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**HANSARD**

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The Honourable **Samuel Gargan**, Speaker

**MEMBERS PRESENT**

Honourable Jim Antoine, Honourable Goo Arlooktoo, Mr. Levi Barnabas, Honourable Charles Dent, Mr. Enuaraq, Mr. Erasmus, Mr. Evaloarjuk, Honourable Sam Gargan, Mrs. Groenewegen, Mr. 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, Mrs. Groenewegen. Good afternoon. Orders of the day. Item 2, Ministers' statements. Mr. Arlooktoo.

**ITEM 2: MINISTERS' STATEMENTS**

Minister's Statement 51-13(5): Plan 2000 Update

**HON. GOO ARLOOKTOO:**

Thank you, Mr. Speaker. Mr. Speaker, as Minister responsible for the Northwest Territories Housing Corporation, I have committed to keeping Members informed of this government's efforts in increasing our housing stock in the NWT. Therefore, Mr. Speaker, I am pleased to be able to update this Assembly, once again, on the progress of the NWT Housing Corporation's Plan 2000 initiative.

As you will recall, I introduced this initiative earlier this year to improve the housing conditions for up to 2000 families by the year 2000. The initiative has indeed expanded the delivery of housing assistance from the range of 300 to 400 families a year to 648 families this year. Under Plan 2000, the corporation is helping more families become home owners as well as upgrading or replacing homes in the social housing portfolio.

Mr. Speaker, while Plan 2000 represents a significant increase in the corporation's program delivery, it by no

means represents all of the projects which the corporation is funding this year. In total, the corporation will be undertaking over 1,000 projects of all types in 1997-98. In addition to directly improving the living conditions for our residents, Plan 2000 also has a positive impact upon our economy. By expanding the number of projects undertaken this year, Plan 2000 is creating additional construction jobs in communities. I am extremely pleased and proud of the fact that Plan 2000 is on target. Thank you, Mr. Speaker.

--Applause

**MR. SPEAKER:**

Thank you. Ministers' statements. Mr. Ng.

Minister's Statement 52-13(5): Strategic Initiatives Fund

**HON. KELVIN NG:**

Thank you, Mr. Speaker. Mr. Speaker, over the past two years, the Department of Health and Social Services and our regional boards, while working to maintain current levels of programs and services to the people of the NWT, have struggled to assist this government to balance the budget. At the same time, the population and demand for services have increased, making our task even more difficult.

During this time, we were also beginning the much needed shift away from what had become, for the most part, an exclusive focus on treatment. The department and boards are now developing an approach that is more pro-active and prevention oriented. Mr. Speaker, we need to do a better job of getting to the underlying or root causes of the problems that face our residents. For example, with respect to alcohol and drug abuse, we have tended to treat the addiction, and to deal with the tragic outcomes of that abuse such as suicides, FAS/FAE, and violent crimes.

We need to move beyond just dealing with treatment, and address the underlying causes that lead to addiction. To do that, we need to strengthen our ability to support counselling and healing, in the community. Even as boards and the department took the tough steps to reduce costs, the pressures of forced growth continued to build. These demands, primarily for treatment, will continue to grow, as prevention efforts take time to show results. In order to make a difference over time, we need to make

investments now, with new funds dedicated to prevention activities.

Mr. Speaker, the Strategic Initiatives Fund allows boards the opportunity to address the need for greater activity in prevention, education, and support for the residents they serve. It allows them to do this without having to cut into existing programs and services.

This fund calls for Health and Social Service boards to initiate re-investments in the following critical areas:

1. healthy children,
2. mental health,
3. public health,
4. supported living and
5. human resources.

Mr. Speaker, tomorrow I will provide more detail about these areas and what we hope to accomplish in each.

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Strategic Initiative Fund allows each board to focus on their own priorities and come up with plans to meet the needs of their own regions.

Mr. Speaker, I would like to add that while this funding gives much needed relief to the system, it is only the beginning. In time we will begin to see the benefits of prevention on future generations; when our children are adults and begin their quest to protect their children. This investment and its subsequent results are just one element in our overall effort to improve the long-term socio-economic status of northerners. Thank you, Mr. Speaker.

**MR. SPEAKER:**

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

ITEM 3: MEMBERS' STATEMENTS

Member's Statement 202-13(5): Moosehide Tanning Opportunities

**MR. MILTENBERGER:**

Thank you, Mr. Speaker. Mr. Speaker, today I would like to speak about an opportunity that would allow communities and regions to work together, that would support local hunters as well as those people that do

traditional arts and crafts. Specifically, I am talking about the situation in my riding during moose hunting season. There are on average 100 moose or so taken by the local people. Unfortunately there is not much of a need for the hides so they get left in the bush. I also understand in talking to some of my colleagues, in other regions and other communities there are not enough moosehides available to do traditional arts and crafts. I see an opportunity here for RWED and the Minister to play a proactive role in an important issue to work with the people, the hunters of Thebacha and other communities and regions where hides are in short supply to work out an arrangement to bring the hides and put them to use. I also believe the situation is the same in the riding of Tu Nedhe. I would ask the Minister later during question period, Mr. Speaker, if he can throw his support behind this very worthwhile initiative to promote local arts and crafts and support those very valuable skills as well as work with the hunters. Thank you, Mr. Speaker.

--Applause

**MR. SPEAKER:**

Thank you. Members' statements. Mr. Rabesca.

Member's Statement 203-13(5): The Cultural Importance of Moosehide

**MR. RABESCA:**

Thank you, Mr. Speaker. Mr. Speaker, I rise today to address the topic of moosehide. Moose hide is the pride of the Dene culture. It is the source of traditional life for aboriginals. It is used for survival, ceremonies and festivities. The moose is a majestic animal and has been a symbol of economic survival in the Dene culture for generations. As the world around it has changed, the moose has adapted to its surroundings. In this, it is very similar the Dene of the north.

Mr. Speaker, anybody in the north, the Americas, or the world, will take notice of someone who is wearing their traditional aboriginal clothing. For the Dene, this clothing will usually involve the use of moosehide. Today, the practice of wearing traditional clothing, such as jackets, moccasins, mukluks or gloves and mittens, is not something we see in everyday life.

One concern to me, as I am sure it is to others, is the shortage of raw materials to make our traditional clothing. Mr. Speaker, I am not saying that moose is

an endangered species. However, I do say the endangerment is that Dene people have fallen out of the traditional practice of using all parts of the moose. It seems that the meat is taken while the hide and other non-edible parts are being discarded.

Mr. Speaker, it takes a lot of time, effort and skill to treat a moosehide for use in clothing. Fortunately, everything needed for this treatment is found in the moose itself. Bones can be boiled down and the liquid used to soften the hide. The shinbone of the moose is a perfect tool to scrap the hide and the sinew can be used as thread. The moose provides us with everything we need to continue producing our traditional clothing.

This, Mr. Speaker, leads me to my second concern. The lack of interest in our young people to wear our traditional clothing, let alone learning how to produce these beautiful pieces of art. When I was younger, children used to take pride in receiving products made out of moosehide. They would be given at special times, like Easter, Christmas or in the summer holidays.

Today, Mr. Speaker, it disturbs and saddens me when I see the younger generation taking more pride in a jacket with a company or sports logo than in a moosehide vest. I urge this younger generation to look more closely at our traditional clothing and the pride that goes into making it. To look at what this clothing means to the continuation of our culture and traditions. A tradition this younger generation will be the guardians of one day. A tradition they will have to carry on or it will die out with the older generation. No one, Mr. Speaker, can correct this situation, or save our traditions, other than the people to whom the tradition belongs. Thank you Mr. Speaker.

**MR. SPEAKER:**

Thank you. Members' statements. Mrs. Groenewegen.

Member's Statement 204-13(5): Lahm Ridge Tower Transaction

**MRS. GROENEWEGEN:**

Thank you, Mr. Speaker. Mr. Speaker, after the information that has been gathered on the Lahm Ridge Tower deal I will now tell a concise story as I believe the events took place. Al and Hazel Marceau owned the Lahm Ridge Tower. Due to downsizing and the uncertainty with respect to government office

space in Yellowknife the Marceaus were unable to extend their leases which reached the end of two consecutive five-year terms in the summer of 1995. Although there were two remaining five-year extensions available under the terms of the original lease, negotiations were terminated and the lease of the Lahm Ridge Tower reverted to overhold or month to month leasing. An internal working document with the Department of Public Works and Services called the Yellowknife office space rationalization plan was developed with at least one draft specifically sighting the termination of the Lahm Ridge leases. The Minister indicated

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last week that there was no way of knowing how widespread of the knowledge of the options contained in this document might have been.

After several unsuccessful attempts to extend their leases the Marceaus put their property up for sale listed with a local real estate company at \$5.5 million. A southern based company with significant land holdings in Yellowknife called Urbco became interested in the tower and looked at it two or three times. They backed away from it when Public Works and Services would not play ball on lease extensions making financing and purchasing the property unviable. The Marceaus are now between a rock and a hard place. An unleased building the size of the Lahm Ridge Tower is a huge liability in a depressed rental market with over 120,000 square feet of vacant office space. Enter Mr. Bailey and Mr. Mrdjenovich, they looked at the property and made an offer of \$4 million. This is \$1.8 million less than the declaration of values signed by Mr. Bailey at the time of the transfer. The offer to purchase was subject to financing. Mr. Marceau then went back to Public Works and Services and negotiated the not so burdensome conditions of the lease extensions. The department readily admits that they knew of the pending sale and who the players were. The conditions were easy to achieve given that the deal was very attractive. This is evident by the lender providing more than the purchase price by \$200,000 to carry out the renovations and upgrades. This was all accomplished without the necessity of a down payment because there is still a \$1.6 million spread between the purchase price and the totally justifiable declared value of \$5.8 million.

**MR. SPEAKER:**

Your time is up, Mrs. Groenewegen.

**MRS. GROENEWEGEN:**

Mr. Speaker, I would like to seek unanimous consent to conclude my Member's statement. Thank you.

**MR. SPEAKER:**

The Member for Hay River is seeking unanimous consent to conclude her statement. Do we have any nays? Mrs. Groenewegen, you have unanimous consent to conclude your statement.

**MRS. GROENEWEGEN:**

Thank you, Mr. Speaker and thank you colleagues. Commercial buildings are primarily appraised from three approaches, market, replacement cost and, most importantly, income. Who could argue that a building with a guaranteed income of almost \$10 million over the next eight years was worth \$5.8 million? It was a very safe loan for the Pacific and Western Trust Company, the company which incidentally holds 25 percent of the Aurora Investment Fund assets in liquid securities. The fund which Mr. Bailey coincidentally manages. Although the Marceaus did not realize the \$5.8 million their building was worth, \$4 million was a lot better than the operating overhead on an empty office building. Although Cabinet had not endorsed any office space plan, the deputy minister, Ken Lovely, with absolutely no direction or knowledge of the Minister of Public Works and Services, negotiated an eight-year almost \$10 million office lease. This whole transaction, we were told, was done because it was a good deal for the government. It was not a bad deal we gathered for the Marceaus, given the eminent alternative of an empty building. This is a good deal. We do not have to be told from Mr. Mrdjenovich and Mr. Bailey. Was it a good deal for the people of the Northwest Territories? Mr. Speaker, I do not know the answer to that question, but I believe I have taken this issue as far as I can in this forum. Thank you, Mr. Speaker.

---Applause

**MR. SPEAKER:**

Thank you, Mrs. Groenewegen. Members' statements. Mr. Evaloarjuk.

Member's Statement 205-13(5): Gun Control Legislation

**MR. EVALOARJUK:**

(Translation) Thank you, Mr. Speaker. Today I rise to speak on the gun control issue that was introduced as a new piece of legislation for Canadians in January of 1997. To date, I have not heard of any new progress as to the enforcement, regulations and procedures that are to be in place. We, the Inuit, who are affected as Canadians, by this legislation have never been consulted nor informed as to the laws we should now be aware of. In the absence of this information, we may be guilty of contravening sections of the new gun control laws unwittingly. This can result in charges and court cases through the justice system. If this legislation is, in fact, an enforced law, then the Inuit people must be educated about the contents and how it is to affect them. At the appropriate time, Mr. Speaker, I will be posing questions to the Minister of Justice in this regard. Thank you, Mr. Speaker. (Translation ends)

**MR. SPEAKER:**

Thank you. Members' statements. Mr. Ootes.

Member's Statement 206-13(5): Contracting Policies

**MR. OOTES:**

Thank you, Mr. Speaker. Mr. Speaker, last March, this House passed a motion asking the government to clarify the government's position on government-wide non-competitive contracts by providing a draft policy to this House. We asked for this because there is no single policy to govern non-competitive contracts across this government. Subsequently, a draft policy was provided on negotiated contracts only, but as mentioned in our motion, this government has a number of ways in which to awarded non-competitive contracts, such as sole-sourced, construction management and site superintendent services. These were not addressed in the draft policy released to the Premier. Mr. Speaker, this is not acceptable.

This House asked for a package addressing all the contracting procedures other than the normal bidding and tendering processes used by the government. Also last October, we passed a motion for the government to clarify the use of requests for proposals. Now we are told the government is dealing directly with private industry on this issue. That is all fine and dandy, but did they produce a draft document to show these companies in order to get meaningful feedback?

There has been a lot of talk in this House lately about transparency in government. Nice buzz words, Mr.

Speaker. People have a right to see and understand how decisions are made and under what rules. Potential contractors have the right to know why they lost out on government contracts. Clearly defined policies can resolve this shortcoming, Mr. Speaker.

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Thank you.

---Applause

**MR. SPEAKER:**

Thank you. Members' statements. Ms. Thompson.

Member's Statement 207-13(5): Hunter Support Programs

**HON. MANITOK THOMPSON:**

Thank you, Mr. Speaker. Today I will be tabling a letter from the mayor of Coral Harbour, Johnny Ningeongan to James Arvaluk, carbon copied to Jose Kusugak and Raymond Ningeocheak in regard to the Hunter Support Program. (Translation) Mr. Speaker, there is a concern in our community about the Hunter Support Program and how these funds are being spent. I have a letter from Johnny Ningeongan and addressed to the Nunavut Tunngavik Incorporated. Their concern is how the Hunter Support Program funds are being used. This is a concern from my constituency. I have also received calls from other communities regarding this concern as to how their funds are being used. This letter is to the NTI. Thank you. (Translation ends)

**MR. SPEAKER:**

Thank you. Members' statements. Mr. Erasmus.

Member's Statement 208-13(5): United Nations Investigation into Treaty Rights

**MR. ERASMUS:**

Mr. Speaker, I rise today to speak about the United Nations representative Alfonso Martinez, who is at the Hay River Reserve this week to speak about and listen to people's interpretations of treaties and their rights. He will be making a report to the United Nations Working Group on Indigenous Populations. Mr. Speaker, a special rapporteur's report could have very serious implications for aboriginal peoples and for the governments which are dealing with aboriginal peoples. The purpose of his report and investigation

is to see what treaties mean, if they are international agreements and which rights stem from them.

Mr. Speaker, a previous report on self-determination done by the United Nations led to Canada declaring that aboriginal people have inherent right of self-determination. It also led to the establishment of a working group which is developing the draft United Nations Declaration on Rights of Indigenous Peoples. The working group reports to the United Nations Human Rights Commission. The draft declaration has huge implications. All members of United Nations are supposed to follow United Nations directions and Canada is a member. After the previous report on self-determination which said that all peoples have the right to self-determination, Canada declared that aboriginal people have the inherent right to self-determination and began to implement their policy. Later Canada also made a presentation to the working group working on the Declaration on Rights of Indigenous People. At that point, they put forward a document that said aboriginal people have the right to self-determination as long as that self-determination respects the territorial integrity. Meaning, no right to secession.

Mr. Speaker, students of treaties and treaty rights such as myself, are quite interested to see what the report will say. Mr. Speaker, we are even more interested to see what occurs afterwards, as a result of the report. Thank you.

--Applause

**MR. SPEAKER:**

Thank you. Members' statements. Mr. Krutko.

Member's Statement 209-13(5): Termination of Northwest Territories Ski Division Head Coach

**MR. KRUTKO:**

Thank you, Mr. Speaker. Last week I received letters from my constituents who are dismayed over the recent termination of the NWT ski division's head coach, Paul Skvaridlo. One of my constituents is concerned that removing Paul Skvaridlo at this time of the season when the Western Canadian Championships, the Arctic Winter Games and other seasonal competitions are in full swing, could be very damaging to the athletes in the various teams especially with these upcoming events.

My constituents are having a hard time understanding why Paul was fired when he was instrumental in

achieving community participation. He promoted healthy lifestyles and a sense of achievement among our young people in the communities. He understands the needs of these small communities and has a genuine interest in helping our children improve their life chances by introducing them to skiing.

Mr. Speaker, for myself, I participated on the NWT Ski Team for five years and I believe through that achievement and the opportunity to ski for the Northwest Territories and represent the territories across Canada at the Canada Winter Games, the Arctic Winter Games and national championships, I believe was a real accomplishment to where I am today. Without the support and initiatives of the ski coaches we have had when we had people like the Firth twins representing Canada nationally at the Olympics. It is those people who give the young people the initiative to set goals and move forth with those challenges.

In concluding, Mr. Speaker, I would like to quote from my constituents, by saying "We want Paul to be the coach of the NWT Ski Team. Paul has done a great job and we are sure that the future of northern skiing, and, in particular, community involvement in the NWT Ski Program, will continue to grow with Paul at the helm." Thank you, Mr. Speaker.

--Applause

**MR. SPEAKER:**

Thank you. Members' statements. Mr. Arlooktoo.

Member's Statement 210-13(5): The Carving Industry

**HON. GOO ARLOOKTOO:**

(Translation) Thank you, Mr. Speaker. I rise in the House today to talk about an issue that is very important to members of my constituency, the carving industry. As I have said before, the carving industry is the most important sector of local economies of Baffin South. In constituency meetings and radio phone-in shows that I conducted in Kimmirut, Cape Dorset and Sanikiluaq, the issue

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of carving sales has been one of the most discussed topics. Why is this one of such great interest to my constituents, Mr. Speaker? Carving sales put food on the table, pay the bills and are worth \$3 million to the three communities of Baffin South with a total

population of approximately 2300. This income is a significant and critical source of income by any standard. Mr. Speaker, this is an industry in need of support and guidance. We need to band together to ensure that the carving industry stays viable. I have brought this issue up in meetings and in writing to government agencies and have spoken to individuals who buy and market the carvings. There are two main issues that we need to deal with:

- 1) increase marketing to deal with decreasing sales and prices;
- 2) an information campaign to deal with quality and diversity of products. (Translation ends)

I have discussed my concerns with the Minister of Renewable Resources, Wildlife and Economic Development, Mr. Kakfwi, and requested timely discussions on the expansion of the market for Inuit carvings. I am pleased to say that all parties have been working cooperatively to develop solutions to this problem.

Although, we are still far from solving this problem, I believe we have made some progress. I was pleased to hear Minister Kakfwi speak about the importance of marketing NWT arts and crafts in the House this week. I have also discussed my concerns with the regional RWED superintendent for the Baffin region, Mr. Clay Buchanan. He has met with me as well as representatives of the Qikiqtani Inuit Association and the Qikiqtaaluk Corporation.

It was agreed that representatives of these organizations would work together. Thank you, Mr. Speaker. I request unanimous consent to conclude my statement.

**MR. SPEAKER:**

The Member for Baffin South is seeking unanimous consent to conclude his statement. Are there any nays? Mr. Arlooktoo, you have unanimous consent.

**HON. GOO ARLOOKTOO:**

Thank you, Mr. Speaker. It was agreed that representatives of these organizations would work together and form a steering committee with the overall objective of developing an action plan for the carving industry in the Baffin region. The steering committee met and decided to contract the services of Blandina Tulugarjuk to act as project manager.

The committee is currently developing a workplan that will guide the development of a strategy, and will hire the expertise required to produce the action plan. It is anticipated that the action plan will be presented at a meeting between the carver representatives from the communities, purchasers of Inuit carvings and government officials early in April/May in Iqaluit.

Mr. Speaker, I would like to thank everyone for the hard work and effort. I would also like to specifically acknowledge the efforts of the co-ops for highlighting this important issue. With this kind of cooperation, I believe we will not only solve the current problem but we will also have a stronger economic base for the future of Nunavut. Thank you, Mr. Speaker.

--Applause

**MR. SPEAKER:**

Thank you. Members' statements. Mr. O'Brien.

Member's Statement 211-13(5): Acknowledging Arviat Hamlet Efforts

**MR. O'BRIEN:**

Thank you, Mr. Speaker. Mr. Speaker, I would like to acknowledge the efforts of the hamlet of Arviat for the work in trying to move ahead the construction of the much needed Arviat Health Centre. Mr. Speaker, with all parties working together it is possible this much needed facility will start construction sooner than expected. Mr. Speaker, I would also like to acknowledge the efforts of the community in regard to a proposed caribou harvest which would see approximately 75 to 80 caribou harvested to provide meat for the elders and the less fortunate. In advance, I would like to thank Mr. Kakfwi for any efforts he may be able to lend towards this request. Thank you.

**MR. SPEAKER:**

Thank you. Members' statements. Mr. Morin.

Member's Statement 212-13(5): Fort Resolution

**HON. DON MORIN:**

Thank you, Mr. Speaker. Today I would like to talk about my home community of Fort Resolution. As many of you know, Fort Resolution is the oldest settlement in the Northwest Territories. It is over 200 years old. Church records describe those early days,

but our history is mostly an oral one. Our elders continue to tell us what life was like back then.

Mr. Speaker, because my community is situated on the shore of Great Slave Lake at the mouth of the Slave River, Fort Resolution was the main trading centre for the Northwest Territories. It was an ideal place to do business. Resupply barges or scows, as they were called back then, had to pass through Fort Resolution to connect to communities along the Mackenzie River. Five general stores competed for business at the time.

Mr. Speaker, not only was Fort Resolution a major trading centre at the turn of the century, it is where the church built its first educational centre, known as a convent and it built a huge hospital as a health care centre. Fort Resolution is also along the migration route of ducks and geese as they came north in the spring. Harvesting waterfowl, fish and wildlife has sustained the people of my area for many years. There are families who continue to depend on country foods to eat. It is not a luxury, Mr. Speaker, it is a way of life. Trapping furs is also a way of supporting our families. Mr. Speaker, logging has also been around the community since the turn of the century. Logging supported the first mines here in the north with the supply of timber and firewood to those mines. For the last 25 years logging has been the major employer in Fort Resolution.

In 1961, we first got power. In 1968, was the first time we saw television in the Northwest Territories. There used to be a winter road into the community but in the early 1970's the

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highway was put in. Fort Resolution continues to grow and grow in more ways than one. They grow together as a community. Mr. Speaker, this is a community that I am very proud to be part of. I am proud to call my home. Proud of the roots my family have there and proud to say that I was chosen by the people to represent them. I seek unanimous consent to continue, Mr. Speaker.

**MR. SPEAKER:**

The Member for Tu Nedhe is seeking unanimous consent to conclude his statement. Are there any nays? Mr. Morin, you have unanimous consent.

**HON. DON MORIN:**



I would like to thank my colleagues very much for that unanimous consent, Mr. Speaker. Thank you.

The people of Fort Resolution know how to work together. They know how to get things done. They support each other in their time of need. There are many examples of this. Just recently an elder was sent to the hospital in Edmonton for an operation. He was not doing well and it was felt he needed to have his family near him. It was the community, Mr. Speaker, that went door to door and put on a bingo to raise money to send one of his adult children to be with him.

When we have a death in our community, it hits the whole community. The whole community feels the loss. At the same time the whole community will pull together to make sure the family is able to give their loved one a decent burial and be there for morale support. I have seen examples of this time and time again, Mr. Speaker. This is a community that has a mixed population of Dene, Metis and non-aboriginal peoples and they all work together. Fort Resolution has had a stable population for a long time. This is where major families have lived for many years.

Fort Resolution now manages their own health care, their own education system and they believe in managing their own lives for the betterment of all the residents of this small community. The leadership in Fort Resolution is strong. They support each other. They work together to get things done. The community can boast of joint venture agreements where they have come together. Where if there are any differences, they can be put aside because they are doing something for the whole community.

Mr. Speaker, as I said before, I am proud to represent the people of Fort Resolution and I am sure that we can all learn something from the people of this community on how to get things done in a positive way. Tomorrow, Mr. Speaker, my Member's statement will be about Lutselk'e, the other community I represent. Thank you.

--Applause

**MR. SPEAKER:**

Thank you, Mr. Morin. Members' statements. Mr. Roland.

Member's Statement 213-13(5): The Transition from Trapping to Tourism

**MR. ROLAND:**

Thank you, Mr. Speaker. Mr. Speaker, I would like to start by sending greetings to my wife and children.

--Applause

Mr. Speaker, today I would like to speak on an issue that has been touched on by a number of Members. It has to do with the people of the north in what we used to accomplish in the past. Mr. Speaker, in the community I represent we felt the changes from the creation of Inuvik. We have seen the change from the trapping industry to an industrial industry when the oil boom came. We now feel the impact of government. Mr. Speaker, the people of Inuvik and the Delta have lived there and have changed from one form of life to another. From trappers to people who worked on the oil rigs and unfortunately, in some cases to people who depend on the government. There has been many changes, Mr. Speaker. I think we need to look at the changes that have occurred and try to help the people through those changes.

Mr. Speaker, in my community, tourism is an aspect that has been brought up time and time again, of an area that we can try and expand into to create jobs and much needed income.

Mr. Speaker, the people who fit the job, as I see it, would be the trappers. The people who have travelled on the land, who hunted the animals, who learned how to respect the land. Mr. Speaker, it is those people that I raise my concerns about today. In the way they are living and in the way they were living their lives, they did things traditionally. They used the land and the animals, but they are finding now to try keep this tradition alive and the culture going, they are going to have to take part in a business environment. Mr. Speaker, we need to find a way of easing the hunters and trappers into the world of tourism so they can succeed of spreading the knowledge to all the people who come to visit the north. As well, spread the knowledge to the children that are growing to remember what life was like when our parents grew up. Thank you, Mr. Speaker.

--Applause

**MR. SPEAKER:**

Thank you, Mr. Roland. Members' statements. Mr. Barnabas.

Member's Statement 214-13(5): Summer Student Employment Opportunities

**MR. BARNABAS:**

Thank you, Mr. Speaker. Mr. Speaker, I rise today in the House to support young high school students regarding employment for the summer break. Mr. Speaker, I have heard from the smaller communities that there are no jobs available, like in the mining area. There is not enough support for high school students to employ them. Mr. Speaker, this government has been providing funds for the youth to be employed. The funds are not going to the small communities. For instance, in the community I represent, Arctic Bay, is only 20 miles away from a mine. The only time I have seen these students hired, is to do community clean up which does not give the support to the students to motivate them to work in places like these. They should be trained to do a job. They are high school students and they need money. For this reason, I rise today in support of these high school students. Thank you, Mr. Speaker.

--Applause

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**MR. SPEAKER:** Thank you. Members' statements. Mr. Picco.

Member's Statement 215-13(5): Regulatory Reform Initiative

**MR. PICCO:**

Thank you, Mr. Speaker. Mr. Speaker, last March, Cabinet launched the regulatory reform initiative, which streamlined the regulatory programs and eliminated unnecessary red tape that were creating impediments to economic development and business operations in the Northwest Territories. Mr. Speaker, I support this regulatory initiative. A small specialized secretariat has now been established reporting jointly to the Minister of Finance and the Minister for RWED. A number of proposals for changing legislation, regulations and procedures are under active consideration based on input from chambers of commerce, industry and professional associations, individual businesses and service delivery personnel and GNWT departments. Emphasis is being placed on grassroots communication with stakeholders through surveys, presentations and direct contact and are finding practical strategies that are available within the remaining term of this, the 13th Legislative Assembly.

Mr. Speaker, in addition the secretariat has been working to secure a better northern representation

into standard setting and the development of regulatory codes at the national level. A frequent concern of NWT business people has been that the code requirements developed on a nationwide basis sometimes do not give adequate consideration to the needs and special circumstances of our northern lifestyle.

Mr. Speaker, over the past year, however, the Northwest Territories has been able to take an increasing role on advisory committees to the Standards Council of Canada and other national bodies. Mr. Speaker, the regulatory reform is a proactive and constructive initiative of this government. Later today I will be asking the Minister of RWED, if the honourable Member from Thebacha will allow me, some questions on this matter. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Thank you. Members' statements. Mr. Dent.

Member's Statement 216-13(5): Yellowknife Dog Musher Sam Perrino

**HON. CHARLES DENT:**

Thank you, Mr. Speaker. Good afternoon. Mr. Speaker, I would like to tell the House today about a former resident of Rankin Inlet and now a resident of Yellowknife Frame Lake. Mr. Speaker, Sam Perrino is a young man of 21, who started dog mushing at age 15 and opened his own kennel two years later. He ran the 10-dog World Championship held in The Pas, Manitoba when he was 17 and was named Rookie of the Year.

Mr. Speaker, Sam has just represented the Northwest Territories at the International Rocky Mountain Stage Stop Sled Dog Race in Jackson Hole, Wyoming and he finished in fourth position. Mr. Speaker, in this race, he was racing against seasoned mushers from Colorado, Montana, Ontario, Alaska, Minnesota and Wyoming, including Jeff King who is a two-time Iditarod winner from Denali Park, Alaska and Hans Gatt, originally from Austria and now living in BC, who has competed in the 150-mile Canadian Championship Dog Derby in Yellowknife.

Mr. Speaker, the race in Jackson Hole is a 10-day stage race which started on January 28th. In this race the mushers raced between nine different communities with the distance varying each day from 2.5 to 72 miles.

Mr. Speaker, when he is not mushing, Sam is an apprentice electrician in Yellowknife. I am sure that Members of this House would like to express with me, congratulations to Sam Perrino on his fine showing in this international dog race.

--Applause

**MR. SPEAKER:**

Thank you. Members' statements. Mr. Enuaraq.

Member's Statement 217-13(5): Elders' Home for Broughton Island

**MR. ENUARAQ:**

(Translation) Thank you, Mr. Speaker. Good afternoon. An elder requires a proper living environment in order to maintain their dignity. Most importantly, an elder's home would provide the extended care not readily available in a family setting if the elder were living by themselves. (Translation ends)

Mr. Speaker, the community of Broughton Island needs an elders' home. Family homes are often overcrowded; single homes do not offer the support an elder would require, and in an emergency, it is difficult for the elder to get help. An elders' home would give the respect and support services an elder deserves and should expect. Our elders took care of us when we were young, and now we have an opportunity to take care of them. In conclusion, Mr. Speaker, I recommend the government seriously consider building and operating an elders' home in Broughton Island. Thank you.

--Applause

**MR. SPEAKER:**

Thank you. Members' statements. Mr. Antoine.

Member's Statement 218-13(5): The Cultural Importance of the Moose

**HON. JIM ANTOINE:**

Mahsi, Mr. Speaker. Mr. Speaker, as a Dene from Nahendeh, moose is also a very important commodity among the Dene of the land where I come from. Mr. Speaker, when I was raised out on the land, many times during my childhood there were great expectations and excitement and appreciation when someone from your camp was able to get a moose.

The moose provided many things, mainly food, fresh meat and dry meat. Even today when I travel to my constituency and I am lucky to get some dry moose meat, it is consumed immediately by everyone who finds out about it. Every part of the moose is very important. The head is consumed, the tongue, nose, some parts of the guts and the stomach is also a delicacy among the Dene. The marrow from the bone from the hoof is also a delicacy with dry meat. It is also made into a pounded dry moose meat and marrow mix.

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The moosehide is used for clothing. Moccasins, work shoes, moosehide vests and jackets we see here in the Legislative Assembly are also being made today. The raw hide is also used for rope and string to use out on the land.

Today, the people of Nahendeh, in my riding, still continue to hunt moose and still consume this meat to supplement their food on the table. Today, the hides are also being produced traditionally in all of the communities of my constituency, however, there is a need to encourage and support the continuation of the art of moosehide making. I agree with my two honourable colleagues in this House who spoke earlier about this very important area.

Mr. Speaker, if our responsibilities of running this Legislative Assembly did not have us here today, I certainly would be out on the land hunting moose with those who are lucky enough to be able to get away to enjoy our land, especially this time of the year. It is a very good time of the year, when it is not too cold and it is great to be out on the land. Thank you, Mr. Speaker.

--Applause

**MR. SPEAKER:**

Thank you. Members' statements. Mr. Henry.

Member's Statement 219-13(5): Mandatory Leave During the Christmas Season

**MR. HENRY:**

Thank you, Mr. Speaker. Two weeks ago I faxed out a survey to GNWT employees requesting their input on how they felt regarding the five mandatory days of leave without pay. This leave was initiated by the government for the past two years as part of our deficit elimination plan, Mr. Speaker.

I was interested in finding the quantity of Christmas purchases done within Yellowknife and also, if these five days provided the option for employees to travel during this time. I also incorporated questions to get the employees' perspective on these mandatory leave days because, Mr. Speaker, we are the elected body, we have the responsibility of finding out how satisfied our employees are with their employer.

Mr. Speaker, I received 157 responses. I would like to sincerely thank all the employees who responded. I hope that every Member will find the results beneficial. Sixty-two percent of the respondents indicated they left Yellowknife over the Christmas season. Seventy-one percent of the government employees purchased locally. Having these days off at Christmas time was not a deciding factor for 88 percent in planning their holidays. It was reassuring to find that 71 percent of respondents did not feel these mandatory days off were detrimental to their workload.

Mr. Speaker, one of the most surprising findings for me, was the result of the question that asked if employees would support continuing the mandatory leave days without pay in future years. Fifty-five percent supported continuing the mandatory leave days, 41 percent did not support it and four percent were unsure. Following up on this, I asked whether employees preferred keeping these days off at Christmas, 30 percent wanted the time off at another time of the year and 65 percent wanted to keep these days off during the Christmas holidays. Seventy-three percent of respondents, Mr. Speaker, were UNW members, 10 percent were Hay Plan employees, and 10 percent were excluded employees and seven percent of them did not indicate their status.

Mr. Speaker, when these results were made available to Members of this House, you will also see the constructive comments and ideas our government employees have to send to their elected representatives. We can all read into these statements what we wish, Mr. Speaker. I hope this government will take heed of what the employees are saying in this response. I would sincerely hope that our employees being the most important asset this government has, will have their views recognized and considered. I encourage our Minister for the Financial Management Board to take a good look at what our employees are saying and feeling. Thank you, Mr. Speaker.

--Applause

**MR. SPEAKER:**

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

**ITEM 4: RETURNS TO ORAL QUESTIONS**

Return To Oral Question 252-13(5): Concerns with Northern Skills Development Program in Pangnirtung

**HON. CHARLES DENT:**

Thank you, Mr. Speaker. I have a reply to an oral question asked by Mr. Enuaraq on February 9, 1998. The honourable Member raised a concern regarding 11 students from Pangnirtung. These students are income support recipients in a Northern Skills Development Program sponsored by the community of Pangnirtung. The funding support for Northern Skills Development Programs is generated from the Investing in People Program.

Students enrolled in Investing in People Programs are not eligible for student financial assistance. Instead, those students receive full income support, full child day care user subsidy, if needed, and an education productive choice incentive of \$ 10 per day.

There are presently two Investing in People Programs offered in Pangnirtung. The first is a Northern Skills Development Program which focuses on healing, life skills and adult upgrading and the other is a Traditional Sewing Skills Program. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Thank you. Return to oral questions. Mr. Kakfwi.

Return To Oral Question 264-13(5): Northern Shrimp Fishery

**HON. STEPHEN KAKFWI:**

Thank you, Mr. Speaker. This is a response to an oral question asked by Mr. Picco on February 10, 1998. Mr. Speaker, the fair allocation of fisheries resources continues to be of considerable importance to the Government of the Northwest Territories (GNWT). Our government is an active participant in the Federal-Provincial Atlantic Fisheries Committee, enabling senior officials to raise the issue of Nunavut fishing enterprises. Both I and the Premier have

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attended past meetings of the Atlantic Council of Fisheries Ministers. In that forum, we have clearly articulated the importance of our growing fishing industry to the economy of Nunavut, as well as the obligations of the Government of Canada under the Nunavut Land Claim Final Agreement.

Shrimp has been a success story in Nunavut since 1986. That success is due not only to accessing adjacent stocks, but also the sharing of access in southern waters. Concentrations of shrimp stocks have shifted from the north to the waters closer to Newfoundland over the past several years. Since Nunavut companies can fish in both northern and southern waters, the viability of our northern shrimp enterprises has been ensured.

The decline in the cod fishery off Newfoundland has resulted in a significant increase in the size of the shrimp resource. This leads to a temporary allocation of resources to many enterprises in Newfoundland. The only additional shrimp allocated outside of Newfoundland went to the members of the Northern Coalition made up of shrimp enterprises from Labrador, Nunavik and Nunavut.

While the GNWT supported the allocations to Nunavut through the Northern Coalition, we protested the decrease of Nunavut access as a proportion of the overall Canadian shrimp resource. When Mr. Anderson was appointed Fisheries Minister last summer, I made him aware of our views. We now expect new shrimp quotas to be allocated in 1998. I will be contacting Minister Anderson and outlining our support for Nunavut enterprises in gaining fair access to these and other Canadian fishery resources. Thank you.

**MR. SPEAKER:**

Thank you, Mr. Kakfwi. Return to oral questions. Item 5, recognition of visitors in the gallery. Item 6, oral questions. Mrs. Groenewegen.

#### ITEM 6: ORAL QUESTIONS

Question 279-13(5): Anonymous Note to an MLA

**MRS. GROENEWEGEN:**

Thank you, Mr. Speaker. Mr. Speaker, recently the Premier, when questioned in committee of the whole under the Department of the Executive, said that he was ultimately responsible for the actions and decisions of his Cabinet Ministers. Mr. Speaker, yesterday in this House, I tabled an article from last

Friday's Yellowknifer. I would like to ask the Premier a question related to that article. The article reports that the Premier said in reference to the note which I received, I quote, Mr. Speaker, "I know one thing, none of my Cabinet Ministers wrote the note because I asked them." Mr. Speaker, is the Premier still certain that none of his Cabinet Ministers wrote that note? Thank you, Mr. Speaker.

**MR. SPEAKER:**

The Premier, Mr. Morin.

Return To Question 279-13(5): Anonymous Note to an MLA

**HON. DON MORIN:**

Thank you, Mr. Speaker. I was never more sure of anything in my life. Thank you.

**MR. SPEAKER:**

Thank you. Oral questions. Supplementary, Mrs. Groenewegen.

Supplementary To Question 279-13(5): Anonymous Note to an MLA

**MRS. GROENEWEGEN:**

Thank you, Mr. Speaker. Is there a mechanism or how does it work, Mr. Speaker, when the Premier has to deal with acts of indiscretion by Cabinet Ministers? Thank you, Mr. Speaker.

**MR. SPEAKER:**

Does the Premier wish to respond? Mr. Morin.

**HON. DON MORIN:**

Thank you, Mr. Speaker. In this business, just like any other business, you treat people with respect. You deal with people straight forwardly. If you have an issue to address you ask the question, you get the answer and you take that at table level. I have asked all my Cabinet colleagues, did any of you write that note to the Member for Hay River? They said no and I trust them all. I stand by them. That is how I know, none of my Cabinet colleagues wrote that note. Thank you.

**MR. SPEAKER:**

Oral questions. Mr. Roland.

Question 280-13(5): Transition from Trapping to Tourism

**MR. ROLAND:**

Thank you, Mr. Speaker. Mr. Speaker, in my Member's statement I spoke of tourism and the transition from trapping to tourism. My question at this time, would be directed to the Minister responsible for tourism. Within the department, we know there is funding provided for the tourism organization as a whole. We also provide funding for people going into business. Is there an avenue for trappers who are taking their traditional knowledge and trying to transfer to get involved in the tourism trade? Is there an avenue open to them, where they might be able to receive guidance and help in becoming involved in the tourism trade? Thank you.

**MR. SPEAKER:**

The Minister responsible for Resources, Wildlife and Economic Development, Mr. Kakfwi.

Return To Question 280-13(5): Transition from Trapping to Tourism

**HON. STEPHEN KAKFWI:**

Thank you, Mr. Speaker. Mr. Speaker, we do not have a specific program designated for trappers to get into tourism, if that is what they wish. They do have, more than any other occupation I know of in the territories, continuous contact and rapport with wildlife officers and superintendents of this department, due to their occupation. With that proximity, comes the familiarity and the ability to find out what type of support and resources are within the department trappers are interested in and can use to get into the business of tourism or hospitality, if that is what they are interested in. I know every occasion that arises where a trapper, because it is not an occupation that creates a high income, if there is any occasion where we can help part-time trappers, full-time trappers supplement their income through engaging additional activities, we are very supportive and try to move positively with that. Thank you.

**MR. SPEAKER:**

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

Supplementary To Question 280-13(5): Transition from Trapping to Tourism

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**MR. ROLAND:**

Thank you, Mr. Speaker. I agree there are avenues that exist for trappers and hunters to go into the field, but one of the concerns raised in either the conferences or meetings is the fact that change from a hunting and trapping lifestyle into a business economy is a difficult one. Is there an avenue available to those who are going into the business where they may receive support and help in achieving a successful transition? Thank you.

**MR. SPEAKER:**

Mr. Kakfwi.

Further Return To Question 280-13(5): Transition from Trapping to Tourism

**HON. STEPHEN KAKFWI:**

Thank you, Mr. Speaker. If there is a trapper who wishes to get into the tourism business, for example, an outfitting business, our department would be prepared to assess with them the viability of such an operation. Also, to advise on things, I am not going to suggest trappers are traditionally seen as anti-social, but to be in the tourism business you need to know how to get along with people and how to treat tourists and what type of service to provide to them. Also, how to engage in it so you can maximize your effectiveness as the front line person promoting your business. Those are the types of things we can work with trappers who wish to get into the entrepreneur business, but also to receive counselling and ongoing support and once they get into the business, they do not find that the books they are supposed to keep, things like payroll tax, enumeration to workers' compensation and all this other bookkeeping does not bury them in the first or second year. We would be prepared to do things like that. Thank you.

**MR. SPEAKER:**

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

Supplementary To Question 280-13(5): Transition from Trapping to Tourism

**MR. ROLAND:**

Thank you, Mr. Speaker. I think it is very interesting and many people look forward to the idea, especially

in the aftercare of the business. Is there a program available, or is this the direction the department will be going into aftercare because that is a concern which has been coming up from time to time? Thank you.

**MR. SPEAKER:**

Mr. Kakfwi.

Further Return To Question 280-13(5): Transition from Trapping to Tourism

**HON. STEPHEN KAKFWI:**

Thank you, Mr. Speaker. We have developed within the department a division or component which is set up to do community economic development. One of the elements of it is to gage the kind of support and follow-up those new businesses and entrepreneurs and business people in the small communities, and even in the large centres, could require from us. What we need to do in order to protect our investment and their's as well, is we are not going on the assumption everybody needs after care or that every body would want it, but we are going to operate from the assumption that we would be ready and available if that is what they require. We have a standing commitment and capability in the department. Thank you.

**MR. SPEAKER:**

Thank you. Oral questions. Mr. Krutko.

Question 281-13(5): Termination of Northwest Territories Ski Coach

**MR. KRUTKO:**

Thank you, Mr. Speaker. In regard to my Member's statement and the letters I have received from Tsiigehtchic and Fort McPherson about the two ski coaches in that community along with the teachers, I would like to ask the Minister of Municipal and Community Affairs, Ms. Thompson, regarding these concerns that have been raised not only by myself, but other Members of this House. I would like to know with all the outcries coming from the smaller communities in regard to the firing of the head coach, has the Minister looked into this matter and what has been done to date?

**MR. SPEAKER:**

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

Return To Question 281-13(5): Termination of Northwest Territories Ski Coach

**HON. MANITOK THOMPSON:**

Thank you, Mr. Speaker. I am aware of the situation from the Member's comments previously. I have directed my staff to provide me with more details on that. I will take the question as notice. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Thank you. The question is taken as notice. Oral questions. Mr. Ningark.

Question 282-13(5): Freight Costs for Gjoa Haven Swimming Pool

**MR. NINGARK:**

Thank you, Mr. Speaker. My question is directed to the Minister of MACA and it is concerning above-ground swimming pools. Many years ago the priority of this government was in the area of recreational activities. We had swimming pools and above-ground swimming pools, hockey arenas and such, justified by the fact recreational activity entails spiritual well being, mental and physical. I am not going to go beyond that. Gjoa Haven has wanted to have a swimming pool program during the summer, an above-ground swimming pool. The mayor of that community has talked to me about it and they are willing to put money into the program. The mayor and the council want to know if the Minister of MACA will supply the cost for freight from the point of departure to that community? Is there funding in that area? Thank you.

**MR. SPEAKER:**

The Minister responsible for Municipal and Community Affairs, Ms. Thompson.

Return To Question 282-13(5): Freight Costs for Gjoa Haven Swimming Pool

**HON. MANITOK THOMPSON:**

Thank you, Mr. Speaker. I am aware of this pool project from Gjoa Haven. The Member has brought it up to me some time ago. I will revisit this situation for

the community and get back to the Member with the details. Thank you, Mr. Speaker.

**MR. SPEAKER:**

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

Supplementary To Question 282-13(5): Freight Costs for Gjoa Haven Swimming Pool

**MR. NINGARK:**

Thank you, Mr. Speaker. Recognizing the honourable Minister will get back to me, how soon will the honourable Minister get back to me? Thank you.

**MR. SPEAKER:**

Ms. Thompson.

Further Return To Question 282-13(5): Freight Costs for Gjoa Haven Swimming Pool

**HON. MANITOK THOMPSON:**

Thank you, Mr. Speaker. By the end of today. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Oral questions. Mr. Miltenberger.

Question 283-13(5): Moosehides for Arts and Crafts

**MR. MILTENBERGER:**

Thank you, Mr. Speaker. My question is directed to the Minister of RWED. It is in regard to the Member's statement I made today about the situation with hunters in my region and people who do traditional arts and crafts in other regions, not having sufficient moosehides. Does the Minister see a role for his department in trying to bring this situation to a positive conclusion? Thank you.

**MR. SPEAKER:**

The Minister responsible for Resources, Wildlife and Economic Development, Mr. Kakfwi.

Return To Question 283-13(5): Moosehides for Arts and Crafts

**HON. STEPHEN KAKFWI:**

Thank you, Mr. Speaker. Mr. Speaker, the issue the Member has brought forward has, in fact, been the topic of discussion amongst the Dene leaders in quite a number of our communities. The Member for North Slave, Mr. Rabesca, also spoke to it earlier today. The Member for Tu Nedhe, the Premier, has also raised it a number of times over the last few years and so has the Member from Nahendeh and of course, the Member for Thebacha is also keenly interested in it. What the essence of the issue is, that some of our communities are still making full use of the moose they hunt and harvest, down to eating all parts; hooves, nose, eyes, tongue, a lot of the internal organs. Making sure they bring their moosehide into the communities, then tanning it in a traditional way. Some of our communities have stopped bringing the hides in. For whatever reason not all our communities are making use of the availability of moosehides and so they have been discarded in many cases. There is no legal requirement to make use of moosehides or caribou hides. The only requirement we have in our Wildlife Act is the edible parts of animals like moose and caribou not be discarded or abandoned. So because of the discussion and interest that has been shown over a number of years, we are now looking at ways and means by which we can make it worth while for hunters to bring in the moosehides into communities and finding, through our minimum fur price program, to give a guaranteed price for moosehides, then making it available to communities and the women who are still tanning moosehides and who require additional moosehides.

We also want to look at training programs to teach young women and men who want to get into tanning moosehides, the opportunity to learn how to do it. We are also investigating the possibilities of finding new ways of tanning hides that might make it economically more efficient and perhaps less costly in terms of labour. Also other ways in which to make it worthwhile for us to look into these processes. Thank you.

**MR. SPEAKER:**

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

Supplementary To Question 283-13(5): Moosehides for Arts and Crafts

**MR. MILTENBERGER:**



Thank you, Mr. Speaker. Could the Minister indicate some possible timeframes to bring a finality to this issue. I am interested in timeframes specifically because in Thebacha it is the fall and early winter that is moose hunting season. I am bringing this up hopefully in plenty of time, so that prior to next hunting season, some arrangements could be made so we could take advantage of the hunters going out this fall. Thank you.

Further Return To Question 283-13(5): Moosehides for Arts and Crafts

**MR. SPEAKER:**

Mr. Kakfwi. Thank you, Mr. Speaker. I believe we can try to have something in place by the end of August at the very latest. That is what I will ask my department to do. It is the kind of thing we require to talk to all the hunters and trappers and community leaders about. It would involve wildlife management boards and hunters and trappers. It will be a rather intense consultation period. Thank you.

**MR. SPEAKER:**

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

Supplementary To Question 283-13(5): Moosehides for Arts and Crafts

**MR. MILTENBERGER:**

Thank you, Mr. Speaker. The Minister anticipated my question because my question was in fact going to be, will there be consultation with the local hunters and trappers? I have talked to some and, of course, it is an issue. They have a number of detailed questions that are specific to that activity. It would be very beneficial if in fact because the Minister said that his staff would consult with the communities to ensure this is done right and takes effect smoothly. Thank you.

**MR. SPEAKER:**

Thank you. Mr. Kakfwi.

Further Return To Question 283-13(5): Moosehides for Arts and Crafts

**HON. STEPHEN KAKFWI:**

Yes, Mr. Speaker. I believe there

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is an economic element to this issue. There is also the issue of keeping alive a certain practice, a certain aspect of our culture which is important. This government is prepared to do what it can to ensure that is looked at. We cannot look at it alone. As we say, the wildlife boards, the Chiefs, Metis leaders, other aboriginal leaders that engage in this and harvest this animal will be fully consulted so we handle this issue properly. Thank you.

**MR. SPEAKER:**

Thank you. Oral questions. Mr. Enuaraq.

Question 284-13(5): Need for an Elders' Home in Broughton Island

**MR. ENUARAQ:**

Thank you, Mr. Speaker. An elders home is very much needed in Broughton Island. My question will be directed to the Minister of Health and Social Services, the honourable Kelvin Ng. Will the Minister consider building an elders home in Broughton Island? Thank you.

**MR. SPEAKER:**

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

Return To Question 284-13(5): Need for an Elders' Home in Broughton Island

**HON. KELVIN NG:**

Thank you, Mr. Speaker. Mr. Speaker, the main focus of the department is trying to provide home care if at all possible. Trying to make it a priority to try to increase an individual's ability to stay in their own home and to live independently if at all possible. However, there are cases where individuals do require, once they get to the point of requiring long term, 24-hour care. In those situations we try to provide that service to them as close to home as possible, but it is not always possible to do it in every community. We will have to review what the needs are for Broughton Island residents, along with the Baffin Regional Health and Social Services Board, to see what services are adequate to meet their needs, Mr. Speaker. Thank you.

**MR. SPEAKER:**

Thank you. Oral questions. Mr. Picco.

Question 285-13(5): Keewatin Pilot Project Meeting in Rankin Inlet

**MR. PICCO:**

Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister for Municipal and Community Affairs. I should clarify yesterday in committee of the whole, while asking some questions on the Keewatin transfer pilot project, indeed I had been in the meeting in Pangnirtung and when I reviewed my minutes and the copies of same, the briefing was done in Pangnirtung. I apologize to the Minister at this time, for not seeing that.

Mr. Speaker, my question concerning the Keewatin pilot project is next week there is a meeting in Rankin with the Keewatin leaders, concerning the initiative that has been put forward in that area of the territories. Will the Minister for MACA be attending on behalf of this government, at that meeting? Thank you.

**MR. SPEAKER:**

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

Return To Question 285-13(5): Keewatin Pilot Project Meeting in Rankin Inlet

**HON. MANITOK THOMPSON:**

Thank you, Mr. Speaker. I would like to thank the Member for his apology. He had the whole presentation on his desk this morning and showed it to me. I will be attending some part of the meeting in Rankin, if my budget can be finished soon. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Oral questions. Supplementary, Mr. Picco.

Supplementary To Question 285-13(5): Keewatin Pilot Project Meeting in Rankin Inlet

**MR. PICCO:**

Thank you, Mr. Speaker. Mr. Speaker, I have received an invitation to attend the meeting next week in Rankin, along with other Members of this House and because we are in the budget session, I will not be able to attend. I wonder if the Minister would be able to facilitate a meeting between the Members of this House on the standing committee, under MACA,

so that we would actually have an opportunity to meet with the mayors of the Keewatin region, maybe in April sometime we could actually look over this proposal? Thank you, Mr. Speaker.

**MR. SPEAKER:**

Ms. Thompson.

Further Return To Question 285-13(5): Keewatin Pilot Project Meeting in Rankin Inlet

**HON. MANITOK THOMPSON:**

Thank you, Mr. Speaker. Actually I just did that. The mayors did come over here and on their behalf I was able to tell the Members they were in town to meet with them. After the leadership meeting in Rankin, I will get their advice on that, if they want to meet with the Members. It is the mayors call for them to come over. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Oral questions. Mr. Ootes.

Question 286-13(5): Lahm Ridge Tower Lease Renewal

**MR. OOTES:**

Thank you, Mr. Speaker. My question will be for Mr. Antoine. It is regarding the Lahm Ridge Tower. Last Friday, Mr. Antoine said it was Mr. Marceau who had contacted the department to initiate re-negotiations of the lease extension. That of course, eventually lead to the eventual sale of the building. My question on Friday, February 6th was, was this the first contact Mr. Marceau had with the department? Mr. Antoine in his reply stated it was in July that Mr. Marceau contacted the department and he was not aware of any contact for the months before that but he said he would check into that and get back to me. Could the Minister tell us if he has checked into that and if he could clarify that for us, if he has an answer? Thank you.

**MR. SPEAKER:**

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

Return To Question 286-13(5): Lahm Ridge Tower Lease Renewal

**HON. JIM ANTOINE:**

Thank you, Mr. Speaker. Mr. Speaker, I have not received any detailed information from my Department of Public Works in regard to the question, at this time. I am not aware there was any contact prior to July by Mr. Marceau. I am still waiting for a reply from the department. Thank you.

**MR. SPEAKER:**

Oral questions. Supplementary, Mr. Ootes.

Supplementary To Question 286-13(5): Lahm Ridge Tower Lease Renewal

**MR. OOTES:**

Mr. Speaker, were the departmental officials engaged in discussions about the lease extension or about the Lahm Ridge Tower, prior to August 3rd, with individuals outside of the department, other than Mr. Marceau? Thank you.

**MR. SPEAKER:**

Mr. Antoine.

Further Return To Question 286-13(5): Lahm Ridge Tower Lease Renewal

**HON. JIM ANTOINE:**

Thank you, Mr. Speaker. Mr. Speaker, the information I received from the department is that Mr. Marceau and Mr. Dixon of my department were negotiating the lease extension in the beginning of July. This is only between these two individuals that this lease negotiation took place in the office of Mr. Dixon and over the telephone following that exchange between the two. Thank you.

**MR. SPEAKER:**

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

Supplementary To Question 286-13(5): Lahm Ridge Tower Lease Renewal

**MR. OOTES:**

Thank you, Mr. Speaker. Yes, my question really was, were departmental officials engaged in discussions about the lease extension and/or the Lahm Ridge Tower with individuals outside of the

department, other than Mr. Marceau, prior to August 3rd of last year? Thank you.

**MR. SPEAKER:**

Mr. Antoine.

Further Return To Question 286-13(5): Lahm Ridge Tower Lease Renewal

**HON. JIM ANTOINE:**

Mr. Speaker, I do not know that. I will have to check with the department. Thank you.

**MR. SPEAKER:**

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

Supplementary To Question 286-13(5): Lahm Ridge Tower Lease Renewal

**MR. OOTES:**

Yes, thank you, Mr. Speaker. Did Mr. Marceau advise the department that he wanted to sell the building before the lease was signed? Thank you.

**MR. SPEAKER:**

Mr. Antoine.

Further Return To Question 286-13(5): Lahm Ridge Tower Lease Renewal

**HON. JIM ANTOINE:**

Yes, Mr. Speaker. Mr. Speaker, the department officials became aware that Mr. Marceau of Lahm Ridge Investment Company was planning to sell his office in the building to a numbered company, during the negotiations of the lease extension. Thank you.

**MR. SPEAKER:**

Oral questions. Mr. Rabesca.

Question 287-13(5): Preservation of Aboriginal Culture and Traditions

**MR. RABESCA:**

Thank you, Mr. Speaker. Earlier today, as you may recall, during Members' statements I raised the concern over the possibility of losing another part of our culture. I would like to direct my question to the

honourable Minister of Education, Culture and Employment, the honourable Charles Dent. I would like to know what the department is doing to assist our residents from losing their culture and traditions within our communities, more importantly, within our education system? Thank you.

**MR. SPEAKER:**

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

Return To Question 287-13(5): Preservation of Aboriginal Culture and Traditions

**HON. CHARLES DENT:**

Thank you, Mr. Speaker. Mr. Speaker, this is difficult to answer in a brief way because the department has much of its focus on culture and heritage. One of the ways the department supports cultural development and maintenance in the communities is through the Cultural Enhancement Contribution Program, which is a funding program offering assistance to community organizations and individuals who have a demonstrated interest in the promotion and enhancement of cultures of the Northwest Territories.

Some programs that have been funded this year include Dene drum making programs and so on. Within the schools, culture is seen as very important. In the west, we have a curriculum framework called Dene Kede. In the east we have Inuuqatigiit in which aboriginal language teachers can use that framework to teach almost any subject in an aboriginal language and bring in aspects of the culture and heritage that fit within the academic program. As well, in the schools the CTS modules can provide on the land training so school students are exposed to culture and heritage. There are a vast number of ways in which the department works, Mr. Speaker. One of the things the Member said is extremely important. Everybody needs to be reminded that in order to correct the potential loss of culture and heritage, it is imperative that the people to whom those cultures and heritages belong, work very hard to help maintain them. The department can only do what it does to support the people who own the heritage to teach it to the young people of their society. Thank you, Mr. Speaker.

**MR. SPEAKER:**

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

Supplementary To Question 287-13(5): Preservation of Aboriginal Culture and Traditions

**MR. RABESCA:**

Yes, thank you, Mr. Speaker. I would like to direct my question to the honourable Minister of Resources, Wildlife and Economic Development, Mr. Stephen Kakfwi.

**MR. SPEAKER:**

This will be a new question so you will have to wait until I get to another Member first. Oral questions. Mr. Erasmus.

Question 288-13(5): Revenues from Diamond Production

**MR. ERASMUS:**

Thank you, Mr. Speaker. Mr. Speaker, my question is to the Minister of Finance in regard to the revenues from the diamond industry. Mr. Speaker, the diamond industry as we know is a multi-billion dollar industry. Upon reflection, we must admit that it was a diamentaire other than Mr. Burne in London who was not familiar with Yellowknife's modern buildings. The situation still exists that non-northerners and even non-Canadians heavily influence the amount of benefits that northerners will receive from the diamond industry. Could the Minister refresh our memories on the magnitude of revenues that will go to the federal government from the diamond industry in the north? Thank you.

**MR. SPEAKER:**

The Minister of Finance, Mr. Todd.

Return To Question 288-13(5): Revenues from Diamond Production

**HON. JOHN TODD:**

Yes, thank you, Mr. Speaker. While based on the projected revenues of a 20, 25-year life cycle, the BHP mine is somewhere in the region of \$14 billion. It is projected the overall royalties, taxation and income tax et cetera will be derived from that. At the federal government level it is somewhere in the region of \$4.4 billion, Mr. Speaker.

**MR. SPEAKER:**

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

Supplementary To Question 288-13(5): Revenues from Diamond Production

**MR. ERASMUS:**

Thank you, Mr. Speaker. The Minister had indicated that the GNWT would get so little money out of this that we might introduce a tax that would choke a mule. Would he please refresh our memories on how much the Government of the Northwest Territories will receive from this industry? Thank you.

**MR. SPEAKER:**

Mr. Todd.

Further Return To Question 288-13(5): Revenues from Diamond Production

**HON. JOHN TODD:**

Thank you, Mr. Speaker. I was just having a discussion with my colleagues, I would like to get it accurate. I believe it is somewhere in the region of about \$400 million on a gross basis, but the actual net at the end of the day when you discount the formula we have, it is somewhere in the region of about \$200 million. Thank you.

**MR. SPEAKER:**

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

Supplementary To Question 288-13(5): Revenues from Diamond Production

**MR. ERASMUS:**

Thank you, Mr. Speaker. That is a couple of hundred million dollars as opposed to \$3 billion or \$4 billion. Can the Minister indicate what we can do to increase our revenues and benefits from the diamond industry in the north?

**MR. SPEAKER:**

Mr. Todd.

Further Return To Question 288-13(5): Revenues from Diamond Production

**HON. JOHN TODD:**

Mr. Speaker, as my honourable colleague knows, I am in discussions with Mr. Martin, the Finance Minister, with respect to the tax window. I just remind everybody there was a 20 percent tax window the previous Finance Minister managed to get into our last formula which we signed off. I am optimistic that we can reach an arrangement with the federal government that allows us to increase this tax window to bring new revenues into the territory. I have said on a number of occasions that these tax revenues are incremental revenues that were not expected. In fact, the net cost to the Canadian taxpayer will be nil. I am hopeful that we can make a sound, both political and economic argument, for the federal government to improve that tax window. However, should that not occur, then like any other good government across the country, we have both the responsibility and authority to introduce taxes and that is an option of course, that we would look at in the coming year.

**MR. SPEAKER:**

Oral questions. Final supplementary, Mr. Erasmus.

Supplementary To Question 288-13(5): Revenues from Diamond Production

**MR. ERASMUS:**

Thank you, Mr. Speaker. In the past, this government was involved in discussions on the Northern Accord which would provide royalties and other taxes to the north. Can the Minister indicate just where the discussions with the aboriginal governments, the Northern Accord discussions are at?

**MR. SPEAKER:**

Mr. Todd.

Further Return To Question 288-13(5): Revenues from Diamond Production

**HON. JOHN TODD:**

Thank you, Mr. Speaker. I just want to get the latest update from my colleague, the Premier, and Mr. Kakfwi. The Premier, and of course Mr. Kakfwi, the Minister responsible for RWED, are the lead Ministers on the need for devolution. My understanding is there are some discussions underway with the Minister of Indian Affairs, the Honourable Jane Stewart in relationship to the need for devolution and also the integration of some of the discussions that are underway with respect to some of the constitutional

change that would occur in the new Western Territory. I believe that is where we

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are right now. Thank you.

**MR. SPEAKER:**

Thank you. Oral questions. Mr. Picco.

Question 289-13(5): Regulatory Reform Secretariat

**MR. PICCO:**

Thank you, Mr. Speaker. Mr. Speaker, following up on my Member's statement which I was paraphrasing from a letter from Mr. Kakfwi on the reform secretariat. Mr. Speaker, on regulatory reform, the secretariat has now been set up. How many PYs are associated with the Regulatory Reform Secretariat? Thank you, Mr. Speaker.

**MR. SPEAKER:**

The Minister responsible for Resources, Wildlife and Economic Development, Mr. Kakfwi.

Return To Question 289-13(5): Regulatory Reform Secretariat

**HON. STEPHEN KAKFWI:**

Thank you, Mr. Speaker. I have reported that the regulatory reform is well underway. We have made quite a bit of progress in a small office, meaning there is someone heading up the work with some support staff in place. PYs, I do not know that there are actually PYs involved, but I will look into it and report back to the Member on that. Thank you.

**MR. SPEAKER:**

Oral questions. Supplementary, Mr. Picco.

Supplementary To Question 289-13(5): Regulatory Reform Secretariat

**MR. PICCO:**

Thank you, Mr. Speaker. Mr. Speaker, input has been received from the different stakeholders across the Northwest Territories. Some of the regulations that need to be changed as brought forward by those stakeholders, I wonder, is there any indication from the Minister when those changes could be brought forward on regulatory reform, being reminded of what

happened yesterday in the House with some questions concerning the legislation and the heavy agenda that we have to bring forward? Thank you, Mr. Speaker.

**MR. SPEAKER:**

Mr. Kakfwi.

Further Return To Question 289-13(5): Regulatory Reform Secretariat

**HON. STEPHEN KAKFWI:**

Thank you, Mr. Speaker. One of the decisions we made early on was that we do not want to do this regulatory review and then come forward with a heavy, burdensome type of a package. We would go through this process and bring forward those reforms and changes that are easy to do, that are simple and require minimal work to bring them forward as quickly as we can. We have kept that in mind and shortly we will be putting forward a legislative proposal for Cabinet consideration that will embody the first set of changes and reforms to legislation that will be in keeping with the mandate of the initiative. Thank you.

**MR. SPEAKER:**

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

Supplementary To Question 289-13(5): Regulatory Reform Secretariat

**MR. PICCO:**

Thank you, Mr. Speaker. Mr. Speaker, yesterday I mentioned in the House the idea of an omnibus bill that could be brought forward or introduced to catch some of the needed changes that are identified by the Regulatory Reform Secretariat. Has the Minister looked at that possibility to help expedite these questions? Thank you, Mr. Speaker?

**MR. SPEAKER:**

Mr. Kakfwi.

Further Return To Question 289-13(5): Regulatory Reform Secretariat

**HON. STEPHEN KAKFWI:**

Mr. Speaker, it always amazes me how everybody has the same idea about how to proceed and it is a compliment, I suppose. Maybe it shows the public

how in-tune we are with each other and we are all marching to the same drum. Having said that, there is a legislative proposal that will be brought to Cabinet and will deliver this first set of reforms to legislation. We hope to have this tabled before the Legislature later this year. Thank you.

**MR. SPEAKER:**

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

Supplementary To Question 289-13(5): Regulatory Reform Secretariat

**MR. PICCO:**

I think a better word Mr. Speaker, would have been expedite, or expedient. Mr. Speaker, the Regulatory Reform Secretariat has a web page and has put out a newsletter to inform the public about regulatory reform, some of the initiatives that are taking place. I am wondering how widespread is the newsletter, how widespread is it circulated, is it circulated through all government departments, is it available to the public at large? Could the Minister expediently give us an answer on that area? Thank you, Mr. Speaker.

**MR. SPEAKER:**

Mr. Kakfwi.

Further Return To Question 289-13(5): Regulatory Reform Secretariat

**HON. STEPHEN KAKFWI:**

Thank you. I am pleased to say that the person we put in charge of this initiative, Mr. Allan Downe, has been doing excellent work, very positive, energetic, fully enthused about the initiative and has been keeping track of visitors to the web site and will be very happy to know that we finally are focusing some attention to the excellent work he is doing. As I am speaking to you, I am sure he is tuned in and making sure the information that the Member wants will be arriving on the Member's desk before the day is over. Thank you.

**MR. SPEAKER:**

Thank you. Oral questions. Mr. Rabesca.

Question 290-13(5): Permit Policy to Sell Tobacco Products

**MR. RABESCA:**

Thank you, Mr. Speaker. Mr. Speaker, today I would like to direct my question to the honourable Minister of

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Finance, Mr. John Todd. As you will recall, yesterday, I spoke about the outrageous charges now being levied for a permit to sell cigarettes. When did this policy or whatever it is come into effect? Could the Minister give us information on this please? Thank you, Mr. Speaker.

**MR. SPEAKER:**

The Minister of Finance, Mr. Todd.

Return To Question 290-13(5): Permit Policy to Sell Tobacco Products

**HON. JOHN TODD:**

Yes, Mr. Speaker. I did listen intently yesterday to my colleague's concerns with respect to some of the licensing fees or the bonds that have got to be placed by people who sell cigarettes, et cetera. I have had a number of complaints that some of the bonds and some of the cash bonds are somewhat excessive. I am asking my department to review that issue right now. I will try to get back to my colleague as quickly as I can on his specific issues but on the larger issue of the level of the cash bonds they have to be put up by people selling cigarettes. Thank you.

**MR. SPEAKER:**

Oral questions. Mr. Ningark.

Question 291-13(5): Land Claims and Diamond Mining

**MR. NINGARK:**

Thank you, Mr. Speaker. Mr. Speaker, I am not sure where to address this question, perhaps Mr. Antoine who is the Minister responsible for land claims and so on. It is to do with the diamond industry. We have talked about diamonds, but my concern is about rights. The rights under the agreement between the claimant and the Crown itself. It is to do with the category. Is diamond mining considered to be underground or is it on surface by the institution not part of the agreement? Thank you.

**MR. SPEAKER:**

I will ask the Premier. Mr. Morin.

Return To Oral Question 291-13(5): Land Claims and Diamond Mining

**HON. DON MORIN:**

Thank you, Mr. Speaker. I will ask Mr. Kakfwi to answer that question. He is in charge of mining under his portfolio. Thank you.

**MR. SPEAKER:**

Thank you. The Minister responsible for Resources, Wildlife and Economic Development. Mr. Kakfwi.

**HON. STEPHEN KAKFWI:**

Thank you, Mr. Speaker. Diamond mining is done both underground and on surface. In fact it usually starts on the surface, at least the type of mines we are going to see opening here in the next few years are initially surface. As the kimberlite pipe produces the diamonds they then go further underground and they eventually move to mining underground. Thank you.

**MR. SPEAKER:**

Oral questions. Supplementary, Mr. Ningark.

Supplementary To Question 291-13(5): Land Claims and Diamond Mining

**MR. NINGARK:**

Thank you, Mr. Speaker. I thank the honourable Minister for that reply. Where does the interest of the claimant come in? It initially started from diamond mining coming from on the surface. Are the claimants involved initially when the diamonds start from the surface? Thank you.

**MR. SPEAKER:**

It is a technical question. Mr. Kakfwi.

Further Return To Question 291-13(5): Land Claims and Diamond Mining

**HON. STEPHEN KAKFWI:**

Thank you, Mr. Speaker. I would be required to check with my department because the way that mines operate in relation to the elements of the land claim settlements within the area. The different elements that they have of rights for surface lands,

subsurface lands, access, are all a bit different so it would require a detailed response which I am unable to provide at this time. Thank you.

**MR. SPEAKER:**

Thank you. Oral questions. Mr. Barnabas.

Question 292-13(5): Youth Employment Progress

**MR. BARNABAS:**

Thank you, Mr. Speaker. Mr. Speaker, following up my Member's statement this afternoon, I would like to ask the Minister responsible for Youth, Mr. Charles Dent, what has his department done to improve the student employment? Thank you, Mr. Speaker.

**MR. SPEAKER:**

The Minister responsible for Youth, Mr. Dent.

Return To Question 292-13(5): Youth Employment Progress

**HON. CHARLES DENT:**

Thank you, Mr. Speaker. Mr. Speaker, as Members will be aware, as part of the Northern Employment Strategy the government announced an extra \$2 million that was provided in this current budget year as well as another \$2 million in the next budget year, which is aimed at improving summer student and youth employment. How that program works is employers can apply for a subsidy to assist them when hiring young people. Mr. Speaker, this program should result in an extra 10,000 work weeks of employment for students and young people in the territories.

**MR. SPEAKER:**

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

Supplementary To Question 292-13(5): Youth Employment Progress

**MR. BARNABAS:**

(Translation) Thank you, Mr. Speaker. Will that funding be directed to some of the smaller communities where there is a high unemployment rate? Thank you. (Translation ends)

**MR. SPEAKER:**



Mr. Dent.

Further Return To Question 292-13(5): Youth Employment Progress

**HON. CHARLES DENT:**

Thank you, Mr. Speaker. The funds are allocated on a regional and community basis so funds can be accessed by even the smallest of communities. What it

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takes is an employer willing to hire somebody. An employer could be the hamlet or it could be someone like the mine. Perhaps what we need to do is make sure that the regional office in the Baffin is aware of the Member's concern and that contact is made with Nanisivik. They can then be more informed about the program and there may be more opportunities found for students in the community. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Oral questions. Supplementary, Mr. Barnabas.

Supplementary To Question 292-13(5): Youth Employment Progress

**MR. BARNABAS:**

Thank you, Mr. Speaker. Mr. Speaker, my supplementary question is what has this department done to improve the motivation of the student employment? The reason why I said it is that the only time the high school student would be hired in Nanisivik was to do some community clean up. Is there any on the job training for these students? Thank you, Mr. Speaker.

**MR. SPEAKER:**

Mr. Dent.

Further Return To Question 292-13(5): Youth Employment Progress

**HON. CHARLES DENT:**

Thank you, Mr. Speaker. The Working Together Program was set up to be a cooperative arrangement between employers and the government whereby the government provides a subsidy for wages so an employer can afford to do the training themselves. It

does not cost the employer the full cost of the wage and therefore it was felt that the employer could afford to contribute some of the cost of the training. There is no direct job training provided through this program. By the way, Mr. Speaker this program has been tremendously successfully with I believe over \$900,000 being invested in youth employment in the Nunavut area this year so far. We are coming very close to using up the full allocation. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Thank you. Oral questions. Mr. Krutko.

Question 293-13(5): Costs of Yellowknife Office Lease Renewals

**MR. KRUTKO:**

Thank you, Mr. Speaker. Mr. Speaker, my question to the Minister of Public Works, Mr. Antoine, in regard to a question I asked on February 6th, which I received a reply in regard to the leases in Yellowknife and how long these leases are for. I would like to ask the Minister a question regarding the amounts that these leases are for over the time period that has been set in his reply to me on February 6th. I would like to ask the Minister exactly the cost to the government for each of these leases and also in regard to a breakdown per square footage for each of these office leases in Yellowknife? Thank you.

**MR. SPEAKER:**

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

Return To Question 293-13(5): Costs of Yellowknife Office Lease Renewals

**HON. JIM ANTOINE:**

Thank you, Mr. Speaker. This question is a rather detailed question. I do not have that information right at my fingertips. I would like to take that question as notice and get back to the Member as soon as I can. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Thank you. The question is taken as notice. Oral questions. Mr. Picco.

Question 294-13(5): Directives For Leasing Procedures

**MR. PICCO:**

Thank you, Mr. Speaker. Mr. Speaker, my question is for the Premier. In light of the controversy surrounding Lahm Ridge Tower, the perception of collusion, has the Premier issued any directives which can tighten up the procedures for leasing within the bureaucracy or have any directives been issued to Cabinet on these matters. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Could you maybe rephrase your question especially with regard to that perception of collusion? Mr. Picco.

**MR. PICCO:**

Thank you, Mr. Speaker. Mr. Speaker, over the past several weeks there have been concerns raised regarding the leasing and the timelines, guidelines, the amounts of the Lahm Ridge Tower. I am wondering in light of this has the Premier issued any new directives to Cabinet or to the bureaucracy in regard to the procedures for leasing on behalf of this government?

**MR. SPEAKER:**

Mr. Premier.

Return To Question 294-13(5): Directives For Leasing Procedures

**HON. DON MORIN:**

Thank you, Mr. Speaker. We have a very sophisticated and solid way of obtaining leases for this government. I have complete faith in our deputy ministers as well as our government and our Ministers how leases are carried on within this government. I have not sent out a directive to change the way the government does day to day business. Thank you, Mr. Speaker.

**MR. SPEAKER:**

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

Supplementary To Question 294-13(5): Directives For Leasing Procedures

**MR. PICCO:**

Thank you, Mr. Speaker. I do not think anyone is saying that our bureaucracy is not upright and upfront

and forward. I mean there is that concern out on the street. I am wondering if the Premier will be reviewing the activities over the past couple of weeks on these type of questions and look at issuing some type of guidelines for the direction of Cabinet and the bureaucracy. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Thank you. I heard two questions. You have used your final supplementary question. Mr. Morin.

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Further Return To Question 294-13(5): Directives For Leasing Procedures

**HON. DON MORIN:**

Thank you, Mr. Speaker. I have reviewed to the greatest extent the documents that are given to this House on the whole issue of the lease of the Lahm Ridge Tower. I am completely satisfied with the deputy minister of the day. I have complete faith in the deputy minister when he extended that lease that he did it correctly. Deputy ministers follow very clear guidelines, they follow the Financial Administration Act, they do their business. They do what they are getting paid for. I see no reason why we would change the way we do business. We carry out business on behalf of the people in the Northwest Territories and we do it properly.

**MR. SPEAKER:**

Thank you. Oral questions. Mr. Krutko.

Question 295-13(5): Student Loan Remission Policy

**MR. KRUTKO:**

Thank you, Mr. Speaker. My question is to the Minister of Education, Mr. Dent, regarding student loans. It is my understanding Mr. Speaker, that student loans can be forgiven if an individual finishes the course they have taken and have worked in their communities for a minimum of six months. Can the Minister tell me if this policy is still in effect?

**MR. SPEAKER:**

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

Return To Question 295-13(5): Student Loan Remission Policy

**HON. CHARLES DENT:**

Thank you, Mr. Speaker. A person who is qualified for a remissible loan can have the loan forgiven based on the residency of the Northwest Territories. It does not mean that they have to work in the territories, they have to be living in the territories. Loans are remitted at approximately \$700 every three months. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Oral questions. Supplementary, Mr. Krutko.

Supplementary To Question 295-13(5): Student Loan Remission Policy

**MR. KRUTKO:**

Thank you, Mr. Speaker. In regard to student loans, I have had a lot of concern from students in my riding who return home to Aklavik, McPherson and Arviat to basically help improve the lifestyle of the community and to assist wherever possible because of their educational backgrounds. It seemed a lot of them were having a real problem trying to get the department to see exactly how the communities operate where a lot of these people commit themselves to try and find work but also work in other sectors and the courses they have taken. I would like to ask the Minister exactly who monitors the individuals once they get back to the communities?

**MR. SPEAKER:**

Mr. Dent.

Further Return To Question 295-13(5): Student Loan Remission Policy

**HON. CHARLES DENT:**

Thank you, Mr. Speaker. It is up to the individual ex-student to advise the department of their meeting the residence requirements and applying for remission on loans. There is no tie to a specific type of job, nor is there any tie to any job at all.

**MR. SPEAKER:**

Oral questions. Supplementary, Mr. Krutko.

Supplementary To Question 295-13(5): Student Loan Remission Policy

**MR. KRUTKO:**

Thank you, Mr. Speaker. I have a letter from an individual. Can the Minister assist me on this matter in which she has received a phone call and only has until Friday to reply? Is there a way that you can ask for an extension on these matters?

**MR. SPEAKER:**

Mr. Dent.

Further Return To Question 295-13(5): Student Loan Remission Policy

**HON. CHARLES DENT:**

Thank you, Mr. Speaker. As the Member knows I am always prepared to work with them when their constituents have problems. I cannot make any specific commitment in this situation without knowing the details, but I will be happy to meet with the Member this afternoon and review the situation.

**MR. SPEAKER:**

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

Question 296-13(5): Commitment Authority of Deputy Ministers

**MR. O'BRIEN:**

Thank you, Mr. Speaker. Mr. Speaker, my question is for the Premier. A follow up to a question I asked the other day in reference to guidelines, not necessarily in reference to the Lahm Ridge Tower situation but it was a question that was posed to me by one of my constituents. The question was, is there a ceiling or an amount of dollars that a deputy minister can commit to? Is there a level of dollars whether it is a million or \$10 million that a deputy minister can commit to prior to going to the Minister for approval, or is it solely at the discretion of the deputy minister? Thank you.

**MR. SPEAKER:**

Mr. Morin

Return To Question 296-13(5): Commitment Authority of Deputy Ministers

**HON. DON MORIN:**

Thank you, Mr. Speaker. Yesterday I had read into the record a return to an oral question asked by Mr. O'Brien. It was to do with the financial administration

and authority of spending, regarding authority for lease approvals and to inform my colleagues, under section 13 and 43 of the Financial Administration Act a Minister may delegate to a deputy minister regarding the authority for lease approvals, I wish to inform my colleagues that, under sections 13 and 43 of the Financial Administration Act, a Minister may delegate to a deputy minister or public officer of his department the expenditure or signing authority with monetary limits and conditions to meet the business needs of the position. Copies of the Financial Administration Act are available to the

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Members and the public.

Further guidelines are given in Financial Administration Manual Directive 802-1 which outlines numerous provisions for the designation of officers and the delegation and application of signing authority. The financial administration guidelines state the financial signing authority limits of a position should not exceed business needs. Therefore, it would be normal duty of a public officer to initiate and approve long-term property leases. Later today I will table Financial Administration Manual Directive 802-1. Thank you.

**MR. SPEAKER:**

Thank you. Oral questions. Question period is over. Mr. O'Brien, you may conclude your supplementary. Mr. O'Brien.

Supplementary To Question 296-13(5): Commitment Authority of Deputy Ministers

**MR. O'BRIEN:**

Thank you, Mr. Speaker. Mr. Speaker, I read the comments again in the Hansard that Mr. Morin made yesterday. My question would be a point of clarification. What we were looking for was the exact amount, if there was an amount that was stipulated in the act? The second part of my question is the Minister is indicating that the Minister may delegate the authority to the deputy minister in order for the deputy minister to make this decision that he must delegate? Thank you.

**MR. SPEAKER:**

Mr. Morin

Further Return To Question 296-13(5): Commitment Authority of Deputy Ministers

**HON. DON MORIN:**

Thank you, Mr. Speaker. Mr. Speaker, it states clearly, the Minister may delegate. The word must is not there, it is may.

**MR. SPEAKER:**

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

Supplementary To Question 296-13(5): Commitment Authority of Deputy Ministers

**MR. O'BRIEN:**

Thank you, Mr. Speaker. The question I am asking then, in order for a deputy minister to have this authority would I assume he must be given this permission by the Minister?

**MR. SPEAKER:**

Mr. Morin.

Further Return To Question 296-13(5): Commitment Authority of Deputy Ministers

**HON. DON MORIN:**

Thank you, Mr. Speaker. I was checking through the document I will be tabling later on today. I will take the Member's question as notice and maybe his answer is in this document I will be tabling later on today. Thank you.

**MR. SPEAKER:**

Thank you. The question is taken as notice. Question period is over. Item 7, written questions. Item 8, returns to written questions. Mr. Clerk.

ITEM 8: RETURNS TO WRITTEN QUESTIONS

**CLERK OF THE HOUSE (Mr. Hamilton):**

Mr. Speaker return to Written Question 2-13(5) asked by Mr. Picco to the Minister of Education, Culture and Employment concerning the concerns of the lack of education funding.

Return To Written Question 2-13(5): Concerns with Lack of Education Funding

The department has been developing curricula for schools for many years. Currently, the primary focus of this work is through participation in the Western Canadian Protocol (WCP) for common curriculum and learning resources. This consortium involves the provinces of British Columbia, Alberta, Manitoba and Saskatchewan, as well as the Yukon and NWT in developing curricula and resource documents in a variety of subject areas. The WCP mathematics curriculum (K-9) is being implemented in schools across the NWT this year and the English language arts (K-9) was introduced to the education jurisdictions across the NWT in January. Jurisdictions may choose to implement this curriculum in either 1998-99 or the 1990-00 school years. The grade ten mathematics will also be introduced to schools this fall. Nunavut representatives have been involved in the development and resource selection for these curricula. Many excellent texts and resources are available to support these curricula.

The Department of Education, Culture and Employment provided incremental funding of \$26.18 per student for the 1997-98 fiscal year to enable divisional education councils and district education authorities to purchase texts and resources to support the implementation of the mathematics curriculum framework. As well, funding has already been identified to support the implementation of the English language arts framework. Textbooks form part of the support materials identified for each curriculum. Our curriculum coordinators at the department are available to support educational councils and schools with curriculum implementation, resource selection and the careful use of their funding to ensure that the appropriate resources are purchased to support teaching and learning in NWT classrooms.

There is no doubt that the department would like to provide additional funding to our schools to enable them to purchase more resources, texts and materials. Unfortunately, our resources are limited. Nevertheless, we have adjusted our funding allocations to ensure that NWT schools are following curricula that provide a high standard of education to students across Western Canada.

The language arts curriculum in Inuktitut is presently under development for the grade 7, 8, and 9 level. However, the Inuuqatigiit curriculum document provides educators with a foundation for their teaching at this level. Education, Culture and Employment develops curriculum documents and teacher resource manuals, but does not produce the program materials for use in the classroom. We

provide each jurisdiction funding to establish Teaching and Learning Centres (TLC's) where materials in aboriginal languages can be developed and distributed to schools. The Baffin TLC is one of the most successful in the NWT and has produced a variety of excellent

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learning materials for programs at all levels. This being said, we recognize that as funding to the TLC's is necessarily limited, the production of materials is unlikely to meet the urgent needs for materials in the schools.

#### **CLERK OF THE HOUSE (Mr. Hamilton):**

Return to Written Question 3-13(5) asked by Mr. Picco to the Minister of Finance on payroll tax information.

Return To Written Question 3-13(5): Payroll Tax Information

1. How is the payroll tax collection facilitated through the Department of Finance?

Payroll tax collection is facilitated in the following manner:

a. Individualized remittance forms are sent to each registered employer about 30 days prior to the scheduled remittance due date.

b. Remittances are required monthly, quarterly, semi-annually or annually depending on the reporting frequency assigned to the employer. Reporting frequencies are based on the estimated gross remuneration of the employer, thus reducing the administrative burden of employers with fewer employees.

c. Payments are normally mailed to the Department of Finance at the address provided on the remittance form, but in communities with banking services, payments may be made at the bank.

2. How are new businesses starting up notified of the payroll tax collection?

It is the responsibility of new businesses to register for the payroll tax. A publication entitled How to Establish a Business in the Northwest Territories has been published by the Department of Resources, Wildlife and Economic Development and is circulated through all regional centres. Page 43 of this

publication provides information on how to register for the payroll tax. The information contained in this booklet is also available on the Internet on the Canada/NWT Business Service Centre Web Site (www.cbasc.org). Information can also be obtained by contracting the Department of Finance.

3. Where are the necessary forms kept?

All forms necessary for the registration and collection of the payroll tax are kept with the Taxation Division at the Department of Finance in Yellowknife. The division may be reached at (867) 920-3470 or its toll free number 1-800-661-0820, or by mail to Taxation Division, Department of Finance, Government of the Northwest Territories, P.O. Box 1320, Yellowknife, NT X1A 3G5.

**CLERK OF THE HOUSE (Mr. Hamilton):**

Return to Written Question 4-13(5) asked by Mr. Henry to the Minister of Resources, Wildlife and Economic Development concerning federal mining subsidies.

Return To Written Question 4-13(5): Federal Mining Subsidies

1. In 1983, the federal government provided a contribution of \$8 million, followed by an additional \$9.5 million in 1984, to assist the Cyprus Anvil Mine. These contributions were repaid in 1985 by Curragh Resources, when they purchased the mine. In 1991, the federal government provided a loan guarantee in the amount of \$17 million to the new owners. The company was not, however, able to draw on this line of credit prior to its shutdown in 1992. The then federal Department of Human Resources initiated an Employee Salary Cost Sharing Program to assist an overburden stripping project.

2. With the closure of the Cyprus Anvil Mine in 1985, the Yukon government assumed financial responsibility for the town of Faro. The Yukon government provided a loan guaranteed in the amount of \$15 million for working capital. This line of credit was not used. In 1991, the Yukon government provided an additional \$5 million to Curragh Resources to meet outstanding obligations to the Yukon Energy Corporation.

In June 1997, the Yukon government and Anvil Range Mining negotiated an agreement aimed at reducing costs. Among other things, this agreement provided for:

-a Yukon government contribution of up to \$200,000 per year, over five years, to a training trust fund. This was in addition to the \$150,000 that they had already committed for 1997;

-assistance to identify new ore deposits and increase mine life; and

-assistance through existing programs to help Anvil Range Mining upgrade outdated equipment.

The provision of this assistance was dependent upon Anvil Range Mining meeting its outstanding financial obligations to the Yukon Energy Corporation.

3. In addition to the above, the federal government has been asked to provide details of other mining ventures where support has been provided. Departmental officials expect this information during March of this year.

As can be seen, the federal government has provided very limited assistance to this mine. With the exception of the employee salary cost sharing program, all federal contributions and loan guarantees were either repaid or left unused.

**MR. SPEAKER:**

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

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**ITEM 13: TABLING OF DOCUMENTS**

Tabled Document 41-13(5): Financial Administration Manual Directive 802-1

**HON. DON MORIN:**

Thank you, Mr. Speaker. I wish to table the following document entitled Financial Administration Manual Directive 802-1. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Thank you. Tabling of documents. Ms. Thompson.

Tabled Document 42-13(5): Letter from Hamlet of Coral Harbour Regarding an Appointment to the Hunter Support Program Sub-Committee

**HON. MANITOK THOMPSON:**

Thank you, Mr. Speaker. Mr. Speaker, I wish to table the letter from the hamlet of Coral Harbour to James Arvaluk, Aiviit Hunters and Trappers Organization, carbon copied to Jose Kusugak and Raymond Ningeocheak.

**MR. SPEAKER:**

Thank you. Tabling of documents. Mr. Todd.

Tabled Document 43-13(5): Letter to Northwest Territories Construction Association Regarding Public/Private Partnerships

**HON. JOHN TODD:**

Thank you, Mr. Speaker. Mr. Speaker, I would like to table two documents based on the question raised yesterday by Mr. Ootes, which he implied no discussions were underway between myself and the Construction Association. One is a letter dated January 30th to Mr. Aho, president of the NWT Construction Association asking his input with respect to request to proposals.

Tabled Document 44-13(5): Response from Northwest Territories Construction Association Regarding Public/Private Partnerships

**HON. JOHN TODD:**

The second one, Mr. Speaker, is the response from Mr. Aho on February 9th, agreeing to participate in our discussions in respect to the request for proposals and P3. Thank you.

**MR. SPEAKER:**

Tabling of documents. Item 14, notices of motion. Item 15, notices of motions for first reading of bills. Item 16, motions. Item 17, first reading of bills. Item 18, second reading of bills. Item 19, consideration in committee of the whole of bills and other matters. Bill 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. Steen in the Chair.

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

**CHAIRMAN (Mr. Steen):**

I would like to call the committee to order. For consideration in committee of the whole, we have 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). I recognize Mr. Barnabas to give me some direction on how the committee wishes to proceed.

**MR. BARNABAS:**

Thank you, Mr. Chairman. The committee wishes to consider Bill 8, Appropriation Act, 1998-99, Committee Report 02-13(5), Committee Report 03-13(5) and continue with MACA and Public Works and Services. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Barnabas. Does the committee agree?

**SOME HON. MEMBERS:**

Agreed.

**CHAIRMAN (Mr. Steen):**

Thank you. We will proceed after the break. Thank you.

--Break

**CHAIRMAN (Mr. Steen):**

I would like to call the committee to order. Before we proceed with page 4-12, buildings and works, Fort Smith, I would like to ask the Minister of MACA, Ms. Thompson, if she would like to bring in her witnesses?

**HON. MANITOK THOMPSON:**

Thank you, Mr. Chairman. Yes, I would.

**CHAIRMAN (Mr. Steen):**

Is the committee agreed?

**SOME HON. MEMBERS:**

Agreed.

**CHAIRMAN (Mr. Steen):**

Thank you. Would the Sergeant-at-Arms bring in the witnesses and seat them. Could I have the Minister introduce her witnesses please?

**HON. MANITOK THOMPSON:**

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

**CHAIRMAN (Mr. Steen):**

Thank you, Madam Minister. Welcome to the committee. We are on page 4-12, buildings and works, Fort Smith region. Total region, page 4-13, \$721,000. Agreed?

**SOME HON. MEMBERS:**

Agreed.

**CHAIRMAN (Mr. Steen):**

Thank you. Buildings and works, Inuvik region. Total, page 4-14, \$554,000. Agreed?

**SOME HON. MEMBERS:**

Agreed.

**CHAIRMAN (Mr. Steen):**

Thank you. Buildings and works, Baffin region. Total, page 4-15, \$3.490 million. Agreed?

**SOME HON. MEMBERS:**

Agreed.

**CHAIRMAN (Mr. Steen):**

Thank you. Buildings and works,

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Keewatin region. Total, page 4-16, \$1.364 million. I will recognize Mr. Krutko.

**MR. KRUTKO:**

Thank you, Mr. Chairman. My question is regarding the community hall for \$1 million in Chesterfield Inlet. Was that part of the five year capital plan?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Krutko. Madam Minister.

**HON. MANITOK THOMPSON:**

Thank you, Mr. Chairman. I will be asking my assistant deputy minister for more detail on this, but the community of Chesterfield Inlet has a school that does not have a gymnasium. The size did not qualify for education to give them a gymnasium, so the hamlet decided to give up their community hall and attach it to the school to make a gymnasium for the children. It was always in their plan, but the two bodies worked together to make a gymnasium for the children. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Ms. Thompson. Who are you recognizing, your deputy minister or Mr. Christensen?

**HON. MANITOK THOMPSON:**

Thank you, Mr. Chairman. I think I have already answered that. I was not sure if I had the detail in front of me, but I have answered that already I think. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Madam Minister. Mr. Krutko.

**MR. KRUTKO:**

Thank you, Mr. Chairman. My question was, was this part of the five year capital plan? Was this in any five year capital plan?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Krutko. Ms. Minister.

**HON. MANITOK THOMPSON:**

Thank you. Yes, it was always in their five year capital plan. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Ms. Thompson. I recognize Mr. Picco.

**MR. PICCO:**

Thank you, Mr. Chairman. Mr. Chairman, under the community gym/hall retrofit for Repulse Bay, there is only \$40,000 this year in the capital estimates, but they are anticipating \$255,000 in future years. We have already spent \$472,000. I wonder if we could



get some correlation on those two figures? Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Picco. Ms. Thompson.

**HON. MANITOK THOMPSON:**

Thank you, Mr. Chairman. I will refer that to Mr. Vern Christensen.

**CHAIRMAN (Mr. Steen):**

Thank you, Ms. Thompson. Mr. Christensen.

**MR. CHRISTENSEN:**

Thank you, Mr. Chairman. This project involved a similar project to that which occurred in Chesterfield Inlet where we were working co-operatively with the Department of Education on renovations to the school. At present, the hamlet office and hall is complexed but undersized for the needs of the hamlet of Repulse Bay. Again, we used part of the budget to coincide with the scheduling for the work being done on the school to modify the gym to be multi-purpose. The remaining budget, then, is to do the renovations to the hamlet office/hall structure that currently exists. It really is a flow of funding to fit the implementation of the work for the whole project.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Christensen. Total region, page 4-16, \$1.364 million. Agreed?

**SOME HON. MEMBERS:**

Agreed.

**CHAIRMAN (Mr. Steen):**

Thank you. Buildings and works, Kitikmeot region. Total region, \$617,000. Agreed?

**SOME HON. MEMBERS:**

Agreed.

**CHAIRMAN (Mr. Steen):**

Thank you. Total buildings and works, \$8.021 million. Agreed?

**SOME HON. MEMBERS:**

Agreed.

**CHAIRMAN (Mr. Steen):**

Thank you. Contributions, headquarters. Total region, \$1.521 million. Agreed?

**SOME HON. MEMBERS:**

Agreed.

**CHAIRMAN (Mr. Steen):**

Thank you. Contributions, Fort Smith region. Total region, page 4-19, \$5.817 million. Mr. Krutko.

**MR. KRUTKO:**

Thank you, Mr. Chairman. Could I have some clarification from the department on block funding, Fort Simpson, \$1.525 million?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Krutko. Could you identify the page?

**MR. KRUTKO:**

4-17.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Krutko. Madam Minister.

**HON. MANITOK THOMPSON:**

Thank you, Mr. Chairman. I will refer that to my deputy minister.

**CHAIRMAN (Mr. Steen):**

Thank you, Madam Minister. Ms. Ballantyne.

**MS. BALLANTYNE:**

Thank you, Mr. Chairman. Mr. Chairman, the village and the department have negotiated a three year block funding agreement which starts in 1997-98 for capital and operations and maintenance. The figure that is cited here, \$1.525 million, is the capital portion of that block funding agreement.

**CHAIRMAN (Mr. Steen):**

Thank you, Ms. Ballantyne. Mr. Krutko.

**MR. KRUTKO:**

Mr. Chairman, could I get more clarification on

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that? Ms. Ballantyne made reference to a three year block funding arrangement of which this is the capital portion. What were the funds before that leading up to this capital portion? What were the actual amounts in the priors, because it does not show up here in regard to prior years costs? Why has it not shown up? Why did these funds not come under capital items regarding the community capital dollars?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Krutko. Ms. Ballantyne.

**MS. BALLANTYNE:**

Thank you, Mr. Chairman. Mr. Chairman, the reason that this item does not appear in prior years is because this is the first year we will be block funding Fort Simpson on a capital basis. This is the first year in which they will be receiving their capital funding in a block fund from the department. Therefore, we will not be providing detail of capital for that block funding just the way that we do not provide it for any of the other block funded communities, Mr. Chairman. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Ms. Ballantyne. Mr. Krutko.

**MR. KRUTKO:**

Thank you, Mr. Chairman. Could the Minister or the deputy minister tell us which capital items this money is for?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Krutko. Ms. Ballantyne.

**MS. BALLANTYNE:**

Thank you, Mr. Chairman. Mr. Chairman, the whole idea of block funding is that the community does not need to submit a detailed capital plan for approval by the Legislature. This is the same thing that happens with other block funded communities. I am sure that if the Member would like to see the community's capital plan that we could certainly request the community provide that to him for his information, but this is not information that is required under the block funding

agreement for the community to disclose and for us to bring into the House. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Ms. Ballantyne. Mr. Krutko.

**MR. KRUTKO:**

Thank you, Mr. Chairman. Could the deputy minister tell me exactly how many of these block funding arrangements we have in place and how many communities are we talking about?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Krutko. Ms. Ballantyne.

**MS. BALLANTYNE:**

Thank you, Mr. Chairman. Mr. Chairman, block funding arrangements are in place for all tax-based communities in the Northwest Territories with the exception of Norman Wells and Iqaluit. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Ms. Ballantyne. Mr. Rabesca.

**MR. RABESCA:**

Thank you, Mr. Chairman. I would like to ask the Minister regarding the retrofit fire pumper in Snare Lakes on page 4-18. I was wondering what the fire pumper is really referring to? Is that something to do with a fire truck? What type of equipment is that?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Rabesca. Madam Minister.

**HON. MANITOK THOMPSON:**

Thank you. It is a fire truck and accessory package. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Madam Minister. Mr. Rabesca. Total region, page 4-19, \$5.817 million. I recognize Mr. Roland.

**MR. ROLAND:**

Thank you, Mr. Chairman. On the block funding agreements, is there a formula for the capital amounts? You say this is a three year agreement

and I see a number of other block funding communities and the figures vary. Your first response to one of the other Member's questions, you said there was no requirement for them to lay out what they were planning to spend the funds on. Is there a formula set up as to what communities receive in block funding capital or is it based on requirements they are asking for when they sign the agreement?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Roland. Madam Minister.

**HON. MANITOK THOMPSON:**

Thank you, Mr. Chairman. I will refer that again to the deputy minister.

**CHAIRMAN (Mr. Steen):**

Thank you, Madam Minister. Madam Ballantyne.

**MS. BALLANTYNE:**

Thank you, Mr. Chairman. Mr. Chairman, when the department is negotiating block funding agreements with tax-based municipalities there are a number of factors that are taken into consideration in agreeing on the amount of capital that will be block funded. One is prior years' capital projects and commitments that may flow out of those prior years. For example, design work may have been done the year before for a facility that is scheduled to be built the first year of the block funding agreement, so that commitment would be reflected in the block funded amount. The other would be the projects that have been identified in the capital plan for that community, which would have already been disclosed here when we are looking at prior years of funding. When we bring the budget into the Legislature, those projects would also be factored in. These block funded arrangements are in place for a maximum of three years. There is a review process as they come up for renewal. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Ms. Ballantyne. Mr. Roland.

**MR. ROLAND:**

Thank you, Mr. Chairman. Is this just a one year figure? To understand this properly, on the block funding agreements here, we have for example right in a row we have Fort Simpson, Fort Smith and Hay River all different amounts. Is that for three years

they will receive that amount, or is that fluctuating with the projects that are ongoing?

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**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Roland. Ms. Ballantyne.

**MS. BALLANTYNE:**

Thank you, Mr. Chairman. Mr. Chairman, I am advised that would be a consistent amount for each year. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Ms. Ballantyne. Page 4-19, total region. I recognize Mr. Krutko.

**MR. KRUTKO:**

Thank you, Mr. Chairman. Regarding this block funding for \$1.525 million, if this is on an ongoing, year-to-year basis, I think it is the formula that we especially in the municipalities, would probably love to have, some sort of arrangement like this where they receive this amount of money in one year, especially when it comes to capital. I would like to ask the deputy minister, if this is only allowed to the tax-based communities, what alternatives do the municipalities have to come up with such an arrangement like this for themselves so it sounds like a better arrangement than the way they do it now where you have to prioritize your capital? At the end of the day you are told, that is all you are getting and this is all you have to work with. You have to cut a lot of items that you would not mind having in where you have to decide between equipment or infrastructure so that at the end of the day the community does not always get what it wants. What is the arrangement between this block funding arrangement and what is in place to help the municipalities?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Krutko. Madam Minister.

**HON. MANITOK THOMPSON:**

Thank you, Mr. Chairman. Those are exactly the same comments that we have been hearing from the mayors in the Keewatin region that these communities are too small to take on a block funding, they want to do it as a body. It is exactly the same comments that the Member is talking about. I will

refer the question to the deputy minister, she can elaborate more on that topic. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Madam Minister. Ms. Ballantyne, do you wish to expand on that?

**MS. BALLANTYNE:**

Thank you, Mr. Chairman. Mr. Chairman, I think one of the important differences between the tax-based and nontax-based communities when it comes to block funding is that the tax-based municipalities are raising a significant amount of revenue through taxation which the nontax-based communities are not. The mill rate for the municipal taxation area is significantly higher than the mill rate in the GTA, therefore, the tax-based municipalities are contributing a significant amount of their own revenues to capital projects. What you are seeing here in the book is only a percentage of the total revenue that would be spent. The municipality itself will raise the remainder through taxation. The other comment I would make is to agree that we are hearing these same concerns about the lack of ability to include community priorities in departments capital plans and that is what we are attempting to do through the Keewatin pilot, to see if we can find an alternative way of having these decisions made at the community level for small nontax-based communities so that they can enjoy a degree of flexibility that currently we can only provide through these block funding arrangements with tax-based municipalities. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Ms. Ballantyne. Mr. Krutko.

**MR. KRUTKO:**

Thank you, Mr. Chairman. You said that you have a report that identifies exactly the breakdown of that \$1.525 million. Could we get a copy of that before we conclude this portion of the budget?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Krutko. Madam Minister.

**HON. MANITOK THOMPSON:**

Thank you, Mr. Chairman. We can pass his request on to the village of Fort Simpson. They have the details. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Madam Minister. Mr. Krutko.

**MR. KRUTKO:**

Thank you, Mr. Chairman. If that is the case maybe we should refer this item, or this whole section regarding the block funding arrangement, until we get clarification on how this works. It seems like if the department does not have that information in sight how can we approve something for \$1.5 million without knowing exactly what those expenditures are going to be spent on? If we have to go through all the municipalities then, maybe, we should defer this section of the budget in the way of a motion.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Krutko. If you are contemplating making a motion to that effect, I will recognize you at a later time. I have on the list Mr. Rabesca and Mr. Miltenberger, so I will recognize Mr. Rabesca.

**MR. RABESCA:**

Thank you, Mr. Chairman. I am still concerned about page 4-18 regarding the retrofit fire pumper in Snare Lakes. My concern is when might this equipment be delivered to the community? Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Rabesca. Madam Minister.

**HON. MANITOK THOMPSON:**

Thank you, Mr. Chairman. I will ask my assistant deputy minister to give some feedback to that. He knows more about this. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Madam Minister. Mr. Christensen.

**MR. CHRISTENSEN:**

Thank you, Mr. Chairman. What is proposed is to take a fire truck that can be reallocated to another community and do a major retrofit on the vehicle. To make the vehicle like new for Snare Lakes and have the vehicle moved in on the winter road next spring. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Christensen. Total region, Mr. Miltenberger.

**MR. MILTENBERGER:**

Thank you, Mr. Chairman. I would just

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like to ask some questions to clarify this block funding process. When I first was elected, the town of Fort Smith was in the process of negotiating a block funding agreement with Municipal and Community Affairs, which I believe was three or four years in length. Some of the negotiations, according to my recollection, were based on what was in the capital plan, what were some of the perceived or potential anticipated needs in the community for future development? I think there is probably a year or two years left and then you are going to have to go through that renegotiation process. In actual fact, this \$927,000 is not going to go on forever. There is a specific term. I will get the Minister or deputy minister to make sure I have the right understanding of this process. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Miltenberger. Ms. Ballantyne.

**MS. BALLANTYNE:**

Thank you, Mr. Chairman. Mr. Chairman, that is correct. The block funding agreements are set to be three to a maximum of four years in length. As we come up to the end of that agreement, negotiations take place to put a new block funding agreement in place. It is very important to note that in each of these block funding agreements there is a clause that allows the department to reduce the amount of funding available to the community if the department's budget is reduced. This is important because we cannot give away money that we do not have. For example, when our budget was reduced a couple of years ago that required us to go to the city of Yellowknife and tell them that we would not be able to provide the committed amount of funding. That is another safeguard the Legislative Assembly has to put some controls in place here. If our budget as voted is reduced then we have to go back to the block funding communities and inform them that their block funding will subsequently be reduced. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Ms. Ballantyne. Mr. Miltenberger.

**MR. MILTENBERGER:**

Thank you, Mr. Chairman. The assumption could be made then that the same process was followed in Fort Simpson, Hay River and Inuvik. Fort Simpson is just starting theirs, we are just finishing ours and I am assuming that Inuvik will be back at the table soon as well? Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Miltenberger. Ms. Ballantyne.

**MS. BALLANTYNE:**

Yes, that is correct, Mr. Chairman. We are also in discussions with the town of Iqaluit and Norman Wells, as well. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Ms. Ballantyne. Mr. Miltenberger.

**MR. MILTENBERGER:**

Thank you, Mr. Chairman. Could the Minister or deputy minister also clarify how this funding is allocated over the three years? It is not necessarily that there is \$927,000 every year, but there could be projects targeted in the first year of the agreement that would result in a larger figure than the second or third year, or is it a consistent figure? Once again, my recollection was I thought there was a number of capital projects in Fort Smith, for instance, that required a fairly larger amount than they did this year or last year. Could I get clarification please?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Miltenberger. Madam Minister.

**HON. MANITOK THOMPSON:**

Thank you. Mr. Vern Christensen is more involved with that area and he will be able to give the details.

**CHAIRMAN (Mr. Steen):**

Thank you, Madam Minister. Mr. Christensen.

**MR. CHRISTENSEN:**

Thank you, Mr. Chairman. The block funding agreement for Fort Smith negotiated an amount which is uniform from one year to the next over a three-year

period. However, perhaps what the Member is thinking of, is in the case of Fort Smith, they had a very expensive capital project, being their recreation complex, in the capital plan, which was not typical of the average expenditure on capital projects over a longer period of time. The amount that was determined as the annual allocation took in that specific project. When the amount is negotiated for subsequent years, then the amount might be different because that particular project would not so heavily influence the average amount for the next three-year period. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Christensen. Mr. Miltenberger.

**MR. MILTENBERGER:**

Thank you, Mr. Chairman. That being the case, then, can we assume that in Fort Simpson's case for instance, they are going to be getting \$1.5 million a year, every year, for the life of their block funding arrangement and in Inuvik, the best they can negotiate for, for the life of their block funding agreement is \$177,000 a year. Is that what you are telling me?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Miltenberger. Mr. Christensen.

**MR. CHRISTENSEN:**

For the period of the block funding agreement, that is what those communities would expect to receive under the block funding arrangement. However, when the new block funding agreement is negotiated, if it is determined at the end of the current block funding agreement that it should be renewed and the communities and the government believe this has been successful and should be continued, then the amount renegotiated would be reflective of the capital projects eligible for funding under our programs which might be undertaken in the subsequent three-year period. The amounts may change from block funding agreement to block funding agreement. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Christensen. Mr. Miltenberger.

**MR. MILTENBERGER:**

We should find out who the negotiators are for Fort Simpson, because I think they deserve to be

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commended. Can the Minister clarify which major projects are in that \$1.5 million for three years? The department must have an idea, because they negotiated the figure. What major plans do they have as opposed to Inuvik, that the best they could do is \$177,000 a year for three years? There is a huge discrepancy in communities which is just about twice as big as the other.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Miltenberger. Mr. Christensen.

**MR. CHRISTENSEN:**

Thank you, Mr. Chairman. The reason for the difference would need to be explained largely from the difference in the capital projects that would be involved in one community versus the other, over the period of the block funding agreement. When we come to an agreement for the amounts, the department does look back on what its expenditures have been in the previous five, six years and looks forward over the future period of three to five years. More specifically, in the three-year period of the agreement, and have considered what the department might be expecting in terms of capital allocations and have in consultation with the community come to some agreement on what that amount should be. The best explanation I could give you right now is, it is reflective of the projects that were planned for the community of Fort Simpson in that period versus the projects that were grantable by our programs that were planned for the town of Inuvik. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Christensen. Mr. Miltenberger.

**MR. MILTENBERGER:**

Thank you, Mr. Chairman. Then, could the Minister or Mr. Christensen just elaborate on these projects that are reflective of the needs of the community? What exactly are we talking about, given the significant size of that figure and it being by far, above and away, the largest block funding agreement that I can see here on these papers?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Miltenberger. Mr. Christensen.

**MR. CHRISTENSEN:**

Thank you, Mr. Chairman. In Fort Simpson, for example, there was a major project relating to a road crossing to the mainland that was part of the block funding agreement. They are making some major improvements to the sewage treatment facilities in Fort Simpson, as well as road repairs, including some paving work. Whereas in Inuvik, there has been a lot of ongoing work on some of their basic infrastructure that has not occurred in Fort Simpson, and so their annual amount is lower. I do not have the details here on the specific projects that went into the discussion around the block funding amounts. Having agreed on what the block funding amounts are, it frees the community to, after we have entered into the agreement, to decide on what those allocations will be within the community. The basis for the amount may be different than how the community is actually expending those funds from year-to-year. Again, that would become part of the discussion when we are evaluating the success of the current block funding agreement and going into the negotiation of a renewal. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Christensen. I have Mr. Henry, Mr. Enuaraq and Mr. Roland in that order. Mr. Henry.

**MR. HENRY:**

Thank you, Mr. Chairman. I would appreciate it if you would just give me a little latitude. I am going to move forward a little bit, to get an explanation of something we are dealing with right now. On page 4-32, there is an amount identified for block funding transfers. There is an amount of \$2.632 million. Which communities is that money for? Is there any block funding in the community for Fort Simpson, Fort Smith or Hay River?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Henry. I will allow the question as it seems to be related to the same topic. Madam Minister.

**HON. MANITOK THOMPSON:**

Thank you, Mr. Chairman. I am advised, the answer is yes.

**MR. HENRY:**

Thank you, Mr. Chairman. Do I understand the Minister to say that in that block funding agreement of \$2.362, there is additional block funding for Fort Simpson, Fort Smith and Hay River. If that is the case, why would these amounts not be added in one area, so that at least Members would have an opportunity to see how much block funding was really going to each community? Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Henry. Madam Minister.

**HON. MANITOK THOMPSON:**

Thank you, Mr. Chairman. I will allow my assistant deputy minister to answer that. Thank you.

**MR. SPEAKER:**

Mr. Christensen.

**MR. CHRISTENSEN:**

Thank you, Mr. Chairman. The amounts are voted in different sections of the main estimates because the amount, the contribution to the block funding agreement, came from our operations and maintenance budget for our capital budget, and so the portion of the block funding agreement that comes from operations and maintenance for those block funding agreements showing up in our main estimates under operations and maintenance, whereas the capital portion is showing under capital. The one exception being the block funding agreement for Yellowknife, which appears I believe, in total, a couple of pages previous in grants and contributions. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Christensen. Mr. Henry.

**MR. HENRY:**

Thank you, Mr. Chairman. Do I understand then, this block funding for Fort Simpson of \$1.5 million, they are responsible for the operating of the community and any capital projects and operating, or do they receive funding under municipal operating assistance also?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Henry. Madam Minister.

**HON. MANITOK THOMPSON:**

Thank you, Mr. Chairman. Mr.

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Vern Christensen will answer again. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Madam Minister. Mr. Christensen.

**MR. CHRISTENSEN:**

Yes, the total funding for operations and maintenance is covered in the block funding agreement. There is no additional funding under our Municipal Operating Assistance Policy. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Christensen. Mr. Henry.

**MR. HENRY:**

Thank you, Mr. Chairman. In the case of Fort Simpson, it negotiated a block funding agreement with MACA and portions from the operating assistance is all rolled in. This is the capital and operations and maintenance to run their community. Does the Minister have numbers on last year as to what the community would have received in block funding and operating assistance, so we can compare to see how Fort Simpson is doing, or other communities? Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Henry. Madam Minister.

**HON. MANITOK THOMPSON:**

Thank you. Mr. Chairman. We do not have that detail in front of us right now. We will give that information to the Member. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Madam Minister. Mr. Henry.

**MR. HENRY:**

Thank you, Mr. Chairman. Just a final question, then. If there are additional funds other than what is identified here for Fort Simpson, Fort Smith or Hay River, if there are additional funds in other areas of block funding, does the Minister have the cumulative

figure of that amount for each of the three communities, as identified here in page 4-17?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Henry. Madam Minister.

**HON. MANITOK THOMPSON:**

Thank you, Mr. Chairman. We will provide that with the other information we are providing the Member. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Madam Minister. Mr. Henry.

**MR. HENRY:**

Mr. Chairman, I think it would be imperative that would be provided sooner than later because if we are approving this whole project, we should know what we are approving. Can the Minister advise us as to approximately when we can receive that information? Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Henry. Madam Minister.

**HON. MANITOK THOMPSON:**

Thank you, Mr. Chairman. Ms. Ballantyne will read the information. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you. Madam Minister. Ms. Ballantyne.

**MS. BALLANTYNE:**

Thank you, Mr. Chairman. Mr. Chairman, our director of corporate affairs, in his deep briefcase, has extracted a list which should clarify matters. I will be pleased to read this to the House, slowly for your information.

For the city of Yellowknife, the operations and maintenance portion of their block funding agreement is \$4.1 million, capital is \$1.3 for total funding of \$5.409. Fort Smith operations and maintenance funding of \$593,000, capital funding of \$927,000 for total of \$1.52 million. Town of Hay River, operations and maintenance funding of \$623,000, capital funding of \$308,000 for a total of \$931,000. Village of Fort Simpson, operations and maintenance funding of \$870,000, capital funding of \$1.525 million for a total



of \$2.395 million. Town of Inuvik, operations and maintenance funding of \$546,000, capital funding of \$177,000 for a total of \$723,000. Mr. Chairman, to that last I would add that block funding agreement was negotiated with the agreement that the department would seek funding for the utilidor conversion outside of the block funding agreement. That is one reason that amount appears to be inordinately low because we were aware we would have to undertake that work outside of the block funding agreement. This adds up to total block funding for operations and maintenance for all of the block funded tax-based communities, a total of \$6.732 million. Total capital of \$4.246 million for a total block funded amount for these tax-based municipalities of \$10.978 million. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Ms. Ballantyne. I will direct the Members back to page 4-19, we are on total regions. For the record we are on Bill 8, Appropriation Act, 1998-99, Municipal and Community Affairs. Contributions, Fort Smith region, total region, \$5.817 million. I still have Mr. Enuaraq and Mr. Roland on my list here. Mr. Henry.

**MR. HENRY:**

Mr. Chairman, if others wish to ask, I do not mind waiting.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Henry. Mr. Enuaraq.

**MR. ENUARAQ:**

Thank you, Mr. Chairman. On page 4-17, I have a question regarding block funding for Fort Simpson and Fort Smith. For Fort Simpson, \$1.525 million and Fort Smith \$927,000. Is there a huge difference in population between those two communities? Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Enuaraq. Madam Minister.

**HON. MANITOK THOMPSON:**

Thank you, Mr. Chairman. Let me just see this. Fort Simpson has 1,257 and Fort Smith has 2,441. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Madam Minister. Total region, \$5.817 million. Mr. Roland.

**MR. ROLAND:**

Thank you, Mr. Chairman. Understanding the block funding agreement and in the case of Inuvik, it was based on the capital plan and what was in the capital plan for future

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years. I can see where it is down lower and with the high temp system outside of that agreement. I know this upcoming year it will significantly increase, being that is a one year fix. I hope it is a fix, anyway. Just looking at that and some of the responses from earlier questions, correct me if I am wrong here, but you use the capital plan in the year coming up in some of the future projects and you use that on the basis of your negotiation. I also heard that one of the reasons you are not too clear on the exact projects is because the municipality can at that point, decide to change what it had initially negotiated on. Is that correct?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Roland. Madam Minister.

**HON. MANITOK THOMPSON:**

Thank you, Mr. Chairman. I will be referring that to Ms. Ballantyne.

**CHAIRMAN (Mr. Steen):**

Thank you, Madam Minister. Ms. Ballantyne.

**MS. BALLANTYNE:**

Thank you, Mr. Chairman. Mr. Chairman, one of the reasons we enter into block funding agreements with taxed-based municipalities is really recognizing they are at a stage of development where they are really able to manage a large capital budget and to plan and get economies of scale, et cetera, on their own. It is in recognition of their capacity to manage their own capital budget and to make those decisions that block funding agreements offer them flexibility once they are funded, to respond to changes in community priorities. Now if they were not being block funded, the department would be bringing those changes in community priorities from year to year forward to the House, through our capital planning process. The difference is that block funded communities do not need to go to those extra steps. They can make

those changes year to year, as they see fit. Their capital budgets are still approved through the local municipal budget development process and through a voting process there. It is not that they are off on their own, doing something in secret. They have to come back and have their budgets voted and approved, through their councils. What we typically see is some changes as they get into the future years of the block funding agreement from what we thought they would do, when we are in negotiations. That is what happens in the normal capital planning process as well. What we think nontax-based communities funding are going to be doing in year three of the plan changes, as we get towards that year. That is why we see that flexibility, creating some changes in the plan as originally negotiated. That is the whole purpose behind block funding, to give them that flexibility. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Ms. Ballantyne. Mr. Roland.

**MR. ROLAND:**

Thank you, Mr. Chairman. I understand the purpose and how it would work. Some of the concern in any community is that initial negotiations are based on, for example if it is a hospital or a sewer system or something of that nature, based on the importance and the need. I believe I heard a bit of a brief description on what is included in the \$1.5 million for Fort Simpson. There is talk of an emergency road to the island. That brings back some memories of some discussion that went on, not too long ago with the importance of the road and later being changed. I believe that funding was approved through supplementary appropriation, not too long ago so that they could get their retrofit on the centre and we hear the road coming back up. That is the concern. One instance, how things are going in order of importance. To know for that amount if it is a three year term, it is \$4.5 million in the capital alone. That is the concern. Maybe one of the things we have heard a couple times is, can we state some of the items that are included in there? That might satisfy some of the questions. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Roland. Ms. Ballantyne.

**MS. BALLANTYNE:**

Thank you, Mr. Chairman. Mr. Chairman, perhaps I can provide clarification that might satisfy the Members on this point. In terms of Fort Simpson, I am advised in this year's capital plan, the following items are included: a sewage treatment plant upgrade, which is a requirement of the water board, this is not something that is discretionary by the community. It is something they have to do. There is work to be done on the arena and the community centre. Main street improvements, district heating, which should result in some energy savings to the community. Some ambulance equipment and some computer equipment for the hamlet office. Mr. Chairman, the emergency road that was referenced earlier is not in their current plan. It is not something they have identified as something they will do. It is something that used to be in the capital plans. There is an example of something where the community has shifted its priority to things like the sewage treatment plan upgrade, which they really have no choice but to proceed with this year. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Ms. Ballantyne. Total region, \$5.817 million. I will recognize Mr. Miltenberger.

**MR. MILTENBERGER:**

Thank you, Mr. Chairman. I have a question in terms of the layout of this, given the fact that these are three- to four-year agreements, why are there no prior years or future years listed?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Miltenberger. Mr. Christensen.

**MR. CHRISTENSEN:**

Thank you, Mr. Chairman. I believe this is the procedure that was laid out for setting up the main estimates. Annual contributions are showing up as one year amounts, as opposed to multi-year projects. It is the convention that has been adopted for preparation of the main estimates. In the forecasting plan document, it would show the amounts annually for the period of the block funding agreements. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Christensen. Mr. Miltenberger.

**MR. MILTENBERGER:**

Thank you, Mr. Chairman. Could I also have some clarification on why on the operations and maintenance side, once again related to Fort Simpson where they get I think \$870,000 a year, they get 30 to 40 percent more than communities that are bigger. In some cases like Inuvik,

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considerable farther north, with probably greater costs. Why that significant discrepancy? \$870,000 compared to \$623,000 in Hay River, \$593,000 in Fort Smith and \$547,000 or thereabouts in Inuvik?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Miltenberger. Mr. Christensen.

**MR. CHRISTENSEN:**

Thank you, Mr. Chairman. Generally our operations and maintenance support for taxed-based municipalities has been consistent on a population basis, except there is one major component of the funding has been our equalization contribution that we provide to communities. That is part of the operations and maintenance block funding. The feature of equalization contributions is that as the assessable tax-base increases and as the population increases, there is a tendency for that contribution to decrease. In the pot of money the department used to allocate to major municipalities, it tended to be smaller municipalities like Fort Simpson that got much more of that share, of what was called equalization contributions. The larger communities like Yellowknife got a very small portion of it because it was meant to be a kind of equalization funding so that in spite of the fact they are all taxed-based municipalities, there was some contribution there to recognize that some communities had a greater or lesser ability to raise their own revenue. That would be what would be influencing the difference in the operations and maintenance contributions that are showing up here under the block funding amounts. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Christensen. Mr. Miltenberger.

**MR. MILTENBERGER:**

Thank you, Mr. Chairman. I am not conversant enough in this equalization formula to ask many technical questions, but it does seem to me to be quite significant in the difference. Is equalization the

only factor that accounts for that significant discrepancy or difference?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Miltenberger. Mr. Christensen.

**MR. CHRISTENSEN:**

I believe it is the main factor, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Christensen. Mr. Miltenberger.

**MR. MILTENBERGER:**

Mr. Chairman, thank you. Fort Simpson is starting a new block funding arrangement. By all indications have negotiated what appears to be on a comparative basis to communities larger than themselves, a gold plated kind of arrangement. Other communities are going to be lapsing their block funding agreements in the coming years, Inuvik, Fort Smith, Yellowknife. With the baseline you have established here for Fort Simpson, is that going to be sustainable when a community like Fort Simpson with 1500 people gets almost half of what Yellowknife gets with 17,000 people? You have raised the bar here. People are going to expect nothing less than this. I cannot see how anybody would not want to say, we need all these things, ambulances, computers, we have our whole shopping list of things that we want in all our communities. You have raised the bar. Is that sustainable?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Miltenberger. Mr. Christensen.

**MR. CHRISTENSEN:**

Thank you, Mr. Chairman. We believe, in the discussions we have had with municipalities on negotiating block funding agreements, that we have been open and candid on how we have approached them in these discussions. We have been consistent on how we have approached each of the communities in negotiating these amounts and we do not anticipate, necessarily, that the amount of the current block funding agreement will be the same as the amount of a renewed agreement. The trail of information to work within those discussions with communities are well documented. There will be an understanding with communities when we begin the negotiation of renewed agreements in which they can

see the logic, rationale and consistency that we have been dealing with communities on this. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Christensen. Total region, \$5.817 million. Mr. Miltenberger.

**MR. MILTENBERGER:**

Thank you, Mr. Chairman. Could the Minister, deputy minister or Mr. Christensen indicate, if in fact the rules of engagement changed from when the first communities were at the table negotiating as rookies, block funding arrangements? It seems to me there is a significant increase. The latest and greatest out of the blocks, Fort Simpson has negotiated, it would appear as I indicated earlier, a very good deal for their community for which they are to be commended. Have the rules of engagement changed from the time when Inuvik was happy with \$177,000 over the life of their capital agreement with MACA?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Miltenberger. Mr. Christensen.

**MR. CHRISTENSEN:**

Mr. Chairman, the rules have been applied consistently. We learned a lot as a department and when we negotiated the first block funding arrangement with the city of Yellowknife. The nature of the agreements are consistent from one community to the other. We have consistently looked at the operations and maintenance funding requirements of the municipality and the capital funding requirements forecast for that community in our budget. What we might expect as a department to receive, in terms of capital allocations, it has been on the basis that we have entered into these block funding agreements with major municipalities. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Christensen. Mr. Miltenberger.

**MR. MILTENBERGER:**

Thank you, Mr. Chairman. I have a request to make then of the Minister. Would it be possible on the operations and maintenance block funding side to get the criteria of how you reach those figures you mentioned? For example, in Fort Simpson,

equalization of the formula being a major variable that accounts for the significant discrepancy. I

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would be interested, if you could give me in one or two pages, a summary of how that thing works so it could make sense to me and then if I have a question by the people in Fort Smith saying what the heck is going on here I can speak relatively knowledgeably. I would also be interested in the formal criteria, if there is any other than the capital plan, on how you reach an agreement on the capital. What kind of process takes place? What are their criteria? What are the factors you weigh other than a department coming in with a nice wish list totalling \$1.5 million a year for three years? There must be some criteria that you prioritize and select things. I would be very interested in that as well. Block funding and block funding arrangements are upon us in the wave of the future. The more conversant I am and my constituents are, I am assuming the better we can negotiate with the department. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Miltenberger. Madam Minister.

**HON. MANITOK THOMPSON:**

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

**CHAIRMAN (Mr. Steen):**

Thank you, Madam Minister. I have Mr. Henry and Mr. Roland in that order. Mr. Henry.

**MR. HENRY:**

Thank you, Mr. Chairman. On the question, again of the \$1.5 million for Fort Simpson, this hopefully will not smell as bad next year. I note they are getting sewage treatment in that area. I certainly understand where some of these items have to be performed, like the sewage treatment for health purposes, the arena, fine, main street, district heating, an ambulance, a computer, which is for this present coming year. Can the Minister provide us with some information as to what is proposed over the next two or three years? If this block funding was negotiated and it was decided it is going to be \$1.5 million plus, what were the areas that were identified for future years? Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Henry. Madam Minister.

**HON. MANITOK THOMPSON:**

Thank you, Mr. Chairman. I will allow my assistant deputy minister to answer that question.

**CHAIRMAN (Mr. Steen):**

Thank you, Madam Minister. Mr. Christensen.

**MR. CHRISTENSEN:**

Thank you, Mr. Chairman. There was a list of capital projects upon which the capital portion of the block funding agreement was based. The number may not exactly equal the amount that had been in our capital plan, but there was a list of projects over the period of the agreement that we considered when we came to the capital portion of the block funding agreement. There is that list of projects. The village may have a different list they are working on now that we have entered into the block funding agreement. The one set of information is available in our files. The second set of information we would need to research with the village. If the Member is asking for that information, we can undertake to provide that. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Christensen. Mr. Henry.

**MR. HENRY:**

Thank you, Mr. Chairman. I take it that the department's staff were satisfied that the community of Fort Simpson, in this particular case, did warrant this amount of money over a three year period. This is, I understand, the first year of block funding for Fort Simpson. Is that correct? If it is, Mr. Chairman, what would stop a community such as Fort Rae from also getting block funding? I think it is fair to say that these last few weeks there has been a considerable amount of discussion on communities such as Fort Rae not getting fair monies from MACA. What would a community of Fort Rae, for example, need to do to be able to get a windfall such as Fort Simpson has to take care of infrastructure requirements that they say they need? Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Henry. I believe the deputy minister answered that before, but I will allow her to repeat her answer. Ms. Ballantyne.

**MS. BALLANTYNE:**

Thank you, Mr. Chairman. Mr. Chairman, currently the department only enters into block funding arrangements with tax-based municipalities in recognition of the fact that tax-based municipalities raise a significant amount of their own revenue through taxation. Rae-Edzo is not a tax-based municipality and as such, it is quite dependant on the department for the funding it does receive for the operation of municipal services. Through the Keewatin pilot project we are trying to find a way to block fund nontax-based municipalities. It is part of the approach we are trying to develop through the pilot and it is certainly our hope that through that work we could find a way to block fund nontax-based municipalities in a way that would provide them with the degree of flexibility they currently do not have, but that tax-based municipalities which are block funded currently enjoy. Today, we do not have a way to block fund nontax-based municipalities. That is what we are trying to find through the Keewatin pilot project. Today that option is really only available to tax-based municipalities. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Ms. Ballantyne. Mr. Henry.

**MR. HENRY:**

Thank you, Mr. Chairman. Following up on a concern, or a question, raised by Mr. Miltenberger, I certainly accept the fact that government's responsibility is to equalize for all. I do have a concern about the, as Mr. Miltenberger put it, raising the bar to the height it has been. When I look at the facts, the community of Yellowknife of 17,000 receives \$5.4 million from this government and a newly negotiated formula financing of Fort Simpson gets \$2.4 million with a population of 1500. I realize there are going to be economies of scale, but a community such as Yellowknife would not be able to ascertain or obtain that type of funding, but it certainly does raise the bar quite a bit higher. I would like some assurances from the Minister that when these other block funding agreements are terminated there will be provisions to have block funding agreements as rewarding as some of the newer negotiated agreements. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Henry. Madam Ballantyne.

**MS. BALLANTYNE:**

Thank you, Mr. Chairman. I think the degree of our generosity will depend on the resources we have available at the time. I think we can provide the Member with assurances that the block funding agreement renewals will be negotiated in a fair and equitable way in accordance with the criteria in place in the department. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Ms. Ballantyne. I will now recognize Mr. Roland.

**MR. ROLAND:**

Thank you, Mr. Chairman. The question I asked earlier in reference to some funding passed recently through supplementary appropriation of \$1.055 was the amount to do with the recreation centre community hall in Fort Simpson. Is that amount included in the negotiated amount of \$1.5 million over the three years? Is that amount included or is that over and above?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Roland. Madam Minister.

**HON. MANITOK THOMPSON:**

Thank you, Mr. Chairman. I am advised it is in there, but we will check that. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Madam Minister. Mr. Roland.

**MR. ROLAND:**

Thank you, Mr. Chairman. I believe that will be important in helping Members understand the amount that we are looking at. Now another thing you mentioned earlier is some of the changes they have to go through due to water sewer problems they have there. Can you identify the scope of that because that could be a significant factor also?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Roland. Madam Minister.

**HON. MANITOK THOMPSON:**

Thank you, Mr. Chairman. My deputy minister will take that question.

**CHAIRMAN (Mr. Steen):**

Ms. Ballantyne.

**MS. BALLANTYNE:**

Thank you, Mr. Chairman. I can appreciate that Members would like to have this level of detail. I would just like to explain that once communities are in a block funded situation we no longer require them to provide us with that level of detail in terms of the scope of work in a project, et cetera. That is really identified up front when we are negotiating in terms of the kind of projects they think they will need. In terms of the current detail, in what they currently have planned for that project, that is information that we would have to go to the village and request that they provide to us so that we could provide it to the Member. If that is what the Member is asking then we could undertake to provide that. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Ms. Ballantyne. Mr. Roland.

**MR. ROLAND:**

Thank you, Mr. Chairman. That information would definitely be nice to have but going back to the initial discussion, there must have been included, something that is required, not something that is planned but actually required. We must have an idea of what amount was tagged to that initially. Do you have any information on that?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Roland. Ms. Ballantyne.

**MS. BALLANTYNE:**

Thank you, Mr. Chairman. I think what we would have to do is go back to our own files with respect to the information that was on the table at the time of negotiations to see what was there. As Mr. Christensen pointed out, the flexibility in block funding agreements allows communities to change the scope of work as priorities or requirements would change in the community. We could not guarantee that is what exactly is being billed. That is why we would have to go to the community to get the current plan. Just to point out, for those projects that MACA is directly funded, we do bring into the House detail on each of

those capital projects in anticipation of questions. Where we are having a little bit of trouble today responding as adequately as Members would like with block funding agreements, that is simply not required of the communities any more, therefore we do not bring that level of detail with us. We can go back to the communities and provide it if it is helpful.

**CHAIRMAN (Mr. Steen):**

Thank you, Ms. Ballantyne. Mr. Roland.

**MR. ROLAND:**

Thank you, Mr. Chairman. I understand the flexibility we are trying to give the communities. I, myself, being a representative of a fairly large community agree with that process, but also one of the things, for example, if I use Inuvik. Although the utilidor high temp system was pulled out and that agreement has been agreed to by FMBS for go-ahead work, the amount initially negotiated was worked on a deal the community would have to get the government's agreement that these projects were significant and the dollar figures attached were accurate figures to begin our negotiations. We know there is some flexibility allowed to communities, we know that some requirements are there, but initially this amount that set, is it a three year or a four year contract? Those were initially worked out so that would have set the stage for how much the amounts were negotiated for. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Roland. Madam Minister.

**HON. MANITOK THOMPSON:**

Thank you, Mr. Chairman. I believe that was just a comment not a question. It is three years for the block funding agreement.

**CHAIRMAN (Mr. Steen):**

Thank you, Madam Minister. I am on page 4-19. The total of capital contributions for Fort Smith region, total region, \$5.817 million and I have Mr. Krutko and Mr. Henry. Mr. Krutko.

**MR. KRUTKO:**

Thank you, Mr. Chairman. I would like to move a motion, because I believe we need more information and detail on this matter. I would like to move a motion to defer. I move that the committee defer part

of the consideration of the items of contribution, Fort Smith region under detail of capital and activity, community operations in the Department of Municipal and Community Affairs at this time.

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**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Krutko. We will take a five minute break and have your motion translated.

--Break

Committee Motion 11-13(5): To Defer Further Consideration, Fort Smith Region, Detail of Capital Community Operations

**CHAIRMAN (Mr. Steen):**

I would like to call the committee to order. We have a motion on the floor, moved by the Member from Mackenzie Delta and the motion is:

I move that this committee defer further consideration of the item contributions Fort Smith region under the detail of capital for the activity community operations in the Department of Municipal and Community Affairs at this time. I am advised the motion is not debatable.

I will call a show of hands. All those in favour of the motion? All those opposed? The motion is defeated.

I will ask the Minister to please take her seat and we will return to item activity contributions to Fort Smith region, total region on page 4-19 is \$5,817 million. Mr. Henry.

**MR. HENRY:**

Thank you, Mr. Chairman. When did Fort Simpson become a tax-based municipality and does the department have any figures on what will generate each year in taxes in the community? Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Madam Minister.

**HON. MANITOK THOMPSON:**

I am sorry, Mr. Chairman. We do not have that detail. We will provide it to the Member as soon as we can. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Madam Minister. Mr. Henry.

**MR. HENRY:**

Thank you, Mr. Chairman. If the Minister could let us know when they would have that figure. Can the community save their block funding each year, bank it, and use it for a plan for a larger project in future years? Can they use that money for operating? The portion of the block funding for capital, can it be used for operating in the community? Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Henry. Madam Minister.

**HON. MANITOK THOMPSON:**

Thank you, Mr. Chairman. I am advised, yes, to both questions.

**CHAIRMAN (Mr. Steen):**

Thank you, Madam Minister. Mr. Henry.

**MR. HENRY:**

The Minister may have missed, when will the information be available as to when Fort Simpson became a tax-based municipality and what are the projected revenues from taxes raised in the community?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Henry. Madam Minister.

**HON. MANITOK THOMPSON:**

Thank you, Mr. Chairman. We will have to go back to those municipalities and collect that information. It will take a couple of days to get detailed information back to the Member. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Madam Minister. Total region \$5,817 million. I have Mr. Krutko and Mr. Roland in that order. Mr. Krutko.

**MR. KRUTKO:**

Thank you, Mr. Chairman. In regard to block funding and the way the allocations have been distributed, you say you use a formula but looking at it in the context of population breakdown, where Fort Simpson

has a population of roughly 1,200 people, yet you talk about a community such as Inuvik which is almost at 3,300 people, almost three times the size of that community, yet they receive in the area of over \$170,000. Somehow the formula does not follow the principle that it is based on the amount of taxes a community generates, because it is based on a tax-based community. That formula you are using is not exactly accurate or fair. In regard to the other question about operations and maintenance, where they receive \$870,000, yet Inuvik receives \$530,000, again there is a real discrepancy. In regard to the formula that is used for block funding, could the Minister explain the formula, exactly what are the principles of that formula for allocation of block funding?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Krutko. Madam Minister.

**HON. MANITOK THOMPSON:**

Thank you, Mr. Chairman. I will refer that to the deputy minister.

**CHAIRMAN (Mr. Steen):**

Thank you, Madam Minister. This is the third time this particular question has been asked, I think there might be some elaboration required, Ms. Ballantyne.

**MS. BALLANTYNE:**

Thank you, Mr. Chairman. Mr. Chairman, we do not use a formula to calculate the capital portion of the block funding agreement, just the same way that we do not use a formula to bring forward capital projects to the House for nontax-based communities. It is based on the need in the community which takes into account a number of factors. The state of development of that community would be a factor in terms of the planned projects included in the block-funded capital portion that if the community were not block funded, would be being brought into this House on a line-by-line basis for approval. There is no formula for the capital portion of the block funding agreement. I apologize if that was not made clear in previous answers. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Ms. Ballantyne. Mr. Krutko.

**MR. KRUTKO:**



Thank you, Mr. Chairman. If that is the case, how did you come up with the amount of \$1.525 million over three years? There had to be some way of formulating that amount to know exactly what that amount was going to be for and what those items were going to be for?

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In regard to your response to the questions, I find it hard to support some initiatives such as this without knowing what the answers are in regard to the nontax-based communities where you are saying, they do not pay their taxes, so they should be getting less than tax-based communities. That is the message that I am getting. I do not believe that is the case. All the communities in the north have to be dealt with on a fair basis. The way the municipalities are developed, that the larger you get, the more responsibilities you take on. Also realizing that the formula that is in place for municipalities has been downgrading in regard to the amount of capital projects the communities have been getting in the past. Because of the situation we find ourselves, it is the smaller communities who had to take a lot of cuts in regard to not having the opportunity to have recreation centres or upgrading their utilidor systems or their capital infrastructure, because of the way that the municipalities were dealt with. But now, because of this block funding arrangement, it seems like there is not a balance there.

You keep referring back to the Keewatin project, but what is being done to those communities which do not want to look at formulating a regional structure such as in the Keewatin, but looking at in regard to the overall formula for all communities, not just these ones here. It seems like, if communities ended up getting \$1.5 million over three years, we would all be happy. I do not think that is the case. There has to be some policy or principle in place that you came up with this number. Where did it come from?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Krutko. Ms. Ballantyne.

**MS. BALLANTYNE:**

Thank you, Mr. Chairman. Mr. Chairman, I believe the Minister has indicated that we will provide the detail of the capital that went into the negotiations for the capital portion of Fort Simpson's block funding agreement. We have already apologized for not having that information available today to provide to

the Member, but the commitment has been made to do so. I would also clarify that I do not believe that I suggested that nontax-based communities should get less than tax-based communities. I believe I indicated that, today, we do not have a way to block fund nontax-based communities. We do have a way to block fund tax-based communities. I believe I also indicated that tax-based municipalities raise a considerable portion of their own revenues through taxation. I am at a bit of a loss to know what else I can provide to the Member at this point. Again, I am sorry that we do not have the detail that he is looking for here, but I can assure the Member that the department did look at the capital plan, the capital forecast that we have in place for all communities in terms of determining the amount that would be a fair and equitable amount for Fort Simpson to have for capital. It is our experience that communities will experience ebbs and flows of capital planning. There will be a few years where there are number of capital projects provided and then years where once needs have been met, there is a bit of a lull until population or other drivers indicate that there is a need again. We are not suggesting this is an amount that would be sustainable forever for Fort Simpson. We are saying this is the amount that was negotiated for these three years. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Ms. Ballantyne. Mr. Krutko.

**MR. KRUTKO:**

Just a clarification. The block funding as it stands now is \$1.525 million spread out over three years, at a total of \$4.5 million dollars. Is that correct?

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Krutko. Ms. Ballantyne.

**MS. BALLANTYNE:**

Thank you, Mr. Chairman. Yes, that is correct. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Ms. Ballantyne. Mr. Krutko, your time is up. I will have to recognize Mr. Roland at this time.

**MR. ROLAND:**

Thank you, Mr. Chairman. We have heard a few times this information will be supplied on a number of

issues brought forward. Hopefully, other departments will be picking up on this. Myself, looking at the motion that was defeated, was brought on because we need more information to deal with this item. I do not think it was to deal with a specific community. That just brought it forefront. Hopefully in the future, and I will be asking this next time, something like this comes forward, we will have the information, not only by yourself but, hopefully, other departments so we can avoid this kind of concern. I am sure the Member whose community we are speaking about, was quite concerned. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Roland. Madam Minister.

**HON. MANITOK THOMPSON:**

Thank you, Mr. Chairman. I think that was just a comment, no question to it. Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Madam Minister. Was there a question there, Mr. Roland?

**MR. ROLAND:**

Yes, Mr. Chairman. In the future, will the department be bringing forward this kind of information as to what brought about the figures that were negotiated and we can forego the long discussions? Thank you.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Roland. Madam Minister.

**HON. MANITOK THOMPSON:**

Thank you. Yes, we will provide all that information. We apologize for all this conversation and all these questions. We could have avoided it but we have to go back to those communities and get that information. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Madam Minister. Mr. Krutko.

**MR. KRUTKO:**

Thank you, Mr. Chairman. In regard to the way block funding seems to be arranged and practised in regard to discussion that has gone on so far today, it seems like there is not a real grasp of exactly who controls what. Especially in the way these funds have been

allocated. The formula that is used to come up with these amounts, also the idea of communities having the ability to use these funds and move them around.

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It worries me. You keep referring back to the example of the block funding arrangement for the different regions to block fund our regional fund to the different regions that are in place. In regard to the Beaufort Delta, it is through a negotiated process, yet in regard to the Keewatin, the formula, they seem like they want to take over infrastructure, operations and maintenance, capital, the whole works. It scares me to think that if this is the way we are dealing with this item, in this budget, and not having a grasp on exactly who is doing what and exactly what the amounts are for and exactly what the projects are going to be, I think we should really take a second look at exactly where this government is going, when it comes to regional empowerment. We are blocking block funding, everything lock, stock and barrel to any particular region with no controls or mechanisms in place to ensure accountability and the finances of this government are kept in tow. Someone has control of it from either the department or the Department of Finance or in this House. It seems like once we approve this budget, it is out of our hands. I thought with division coming around the corner, there are certain mechanisms that are in place where we have to know exactly what is the new government going to look like but also what control mechanisms which are in place to ensure this government is accountable, and how it goes forth with budgetary items. This is a good example. It is scary.

**CHAIRMAN (Mr. Steen):**

Thank you, Mr. Krutko. I am not sure I hear a question there but I will allow the department to respond. Madam Minister.

**HON. MANITOK THOMPSON:**

Thank you, Mr. Chairman. I would just like to say, there are a lot of restrictions and each community is allocated capital funds, based on their need. It is not that they just go and put out a shopping list. When we go line by line we know each community is allocated certain capital projects. This is not just a chaotic process where people do not know what is happening and it is just a dollar figure they put to it. There is a process that has been put in place for years and criteria for capital dollars. I am not sure what the question was, but I will ask my deputy

minister to elaborate more on that. I would just like to say there is a system in place and we follow it well. The capital dollars are based on the need of the community. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Madam Minister. I will allow the deputy minister to respond and then I will recognize the clock.

**MS. BALLANTYNE:**

Thank you, Mr. Chairman. Mr. Chairman, I think I heard a concern about accountability in the Member's comments. How is the community now accountable for that funding, once they get a block funding agreement, since they do not come back to the House with that detail?

It is probably fair to point out, accountability does shift to the community level. When block funded communities, which are taxed-based go out for capital projects, we are not providing them with 100 percent of the funding often that is required for those projects. They are frequently going out to borrow to finance the other portion that is required. In doing so they go to the rate payers for approval. Often these money bylaws are voted on in a plebiscite. There is some very direct accountability to the residents of that community for how their council plans to spend the block funded money they received from our department. There is still accountability directly to those ratepayers. If the ratepayers think that the project the municipality is proposing, is not one they wish to support, they certainly can defeat that plebiscite and therefore, the approval of the bylaw. There are checks and balances and it would be wrong for us to leave an impression with you that once this block funded money is voted, there is no longer any accountability and the municipality can go off and build whatever they like. In reality it just does not work that way. Their capital budgets are brought forward for review through a finance committee of their council. They are voted and discussed in their municipal councils in a very public forum. If there is a requirement for borrowing to supplement the funding, that is provided through the block funding agreement, which is done through a plebiscite and voted on by the ratepayers in the community. I would like to end there by saying although that detail does not appear here, it certainly is accounted for at the community level, by the community residents, directly to their council. I hope that is helpful. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Steen):**

Thank you, Ms. Ballantyne. With that, I would like to recognize the clock, rise and report progress. I thank the Minister and her witnesses for appearing before the committee.

**MR. SPEAKER:**

The House will come back to order. Good evening. We are on item 20, report of committee of the whole. Mr. Steen.

**ITEM 20: REPORT OF COMMITTEE OF THE WHOLE**

**MR. STEEN:**

Thank you, Mr. Speaker. Mr. Speaker, your committee has been considering Bill 8, Appropriation Act, 1998-99 and would like to report progress. Mr. Speaker, I move that the report of committee of the whole be concurred with.

**MR. SPEAKER:**

Thank you. Seconded by Mr. Ningark. 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 tomorrow at 9:00 a.m. of the Standing Committee on Government Operations, at 11:00 a.m. of the Caucus, at 11:30 a.m. of the Ordinary Members' Caucus, and at 12:00 noon of the Management and Services Board.

Orders of the day for Thursday, February 12, 1998:

1. Prayer
2. Ministers' Statements
3. Members' Statements
4. Returns to Oral Questions

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5. Recognitions of Visitors in the Gallery
6. Oral Questions

7. Written Questions
8. Returns to Written Questions
9. Replies to Opening Address
10. Petitions
11. Reports of Standing and Special Committees
12. Reports of Committees on the Review of Bills
13. Tabling of Documents
14. Notices of Motion
15. Notices of Motions for First Reading of Bills
16. Motions
17. First Reading of Bills
  - Bill 5, An Act to Amend the Financial Administration Act, No. 2
  - Bill 7, An Act to Amend the Territorial Court Act
  - Bill 9, Loan Administration Act, 1998-99
18. Second Reading of Bills
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 Main 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:**

This House stands adjourned until Thursday, February 12th at 1:30 p.m.

--ADJOURNMENT