KAKFWI:

Mr. Speaker, at this time we do not have comprehensive documents that would outline the specifics or strategy in general terms for all the different products that we have. We can develop a document that would outline specific initiatives we have in regard to Inuit carvings. Things we have done to make sure that the material required for carving is accessible to the artists in the communities, illustrate the kind of work we are doing to make inroads for new markets and increasing the marketing of Inuit art in southern Canada. We have done work, for instance, in the lumber sector. We can share with Members all the different sectors of our economy that we are looking at. Fish for instance, wild meat products, and share with them, in a general summary document, the kind of initiatives we are taking to promote and market these products in the different sectors. Thank you.

MR. SPEAKER:

Thank you. Oral questions. Supplementary, Mr. Ningark.

Supplementary To Question 251-13(5): Marketing
NWT Arts and Crafts

MR. NINGARK:

Thank you, Mr. Speaker. We know that the Arctic Co-op is trying to market arts and crafts across the country. I do not know how much we are able to export because of animal rights activists. Mr. Speaker, my question is, what seems to be the problem of not being able to find a market for the arts and crafts in the territories and across the country? Thank you.

MR. SPEAKER:

Mr. Kakfwi.

Further Return To Question 251-13(5): Marketing
NWT Arts and Crafts

HON. STEPHEN KAKFWI:

Thank you, Mr. Speaker. Mr. Speaker, I do not think there is any specific problem that can be pinpointed in regard to all the different products that we have. For instance, we produce lumber. We produce fish. We have fish products, muskox meat, caribou meat, hides, fur, things like moccasins, fur products, shrimp and char. A whole range of different products. Inuit carvings, Dene carvings and paintings. Each one of these products are handled a little differently, have different markets and require different types of work to be done in order to get it flowing into an established market. In general terms the one problem we might say we have is, we spend a great deal of time and money developing businesses to produce goods, to make jobs that result in the production of goods, but we have not spent enough time and resources in preparing a market place for these goods. Very often we end up stockpiling certain styles of products because we scramble only after the fact to try and figure out who is going to buy these things. Is it the kind of product they want to buy, how much of these goods would they be interested in buying? Looking at things like quality, workmanship, availability, consistency of supply and the many other things the consumers at the other end require. Also, the particular price tag, the particular market might be willing and able to spend. In general terms, if there is any one problem that we have, I would say, it is specifically as the Member has alluded to, the problem that we have not spent enough time developing work to make sure our products are available, the consumer is aware and a willing interest in acquiring these products. Thank you.

MR. SPEAKER:

Thank you. Oral questions. Final supplementary, Mr. Ningark.

Supplementary To Question 251-13(5): Marketing
NWT Arts and Crafts

MR. NINGARK:

Thank you, Mr. Speaker. Mr. Speaker, the carving, arts and crafts, sewing, and fish marketing is native to this area. The majority of the people at the local community across the board depend upon these things. Will the Minister look at the possibility of improving in the area of assisting arts and crafts, fish marketing and so on across the territories? Thank you.

MR. SPEAKER:

Thank you. Mr. Kakfwi.

Further Return To Question 251-13(5): Marketing
NWT Arts and Crafts

HON. STEPHEN KAKFWI:

Mr. Speaker, it is the intention of our department and the intention of the NWT Development Corporation to continue working on this particular area of responsibility that we have. Specifically, one of the areas is to ensure Inuit carvers maintain and continue to expand on the interest different countries of the world have in acquiring carvings from people in northern Canada. Yes, we will continue to work on that. Thank you.

MR. SPEAKER:

Thank you. Oral questions. Mr. Enuaraq.

Question 252-13(5): Student Financial Assistance
Policy

MR. ENUARAQ:

Thank you, Mr. Speaker. My question will be directed to the honourable Minister of Education, Charles Dent. As I indicated in my Member's statement that 11 students at Arctic College in Pangnirtung registered on January 12, 1998, and these students were doing northern studies towards Nunavut. These 11 students did not get paid for four weeks and they received a pay of \$100 for two weeks. This is very low when you have two kids or five kids to feed. Can the honourable Minister please explain to this House what is the policy of this government in order to give out student allowances for student financial assistance? Thank you.

MR. SPEAKER:

The Minister of Education, Culture and Employment,
Charles Dent.

Return To Question 252-13(5): Student Financial
Assistance Policy

HON. CHARLES DENT:

Thank you, Mr. Speaker. Good afternoon. Mr. Speaker, the guideline the department uses is to try to have student financial assistance cheques delivered to students within ten working days of the time they apply for their assistance. Thank you, Mr. Speaker.

MR. SPEAKER:

Thank you. Oral questions. Supplementary, Mr.
Enuaraq.

Supplementary To Question 252-13(5): Student
Financial Assistance Policy

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MR. ENUARAQ:

Thank you, Mr. Speaker. Mr. Speaker, we are talking from January 12 to February 6 which is more than ten days here. Would the honourable Minister of Education look into this matter? Thank you.

MR. SPEAKER:

Mr. Dent.

Further Return To Question 252-13(5): Student
Financial Assistance Policy

HON. CHARLES DENT:

Thank you, Mr. Speaker. I would be happy to look into it. To make sure I have all the details correct, I will take the question as notice.

MR. SPEAKER:

Thank you. Question is taken as notice. Oral
questions. Mr. O'Brien.

Question 253-13(5): Acting CEO of Keewatin
Regional Health Board

MR. O'BRIEN:

Thank you, Mr. Speaker. My question is directed to the Minister responsible for Health and Social Services. Mr. Speaker, last week, there was an announcement that Mr. Chris Keeley would serve as the CEO for the Keewatin Health Board. My question to the Minister is, were the stakeholders involved in this selection or the screening process before the hiring of Mr. Keeley? Thank you.

MR. SPEAKER:

The Minister of Health and Social Services, Mr. Ng.

Return To Question 253-13(5): Acting CEO of
Keewatin Regional Health Board

HON. KELVIN NG:

Thank you, Mr. Speaker. Mr. Speaker, I cannot recall if they were or not because this is an interim position to act for approximately three to four months until a full-time CEO is hired. Thank you.

MR. SPEAKER:

Thank you. Oral questions. Supplementary, Mr. O'Brien.

Supplementary To Question 253-13(5): Acting CEO of Keewatin Regional Health Board

MR. O'BRIEN:

Thank you, Mr. Speaker. Mr. Speaker, just to refresh my memory, in reference to the selection or appointment of the chairperson that is yet to be announced, what will be the criteria or the selection process and who will be involved in that? Thank you.

MR. SPEAKER:

Mr. Ng.

Further Return To Question 253-13(5): Acting CEO of Keewatin Regional Health Board

HON. KELVIN NG:

Thank you, Mr. Speaker. Mr. Speaker, the call letters were just signed on Friday, and so they should be en route if individuals or groups do not have them already. The intent is to have nominations back to myself before the end of the month. I have set the date of, I believe it is February 27. There will be some consultations, of course, with municipalities and with the Keewatin Inuit Association to get their feelings on the candidates and at that time, I will make the decision. Thank you.

MR. SPEAKER:

Oral questions. Mr. Krutko.

Question 254-13(5): Review of Income Support Funding

MR. KRUTKO:

Thank you, Mr. Speaker. Mr. Speaker, my question is to the Minister of Education, Culture and Employment. I do not think that the health care system is the only social safety net that is in crisis. I believe that the Income Support Program is also in crisis. The Minister indicated last week that the department, as part of the

normal course of its duties, conducts ongoing reviews of the program it administers. The department has to also take a close look at the formula financing of the Income Support Program and adjust it to reflect actual workloads of the individual income support workers. Will the Minister consider looking at this or has that also been part of the review?

MR. SPEAKER:

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

Return To Question 254-13(5): Review of Income Support Funding

HON. CHARLES DENT:

Thank you, Mr. Speaker. Mr. Speaker, that would, in fact, be part of an ongoing review as we come to the completion of the first full year that most communities have administered the program. We will be discussing with the communities how the program has worked and trying to find ways in which the program could be improved. I cannot make any assurance that there will definitely be some change, but the intent is to try to work with communities to see that they can effectively deliver the program for the amounts provided. Thank you, Mr. Speaker.

MR. SPEAKER:

Oral questions. Supplementary, Mr. Krutko.

Supplementary To Question 254-13(5): Review of Income Support Funding

MR. KRUTKO:

Thank you, Mr. Speaker. Regarding my opening statement, I mentioned the community of Tsiigehtchic which receives \$4,000 to hire someone to deliver the Income Support Program. This amount, which is minimal compared to other communities, does the Minister feel that \$4,000 for a one-year program which we are supposed to put as a priority to get people off welfare and put them back to work, is adequate?

MR. SPEAKER:

Mr. Dent.

Further Return To Question 254-13(5): Review of Income Support Funding

HON. CHARLES DENT:

Thank you, Mr. Speaker. Mr. Speaker, when this program was taken over by Education, Culture and Employment from Health and Social Services, the intent was to free up time for social workers to deliver the

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support services that people needed. Income support was seen much along the lines of a clerical function, wherein a clerk could figure out whether or not a person's income was over or under a certain line in a community and determine whether or not their income needed to be topped up. In calculating the formula for paying for the administration for the delivery of the program, it was felt that the amount of money represented by one full-time equivalent for 2,000 cases would be adequate. I have to assume that if the amount is \$4,000 as the Member has said, that would be based on that formula. We have found that formula to work across the Northwest Territories. Thank you, Mr. Speaker.

MR. SPEAKER:

Thank you. Oral questions. Supplementary, Mr. Krutko.

Supplementary To Question 254-13(5): Review of Income Support Funding

MR. KRUTKO:

Thank you, Mr. Speaker. Mr. Speaker, with the whole idea of the formula working, I do not believe I would be standing here asking questions because there is a fault to the delivery of this program. What are the plans the department has for communities that want to bow out of this program and give it back to the department to administer on their own?

MR. SPEAKER:

Mr. Dent.

Further Return To Question 254-13(5): Review of Income Support Funding

HON. CHARLES DENT:

Thank you, Mr. Speaker. Mr. Speaker, I would hope that communities would not actually want to follow through on that, because it would remove some of the community flexibility that may exist with the program

being delivered by people at the local level. We would certainly be prepared to work with the community to discuss where they are finding the challenges and see if we cannot find some way to help them meet those challenges. Perhaps with some support for a while, they can find a new way to deliver the service that does not tie them up so much. Thank you, Mr. Speaker.

MR. SPEAKER:

Thank you. Oral questions. Final supplementary, Mr. Krutko.

Supplementary To Question 254-13(5): Review of Income Support Funding

MR. KRUTKO:

Thank you, Mr. Speaker. Can the Minister advise me how soon can he have someone go into the communities of Tsiigehtchic, Aklavik and Fort McPherson to consider remapping the financial formula that is in place and the amounts that they feel adequate? How soon can he have someone in there?

MR. SPEAKER:

Mr. Dent.

Further Return To Question 254-13(5): Review of Income Support Funding

HON. CHARLES DENT:

Thank you, Mr. Speaker. Mr. Speaker, I did not make that offer to the Member. What I did say was, the department is prepared to work with communities that are having problems. If the community wishes to approach the regional office, I am sure we can set something up with them fairly quickly. Thank you, Mr. Speaker.

MR. SPEAKER:

Thank you. Oral questions. Mr. Ootes.

Question 255-13(5): Computers Purchased by Health and Social Services

MR. OOTES:

Thank you, Mr. Speaker. My question is for the Minister of Health and Social Services, Mr. Ng. Last spring and summer, a request for proposal was issued to purchase computers for the social services

system throughout the Northwest Territories and health centres. I believe that contract was awarded for around \$1.2 million with about 350 computers required. I wonder if the Minister could tell us, where are those computers at the moment?

MR. SPEAKER:

The Minister of Health and Social Services, Mr. Ng.

Return To Question 255-13(5): Computers Purchased by Health and Social Services

HON. KELVIN NG:

I understand, Mr. Speaker, there are 19 in Arviat, but other than that, I am not exactly sure.

--Laughter.

I will attempt to find that information and advise the Member. Thank you.

MR. SPEAKER:

Thank you. Oral questions. Supplementary, Mr. Ootes.

Supplementary To Question 255-13(5): Computers Purchased by Health and Social Services

MR. OOTES:

Thank you. Could the Minister tell us if there were any deficiencies in these computers? What action is being taken about those deficiencies?

MR. SPEAKER:

Thank you. Mr. Ng, two questions.

Further return To Question 255-13(5): Computers Purchased by Health and Social Services

HON. KELVIN NG:

Thank you, Mr. Speaker. Mr. Speaker, I understand there were three or four units that were not working properly, and they have since been replaced. Thank you.

MR. SPEAKER:

Thank you. Oral questions. Mr. Henry.

Question 256-13(5): Benefits from NWT Diamond Mining

MR. HENRY:

Thank you, Mr. Speaker. My question is to the Minister responsible for Resources, Wildlife and Economic Development, Mr. Kakfwi. Mr. Speaker, during the environmental hearing process, we heard many veiled threats from different groups within the north as to some of the actions

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they would take if northerners did not get a fair deal out of the new diamond industry starting in the Northwest Territories. Some of those suggestions put forward were the initiation of road blocks into the mining companies. My question to Minister Kakfwi is, what assurances can he give northerners that they will not have to resort to these types of tactics, that there will be fair and equitable returns for northerners through jobs and value-added industries? Thank you, Mr. Speaker.

MR. SPEAKER:

Minister of Resources, Wildlife and Economic Development, Mr. Kakfwi.

Return To Question 256-13(5): Benefits from NWT Diamond Mining

HON. STEPHEN KAKFWI:

Thank you, Mr. Speaker. It is our view, as a government, that it is possible to do business with the industry and with the many companies who are interested and have interests in the land and resources in the Northwest Territories. As difficult as it appears at times, it is even possible and reasonable to expect the federal government and federal officials to treat reasonably the interest and concerns this government and northern aboriginal people have, in being a significant beneficiary to any type of development that takes place within the boundaries of the Northwest Territories. We do not advocate or entertain the notion of, at any time, civil disobedience as a means of leveraging benefits. All of which, we believe, can be done through civil and proper discussions and negotiations. Thank you.

MR. SPEAKER:

Thank you. Oral questions. Supplementary, Mr. Henry.

Supplementary To Question 256-13(5): Benefits from NWT Diamond Mining

MR. HENRY:

Thank you, Mr. Speaker. Yes, I certainly understand it from the government's perspective. I certainly would support they could not be seen to be promoting any such activity. Mr. Speaker, I am referring to statements that were made at the hearings and are being continued to be made. We have also heard the Minister of Finance suggest he would put on taxes that would choke a mule. I would like to speak to the Minister and say, this is coming from all areas of the public. I just want some assurances from the Minister that indeed he believes he can work out a fair deal for northerners with all the interested parties. Thank you, Mr. Speaker.

MR. SPEAKER:

Mr. Kakfwi.

Further Return To Question 256-13(5): Benefits from NWT Diamond Mining

HON. STEPHEN KAKFWI:

Mr. Speaker, the former leader of the Assembly of First Nations explained the logo that the organization had at one time, which had displayed a peace pipe and a tomahawk. He said it is always our policy to use the first and display prominently the second, which produces good results. I am sure that in this public arena where everybody has a say, there is a very strong reason to believe that the interests of communities, the leader and particularly the views of aboriginal leaders are always to be taken very seriously. I am sure. I am absolutely positive that people in the mining industry, BHP, would not make the mistake of misreading the potential and the cost that would be incurred if relationships with this government or with the people in the communities of the Northwest Territories became severely tested. Thank you.

--Applause

MR. SPEAKER:

Thank you. Oral questions. Mr. Miltenberger.

Question 257-13(5): Public/Private Partnership Accountability

MR. MILTENBERGER:

Thank you, Mr. Speaker. My question is directed to the Minister of Finance in relation to the public and

private partnerships initiative. Mr. Speaker, there seems to be a growing perception out and about that this P3, as it is called, is \$200 million possibly, of free money, that we will be able to have almost unlimited construction without really having to track it or possibly pay the tab. I would like to ask the Minister what steps he is taking to, in fact, ensure this very beneficial program will have the proper checks and balances? Is there clear information out there as to what exactly qualifies under this particular initiative? Thank you.

MR. SPEAKER:

Minister of Finance, Mr. Todd.

Return To Question 257-13(5): Public/Private Partnership Accountability

HON. JOHN TODD:

Thank you, Mr. Speaker. I appreciate, first of all, my honourable Member's question. I think it would be fair to say that, in some quarters, there is an expectation out there that perhaps is larger than it should be. I did have the good fortune this weekend, on my trip to Hay River, to meet with the NWT Chamber of Commerce and the Hay River Chamber of Commerce and give them a full briefing on the P3 and seek their input. We need to ensure, first of all, that there is affordability. I think that is priority one. Two, transparency, as I have said before. Three, in the selection of the P3 projects, they have to follow a certain criteria. It is not a goody bag or anything like that. This is just a way in which we can bring about the historical spending we have had as it relates to our capital projects. As I have said many times in this House, the last time we had \$200 million to spend on an annual basis was over two years ago. We are currently spending about \$130 to \$140. We want to bring it back up. I would not want anybody, in the public particularly, to be given the impression this is a panacea for everybody's favourite project. The reality is, it will be very restricted. It will be very disciplined. This House and the Members will get an opportunity to see what projects have been recommended and more importantly, there has to be both short and long-term viability and affordability. The last thing we want to do, and certainly I want to do as Finance Minister and my colleagues in Cabinet, is to leave an inordinate amount of debt for future governments that is not affordable. There is going to be a great deal of scrutiny on these projects, and rightfully so. I hope that at the end of the day, we can get on with putting some of the construction industry to work, create

some jobs and bring about some of the infrastructure we desperately need and currently cannot afford under the old system of capital spending. Thank you.

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MR. SPEAKER:

Thank you. Just to remind the Members that Tabled Document 19-13(5) deals with that specific item. You will have the opportunity to ask questions at that time. Mr. Miltenberger.

Supplementary To Question 257-13(5):
Public/Private Partnerships Accountability

MR. MILTENBERGER:

Thank you, Mr. Speaker. Mr. Speaker, my supplementary question to the Minister then would be, are in fact the actual rules of engagement and implementation, the checks and balances, under development? Will they be in place before we start proceeding with any initiatives?

MR. SPEAKER:

Mr. Todd.

Further Return To Question 257-13(5): Public/Private Partnerships Accountability

HON. JOHN TODD:

In terms of the identification projects, we are using the same criteria we currently use. There may be some new policies we need to put in place to give people the comfort level and the requirements that had been asked by a number of colleagues. We are working on that, but the policies of this government, as they currently stand, are what we are guiding ourselves under. At the end of the day, I think I have said, most of these projects will be RFPs. We need to find a way to be a little more transparent there and answer some of the questions of industry. I do not see the need for any significant policy shift. I see a need for maybe some improvement in the policy, some greater transparency, and on the fiscal side, to ensure there is an affordability issue. The rules we have in place now are fairly solid. They just need to be embellished a little more. Thank you.

MR. SPEAKER:

Thank you. Oral questions. Supplementary, Mr. Miltenberger.

Supplementary To Question 257-13(5):
Public/Private Partnerships Accountability

MR. MILTENBERGER:

Thank you, Mr. Speaker. Other jurisdictions have had much more experience than the Northwest Territories in this particular area. Some have, in fact, had their own fatalities, very costly ones. Many jurisdictions, as a result, come up with their own processes and procedures. Is the Minister going to check so that we do not, in fact, reinvent the wheel and then we can learn, hopefully, from what works and what does not work in other jurisdictions as well?

MR. SPEAKER:

Mr. Todd.

Further Return To Question 257-13(5): Public/Private Partnerships Accountability

HON. JOHN TODD:

Yes, Mr. Speaker. I think there is a great deal to be learned, hence the reason we hired Mr. Coles. He has a significant amount of experience across Canada. I do not want to go out there and reinvent the wheel as some Members have suggested, with task forces and hearings and all the rest of the stuff. This is \$100 million worth of spending. This government spent a billion dollars a year. We need to get into place some of the checks and balances that we can learn from other constituencies. We will do that, and we will have full discussion and full debate about it. I am prepared, this afternoon, to listen to any other suggestions the Members have got. The bottom line is, we want to get on the ground as quickly as we can, the infrastructure requirements of the constituency that we represent so it can create new jobs and new opportunities, et cetera. Yes, we are going to be doing all the things that my honourable colleague talked about. At the same time, I want to move reasonably quickly so we can get some projects on the ground for this coming year. I am fairly confident at the end of the day that most of the Members of this House will see the value of it. Thank you.

MR. SPEAKER:

Thank you. Oral questions. Mr. Erasmus.

Question 258-13(5): Skills in Value-Added Diamond Industry

MR. ERASMUS:

Thank you, Mr. Speaker. My question is for the Minister of RWED on a matter that is not before committee of the whole. Mr. Speaker, apparently Mr. George Burne of BHP recently indicated that we should keep our noses out of the business of diamond mining other than to keep the roads open to ensure the businesses can get to the diamond mines. Mr. Speaker, when I was in London, I had occasion to meet Mr. Burne and to talk with him. When we were leaving, we gave him a book on Yellowknife, and he took a look at the cover. There was a cover of Yellowknife on there with modern buildings and everything. Modern buildings? Mr. Speaker, this is the same guy who is telling us to keep our business out of the mining industry because he thinks we do not know, he thought this was a mining town with little mining shacks all over. He also indicated that he did not think aboriginal people had the right temperament to be suited for preparing diamonds for market of sorting, polishing and cutting. Mr. Speaker, my question is, what type of skills are required for sorting, cutting and polishing of diamonds? Thank you.

MR. SPEAKER:

The Minister of Resources, Wildlife and Economic Development, Mr. Kakfwi.

Return To Question 258-13(5): Skills in Value-Added Diamond Industry

HON. STEPHEN KAKFWI:

Thank you, Mr. Speaker. I think this should be said. Northern people, particularly aboriginal people, it should never be suggested are genetically deficient in regard to those physical requirements that are required for sorting, cutting and polishing diamonds.

--Applause

I think people have said you need a lot of patience. I think probably better than any other people in the world, the Inuit, Dene and Metis are known for that. The traditional lifestyle and the culture of our people require a tremendous amount of patience, something that is not seen to be held in great value or in great quantities by the southern wage economy. We also require astute sense of sight, stable hands and keen appreciation for art and for fine lines and other attributes given to small things. These are all things that I think the culture, the

values and the lifestyle of all northern people have always required in great abundance. I know we do have them. There is no basis whatsoever for whatever policy the gentleman seems to have developed in his very short stay here in Canada with us. Thank you.

--Applause

MR. SPEAKER:

Thank you. Oral questions. Supplementary, Mr. Erasmus.

Supplementary To Question 258-13(5): Skills in Value-Added Diamond Industry

MR. ERASMUS:

Thank you, Mr. Speaker. Earlier the Minister had indicated the fact that offering a peace pipe is a good method of operating with a tomahawk prominently displayed. I was wondering if his department and this government would be willing to offer this peace pipe and to assist people in training and other ways to help set up the basis for a secondary industry in the NWT rather than using threatening postures and the rest to force the diamond industry to begin a secondary industry in the north?

MR. SPEAKER:

Mr. Kakfwi.

Further Return To Question 258-13(5): Skills in Value-Added Diamond Industry

HON. STEPHEN KAKFWI:

Thank you, Mr. Speaker. If we do create the option and the possibility to access arrived diamonds here in the Northwest Territories, this creates a possibility to create a secondary industry. It would be logical to expect this government to provide training funds to make sure northern people, aboriginal people, are trained to take up the jobs that would be created as a result of this new industry. Thank you.

MR. SPEAKER:

Thank you. Oral questions. Supplementary, Mr. Erasmus.

Supplementary To Question 258-13(5): Skills in Value-Added Diamond Industry

MR. ERASMUS:

Thank you, Mr. Speaker. Could the Minister possibly elaborate on what is currently being done to help people get into the mining industry?

MR. SPEAKER:

Mr. Kakfwi.

Further Return To Question 258-13(5): Skills in Value-Added Diamond Industry

HON. STEPHEN KAKFWI:

Mr. Speaker, in the area of training, it is the responsibility of the Minister for Education, Culture and Employment. I would have to defer to my colleague. Thank you.

MR. SPEAKER:

Thank you. Oral questions. Mr. Picco.

Question 259-13(5): Commitment Re: Request for Proposals Disclosure

MR. PICCO:

Thank you, Mr. Speaker. Mr. Speaker, during the mid-term review four months ago in October, some of these following commitments were made. Minister Todd made a commitment to look at the option of using RFPs and analyzing it. There were some other commitments on RFP disclosures that were made at that time. I am wondering if the Premier or Minister Todd could update the House on those commitments? For example, Mr. Todd committed he would coordinate with the Premier and the Minister of Public Works to re-examine the request for proposal policies to provide the transparency and clarity that the Ordinary Members requested. Would the Premier or the Finance Minister update us on that commitment? Thank you.

MR. SPEAKER:

Mr. Premier.

Return To Question 259-13(5): Commitment Re: Request for Proposals Disclosure

HON. DON MORIN:

Thank you, Mr. Speaker. We are doing that, and we are working with the NWT construction industry, as well as the industry to work out a protocol or an

agreement to how we can accomplish that. The problem is, with the request for proposals, of how to do that without jeopardizing some business interests or let the people know what the financial aspects of that business are. Thank you.

MR. SPEAKER:

Thank you. Oral questions. Supplementary, Mr. Picco.

Supplementary To Question 259-13(5): Commitment Re: Request for Proposals Disclosure

MR. PICCO:

Thank you, Mr. Speaker. Mr. Speaker, we do have a policy called the request for proposal policy. Is it possible that the Premier could table that in the House for public disposal purposes? Thank you.

MR. SPEAKER:

Mr. Morin.

HON. DON MORIN:

Thank you, Mr. Speaker. Can I have the Member repeat his question? I did not quite catch him. Thank you.

MR. SPEAKER:

Mr. Picco, second supplementary.

MR. PICCO:

Thank you, Mr. Speaker. Mr. Speaker, we have ascertained that indeed the government has a policy for request for proposals. Is it possible to have that policy tabled in the House?

MR. SPEAKER:

Mr. Morin.

Further Return To Question 259-13(5): Commitment Re: Request for Proposals Disclosure

HON. DON MORIN:

Thank you, Mr. Speaker. We do have contractual procedures that we use for tender proposals, requests for proposals, public advertisement, invitational tenders and requests for proposals and how they are evaluated. I would be pleased to table it. It was sent to all Members but I can table it as well. Thank you.

MR. SPEAKER:

Thank you. Oral questions. Supplementary, Mr. Picco.

Supplementary To Question 259-13(5): Commitment
Re: Request for Proposals Disclosure

MR. PICCO:

Thank you, Mr. Speaker. Mr. Speaker, under our regulations, we do have a tendering contract under the Tendering Act. We do have policies and guidelines that have been tabled in this House before. Under the request for proposals, there seems to be a loose hodge podge of different requirements. I am wondering if that is what the Premier is looking at. Is he looking at bringing all of these things all under one envelope instead of tabling five on a piece of paper for each department to follow? Is that what the Premier is looking at? Thank you.

MR. SPEAKER:

Mr. Morin.

Further Return To Question 259-13(5): Commitment
Re: Request for Proposals Disclosure

HON. DON MORIN:

Thank you, Mr. Speaker. It is not hodge podge or loose. It is a very structured request for proposals and there is nothing loose about it. The proposal for us to use is when the government knows what it wants done but not how to go about doing it. It is looking for the best value solution to resolve the problem or deliver a better service. A request for proposal contains three main elements, instruction to the proposers, terms of reference and evaluation criteria. It is very, very clear. Nothing is loose in the proposal call method. That is what I am willing to table in this House, how requests for proposals are done, how they are evaluated and who does it. Thank you.

MR. SPEAKER:

Thank you. Oral questions. Final supplementary, Mr. Picco.

Supplementary To Question 259-13(5): Commitment
Re: Request for Proposals Disclosure

MR. PICCO:

Thank you, Mr. Speaker. Mr. Speaker, Minister Todd has stated earlier that the Premier and the government are looking at concerns about requests for proposals and will be providing an answer as soon as possible. That was four months ago. There were concerns raised at that time and then again we raised them in the House, sitting in November and raised them again in February. I would like to know when are we going to have these concerns answered other than read something?

MR. SPEAKER:

Mr. Morin.

Further Return To Question 259-13(5): Commitment
Re: Request for Proposals Disclosure

HON. DON MORIN:

Thank you, Mr. Speaker. We have already told the Member that we are working on this issue with the construction industry so that all issues and concerns that need to be addressed through the request for proposals can hopefully be addressed. The government is concerned as well of making sure that businesses are treated properly through this request for proposal so transparency is there and how it is happening. It is very important that we get this work done before we move on, if we are going to move on with the P3, but this work has to be done prior to that. Hopefully, it will be done fairly soon, but we are working with other people on this issue as well, like the construction industry.

MR. SPEAKER:

Oral questions. Mr. Barnabas.

Question 260-13(5): Grise Fiord Water Reservoir

MR. BARNABAS:

(Translation) Thank you, Mr. Speaker. My question will be directed to the Minister of Municipal and Community Affairs. My question is in relation to the statements I made under Members' statements earlier regarding the water reservoir and the need to have a fenced area made. Can the Minister indicate to me as to when the fence will be provided around the reservoir in Grise Fiord? Thank you, Mr. Speaker. (Translation ends)

MR. SPEAKER:

The Minister of Municipal and Community Affairs, Ms. Thompson.

Return To Question 260-13(5): Grise Fiord Water Reservoir

HON. MANITOK THOMPSON:

(Translation) Thank you, Mr. Speaker. Further to my response to the Member for the High Arctic, I will look into this and direct my staff in the Iqaluit regional office to look into this matter as soon as possible in regard to the fencing in of the water reservoir he mentions. Thank you, Mr. Speaker. (Translation ends)

MR. SPEAKER:

Thank you. Oral questions. O'Brien.

Question 261-13(5): Usage of Housing Units as Temporary Nunavut Offices

MR. O'BRIEN:

Thank you, Mr. Speaker. Mr. Speaker, my question is to the Minister responsible for Division. I am not quite sure if it is Mr. Todd or Mr. Arlooktoo, so either one will do. In reference to some questions we spoke about regarding the mid-term review as to the use of new housing units or temporary office space in the event the offices that are to be constructed during division, was there any work done to look to see if we could use these units for temporary office space in the event that the offices are not completed? Thank you.

MR. SPEAKER:

Minister responsible for the Division Secretariat, Mr. Todd.

Return To Question 261-13(5): Usage of Housing Units as Temporary Nunavut Offices

HON. JOHN TODD:

Thank you, Mr. Speaker. I think it is important to point out, of course, that these assets are not the GNWT's assets. They are the assets that are going to belong to the Nunavut Tungavik Incorporated through some long-term agreement they have with the federal government. There has been some suggestion, as my colleague says, that on an interim basis, assuming that we could move some bodies or there may be an opportunity for that to happen, I have not had the

response from my informal discussions I have had with the

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Interim Commissioner. I will check with the staff and just see where that issue lies. It is a suggestion that has been banged around in a number of sources. I will see what response I can get. Thank you.

MR. SPEAKER:

Thank you. Oral questions. Mr. Picco.

Question 262-13(5): Wildlife Act Residency Requirements

MR. PICCO:

Thank you, Mr. Speaker. Mr. Speaker, earlier in this House, Mr. Kakfwi committed to having the Department of RWED examine whether changes to the wildlife regulations would address the RCMP and the Department of National Defence residency requirement, like it is done in other jurisdictions? Could the Minister could update us on his investigation in this matter? Thank you.

MR. SPEAKER:

Minister of Resources, Wildlife and Economic Development, Mr. Kakfwi.

Return To Question 262-13(5): Wildlife Act Residency Requirements

HON. STEPHEN KAKFWI:

Thank you, Mr. Speaker. I believe the work required to just meet the requirements of division in the creation of Nunavut, in the creation of the Western Territory and the legislative backlog that prevents us from doing any other work other than the two simple amendments. One is to do the amendments that are required to the Wildlife Act for that to adhere to the Gwich'in land claim settlement and the other is the amendments required of the Wildlife Act to ensure that it complies with the Gwich'in and the Sahtu settlements. Other than those, there will not be any specific amendments coming up within the life of this Legislature. Thank you.

MR. SPEAKER:

Thank you. Oral questions. Mr. Krutko.

Question 263-13(5): Lahm Ridge Tower Lease Arrangements

MR. KRUTKO:

Thank you, Mr. Speaker. My question is to the Minister of Public Works, Mr. Antoine, regarding the Lahm Ridge Tower lease, which was an extension of a previous lease. We are told it is a good deal for this government. If there were no proposals to evaluate other leases, how did the government come up with the conclusion that this is a good deal, if there was no mechanism in place to put it out for proposals or consider other leases in Yellowknife?

MR. SPEAKER:

The Minister of Public Works and Services, Mr. Antoine.

Return To Question 263-13(5): Lahm Ridge Tower Lease Arrangements

HON. JIM ANTOINE:

Mr. Speaker, there are a number of ways the department came to that conclusion. The Lahm Ridge Tower lease has to be looked at through the overall office plan that was developed by the department for Yellowknife. The Lahm Ridge Tower's lease was viewed by all the deputies involved, along with Public Works, that this lease which is occupied by Education, Culture and Employment and Department of Transportation, will be required to be retained in the overall Yellowknife office space requirements. Once the lease negotiations were initiated by the owners of the Lahm Ridge Tower, the deputy minister of Public Works instructed the superintendent to negotiate a better deal and he did negotiate a better deal, which is right in line with the office costs in Yellowknife. If we went out and had to move our staff, these two departments, out of the offices, then we would be losing the improvements that the department had put into this building, as well as the cost of moving and disrupting the programs and services. At the same time of moving into another new office space, we would have to upgrade these offices to accommodate a new department. Overall, looking at all these different factors, we determined that it was a good deal for the government to retain this extension of the Lahm Ridge Tower. Thank you.

MR. SPEAKER:

Thank you. Oral questions. Supplementary, Mr. Krutko.

Supplementary To Question 263-13(5): Lahm Ridge Tower Lease Arrangements

MR. KRUTKO:

Thank you, Mr. Chairman. As far as this being a good deal, is it based on the price per square footage? Was that used in the formula or was it based on all the other variables in the cost of moving? The cost of upgrading? In this particular contract, it seems like the whole way it was done was, hopefully, not regular government practice. This thing has so many variables in it, it is hard to read. Exactly what basic formula was used to come up with the actual amount? Was it based on the cheapest dollar per square foot in Yellowknife or was it based on the cost of moving? In Yellowknife, every time you turn around there is some department moving from one place to another. It would have happened regardless, so I would like to know exactly what was the thing that we saved the most on in this lease?

MR. SPEAKER:

Mr. Antoine.

Further Return To Question 263-13(5): Lahm Ridge Tower Lease Arrangements

HON. JIM ANTOINE:

Mr. Speaker, the actual cost is that over the term of the lease extension, the base rent remains the same. However, in the operating and maintenance expense over the eight years, the government stands to save up to \$500,000 from the previous lease arrangement. Plus, any of the office spaces in Yellowknife, some of them are pretty old office spaces and you need good facilities for employees to work in, you need good heating facilities, ventilation and air conditioning. In this case, there was a problem in Lahm Ridge Tower in the heating, ventilation and air conditioning system and through the negotiations, we were able to have a condition that the landlords will improve and change this heating, ventilation and air conditioning system to about \$100,000 in improvements. Cost-wise, it is a good deal. Thank you.

MR. SPEAKER:

Thank you. Oral questions. Supplementary, Mr. Krutko.

Supplementary To Question 263-13(5): Lahm Ridge Tower Lease Arrangements

MR. KRUTKO:

Thank you, Mr. Speaker. Mr. Speaker, my understanding of this whole agreement and you keep talking about the office plan that has been put in place, but my understanding is that this plan was not approved until January of this year. If you were putting that into the equation as this contract was signed back in August, technically, this plan did not exist at the time of the signing of this agreement. How can you base all these areas of concern as part of the overall plan for Yellowknife, when this agreement was not finalized until January? Why is that?

MR. SPEAKER:

Mr. Antoine.

Further Return To Question 263-13(5): Lahm Ridge Tower Lease Arrangements

HON. JIM ANTOINE:

Mr. Speaker, through the chronology of events, it is clear by January 1997, once the amalgamation of the departments and downsizing were pretty well close to an end with this government, we knew there would be a lot of surplus spaces that this government has. We needed to start looking at rationalizing the Yellowknife office plan. Starting in January until about July, the Department of Public Works and Services put a lot of work, effort and time into dealing with this whole issue. By July, it was pretty clear which offices we would like to retain and which we would let go. By that time in July, it became clear we would be retaining the Lahm Ridge Tower lease once we had negotiated a better deal than we had. Based on that, it was good timing that Al Marceau, the owner of Lahm Ridge Investments, contacted the department and the department contacted the client departments and decided to move ahead and renegotiate this lease. This is how part of the solution was solved in office requirements for Yellowknife. Thank you.

MR. SPEAKER:

Thank you. Oral questions. Final supplementary, Mr. Krutko. Question period is over.

Supplementary To Question 263-13(5): Lahm Ridge Tower Lease Arrangements

MR. KRUTKO:

Thank you, Mr. Speaker. In the amount of vacant office space this government presently requires, would it not have been more appropriate or cost saving if we just made use of vacant office space by putting those departments in there where we are already paying for that space, versus having to find alternative space at that time?

MR. SPEAKER:

Mr. Antoine.

Further Return To Question 263-13(5): Lahm Ridge Tower Lease Arrangements

HON. JIM ANTOINE:

Mr. Speaker, that would have been one approach. The department had to look at these approaches already and determined Lahm Ridge Tower was a good office space and these two departments were already in there. It makes sense to try to renegotiate a better lease than we had, in which the Department of Transportation superintendent and the deputy minister were able to do. Based on these different figures reached, it became clear, it was better to stay in this building than move to other places. Thank you.

MR. SPEAKER:

Thank you. Item 7, written questions. Item 8, returns to written questions. Item 9, replies to opening address. Item 10, petitions. Item 11, reports of standing and special committees. Item 12, reports of committees on the review of bills. Item 13, tabling of documents. Item 14, notices of motion. Item 15, notices of motion for first reading of bills. Item 16, motions. Item 17, first reading of bills. Mr. Arlooktoo.

ITEM 17: FIRST READING OF BILLS

BILL 10: Miscellaneous Statutes Amendment Act, 1998

HON. GOO ARLOOKTOO:

Thank you, Mr. Speaker. I move, seconded by the honourable Member for Yellowknife Frame Lake that Bill 10, Miscellaneous Statutes Amendment Act, 1998, be read for the first time.

MR. SPEAKER:

Thank you. First reading of bills. The chair recognizes a quorum. The motion is in order. To the motion. Question has been called. All those in favour? All those opposed? The motion is carried. Bill 10 has had first reading. Item 18, second reading of bills. Item 19, consideration in committee of the whole of bills and other matters. Bill 6, An Act to Amend the Income Tax Act; Bill 8, Appropriation Act, 1998-99; Committee Report 02-13(5); Committee Report 03-13(5); Committee Report 04-13(5); Committee Report 05-13(5); Tabled Document 15-13(5) and Tabled Document 19-13(5). With Mr. Ningark in the Chair.

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

CHAIRMAN (Mr. Ningark):

Thank you. I would like to call the committee to order. Under item 19 we have a number of items. I would like to ask Mr. Ootes what is the wish of the committee?

MR. OOTES:

Thank you, Mr. Chairman. We should proceed with Bill 8, Appropriation Act, 1998-99; Committee Report 2-13(5); Committee Report 3-13(5) and that we continue with the Department of Municipal and Community Affairs followed by Public Works and Services.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Ootes is recommending that we continue with Bill 8, Appropriation Act, 1998-99; Committee Report 2-13(5); Committee Report 3-13(5) and that we continue with the Department of Municipal and Community Affairs followed by Public Works and Services. Do we agree?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you. We will now break.

--Break

CHAIRMAN (Mr. Ningark):

I would like to call the committee back to order. Before we proceed in reviewing the 1998-99 main estimates on page 4-8, activity summary, emergency

services, I would like to ask the honourable Minister if she

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wishes to bring in her witnesses before reviewing the program by the Members?

HON. MANITOK THOMPSON:

Thank you, Mr. Chairman. I will bring in my witnesses.

CHAIRMAN (Mr. Ningark):

Do we agree?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you. Proceed, Madam Minister. For the record, Madam Minister, will you please introduce your witnesses to the committee.

HON. MANITOK THOMPSON:

Thank you Mr. Chairman. To my left is my deputy minister, Ms. Penny Ballantyne, and to my right is Mr. Vern Christensen, my assistant deputy minister. To my far right is Chris Keeley, director of finance. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you, Madam Minister. Welcome to the committee. On page 4-8, operations and maintenance, total operations and maintenance, \$710,000. Mr. Steen.

Committee Motion 8-13(5): To Defer Further Consideration of the Activity Emergency Services, Department of MACA

MR. STEEN:

Thank you, Mr. Chairman. Mr. Chairman, I have a motion for the committee. I move that this committee defer further consideration of the activity emergency services in the Department of Municipal and Community Affairs at this time.

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Steen. We will require a copy of your motion before we can deal with the motion. We will take a five-minute break.

--Break

CHAIRMAN (Mr. Ningark):

Thank you. I call the committee back to order. We have a motion moved by the honourable Member for Nunakput, Mr. Steen. When he moved the motion, there was no written motion. For the record, I will read the motion. I move that this committee defer further consideration of the activity emergency services in the Department of Municipal and Community Affairs at this time. The motion is in order. The motion is not debatable. Question has been called. All those in favour of the motion? All those opposed? Thank you. The motion is defeated. We are reviewing the emergency services of the Department of MACA, page 4-8, total operations and maintenance, \$710,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. In regard to the whole area of emergency measures and ensuring communities are adequately trained and have the adequate equipment so that they can work, a lot of these fire departments are on a volunteer basis. It is important that these people have the training and the equipment to carry out their jobs when there is a fire and also to ensure that the equipment they have is adequate to do the job and that they are trained on this equipment. Mr. Chairman, in regard to the whole area of ensuring this department and the fire marshal work closely with the communities to ensure that the communities are offered the training the community needs, especially when it comes to the firefighters and to ensure that these people are properly certified when they conclude training, I think most importantly, Mr. Chairman, that they have the equipment to be able to do the job, especially in regard to ensuring the well-being of the community to be able to fight fire and also save lives. They need to ensure the equipment they have operates properly and is up-to-date. I would like to ask the Minister exactly how does the fire marshal and this department work to ensure that

all communities are adequately served especially if we are limited in the number of the fire marshals. The department has been downsized in the last couple of years. Can the Minister tell me exactly what is being done to ensure this is done and carried out?

CHAIRMAN (Mr. Ningark):

Thank you. Madam Minister.

HON. MANITOK THOMPSON:

Thank you, Mr. Chairman. The fire marshal's position has not been downsized. We have, in each region, an assistant fire marshal who regularly visits the communities and inspects local fire halls and equipment. They make recommendations to the communities on how to correct any problems with their equipment. The position has not been downsized. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you, Madam Minister. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. Mr. Chairman, I would like to move a motion.

CHAIRMAN (Mr. Ningark):

Thank you. Proceed please, Mr. Krutko.

Committee Motion 9-13(5): To Ensure Regular Inspections of Fire Safety Equipment and Fire Safety Training

MR. KRUTKO:

Thank you, Mr. Chairman. I move that the Department of Municipal and Community Affairs take the necessary steps to improve coordination of community fire departments to ensure that there are regular inspections of the fire safety equipment and the appropriate fire safety training is provided on a continuous basis.

CHAIRMAN (Mr. Ningark):

Thank you. The motion as written form is being circulated. We will wait momentarily before we can proceed with the motion.

I believe the motion is being circulated already. The motion is in order. To the motion. Question has been called. All those in favour? Thank you. All those

opposed? The motion is carried. Total operations and maintenance, \$710,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you. Move to page 4-9, emergency services, building and works, headquarters. Total region, \$70,000. Agreed?

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SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you. Total building and works, \$70,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you. Acquisition of equipment, headquarters, total region, \$30,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you. Total equipment, \$30,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you. Total activity, \$100,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you. Move to page 4-10, community monitoring and evaluation, operations and

maintenance, total operations and maintenance, \$924,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. In regard to the community monitoring and evaluation, a lot of times communities feel like they are not being fairly distributed when it comes to the whole community planning dollars and the way that the formula works to ensure communities have the same type of training. When it comes to developing a community plan, I will use Aklavik for instance, where they seem to really have a lack of resources to ensure they have gravel available to the community to upgrade roads and what not. Yet, in the budgets that they get, there is no real \$30,000 or \$40,000, but in order for them to require that gravel, it is going to cost them a lot more because they do not have a source in the community. When we talk about supporting community governments, we also have to ensure they understand the way the capital budgets are allocated and the formula that is being used by the departments.

I would like to ask the Minister exactly when they do the evaluation and monitor the communities, do they look at what some communities have and what other communities do not have to try to work it in so that eventually they will all have the same equipment, infrastructure and ensure that all the dollars are there for training and consultation. So that when they do take something on, they know they are not going to get anything less than anybody else?

CHAIRMAN (Mr. Ningark):

Thank you. Madam Minister.

HON. MANITOK THOMPSON:

Thank you, Mr. Chairman. That is one of the initiatives we have taken up under the Municipal Financing Review, the concerns that the Member is raising so that we are fair with all the communities. We are doing this initiative right now. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Total operations and maintenance. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. In regard to this evaluation monitoring, how often do you go into the communities to do this? Is it annually or basically do you do it every six months? Especially coming from the smaller communities where your population is growing by leaps and bounds, but basically your infrastructure is not keeping up to it, you have to build in these factors. A lot of times you just try to keep piecemealing what you have got and upgrading by sections. I think at the end of the day, when you have new people coming into the council and what not, they do not really have an understanding of exactly how the formula works, how money is allocated or how you get your dollars. O and M for the communities is based on telephone poles, culverts, the number of roads and street lights you have in your communities. I think a lot of them do not understand that and they have to realize that the more infrastructure you have in your community the more money you get. Some communities have given up a lot of this infrastructure in the last number of years because of the situation we have found ourselves in, they have lost out. Other communities were able to get all this stuff in their communities before these cuts took place. There is a real imbalance there. How often do they have those evaluations in those communities and do they walk the new councillors through to ensure they have an understanding of how this formula works?

CHAIRMAN (Mr. Ningark):

Qujannamiik. Madam Minister.

HON. MANITOK THOMPSON:

Thank you, Mr. Chairman. I know that the regional staff visit the communities on a regular basis to assist them where they can. I do know when the new councillors get elected there is a councillor's orientation that takes place with each community. We are also preparing a new manual called The Councillor's Handbook which should address the concerns that the Member has. They are very good points that he is making. I will ask my deputy minister to elaborate more on that.

CHAIRMAN (Mr. Ningark):

Thank you. Madam Ballantyne.

MS. BALLANTYNE:

Thank you, Mr. Chairman. Mr. Chairman, in addition to the community councillor orientation that is available through the regional office, the regional staff also regularly visit the communities and also review financial reports and the minutes of council meetings that are submitted. Those come in regularly to the regional offices for review, which is another monitoring that takes place at the regional level and certainly the by-laws as they are submitted, again, are reviewed. There are a number of checks and balances in place in the regional offices to monitor council activity. With respect to anticipating any kind of forced growth requirements, as the Member has referred to, population increases for example, which are currently captured in the formula that is under review in the municipal financing review, it is currently taken into account and is being reviewed through the finance and review that the Minister referred to. Thank you.

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CHAIRMAN (Mr. Ningark):

Thank you. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. The other area I wanted to touch on is the coordination in a lot of these communities where you have a real overlapping interest, especially where you have other political organizations, such as band councils, Metis locals, Inuvialuit organizations and community corporations. There seems to be a whole area where aboriginal bands are now taking on more responsibility for their membership and the hamlet is also looking at the same mandate. You have different organizations fighting over the same source of funding, especially where you do not have a coordinated council where they try to work together through formal community meetings or formulate some sort of community council.

One area that has to be looked at is to ensure that all groups have a responsibility to carry out these responsibilities on behalf of their memberships, especially, when it comes to aboriginal organizations where you have the Metis locals and the band councils who have two different councils representing proportionate numbers of people in those communities. They also want to be able to deliver these programs on behalf of their membership. In

regard to the different Income Support Programs, you look at the different training programs which this government carries out. Then, also, you have on top of that self-government negotiations. Everybody is trying to do the same thing. At the end of the day, it becomes such a muddled process where there is more inner fighting in the small communities where we seem to generate this unease between the different community organizations because they want to do the same thing the hamlet is doing because they feel they can do a better job. What is being done to ensure that coordination is worked on to ensure that everybody is trying to work together and they have the ability to carry out these programs by themselves?

CHAIRMAN (Mr. Ningark):

Thank you. On the role of MACA, Madam Minister.

HON. MANITOK THOMPSON:

Thank you, Mr. Chairman. That is exactly what we are trying to do under community empowerment initiative with community-based planning. We are trying to get all partners together at the same table and discuss what the priorities are of their community, what their vision is and also to establish goals and how to achieve their vision. We are already doing that with communities. It is called community-based planning, where we try to get all the bodies together to discuss what they want for their community. I will have my deputy minister add to that in detail. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Madam deputy minister.

MS. BALLANTYNE:

Thank you, Mr. Chairman. Mr. Chairman, this is an issue that the department has been concerned about as well, to make sure that in implementing community empowerment we do not, in any way, interfere with or create any problems with self-government negotiations that might be underway in communities. We are certainly very much aware that there are a number of governing bodies in communities that need to be able to work together. A couple of ways that we have been trying to assist in this process and make sure that we are not in the way is by having, for example, in the Inuvik region our community empowerment coordinator coordinate very closely with the self-government negotiators office. She regularly meets with the chief negotiator there and

participates in briefings. We also invite the chief negotiator to come to RICE meetings to brief not just our staff but also the whole Regional Management Committee in the region about what is going on at the table. This is really in an effort to share information about what is going on so that there is more awareness about what is happening in negotiations in the Beaufort Delta region. I think in the other regions where negotiations are starting up as well, we are certainly attempting to try to encourage municipalities to be informed, to be aware and to participate in a constructive way in these processes. We certainly are not trying in any way to push community empowerment in those communities in a way that would create issues between groups. If anything, we have been very much encouraging groups to get together to do shared planning for their communities. The regional staff and superintendents have been quite sensitive to how we proceed with community empowerment for the exact reasons the Member has listed. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. I have exactly 34 minutes. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. Could the department tell me if they have allowed aboriginal organizations, such as band councils and Metis locals, deliver programs on behalf of this government on their own without having to go through the hamlet council?

CHAIRMAN (Mr. Ningark):

Thank you. Madam deputy minister.

MS. BALLANTYNE:

Thank you, Mr. Chairman. Mr. Chairman, yes, I am aware of a couple of examples where a public works transfer has been made to the Hay River Reserve. It is one example that immediately comes to mind. There are certain communities where the band council is the only governing body in town and we have had transfers go through to those groups. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. The chair recognizes Mr. Picco.

MR. PICCO:

Thank you, Mr. Chairman. Good afternoon. Mr. Chairman, under the community monitoring and evaluation is the evaluation role of MACA. Over the last couple of years, MACA has really done a good job of trying to tighten up its reporting procedures from the municipalities. One of those areas was called the early warning system that they had put in place for financial accounting and monitoring. In those instances when the community was having problems, I guess the idea was to get in there and help them out beforehand. However, in the last audit that came out, about 40 percent of the communities audited had problems with their audit. There were some qualified audits and there were some problems with other audits where there was no audited opinion given. I wonder if the Minister could inform the House how that early warning monitoring system is working and how does that place with the recent audit from the department?

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CHAIRMAN (Mr. Ningark):

Thank you. I will let Mr. Krutko deal with page 4-10. We should have moved to community operations, but I will allow Mr. Picco to deal with this page 4-10. It was partly my fault. Thank you. Madam Minister.

HON. MANITOK THOMPSON:

Thank you, Mr. Chairman. I will ask my deputy minister to elaborate more on this, but I would like to say this was a new initiative we started in MACA. The early warning system for finances in the communities, I think, is going very well. It is a new initiative and is going to get better. It has been well received by the communities. I will ask my deputy minister to elaborate more on it in detail. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Madam Ballantyne, would you expand from here.

MS. BALLANTYNE:

Thank you, Mr. Chairman. Mr. Chairman, in 1997, we have 13 of 39 communities reporting a deficit in their general operating fund. This is up one from last year. There were 12 that reported deficits in 1996. Of those 13, six have an overall deficit in their aggregate financial position. This is certainly not a downward turn compared to years past. This is quite consistent. In those communities there is a deficit recovery plan that is in effect and this is the immediate response

that comes in after the auditor's report is received. What we are trying to do in the department is move towards a more preventative approach. We are doing that through focusing a lot of attention on our advanced SAO training course to make sure that communities have SAOs who are trained to be able to keep the financial status of the community up to speed and certainly to keep their councils informed. In the past I would say that more attention has been paid to identify the problems after they have occurred. What we are trying to do now is to shift our focus to preventing the problems from occurring through training. However, for those communities that do find themselves in a deficit position today, those communities do have deficit recovery plans and our regional staff do monitor the implementation of those plans to ensure that the recommended steps are being taken. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Picco.

MR. PICCO:

Thank you, Mr. Chairman. Mr. Chairman, we are at a bit of a disadvantage here today because we have not received the Auditor General's report on the Department of MACA and that report might have indicated some areas of concern or proactive work that the department could do under community monitoring and evaluation. I do understand that when the early warning system was put into place, the whole idea was to be a preventative approach. I do not think that anyone is picking on communities. When we say we are talking to the SAO, for example, if there are problems within the financial administration of the community, it seems again, the department only finds out after an audit. I guess the question is, what is the preventative approach that you are doing? Does the regional staff go into the communities every three months to check cash flow balances? Are there things like that being done?

Once the community gets into a deficit situation, and no one wants to be in a deficit situation, then the department puts together a plan to help them get out of that. Last year we had 12 communities, the deputy minister said, who had problems in their audit, this year we had 13 communities. What happens when it becomes continuous from month to month or year to year? Maybe the department should be more proactive, indeed, going into the communities to help them on that basis or if they have an indication from an audit that certain communities have had financial

problems in the past, would they be monitoring them more closely? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. Madam Minister.

HON. MANITOK THOMPSON:

Thank you, Mr. Chairman. That is exactly what we are doing with the communities. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Picco.

MR. PICCO:

If that is what we are doing then, what are you doing exactly? Are you going in every three or six months? Are you waiting until the end of an audit to check on them? We have the early warning system in place. If the early warning system was in place then would you not have discovered problems in a community so that, indeed, they would not have the problems that they are having?

CHAIRMAN (Mr. Ningark):

Thank you. On your evaluation, Madam Minister.

HON. MANITOK THOMPSON:

Thank you, Mr. Chairman. What I have said is, we are assisting the communities by visiting them on a regular basis. We are being there for them to ask us for assistance for where they need us. I will ask my deputy minister to elaborate more on the details of the question. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Madam Ballantyne, would you explain the purpose of the evaluation? Madam deputy minister.

MS. BALLANTYNE:

Thank you, Mr. Chairman. Mr. Chairman, with respect to our current practice of monitoring and evaluation, I can assure the House that our regional offices do report the monthly balance in each community's accumulated surplus and deficit account. This would be the accounts for each municipal fund and that would include things like the municipal operations fund, the water and sewage operations fund, equipment reserve fund, just as examples of the types of funds that would be monitored on a monthly basis.

In addition, each quarter, we have the regional staff provide our headquarters with each community's quarterly unaudited financial statements. If we see problems in either the monthly statements or when we do the quarterly unaudited, then exactly as the Member suggests, we do work with those communities as soon as we see a problem to point that out to them and to work with them on a plan if there is any projected deficit in any of those funds. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

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

MR. PICCO:

Thank you, Mr. Chairman. When the balances are

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reported and the quarterly reports are received on the unaudited financial statements for a community and there is a serious deficit problem or a problem in cash flow or whatever, then what does the department do? I have seen a copy of the audit, so I am privy to that information. I see where some communities were in a situation where they were \$200,000 or \$300,000 in the aggregate account, in a deficit situation. Would they not have picked that up three months prior to that. You have four quarters in a year, would it not have been picked up in the first quarter, the second quarter or the third quarter? Why would that community get to that point? Would the department for example, send in municipal administrators to help the community and say look, maybe you have a problem in your water and sewage area that your truck is on the road too often? Maybe you are not charging enough for callouts? That is what I am trying to get at. What kind of logistic support does the department offer to the communities when there is an indication during your early warning system, your early monitoring system, to help those communities?

CHAIRMAN (Mr. Ningark):

Thank you. Ms. Ballantyne.

MS. BALLANTYNE:

Thank you, Mr. Chairman. Indeed, if the department sees that there is a projected deficit in any fund, then there is an immediate response back to the community to find out why this is occurring and to work with the community on a plan that would

hopefully see that account balance. There is sometimes an issue around the information that is provided, and certainly if there is a breakdown in financial controls or in the financial information system in a community, it may be that the information that is provided monthly or quarterly, in fact, does not reflect the true picture and then you do get a surprise at audit time. However that is rare. It does not often happen. We would know in advance if there was an issue around the financial control or system in a municipal government. We saw a bit of a change this year where some of the communities have run into deficits around managing their canteen funds in the recreation centre. If you look at the auditor's comments, they are more around how the petty cash aspects were managed, how the actual cash accounting was managed. We are working very specifically on that issue since that seemed to be a common one, and that is what got a couple of communities into problems. It was not with the big ticket items but was with running the canteen in the rec centres. So the audit can become qualified for something that is relatively minor. A qualified audit is not necessarily an indication of a major financial problem, there is more to it. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. We are dealing with community monitoring and evaluation, total operations and maintenance, \$924,000. Do we agree? Mr. O'Brien.

MR. O'BRIEN:

Thank you, Mr. Chairman. Just to follow up on questions that Mr. Picco was asking. I asked this question to the Minister a few weeks ago in the House regarding the audit conclusions on the various communities and the Minister indicated that they were not major problems, that it was mostly petty cash problems related to the canteen funds. Can the Minister indicate what are the more serious problems or conclusions that have been brought up as a result of the audit? Do we not have situations where some communities are over by \$200,000 and \$300,000? Is that not correct?

CHAIRMAN (Mr. Ningark):

Thank you. Ms. Ballantyne.

MS. BALLANTYNE:

Mr. Chairman, the comment I would like to make is that we need to look at the full picture when we are looking at the summary data because while there may be a deficit in one account, there may be a surplus in the other. You really need to look at the full audit. I believe that is information that we could make available to Members who would have a specific concern perhaps about a community in their constituency that they would like to have more information on. It is difficult to give a broad statement. Yes, there are some communities that do have up to a couple \$100,000 in deficit, but you have to look at that against what their total operating budget is, and as a percentage of the budget, is that significant or not? I think that kind of analysis needs to be brought into the discussion. It is very hard to generalize overall, across the whole territory. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. O'Brien.

MR. O'BRIEN:

Thank you, Mr. Chairman. We are talking \$200,000 or \$300,000. I do not think it matters what the size of the budget. That to me, is still significant. My question at this point would be, even though we have not seen the results, what were the highlights of the audit that were made by the Auditor General in his report? What points were made?

CHAIRMAN (Mr. Ningark):

Thank you. I am advised the audit of the municipalities is not before this committee. I think we are getting into the core of the audit aspect of things, but I will allow the deputy minister or the Minister to respond at this time. Thank you.

HON. MANITOK THOMPSON:

Thank you, Mr. Chairman. That is the Auditor General's report. It is not our report. It is his report. That is why we cannot comment on it.

CHAIRMAN (Mr. Ningark):

Thank you. We are dealing with community monitoring and evaluation. Mr. O'Brien.

MR. O'BRIEN:

Thank you, Mr. Chairman. Mr. Chairman, when can we expect to see this report?

CHAIRMAN (Mr. Ningark):

Thank you. When do we expect this Auditor's report, Madam Minister?

HON. MANITOK THOMPSON:

Thank you, Mr. Chairman. I will ask my deputy minister to give you the detail on that. It is the Auditor General's report. It is not our report, as I said before. It is at his time when he wants to bring it forward.

CHAIRMAN (Mr. Ningark):

Thank you. Ms. Ballantyne.

MS. BALLANTYNE:

Thank you, Mr. Chairman. Mr. Chairman, it is my understanding that the Auditor General will submit his report directly to the Members and to the standing committee. It will not come through the department. It will not come from the Minister to the House. It will come directly from the Auditor General, therefore, to the Legislative Assembly. The timing is up to the Auditor General and we are not in that loop in terms

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of when it is going to be released. That will be coming directly from the Auditor General to the standing committee. That is my understanding. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. It will probably go through the Infrastructure Committee. Community monitoring and evaluation. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. My question is just following up the other question I had. The Minister made reference to this initiative on the Hay River Reserve taking over public works. Can the Minister tell me if there are any other initiatives with other aboriginal organizations, such as Metis locals or band councils in the different communities, who have taken over such initiative? If so, could you list them? If not, why not?

CHAIRMAN (Mr. Ningark):

Thank you. That is a bit detailed. Madam Minister.

HON. MANITOK THOMPSON:

Thank you, Mr. Chairman. We will provide all the information to the Member. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Community monitoring and evaluation. Mr. Picco.

MR. PICCO:

Thank you, Mr. Chairman. Mr. Chairman, just following up on the statement regarding the Auditor General for Canada. The Auditor General for Canada's report has been sent to the department. When I opened my statement earlier, I had said that we are under a bit of a quandary because we have not seen the report yet, and if the Auditor General has actually picked up specific areas of the Department of MACA. The Auditor General's report has gone to the Department for MACA and, as per course in any audit, the Department for MACA or any other business that was getting audited gets a chance to look at the audit, and then responds in a management letter with any discrepancies that they see in the audit they would like to bring forward. In that case, the department has seen it, and I understood the delay as it were, was that MACA had not responded or was in the process of responding to some of those concerns. What I am saying is public because, of course, it came up during the Auditor General for Canada's review of the GNWT in November, when we had public meetings, it had come up at that point too. I want to clarify that and maybe the deputy minister could tell us when she suspects that the department will be going back to the Auditor General with your final management response on the report, and then when the department does that it comes back to the House. I think that is the process. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. Madam deputy minister.

MS. BALLANTYNE:

Thank you, Mr. Chairman. Mr. Chairman, Mr. Picco is right, that is the process. A draft report does come to the department for a management response, and that management response was provided to the Auditor General at the end of October. We did have some discussion with the Auditor General's office, basically, just correcting errors of fact that were in the report and providing our management response. That response is with the Auditor General now. We have

not seen a final report, and we do not expect to see a final report until it has been made available to the committee. I am afraid in terms of timing, my understanding was that we could expect to see it sometime during this session, but I really do not know anything further than that. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. I do not know. We do not have the document on the floor of this House. I do not know how detailed we can get into the report. Mr. Picco.

MR. PICCO:

Thank you, Mr. Chairman. Thank you, Mr. Miltenberger. No, I think that is a good point, Mr. Chairman. The Auditor General report is not up before the House and I think that was the point. Maybe in the Auditor General's report, there were some areas we could cover off while the Department of MACA was in front of us. Since we do not have that report to refer back to, we are in a way eliminating our questions in this area on community monitoring and evaluation. The Legislative Assembly directed the Auditor General of Canada last year to do a complete audit on MACA, that was a legislative request of the Assembly. After doing that, maybe they would have picked up on some areas like the early warning system that was in place, like fiscal recovery plans that we could ask questions on. That was my point. Maybe the deputy minister or Minister could let us know, were there any when they responded because they have seen the report. They are privy to it. I am not. Could they tell us if there were any areas of concern? Were there areas where the Auditor General lauded MACA for its good work? There could be pros and cons to a report, I thought good reports, when you are looking at community monitoring and evaluation to share that information with us today. I am not asking for any in-depth review because the report was not in front of us. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. If you want to respond, it is your prerogative, Madam Minister.

HON. MANITOK THOMPSON:

Thank you, Mr. Chairman. I cannot respond to that because the document is not here before us to be discussed. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. Total operations and maintenance, \$924,000. Agreed? Mr. Steen.

MR. STEEN:

Thank you, Mr. Chairman. Mr. Chairman, my question is in regard to preparing communities for any kind of impact through planning. I am just wondering if the department has been in contact with the hamlet of Paulatuk in preparing them for the impact of the proposed mine?

CHAIRMAN (Mr. Ningark):

Thank you. Madam Minister.

HON. MANITOK THOMPSON:

Thank you, Mr. Chairman. Not to our knowledge.

MR. STEEN:

Mr. Chairman, I believe I brought this up with the department before. We did discuss preparing communities for the impact from resource companies. I believe the department is well aware there is a fair amount of exploration activity going on in Paulatuk right now. There is a lot of talk of the exploration

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activity proceeding into production.

Mr. Chairman, almost 100 percent of the activity from the resource companies that affected Tuk, for instance, was through exploration. As we all know, Tuk was heavily impacted and unprepared for the exploration activity that went on in the Beaufort. Therefore, the question now raised is whether or not the department is preparing or working with the hamlet of Paulatuk to address exploration activity that is going on right now? There is already some impact on the community in regard to traffic at the airport, use of fuels. Obviously, there is going to be some impact as to where the exploration companies are going to go and which land development needs these exploration companies are going to be needing in the future.

We also have to address even small impacts on the communities of only a little over 200 people. It would not take much of a population increase to start putting a strain on municipal services. Therefore, I am wondering if the department is working with the hamlet to address any impacts they are experience at this time? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. Madam Minister.

HON. MANITOK THOMPSON:

Thank you, Mr. Chairman. I can understand where the Member is coming from about the impacts it would have on the communities. Our role in MACA would be to do the community-based planning but we would have to work with our partners in RWED to complete the plan. I will ask my ADM to give you more detail on that. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Christensen.

MR. CHRISTENSEN:

Thank you, Mr. Chairman. The department does provide advice and assistance to community councils to review their general development plans. This would be a case where our department would be working with the hamlet council. As the impacts of the proposed mining development become more apparent on the community, we would work with them to review their general development plan. Of course, out of that would come any number of measures the community should be taking in partnership with government and others, to respond to those particular impacts.

To my knowledge, that planning activity has not been initiated, but would be something which would be initiated soon, pending some decisions on where the mining development will be going in the longer term. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Steen.

MR. STEEN:

Thank you, Mr. Chairman. Mr. Chairman, I pointed out there is no way to measure the impact of exploration. Even the mining companies themselves, do not suggest they would impact a community, but in fact, the contractors do, very similar to what happened in Tuk. The subcontractors and the contractors were the ones that impacted the community more so than the oil companies. I did question Darnley Bay Resources, when they were in Tuk last fall as to whether or not they were prepared to work with the community and the government as to

what amount of exploration work they see happening. What type of equipment is involved? What needs they would be requiring including whether or not they would be using the community's fuel supply? Those types of questions. They indicated they would be willing to sit down with the community and MACA. I am getting the impression here that unless the community requests it, MACA is not putting forward any offers to work with them, to prepare them for that. That is what my concern is right now.

CHAIRMAN (Mr. Ningark):

Thank you. Madam Minister.

HON. MANITOK THOMPSON:

Our regional superintendent will follow up on that right away with RWED and work with the community. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Total operations and maintenance, \$924,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you. The honourable Member from Arviat, Mr. O'Brien.

MR. O'BRIEN:

Thank you, Mr. Chairman. In reference to the four major functions the department is using to fulfil this mandate under community monitoring and evaluation, it states that supporting community governments in their political development through workshops, training materials, advice and so on. In reference to the training materials, Mr. Chairman, are these available in all the necessary languages we have in the territories? Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Madam Minister.

HON. MANITOK THOMPSON:

Thank you, Mr. Chairman. We have interpreters for all of these. They are needed and we do have them translated into Inuktitut. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Total operations and maintenance, \$924 million. Agreed? Mr. Steen.

MR. STEEN:

Mr. Chairman, was that \$924 million?

CHAIRMAN (Mr. Ningark):

Thank you. Actually it is \$924,000. Mr. Steen.

MR. STEEN:

Thank you, Mr. Chairman. My other question is in regard to community empowerment initiatives across departments which is listed here, coordination of these community empowerment initiatives. I had some correspondence across my desk in the last little while where one of my communities was questioning why departments are moving away from transfer agreements even though they have been signed and agreed to and switching over to MOUs? Could I get some information as to why this is taking place?

CHAIRMAN (Mr. Ningark):

Thank you. Madam Minister.

HON. MANITOK THOMPSON:

Thank you, Mr. Chairman. I am aware of the correspondence and I will ask my deputy minister to respond to that. Thank you.

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CHAIRMAN (Mr. Ningark):

Thank you. Madam deputy minister.

MS. BALLANTYNE:

Thank you, Mr. Chairman. Mr. Chairman, yes we are aware of this as well. It is happening in just a couple of instances. One of the things we are doing is putting a generic transfer agreement together. We have been working on this with the Department of Justice and the NWT Association of Municipalities for quite some time now to try to get a template agreement which would be the same with all transfers. We would have a real consistent approach no matter what department was going to transfer a function and one that the communities would know their association had reviewed. From a community government perspective, it is covered off in terms of

insurance and liabilities and the other issues the communities would have.

We are following up with the department's concerned on this issue and we will be providing a full report back to both the communities and to the Member on this. It is very important there is a consistent approach from department to department. Otherwise, it does get very confusing but I do not have the answer today. Thank you.

CHAIRMAN (Mr. Ningark):

Qujannamiik. Mr. Steen. Qujannamiik.

MR. STEEN:

Thank you, Mr. Chairman. Is the department aware at all as to why DPW wanted to go with a MOU rather than a transfer agreement they had already signed?

CHAIRMAN (Mr. Ningark):

Thank you. Madam Ballantyne.

MS. BALLANTYNE:

Thank you, Mr. Chairman. Mr. Chairman, I honestly do not know what the answer is, but we do have staff who are looking into it with public Works and we should be able to get a quick response back to the Member on that. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. In regard to the community initiatives of community empowerment or taking over responsibilities from this government, it is a good initiative. At the end of the day, there always seems to be a lack of resources in the communities which before, if the government had the responsibility, they would have monies available for housing for staff and to ensure the person is highly qualified. Basically, there was certain benefits that came along with those positions. Also, they would have the resources to ensure they would have O and M funds available. They would have capital dollars available, so they could purchase equipment to carry out their functions. In regard to communities, one thing that seems to really be lacking is when they take on these responsibilities, a lot of these add ons are taken away from these community initiatives where the individuals

or the community has a portion of a salary for a person's position. A lot of times the individuals have to find alternative office space or basically the community has to subsidize these individuals when they go to work. A lot of these positions are part-time. Before, when the government had it, these were full-time positions. When you talk about the whole area of monitoring and evaluation of community initiatives, do you also allow the opportunity of the communities to identify the faults of these initiatives they have taken on? Such as, not having the adequate funding or not having the adequate training for the individuals who have put themselves in those positions.

One of the concerns I have is that in regard to negotiating claims agreements where we also negotiated implementation agreements which identified the resources that were going to be used to ensure that these dollars were there so that when the boards were up and running the different functions that they had were all spelled out in black and white. You knew exactly how much money was going to be there for the rent, for the phone, for the individual's position, the benefits and everything. In these cases it seemed like you just take on the responsibility with one function which is basically the human resource side, but you do not look at the delivery side also in regard to having to process the applications or ensure that there is adequate training there. You are making sure that you have the money in your funds for benefits such as pension funds, CPP, UIC or all these other functions which add up to the different organizations that take these things on. When you do your evaluations, do you look at all these other functions that come along and do the communities have the ability to go back and renegotiate, identify those problem areas and increase the funds in those different sectors?

CHAIRMAN (Mr. Ningark):

Thank you. Madam Minister.

HON. MANITOK THOMPSON:

Thank you, Mr. Chairman. I do understand the Member's comments and they are very good points to be made in this House. MACA is the coordinating role. Each department does the transfer; for instance, if you take income support, that is part of the Department of Education. We monitor the transfer and work with the community. If there are weaknesses in that agreement we can discuss with our partners, but I will ask my deputy minister to clarify that better. Each department in the

government is responsible for transferring their function to the community with our assistance. We do the coordination but each department is responsible for the transfers. That is why we are doing a generic template agreement that the deputy minister just mentioned to the Member who was asking before, Mr. Krutko. Thank you, Mr. Chairman. I will pass it on to my deputy minister.

CHAIRMAN (Mr. Ningark):

Thank you. Madam Ballantyne.

MS. BALLANTYNE:

Thank you, Mr. Chairman. Mr. Chairman, the issues that the Member was raising, are ones that we have heard from communities as well, and it is one reason why we undertook to get a generic agreement in place. This would allow for a checklist approach that a community could use and that we could also use in terms of our monitoring function to make sure that all of the bases have been properly and adequately covered. The agreement we are working on now covers the transfer of assets to communities. I do think that once we do have this hammered out, and we are close, that communities would know that this agreement has been reviewed independently by the legal counsel for the Association of Municipalities and also by their insurance consultant to make sure that, from a community government perspective, this is a

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fair agreement for communities. I think that is going to provide the kind of checks and balances that the Member is looking for to make sure that the agreements are fair to the communities in terms of the resources that are transferred. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Krutko.

MR. KRUTKO:

When you look at the areas of liabilities in regard to the individuals responsibility that they take on different initiatives, there may also be certain liabilities which are attached to these positions. In regard to an individual who was in a position of trust, where whatever they say to someone tells you something and they breach that trust, that person is held liable. Is the community also protected in such an instance of being slandered by the same or it might be the

employee. Not having the adequate insurance or liability insurance to ensure that there is some mechanism that protects, not only the community governments, but also the person who takes on these positions knowing there are obligations they have to fulfil. There is also the question of the trust where you have to swear the question about confidentiality. That is something that also has to be inherent in these transfers. Is there any insurance in place to protect the communities against a lawsuit or whatever because of an action of one of their employees, who have taken on one of these community initiatives in which they find themselves in a lawsuit.

CHAIRMAN (Mr. Ningark):

Thank you. Are the employees bonded? Madam Ballantyne.

MS. BALLANTYNE:

Thank you, Mr. Chairman. Mr. Chairman, yes, indeed. These issues of liability and cause indemnification are issues that were under active discussion with the NWT Association of Municipalities both in terms of the generic asset transfer agreement which I have just referred to and also in terms of our municipal legislative review. This is an issue which is of great concern to communities and will be addressed in our phase two amendments. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. The other area of concern that I have is that a lot of these positions are underfunded. A lot of these positions are held by women, especially the whole issue of pay equity where we have presently found ourselves in court. I think that it also has to be taken into account that when you look at these positions in the community and because they are female employees they are not paid to the extent of someone doing the same job in a larger setting. If it was a position held by a government employee versus a community employee there is some inadequacy because of the different benefits derived from these different positions, yet they are doing the same job. That has to be looked at when you look at the resources that communities are being allocated. The people are hired based on the amounts they are given to do these jobs. The

resources they are given are a lot less than say if the person was a government employee, where there would be a real wage difference. The government takes that into account when these positions are being filled with ensuring that the adequate resources are there in light of the pay equity court case.

CHAIRMAN (Mr. Ningark):

Thank you. I hope we will not be leading into a current pay equity dispute. I hope we are talking about this in general terms. Madam Minister.

HON. MANITOK THOMPSON:

Thank you, Mr. Chairman. I think the Member was just making a comment. I do not know if there was a specific question, but I do agree with the principle that agreements have to be fair. I do agree with the Member. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. Your time is up Mr. Krutko. Total operations and maintenance, \$924,000. Mr. Miltenberger.

Committee Motion 10-13(5): To Approve the Estimates for Community Monitoring and Evaluation Activity, MACA

MR. MILTENBERGER:

Thank you, Mr. Chairman. I would like to move that total operations and maintenance estimates for the activity community monitoring and evaluation under the Department of Municipality and Community Affairs in the amount of \$924,000 be approved.

CHAIRMAN (Mr. Ningark):

I am informed that copies of the motion will be printed and circulated. We will take a five-minute break.

--Break

CHAIRMAN (Mr. Ningark):

There is a motion moved by Mr. Miltenberger. I will read the motion. Written motion has been circulated already.

I move that the total operation and maintenance estimates for the activity community monitoring and evaluation under the Department of Municipal and Community Affairs in the amount of \$924,000 be

approved. In this motion, I am advised it is not debatable. All those in favour? All those opposed? Motion is carried. We will move onto page 4-10, community monitoring and evaluation is approved. Move to page 4-11, community operations, operations and maintenance, total operations and maintenance is \$10.756 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Mr. Krutko.

MR. KRUTKO:

Are we still on page 11-10?

CHAIRMAN (Mr. Ningark):

Thank you. We are reviewing community operations, page 4-11. Thank you, Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. With community operations, there are communities such as Aklavik who have been trying for many years to negotiate and take over different responsibilities. In light of those negotiations which have been going on for a number of years, the communities go into it with the idea that what they are taking on is something that has been in place for a while. Once they start the negotiations, the government changes the rules about how that particular item in a community is going to be taken over and there is inadequate funding in place to take over the specific project or the terms

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and conditions are changed during those negotiations. Do these negotiations start off with some principles that are adhered to before those negotiations start?

CHAIRMAN (Mr. Ningark):

Thank you. Madam Minister.

HON. MANITOK THOMPSON:

Thank you, Mr. Chairman. I am not sure if this is under community operations or community empowerment. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. In the first sentence in community operations it clearly states at the end of the sentence, maintenance and empowerment of community governments to provide financial assistance. So it is part of that particular section when you are talking about community empowerment and the cost of operation and administration, for them to take on these responsibilities. So it is part of that portfolio.

CHAIRMAN (Mr. Ningark):

Thank you. Madam Minister.

HON. MANITOK THOMPSON:

Thank you, Mr. Chairman. What the Member is referring to was under monitoring and evaluation, what we just concluded. I will ask my deputy minister to give more information.

CHAIRMAN (Mr. Ningark):

Thank you. Ms. Ballantyne.

MS. BALLANTYNE:

Thank you, Mr. Chairman. Mr. Chairman, the community operations activity provides a number of support activities to communities. They are listed on 4-11. With respect to the Member's specific question about are there principles that are adhered to when transfers are being negotiated, I can advise that all of the transfer agreements are reviewed by MACA prior to being forwarded to Cabinet FMB for their review and approval. We do review those to ensure that they are consistent with the areas that I pointed out earlier that we have been negotiating with the NWTAM for almost two years now. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you, merci. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. Are there timeframes attached to the amount of time that these negotiations are going to take place or can they go on forever and a day? It seems like the communities are ready to

take on these initiatives, but because it takes so long they lose the energy of spending years and years trying to look at some initiative. There does not seem to be a real priority of this government to ensure that the adequate funds or the obligations that they were talking about are made in a timely manner. Due to the time delay of trying to take on these responsibilities, the communities are left wondering exactly how much priority does this government give to allowing communities to find the adequate resources and making sure they have funds in place so when they do take over infrastructure, whatever...

--Interruption

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Krutko.

MR. KRUTKO:

Could I have some order here. Mr. Miltenberger is a little loud to my left here, so could I have some order in the House.

--Laughter

CHAIRMAN (Mr. Ningark):

I agree with you, Mr. Krutko. There is a side conversation going on here. It is not only from the honourable Member for Thebacha, other Members as well are making some noises there. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. Could the Minister tell me exactly if there are timeframes in place and the adequate resources to ensure that the people negotiating with the communities have the ability to make these deals and that there are resources there, so when the communities do take it on, it is adequate.

CHAIRMAN (Mr. Ningark):

Thank you. Madam Minister.

HON. MANITOK THOMPSON:

Thank you, Mr. Chairman. The Member is referring to a case that we are not aware of, where negotiations are going on for years on end. If the Member can give us specific examples we can provide him details. We do not have, to my knowledge, concerns being raised about specific examples of negotiations going on and on for years. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. Perhaps the honourable Member could be a little more specific. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. In Aklavik, the Joe Greenland Centre has been negotiated for a number of years. Once the negotiations took place, the Ministers have put in place different conditions, in which it forces the communities to wonder exactly is it to their advantage to continue those negotiations while terms are being changed as those negotiations are going on?

CHAIRMAN (Mr. Ningark):

Thank you. Madam Minister.

HON. MANITOK THOMPSON:

Thank you, Mr. Chairman and thanks to the Member for giving us the specific case. This question is for Health and Social Services. This was being negotiated long before community empowerment came to MACA. It is not covered under community empowerment in MACA. Those are questions for Health and Social Services. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. Community operations. I have Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. In regard to the time restraints in negotiations, usually it is based on a couple of years and then that is the end of it. There have been negotiations going on in a lot of the eastern Arctic communities for a number of years. In regard to the Aklavik initiatives which they have been negotiating for almost over four years now, in which they have been trying to take over different responsibilities in the communities where it is one thing or another, they do not have the adequate resources or the individuals whom they do have, from the government side, do

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not have the full mandate to make these decisions. It always has to come back to Yellowknife. So those are the types of initiatives that I am talking about, where there is a long time delay as to how these

negotiations are happening. Yet we hear of other community empowerment initiatives where we are looking at devolving a lot of these authorities to regional bodies which want to block fund everything within a region in a short period of time. Why is there such a difference between those negotiations and the negotiations that have been going on in the past where communities are still trying to take on a lot of these initiatives, yet this government is looking at the whole idea of some sort of block funding arrangement regarding the Keewatin region?

CHAIRMAN (Mr. Ningark):

Thank you. Madam Minister.

HON. MANITOK THOMPSON:

Thank you, Mr. Chairman. We are not aware of negotiations in the east that are going on for years and years. As I said before, what he referred with this Joe Greenland facility and the negotiations going on and on for years and years, that is a question for Health and Social Services. We have just taken over community empowerment and under that initiative is block funding. I think that is what he is referring to. In the east, I am not aware of all these negotiations going for years and years. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. Your time is up, Mr. Krutko. I have Mr. Miltenberger.

MR. MILTENBERGER:

Thank you, Mr. Chairman. I have some questions in relation to community empowerment. I would like some clarification if I could on the Keewatin pilot project. My understanding is that there is a motion that was agreed to by the leadership that related to the transfer of all Keewatin regional infrastructure, complete control of all GNWT capital funding designated for the Keewatin region and the GNWT O and M funding that can be attributed, either directly or indirectly, to the management of infrastructure in the Keewatin region. When I read this, my sense is, you are talking all government infrastructure, all O and M funding direct or indirect, which I would assume would include money for staff. I would like the Minister to clarify what is covered by the Keewatin pilot project in terms of turning funds over? Could she put a potential dollar figure on that? Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Madam Minister.

HON. MANITOK THOMPSON:

Thank you, Mr. Chairman. I will ask my deputy minister to give the details as she has it in front of her. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Ms. Ballantyne. Thank you.

MS. BALLANTYNE:

Thank you, Mr. Chairman. Mr. Chairman, the Keewatin pilot project is a proposal at this point and it is meant to cover a number of items. I will just list them for the Member's information. To transfer the management, maintenance and operation of all community based infrastructure to Keewatin community governments; to enter into management agreements for all regionally based community infrastructure with a Keewatin communities association, or similar structure; to implement one multi-department block funding formula financing arrangement for capital and related O and M requirements through contributions; and to transfer capital project management responsibility to the Keewatin communities association or to community governments.

It is important to point out this is very conceptual at this stage. It is really an idea that we are trying to work out in collaboration with the Keewatin communities to see if there is another better way from a community perspective to have these decisions made closer to the local levels. I would underline it is very much a concept at this point, that we are still working out with communities. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Miltenberger.

MR. MILTENBERGER:

Thank you, Mr. Chairman. Could the Minister or deputy minister then indicate what type of time lines you are working on? If there is approval of this, what is anticipated to happen April 1st? Maybe you could also just let me know, has there been a comprehensive plan submitted which, I understand, was supposed to have been done by January? Maybe if you could answer those ones first, please? Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Ms. Ballantyne.

MS. BALLANTYNE:

Thank you, Mr. Chairman. I will answer the last question first. No, there has not been a comprehensive plan submitted to Cabinet at this point. We have developed a proposal outline which we are planning to discuss with Keewatin mayors, the Keewatin Inuit Association and the two boards in Rankin Inlet the week of February 17. This will really be the first formal discussion that we have had with those communities about what this project could potentially look like. It will be providing them with a greater level of detail than they have seen before, but what some of the issues are. Certainly, it is very complex. Following that, if the communities agree that the proposal outline looks like something they want to pursue and if we are in agreement with them on a time frame, then that is the point at which we would be bringing it back for a green light before doing the next step of developmental work. There have been a number of issues that have been identified in developing this proposal outline. They range from some of the liability and cross-indemnification issues, we just talked about earlier, through to some very complex issues around insurance, et cetera. We have been working through those issues not only with the communities, but also with the Association of Municipalities. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Miltenberger.

MR. MILTENBERGER:

Thank you, Mr. Chairman. Could the Minister or deputy minister clarify for me, or maybe give me a bit of a comparison between what is taking place in the Beaufort Delta and has been taking place for the last half dozen years in terms of trying to negotiate what seems to be very similar to what you are talking about here? There was a wholesale transfer of all government services, yet this one, it seems, you are attempting to fast track it. They have been doing it and have been going through painstaking negotiations.

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Is there a similarity? Is there something missing here? Why is one so different from the other, given the complexity you just talked about? Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Madam Minister.

HON. MANITOK THOMPSON:

Thank you, Mr. Chairman. I will ask my deputy minister to elaborate some more, but I would just like to say, the big difference is in the Beaufort Delta. It is a regional government that you are dealing with. In the Keewatin region, they are not trying to form a regional government as they told the committee, just a few days ago. It is a regional organization getting together to find a better way of managing their dollars. There is a big difference. A government that cannot make laws, they are not out to make laws, they are not trying to take your lawmaking authority. In the east, in the Beaufort Delta, we are dealing with a regional government. I will ask my deputy minister to give you some more details. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Madam deputy minister.

MS. BALLANTYNE:

Thank you, Mr. Chairman. Mr. Chairman, with respect to the Member's question as to why this is moving faster in the Keewatin than perhaps in the Beaufort Delta. One of the major differences is that, in the Keewatin there was a very quick agreement amongst the communities as to wanting to form, basically, a management association at the regional level. There were no issues around who the governing body was going to be because they did not want to have a governing body at the regional level. They really wanted to have this management structure. Whereas, in the Beaufort Delta, there are a number of issues that would be worked out in terms of any kind of regional council or regional government and would include law making authority. It is a more complex proposal in the west than we are seeing in the east. There are fewer groups to deal with in the Keewatin communities as well, with there being agreement on a public model of governance and utilizing the current form of government that is in place, being the hamlets. It has been quicker, for those communities to agree on how they are going to work together. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

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

MR. MILTENBERGER:

Thank you, Mr. Chairman. This Keewatin pilot project you are talking, if I understood one of your responses correctly, all government services, all program funding, all related infrastructure and costs, which is, basically, they are going to take over the delivery and running of the government in the region. This is going to be transferred to a group of mayors who have yet to set up a kind of structure to, in fact, oversee, monitor and be able to direct that kind of operation. It is not going to be political even though it has been given to the mayors? If it is not going to be a regional government, what is it going to be if they are going to have that kind of scope? At this point you are saying that they are not going to make laws. I would suggest they already have law-making ability at the municipal level already. I cannot see this operating and not being considered some kind of regional government. Maybe you could enlighten me, or clarify it for me so I can understand it better? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. Madam Ballantyne.

MS. BALLANTYNE:

Thank you, Mr. Chairman. Mr. Chairman, I apologize. Perhaps, I was not clear in my first response to the Member's question. It is not intended that anything other than infrastructure would be transferred in this pilot project. It is only about the transfer of infrastructure. It is not about the transfer of programs. We are really just talking about something that the hamlets are already doing, which is taking care of buildings in the community, taking care of assets and expanding that to include the non-municipal buildings and assets in each community and to look at the capital planning function. One of the frustrations that communities have had, and this probably is not restricted to the Keewatin, is that as the money available for capital projects has been shrinking, communities want to have more meaningful say about what actually gets built with the dollars that are available. One of the reasons that the mayors have been advancing this proposal is because it would allow them to make sure their community priorities are reflected in a much more direct way in the budget that we would bring forward to the House, which would still be approved by this Legislative Assembly. So that is,

perhaps, a clarification I should have given earlier. I apologize. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Your time is up, Mr. Miltenberger. I have Mr. Roland and Mr. Rabesca. Mr. Roland.

MR. ROLAND:

Thank you, Mr. Chairman. The talk of capital planning has come up a couple of times in your previous answers. Right now the process is to send out the five-year capital plan, I believe, yearly to municipalities, hamlets and so on to have their input. What is the timing for that when they receive the documents? What kind of time are they allowed to reply to the information sent to them?

CHAIRMAN (Mr. Ningark):

Thank you. I have Mr. Christensen.

MR. CHRISTENSEN:

Thank you, Mr. Chairman. Typically, early in the calendar year about this time communities are requested to provide advice to the department on how they see their priorities for projects that are eligible for funding under our programs and this is incorporated into our capital forecasting plan and into the overall government's capital planning process. The time that community governments typically have to review and consider their situation and advise the department is somewhere in the neighbourhood of two to three months, typically, January through to the end of March. After that time, we take that information, I should say in the intervening period the department staff would have had an opportunity to sit down and discuss with hamlet councils and their administrations or other community governments and their administrations, and talk to them personally about changes that have occurred over the last year, what new priorities there are, new project needs and so on. After that, all of the project requests that have come from communities are consolidated into a departmental capital plan which would normally occur in late April or May. That gives a general sense of the timeframe that we are working with for our capital planning process. Thank you, Mr. Chairman.

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CHAIRMAN (Mr. Ningark):

Community operations. Mr. Roland.

MR. ROLAND:

Thank you, Mr. Chairman. Looking at that timeframe and the ability for municipalities, hamlets and so on, to have input into their capital planning process and infrastructure they need in their communities, I guess also further questions the idea of what we might see happening with some of these pilot projects, where we are talking about more control but they already have the ability to influence the capital planning for their communities. What would we see this other approach further do than what is already available to communities?

CHAIRMAN (Mr. Ningark):

Thank you. Madam Ballantyne.

MS. BALLANTYNE:

Thank you, Mr. Chairman. Mr. Chairman, the main difference would be the communities would like to be able to make some of the trade-offs between departmental budgets that right now are very difficult for us to make after the budget is already approved. For example, if a community decided its priority was for a classroom extension, for example, and it was prepared to defer the construction of a garage or an upgrade to a road in order to get that classroom extension, what the Keewatin mayors are talking about is having the flexibility to be able to make that kind of decision at a local level. That is not a flexibility that communities currently have. What we are really doing with the proposal is trying to figure out a way that we could give them that kind of input while still preserving the ability of the House to vote the budget and for there to be full disclosure in the House as to what it is that communities want to build. We are really struggling to find a way in tough times to give communities some very meaningful input into what their priorities are. The difference would be communities would have an earlier opportunity to suggest those kinds of trade-offs and because they would be block funded for all of their capital they would be able to make those trade-offs in a way that is extremely difficult for us to do now. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Qujannamiik. Mr. Roland.

MR. ROLAND:

Thank you, Mr. Chairman. Listening to that answer, I would question that for a community to give them as

much flexibility as possible then we would vote on it in House. In fact, if we block fund them to a certain amount and give them the flexibility, which I think is a good idea in most cases, but the concern would be coming down to, do we actually know what we are voting on if they have the opportunity to change things after the fact? In the process now, we go through committees where we see the need being justified on whether it is a hospital, a road, a rec centre or a number of other things. We vote based on those things. How would that control, I guess, the final control on the dollar factor of where things go, where do we see that fitting? Is that one of the areas of concern?

CHAIRMAN (Mr. Ningark):

Thank you. Madam deputy minister.

MS. BALLANTYNE:

Thank you, Mr. Chairman. Mr. Chairman, I think the way it would have to work is that we would have to start the whole process much earlier than we do. When we were out for community consultation and had a sense of community priorities, they would set those priorities having some idea of what the total capital budget for the region was across all departments. You would have to roll that up and say there are x million available for your region. Now here is the whole GNWT capital plan for the region. Typically, we have many more requests than we can fund with the total capital which is available. We would say to communities within that amount of money that will be available for your region, tell us how you would set the priorities. We would need to do that far enough in advance that we would bring in a budget here in each department, that would reflect their share of the available capital but would reflect their priorities. I do need to add, there is still a need for the government to ensure those capital projects we would see as being critical in communities. Those would be projects that would be concerned with public health or safety. We would be communicating very clearly with communities about the need for those projects to stay in the plan where they were. This is something I do not really see as being a problem because communities care very much about having a safe water supply, safe roads, et cetera. I do not see that as being insurmountable. I think communities would want the same things for public health and safety. Beyond that there is capital that communities might see as being quite discretionary and may not have a huge impact from our perspective as to whether a project proceeded in one year or the next.

It is in that area that communities are looking for the ability to tell us the order in which they think projects should be proceeding in their communities and in their region. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Roland.

MR. ROLAND:

Thank you, Mr. Chairman. Going on a similar area but from an answer you gave earlier to one of the other Members, the comparison between the Beaufort Delta and the pilot project. The management team or group as you mentioned, I might have got that wrong, but you spoke of a management group looking at things. To me that sort of brought to mind one of our earlier things we had done as a government as we got rid of regional directors, which headed a management team from the region. So are we going back to that but instead of a government position, it will be municipal positions?

CHAIRMAN (Mr. Ningark):

Thank you. Madam Ballantyne.

MS. BALLANTYNE:

Thank you, Mr. Chairman. Mr. Chairman, I think what the mayors would be looking for is the ability to direct the management group at the regional level which would be in charge of their capital planning program and in charge of specialist technical services. The type of technical services that each community cannot afford to have one of each. That would still be held at the region. Resources would be managed by them and they would be accountable to communities on how those resources would be managed. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. I have, Mr. Rabesca. You wanted to speak, Mr. Rabesca?

MR. RABESCA:

Thank you, Mr. Chairman. My general comment is regarding the community operation and activity.

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Mr. Chairman, I would like to ask the Minister of MACA, in reviewing the capital forecast for the

community of Rae-Edzo, I noticed there is no reference to addressing the \$2.3 million retrofit of Rae-Edzo water and sewer system. As you are aware through the numerous pieces of correspondence both through the hamlet and Public Works and Services, there is a problem with the system and needs to be addressed. How does the department plan to deal with the issue? Again, this is another item that has been an ongoing issue for many of my community over a number of years in the communities. During the last year's construction period, Rae-Edzo contracted a local contractor to establish four new lots in Edzo. While this contract was completing an underground pipe into these lots, a problem was discovered. It has been my understanding that a section of water pipe in Edzo is not being used. To illustrate the problem I will quote from the letter dated November 18, 1997 from Bruce Leblanc, at the time acting superintendent. It is my understanding that during one severe winter, in the 1970s, the above noted water main froze and split. In order to provide water to the community, Public Works and Service connected an abandoned 75 main meter raw water pipe that was running parallel to the damaged main, between hydrant number three and four and rebuilt the pipes. I do not know why this 200 millimetre line was not replaced the following summer, as one might have expected. My review in the capital budget for MACA, I do not see where there has been an increase to the appropriate budget items for Rae-Edzo. Could the Minister inform us as to what happens to the funding issue here? What timeframe does the Minister have to resolve the lack of funding the community of Rae-Edzo is experiencing in comparison to other communities. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Rabesca. For the record, I have Mr. Rabesca, Mr. Krutko and Mr. O'Brien. Madam Minister.

HON. MANITOK THOMPSON:

Thank you, Mr. Chairman. I know my ADM has been dealing with the community of Rae-Edzo, since the Member for Rae-Edzo has brought some of the issues up in this House. My ADM, Mr. Vern Christensen, has been dealing with the community and talking with the regional superintendent on these issues so I will ask him to respond instead. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Christensen.

MR. CHRISTENSEN:

Thank you, Mr. Chairman. Regarding the first question on the deficiencies in the water sewer system, the department is working with the hamlet to review the condition of the water sewer system, working towards a turnover agreement. There are plans for the ownership and operations and maintenance of the water sewer system in Rae-Edzo to be transferred to the hamlet. As part of that exercise, notes will be taken of needs for improvement to certain facilities. How those will be funded, well they will be funded through the capital planning process. Certain projects may be more urgent than others. Problems that had been previously thought to exist may have been corrected over time. We do need to take stock of the water sewer system in Rae-Edzo and plan accordingly.

Regarding the replacement of the 200 millimetre pipeline that the Member referred to. This project is important and was only uncovered late in the year, last year. We were unable to make that correction. We have undertaken to identify funds in the next fiscal year to make that happen. The funding is not in our main estimates but through our quarterly outlook, review process that we administer as a department in managing our capital funding. We feel confident there will be funds there that we can identify to cover off the cost of that particular project.

Finally, Mr. Chairman, the question regarding the lack of funding for Rae-Edzo in comparison to other communities. That is being addressed as part of a municipal financing review that the department is undertaking in collaboration with the NWT Association of Municipalities. It will be through that initiative that the long-term solution to inequities that may or may not be there with respect to Rae-Edzo, would be addressed. In the short-term the department is reviewing the situation based on the information that has been provided and a consulting report that the hamlet has recently passed on to the department. We might take a look at some interim adjustment to their funding that may be appropriate at this time. As a department, we are hoping to respond to the hamlet in a fairly definite way by the end of February. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. I have added one more name on the list. Mr. Rabesca, Mr. Krutko, Mr. O'Brien and Mr. Ootes.

MR. RABESCA:

Mr. Rabesca, you are okay? I have Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. Mr. Chairman, I would like to call a point of order. It is in regard to a committee motion, moved by Mr. Miltenberger, in regard to the motions moved that the total operation expenditures estimates for the activity, community, monitoring and evaluation under the Department of Municipal and Community Affairs in the amount of \$924,000 be approved. Mr. Chairman, under section 51 of our handbook, it clearly states that all motions are debatable except those motions. There is a list from A to I in which no where in those motions, calls for motion of approval. This motion, Mr. Chairman, should have been debated. This motion does not fit within the criteria of non-debatable motions.

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Krutko. Point of order. I am advised it is raised too late. It should have been raised at the time the Chair ruled on the motion. However, I understand your concern, our rules are not clear under Rule 321 on this question. Therefore, I will take this matter under advisement and provide further comment on a later date. Thank you. I will recognize the clock and I would like to thank Madam Minister and the witnesses for appearing before the committee. Thank you.

MR. SPEAKER:

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

ITEM 20: REPORT OF COMMITTEE OF THE WHOLE

MR. NINGARK:

Thank you, Mr. Speaker. Your committee has been considering Bill 8, Appropriation Act 1998-99 and would

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like to report progress with two motions being adopted. Mr. Speaker, I move that the report of the committee of the whole be concurred with. Thank you.

MR. SPEAKER:

Thank you. Second by Mr. Arlooktoo. The motion is in order. To the motion. Question has been called. All those in favour? All those opposed? The motion is carried. 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 there is a meeting of the Ordinary Members' Caucus at 11:00 a.m. tomorrow.

Orders of the day for Tuesday, February 10, 1998:

1. Prayer
2. Ministers' Statements
3. Members' Statements
4. Returns to Oral Questions
5. Recognition of Visitors in the Gallery
6. Oral Questions
7. Written Questions
8. Returns to Written Questions
9. Replies to Opening Address
10. Petitions
11. Reports of Standing and Special Committees
12. Reports of Committees on the Review of Bills
13. Tabling of Documents
14. Notices of Motion
15. Notices of Motions for First Reading of Bills
16. Motions
17. First Reading of Bills
 - Bill 5, An Act to Amend the Financial Administrations Act, No. 2
 - Bill 7, An Act to Amend the Territorial Court Act
 - Bill 9, Loan Authorization Act, 1998-99

18. Second Reading of Bills
 - Bill 10, Miscellaneous Statutes Amendment Act, 1998
19. Consideration in Committee of the Whole of Bills and Other Matters
 - Bill 6, An Act to Amend the Income Tax Act
 - Bill 8, Appropriation Act, 1998-99
 - Committee Report 02-13(5), Standing Committee on Government Operations, Report on the 1998-99 Main Estimates
 - Committee Report 03-13(5), Standing Committee on Infrastructure, Report on the 1998-99 Estimates
 - Committee Report 04-13(5), Standing Committee on Resource Management and Development, Report on the 1998-99 Main Estimates
 - Committee Report 05-13(5), Standing Committee on Social Programs, Report on the 1998-99 Main Estimates
 - Tabled Document 15-13(5), 1998-99 Budget Address
 - Tabled Document 19-13(5), Guidelines for Implementing Public/Private Partnerships
20. Report of Committee of the Whole
21. Third Reading of Bills
22. Orders of the Day

MR. SPEAKER:

Thank you, Mr. Clerk. This House stands adjourned until Tuesday, February 10th at 1:30 p.m.

--ADJOURNMENT