



**NORTHWEST TERRITORIES
LEGISLATIVE ASSEMBLY**

5th Session

Day 24

13th Assembly

HANSARD

MONDAY, FEBRUARY 16, 1998

Pages 801 - 846

Page numbers reflect printed Hansard

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, Mr. Ningark, Mr. Ootes, Mr. Rabesca, Mr. Roland, Mr. Steen, Honourable Manikot Thompson.

ITEM 1: PRAYER

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

SPEAKER (Hon. Samuel Gargan):

Thank you, Mr. Enuaraq. Good morning. Before we proceed with Ministers' statements, I would like to advise the Legislative Assembly that I have received the following message from the Commissioner of the Northwest Territories.

Dear Mr. Speaker, I wish to advise that I recommend to the Legislative Assembly of the Northwest Territories the passage of the Supplementary Appropriation Act No. 3 1997-98 during the Fifth Session of the 13th Legislative Assembly. Yours truly, Helen Maksagak, Commissioner.

Orders of the day. Mr. Roland, your point of order.

POINT OF ORDER

MR. ROLAND:

Mr. Speaker, I rise on a point of order in relation to comments made by the honourable Member for Sahtu, Mr. Kakfwi, who is also a Minister of this government, in his Member's statement made on Friday, February 13th.

Mr. Speaker, my point of order is that it would appear that the Member for Sahtu made reference and quoted from a Cabinet document, a document, Mr. Speaker, that he would have access to as a Minister but not if he was an Ordinary Member. If this is the case, Mr. Speaker, I refer to citation 495(1) from Beauchesne's Parliamentary Rules and Forms, 6th edition:

A Minister is not at liberty to read or quote from a dispatch or other state paper not before the House without being prepared to lay it on the Table

Mr. Speaker, the Member for Sahtu did say and I quote from page 1261 of an unedited Hansard:

"The Inuvik Health Board recently overturned a Cabinet directive which was effective April 1, 1995."

The Member, Mr. Kakfwi, did say that the then Minister of Health and Social Services communicated this directive in writing. Mr. Speaker, it is my contention that the letter only mentioned two cabinet approved changes and as an Ordinary Member not having access to Cabinet documents, I am not sure that there were not other decisions contained in the same Cabinet decision. Mr. Speaker, if you rule that I have a point of order, I would then ask the Premier to consider tabling the entire Cabinet decision quoted from by the Member for Sahtu. Thank you.

MR. SPEAKER:

Thank you, Mr. Roland. I will allow for debate on this so that I am satisfied what I hear from the Members would then allow me to base my decision on. Mr. Morin.

HON. DON MORIN:

Thank you, Mr. Speaker. Mr. Speaker, it is my understanding that the Minister quoted from a directive of Cabinet that was sent. It is in the files of all the Sahtu leadership offices. It was a letter sent by the Minister of the day to the Sahtu leadership. My understanding is that is the document he was quoting from. Thank you.

MR. SPEAKER:

Thank you. Are there any further comments? Mr. Roland.

MR. ROLAND:

Thank you, Mr. Speaker. Mr. Speaker, although he made reference to a letter that contained two approved changes from Cabinet, he also made reference to a Cabinet directive which became effective April 1, 1995. As an Ordinary Member, I do not have that document which I can refer to, if that document includes any other decisions that would affect what the Inuvik Regional Health Board can do. So that is the reason I raise this point, as an Ordinary Member, I am not able to reference any of those

materials, Therefore, limiting the way I can effectively represent the constituents in my community. Thank you.

MR. SPEAKER:

Thank you. Mr. Roland your point of order is well noted and I reserve my decision until we review Hansard. Thank you. Orders of the day. Item 2, Ministers' statements. Mr. Antoine.

ITEM 2: MINISTERS' STATEMENTS

Minister's Statement 58-13(5): Accidental Death of Department of Transportation Employee

HON. JIM ANTOINE:

Thank you, Mr. Speaker. Mr. Speaker, I have an emergency statement. Mr. Speaker, it is my sad duty today to rise and inform Members that a 15-year employee of the Department of Transportation in the Baffin region was killed in a tragic accident yesterday while working on the job near Nanisivik. While we do not have all of the details at this time,

Page 802

Mr. Aiyow Qavavauq was killed yesterday evening while he and another worker were working to open the highway between Nanisivik and Arctic Bay.

The accident is under investigation, and we are doing all we can to assist the family in this tragic time. On behalf of the government and the Members of this House, I extend my deepest condolences to the family, friends and co-workers. Mahsi, Mr. Speaker.

MR. SPEAKER:

Thank you, Mr. Antoine. Ministers' statements. Mr. Morin

Minister's Statement 59-13(5): Ministers Absent From the House

HON. DON MORIN:

Thank you, Mr. Speaker. Mr. Speaker, I wish to advise Members that the Honourable Kelvin Ng will be absent from the House for today and tomorrow to attend the Ministers of Health Conference in Toronto, Ontario. As well, the Honourable John Todd will be absent from the House for today and tomorrow to attend the Manitoba Trade Mission in Rankin Inlet. Thank you, Mr. Speaker.

MR. SPEAKER:

Thank you. Ministers' statements. Mr. Dent.

Minister's Statement 60-13(5): Heritage Day in Canada

HON. CHARLES DENT:

Thank you, Mr. Speaker. Good morning. Mr. Speaker, today is Heritage Day. Every year the Heritage Canada Foundation proclaims the third Monday of February as Heritage Day and coordinates activities across Canada. The foundation has chosen as its theme this year the 100th anniversary of the Yukon Territory's entry into Confederation. In the NWT, cultural organizations have selected themes and activities which are appropriate to their communities. I would like to inform the Members of this Assembly of some of the activities that will be carried out across the NWT. In Iqaluit, the Nunatta Sunakkutaangit Museum is planning a week-long demonstration of Inuit games and will exhibit a heritage-careers display prepared by Education, Culture and Employment staff. In Baker Lake, the Inuit Heritage Centre is assisting community elders in recording traditional songs, which will be put on a compact disc for use by the community.

The Norman Wells Historical Centre will present films from the National Film Board to local school groups today. The Northern Life Museum in Fort Smith has planned a week-long series of traditional craft demonstrations, organized by the Youth Environmental Corps project. Yesterday, the Prince of Wales Northern Heritage Centre held an Amazing Sundays event, which focused on the Arctic explorer, Vilhjalmur Stefansson. Activities included a live history performance by well-known author and actor, Jamie Bastedo, a showing of the Nation Film Board movie Stefansson, the Arctic Prophet, a tour of the Stefansson artifacts in the north gallery and dog sled rides on Frame Lake. Although the Northern Heritage Centre is normally closed to the public on Mondays, the doors will be open today to encourage participation in Heritage Day events. Special activities include a heritage film festival, as well as Heritage Day crafts and quizzes.

Our ties to culture and heritage are strong here in the north. These ties give us a sense of identity and community, and help to give us confidence in our future. Heritage Day is an excellent opportunity to celebrate our vast and beautiful land, to reaffirm

values, ideals and aspirations that are important to our identity. Thank you, Mr. Speaker.

MR. SPEAKER:

Thank you. Ministers' statements. Mr. Kakfwi.

Minister's Statement 61-13(5): Spirits in the Sun Festival

HON. STEPHEN KAKFWI:

Mr. Speaker, last week I had the honour of attending the opening of the first Canadian Indigenous Arts Festival in Scottsdale, Arizona. Over 20 territorial artists participated in the festival, which featured the art and culture of Canada's First Nations, Inuit and Metis. As a showcase for indigenous arts and crafts, the festival was a prime opportunity for individual artists and artisans, as well as businesses, to develop contacts and knowledge in marketing and sales. We were pleased to see a strong delegation of individuals and businesses from the Northwest Territories. In particular, 12 Dene women representing seven western Arctic communities, took advantage of this opportunity to further economic development of the traditional arts and crafts industry in their communities.

The Department of Resources, Wildlife and Economic Development was pleased to provide support for this venture. The Northwest Company, a co-organizer of the festival, received assistance, as did the Dene Cultural Institute. The NWT Development Corporation was also in attendance representing many of its community-based subsidiaries, along with Arctic Canada Trading.

Artists in attendance included carver Sonny McDonald of Fort Smith, who I would like to commend for his personal initiative in travelling to this festival. The NWT Development Corporation sponsored four artists: Antoine Mountain, Bill Nasogaloak, Dolphus Cadieux and Dawn Oman. The Dene Cultural Institute assisted 12 Dene women to attend: Marie Louise Norwegian and Sara Hardisty from Fort Simpson, Judy Lafferty and Mary Barnaby from Fort Good Hope, Margaret Nazon from Tsiigehtchic, Lucienne Yakaleya and Georgia Jacobsen-Masazumi from Yellowknife, Theresa Wah-Shee and Pamela Zoe from Rae, Doreen Westrum from Ndilo and Carolyne and Nancy Bonnetrouge from Fort Providence. The Northwest Company featured Inuit art with Kenoujuak, Jimmy Manning and Gyta Maniapik in attendance.

Mr. Speaker, my department will continue to support these activities as an effective way to expand markets for northern arts and crafts. Arts and crafts are a viable economic option for many communities, and I believe by increasing the profile of these products many of our young people will be inspired to consider occupations which maintain the traditional culture and richness of the north. Thank you.

--Applause

MR. SPEAKER:

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

Page 803

Minister's Statement 62-13(5): Camps for Adult Offenders

HON. GOO ARLOOKTOO:

Thank you, Mr. Speaker. Mr. Speaker, when I took the position of Minister of Justice, one of my first areas of interest and concern was alternatives to jail. I believe that it is important that our justice system attempt to provide a more culturally appropriate alternative to incarceration, an approach that focuses on healing the offender and leaves them with a foundation to improve their lives. Keeping in mind, Mr. Speaker, the need to strike a balance between ensuring public safety and maximizing opportunities for offenders to return to being productive members of society.

I am pleased to report that progress has been made in developing alternatives to incarceration for offenders in the north. For a number of years, camps have been a viable option for the placement of some young offenders. To this end, the department has extended this model to adults. Over the past year, community members have established eight camps for adult male offenders across the NWT, in cooperation with Correctional Services. Camps are located near Rae Lakes, Pellet Lake, near Lupin Mine, Hay River, Fort Smith, Pond Inlet, Aklavik, Fort McPherson and most recently, Fort Providence. The department is following up on these positive developments and we are now in discussions with community leaders in Pangnirtung and Arviat. It is hoped that the program will expand to these communities soon. Currently, there are 27 adult offenders in camps.

These camps allow lower risk offenders, who would otherwise have to serve their sentence in a correctional institution, to be kept out of the institution and closer to their home communities for at least part of their sentence. In addition, some camps provide opportunities for offenders to develop traditional land-based skills such as hunting, fishing and trapping. I look forward to working with interested parties and to continue to move forward on this important initiative. Thank you, Mr. Speaker.

--Applause

MR. SPEAKER:

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

ITEM 3: MEMBERS' STATEMENTS

Member's Statement 250-13(5): Condolences to the Family of Aiyow Qavavauq

MR. BARNABAS:

(Translation) Thank you, Mr. Speaker. I will be speaking in Inuktitut. Good morning. Today, I would like to send my sincere condolences to the family and friends of the late Aiyow Qavavauq, who unfortunately passed away this weekend in Nanasivik. He will be sadly missed by the communities of Arctic Bay and Nanisivik. Aiyow was very well known by many in Arctic Bay and Nanisivik. He was born in another community in Nunavut in 1943 on December 25th. (Translation ends)

MR. SPEAKER:

Thank you. We will continue with Mr. Barnabas at a later time. Members' statements. Mr. Enuaraq.

Member's Statement 251-13(5): Clean up of Cape Christian

MR. ENUARAQ:

Thank you, Mr. Speaker. Good Morning. Mr. Speaker, today I would like to talk about Cape Christian. Cape Christian is a former American coast guard station located 12 miles northeast of Clyde River. The Americans established the station in 1952. It is currently abandoned. In 1975, ownership of the station was transferred to the Canadian government. The federal government in turn sold the entire infrastructure to the Government of the NWT. The Government of the NWT is the current owner of the

site. PCB cleanup of the site is almost completed but, Mr. Speaker, there are still garbage and abandoned buildings on the site. More cleanup is needed to get rid of the garbage and abandoned buildings. The site is a threat to the safety and environment of Clyde River. Mr. Speaker, the community of Clyde River would like the site cleared of abandoned buildings and the garbage cleaned up. Thank you.

MR. SPEAKER:

Thank you. Members' statements. Mr. Rabesca.

Member's Statement 252-13(5): Challenges for Young People

MR. RABESCA:

Thank you, Mr. Speaker. Mr. Speaker, today I rise with a concern that all of my colleagues have commented on at one time or another, that being the lack of challenges for our young people. The younger generations are always bored. They never have enough to do. Mr. Speaker, when you and I grew up, we were always doing something. Our parents had us do chores around the camp or house. It was a family working together to conquer the elements. Our traditional ways to a degree have been lost. Today our children do not have to work as hard as we did. Children today do not have to cut wood, go hunting and fishing for their food and clothing and many of the other daily events that we did.

When we grew up, not only did we have to work hard but it also challenged us. We had to go out in 40 or 50 below weather to get wood, food and everything else that we needed to ensure our survival. Today our children are not challenged. They do not have the physical challenges or the mental challenges it takes to create a good life for themselves. Young children today are getting involved in alcohol and drugs because they think it is cool and mainly because they do not have anything else to do.

There are many things we, as parents, want for our children. We want them to grow up with all the things we did not have. We want them to live a full and rewarding life but if we, as parents and as a community, cannot provide guidance and challenges for our youth, they will walk down a dead-end path to oblivion. In my community, the parish council recognizes these problems with our youth and tonight is having a meeting to form a committee to address many of the concerns these children have. I hope the committee does address these concerns and wish

them all the best in their efforts. Thank you, Mr. Speaker.

MR. SPEAKER:

Thank you. Members' statements. Mr. Miltenberger.

Member's Statement 253-13(5): Midget Hockey Selection

Page 804

Process

MR. MILTENBERGER:

Thank you, Mr. Speaker. Mr. Speaker, today I unfortunately rise again to speak about the midget hockey selection process for the Arctic Winter Games. Mr. Speaker, I say it is unfortunate because in an ideal world, or even one where there is common sense, this kind of situation should not have to be dragged into the floor of the Assembly and brought before the Minister of Municipal and Community Affairs. Until the Minor Hockey Association and Sport North can get their act together and respond to the questions arising from the selection process for midget hockey, I feel there is no choice but to bring this matter up in this House. There is a lot at stake here, Mr. Speaker. There has been a lot of time and effort spent. This issue has now been in the public for a number of weeks. The Minister has tried to resolve this situation, but I do not think her officials or the minor hockey officials have given her the specific responses that she needs to be able to reply to the concerned parents and players.

There are outstanding issues with the players' evaluations, the list of alternates, the fact that an all-star game was played under the guise of being a meaningful part of the process. In fact, it appears that the team was picked before the all-star game and the all-star players even skated on the ice. There is a situation with the Air Canada cup, which normally goes to the winner of the tournament, which was a team from the South Slave. After the fact the minor hockey chooses to make a reversal of this position it seems and go with the all-star Arctic Winter Games team contrary to all the other standard practices in regard to the Air Canada cup. As well, the president of the Midget Hockey, Mr. Bedard has yet to actually formally contact any of the concerned families or hockey players except through a fax. A very impersonal, casual brush off of very legitimate concerns. I would like to ask the Minister if she would

again look a little further into this matter. I commend her for the work she has done so far, but I believe it is time for the officials involved to come up with some clear straight answers. Do not slag people off. There is a lot at stake here. There are some young people who have devoted a lot of time and effort to take part in what they thought was a fair and open process. From what I can see, that has not been the case. Thank you, Mr. Speaker.

MR. SPEAKER:

Thank you. Members' statements. Mr. Ootes.

Member's Statement 254-13(5): Termination Benefits for Laidoff Employees

MR. OOTES:

Thank you, Mr. Speaker. Mr. Speaker, I have been told there is a great deal of disgruntlement from laidoff employees about the administration of their termination benefits. Many are still on strength and I have again been told they feel they have difficulty in notifying and are reluctant to notify their MLAs with these particular problems. Some of these layoffs were expected by the affected employees; some were justified under the judgement of performance and some were a total surprise to the employees. However, all are hurting somewhat. When they turn to personnel officers to arrange their respective termination, there are issues of unused vacation time, severance pay and length of notice period in which they are still on strength and finally, pension. There are many combinations and permutations of these benefits which vary depending on many factors such as length of service, age, type of layoff et cetera.

There is no central specialist on these benefit issues. Each department's personnel officer is supposed to know the answers. However, they do not. An officer in one department gives one response and contradictory decision comes from another department. For example, can I use part of my severance to extend my service for some months and get the rest of the severance entitlement paid out as cash? One officer says yes. Another says no. You must choose to take severance as a total payout or totally use it up in extending service.

For public servants who have contributed the prime time of their lives to the NWT and are smarting from the method of a layoff, it is insulting to find that the employer does not even know what the provisions of a layoff are. Do the employees from the departments

with more knowledgeable personnel officers get better deals? That is a question, Mr. Speaker. No doubt, the personnel officers, themselves, are exasperated and feel threatened for not having the proper answers for irate employees or giving wrong answers. This is a result of eliminating the Department of Personnel and not retaining the expertise it had in another form, especially with all the pending layoff situations that must have been anticipated. At this vulnerable and confusing point in their lives, the government they have dedicated themselves to is unable to give them the straight information they need to get on with their lives. Thank you, Mr. Speaker.

--Applause

MR. SPEAKER:

Thank you, Mr. Ootes. Members' statements. Mr. Ningark.

Member's Statement 255-13(5): Kitikmeot-Based Adult Offenders Camps

MR. NINGARK:

Thank you, Mr. Speaker. Mr. Speaker, I listen with intent when the Honourable Goo Arlooktoo made a statement regarding camp for adult offenders. I agree with the Minister when he talks about the need to strike a balance between ensuring public safety and maximizing opportunities for offenders to return to being productive members of society. I also agree when he talks about the meaning of the wonderful thing that the camp will do for the community. However, Mr. Speaker, one area that I have not heard the honourable Minister talk about is a program for the Natilikmiot region. The honourable Minister talks about and I quote, "over the past year, community members have established eight camps for adult male offenders across the NWT, in cooperation with Correctional Services. Camps are located near Rae Lakes, Pellet Lake, near Lupin Mine, Hay River, Fort Smith, Pond Inlet, Aklavik, Fort McPherson and most recently, Fort Providence." He also talks about programs for Arviat and Pangnirtung. My question is, Mr. Speaker, what about the Natilikmiot region? Do we have the lowest incarceration rate in the NWT or is Natilikmiot a low priority? Where does the Natilikmiot region come in? Thank you, Mr. Speaker.

MR. SPEAKER:

Thank you. Members' statements. Mr.

Roland.

Member's Statement 256-13(5): Lahm Ridge Tower Transaction

MR. ROLAND:

Thank you, Mr. Speaker. Mr. Speaker, I had an opportunity to travel back home to my community of Inuvik and spend time with family as well as individuals of the community. Mr. Speaker, the issue of the Lahm Ridge Tower has been in the air and people have been discussing it for quite a lengthy time. It has gone on and on and on. It is like a record that keeps on bouncing and going back to the same subject.

Mr. Speaker, the people out there, who do not see all the picture or just see part of the picture, are concerned. There was reference made to me about, as a representative of this government, how does it feel to be part of a banana republic? Mr. Speaker, I did not run in a campaign to be stamped, painted and put into this category - not without my own doing anyway. I would say, in reference to when somebody thought it and would put me down, I thought about what we are doing as a government. On many occasions I have stood up here and talked about the people we represent, the hard job we have done in balancing the budget and trying to move ahead and do the good things the people are expecting of us. It is that kind of situation, Mr. Speaker that, indeed, put us into a bad light. We need to deal with the issue by whatever means, but deal with it and move on with business. I, myself, have listened to many questions and have not taken part, but there are a number of questions I feel need to be answered when I am reviewing all of the information. There are too much lying and moving around and not being clarified. It is time to get some clarity and deal with the issue and put it to rest. Instead of being referred to as a Banana Republic, we can be referred to as a responsible government that is taking care of some difficult situations and made the right choices to move forward, in that we can truly say the 13th Assembly represented the people of the territories to the best of its ability and made wise and right choices. Thank you, Mr. Speaker.

MR. SPEAKER:

Thank you. Members' statements. Item 4, returns to oral questions. Ms. Thompson.

ITEM 4: RETURNS TO ORAL QUESTIONS

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

HON. MANITOK THOMPSON:

Thank you, Mr. Speaker. I have a return to an oral question asked by Mr. Krutko on February 11, 1998, termination of NWT ski coach.

The Department of Municipal and Community Affairs provided \$10,000 during 1997-98 for this position. The NWT ski division also obtained funding from Human Resources Canada to support his paid coaching position and expand its programs into 12 communities through a training and employment program for community coaches.

On February 5th, the NWT ski coach received a termination letter from NWT ski division effective immediately. Staff from the Department of Municipal and Community Affairs met with both parties and reviewed the events that led to the termination.

I am advised that the termination provision of the employment contract was followed. The NWT ski division has acted within its authority in terminating this contract and is accountable to its membership for this decision. Thank you.

MR. SPEAKER:

Thank you. Returns to oral questions. Mr. Antoine.

Return To Oral Question 240-13(5): Lahm Ridge Tower Lease Renewal; 286-13(5): Lahm Ridge Tower Lease Renewal; 304-13(5): Responses to Previous Questions

HON. JIM ANTOINE:

Mahsi, Mr. Speaker. Mr. Speaker, a return to oral questions asked by Mr. Ootes, February 6th, 11th, and 12th, 1998, in regard to Lahm Ridge Tower Lease Renewal.

Mr. Al Marceau did not contact the Department of Public Works and Services within three or four months before July, 1997. Public Works and Services had brief contact with Mr. Marceau and his company in November, 1996 and in January and February, 1997, to confirm the over hold status of the lease.

Departmental officials were not engaged in negotiations about the lease extension or about Lahm Ridge Tower, prior to August 3, 1997 with individuals

outside the department other than the owner, Mr. Marceau.

Mr. Speaker, I also have another return to oral questions. This one was asked by Mr. Krutko on February 11, 1998 in regard to the cost of Yellowknife office lease renewals.

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

The renewal costs of the four office leases renewed in Yellowknife in the past two years are as follows:

- Centre Square \$4.7 million
- Lahm Ridge Tower \$8.9 million
- Northern United Place \$12.1 million
- Professional Building \$1.5 million

Mahsi, Mr. Speaker.

MR. SPEAKER:

Thank you. Returns to oral questions. Item 5, recognition of visitors in the gallery. Item 6, oral questions. Mr. Ningark.

ITEM 6: ORAL QUESTIONS

Question 326-13(5): Kitikmeot-Based Adult Offenders Camps

Page 806

MR. NINGARK:

Thank you, Mr. Speaker. My question is for my honourable colleague, Mr. Arlooktoo, regarding a camp for adult offenders across the NWT. As I indicated in my Member's statement, when I asked a question, where does the Kitikmeot region stand in all the programs across the NWT? Mr. Speaker, I have stood up in this House in the past talking about a request of Gjoa Haven to have a hunter's camp within the community. I do not know if the Minister was the Minister of the department, but I have, indeed, spoken about this to other Ministers about the request to have the camp for young offenders, especially.

Mr. Speaker, the Hamlet of Gjoa Haven and the public of Gjoa Haven has approached me to request a program. As I noted in my statement earlier, just about every other region has enjoyed such a program except the Kitikmeot region. My question is, where

does the Kitikmeot stand, according to the Minister of Justice? Thank you.

MR. SPEAKER:

The Minister of Justice, Mr. Arlooktoo.

Return To Question 326-13(5): Kitikmeot-Based Adult Offenders Camps

HON. GOO ARLOOKTOO:

Thank you, Mr. Speaker. The issue of where camps is located is one that I have looked into and it is clear to me that there is a bit of an imbalance of how many camps there are, for example, on the Nunavut side and the western side. There are several reasons for this, but one of the more important ones, one I would suggest, is the lack of a camp near the Kitikmeot communities. Although, I did say there was one in Pellet Lake, which in most peoples' eyes, is in the Kitikmeot. The communities and the regions need to be more assertive, aggressive and work more closely with the Department of Justice in putting these camps together. I will say to the Member that the Department of Justice is serious in its interest to work with the MLA in the community to see what we can do make a young offender's camp a reality in the Kitikmeot region. Thank you.

MR. SPEAKER:

Oral questions. Second supplementary, Mr. Ningark.

Supplementary To Question 326-13(5): Kitikmeot-Based Adult Offenders Camps

MR. NINGARK:

Thank you, Mr. Speaker. Pellet Lake does not stand in the middle of Kitikmeot region nor close to my communities of Pelly Bay, Gjoa Haven or Taloyoak. It is closer to the treeline than anywhere else. Mr. Speaker, how soon will the Minister refocus or re-evaluate his priorities? Thank you.

MR. SPEAKER:

Mr. Arlooktoo.

Further Return To Question 326-13(5): Kitikmeot-Based Adult Offenders Camps

HON. GOO ARLOOKTOO:

Thank you, Mr. Speaker. I can ask the department immediately to look at past correspondence to see what has been discussed so far. There are several things we need to look at. One is the number of suitable offenders, so to speak. You do not want offenders in camps who could be a possible danger to themselves or to others. The other thing is you need the cooperation of the community, and you need suitable candidates to run these camps. I can look into it immediately. Thank you.

MR. SPEAKER:

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

Supplementary To Question 326-13(5): Kitikmeot-Based Adult Offenders Camps

MR. NINGARK:

Thank you, Mr. Speaker. When we talked about a need for offenders, I think, at the same time we have to look at a need for victims. My question is, will the Minister communicate with me before the end of the month about his plan? Thank you.

Further Return To Question 326-13(5): Kitikmeot-Based Adult Offenders Camps

HON. GOO ARLOOKTOO:

Thank you, Mr. Speaker. The answer is yes I will keep in contact with the Member on that. The other thing we need to keep in mind, when we are talking about these young offenders camps, is the amount of resources that the Department of Justice does or does not have. I do need to point out the fact there are limited funds in the department for this program, but we realize the importance and usefulness of having some classes of offenders to be out, either in camp-style or group home-style situations, rather than in institutions. Thank you.

MR. SPEAKER:

Oral questions. Mr. Enuaraq.

Question 327-13(5): Clean up of Cape Christian

MR. ENUARAQ:

Thank you, Mr. Speaker. As I indicated in my Member's statement, Cape Christian is a threat to the safety and environment of Clyde River. My question will be directed to the Honourable Mr. Kakfwi. Can the

Minister advise me when will the cleanup of Cape Christian and coast guard station be completed?
Thank you.

MR. SPEAKER:

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

Return To Question 327-13(5): Clean up of Cape Christian

HON. STEPHEN KAKFWI:

Thank you, Mr. Speaker. I do not have the specific information available to me at this time. I will take the question as notice and get back to the Member.
Thank you.

MR. SPEAKER:

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

Question 328-13(5): Termination benefits for Laidoff Employees

MR. OOTES:

Thank you, Mr. Speaker. Earlier today, I spoke about the difficulties those laidoff individuals from this government are having. My question will be for the Premier as the Minister responsible for the Executive. Could the Premier tell us if there is one document which is available to the

Page 807

personnel officers that would cover all the benefit options available to laidoff employees?

MR. SPEAKER:

Mr. Premier.

Return To Question 328-13(5): Termination benefits for Laidoff Employees

HON. DON MORIN:

Thank you, Mr. Speaker. I will take the question as notice and I will have the Minister get back to the Member. Thank you.

MR. SPEAKER:

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

Question 329-13(5): Midget Hockey Selection Process

MR. MILTENBERGER:

Thank you, Mr. Speaker. My question is going to be addressed to the Premier in regard to the hockey selection process in the South Slave. As I indicated in my Member's statement, unfortunately, this is the third time I have brought this issue up in the House. The Minister has made every reasonable attempt to, in fact, get information, but I do not believe the organizations that are involved have given her the information she needs to clearly reply to the families and hockey players involved. I wrote another letter to the Minister this morning. I would like to ask the Premier if he could commit to ensuring that the organizations provide the proper information, so the Minister can respond, hopefully, to these families and hockey players and this matter can finally be put to rest. Thank you.

MR. SPEAKER:

Mr. Premier.

Return To Question 329-13(5): Midget Hockey Selection Process

HON. DON MORIN:

Thank you, Mr. Speaker. When Members ask for information and when Members ask for answers to their questions we do take those requests seriously. I will work with the Minister of MACA to get as much information that is there for the Member. Thank you.

MR. SPEAKER:

Oral questions. Supplementary, Mr. Miltenberger.

Supplementary To Question 329-13(5): Midget Hockey Selection Process

MR. MILTENBERGER:

Thank you, Mr. Speaker. I would like to thank the Premier for that commitment. The issue is not so much that I require information. It is the families and hockey players in the South Slave, who have been affected by this particular process, who require information and answers. I am asking, could the Premier and Minister encourage the organizations

involved to actually take the time to talk to these people? They have received, so far, just one fax. There has been no other formal contact that I am aware of and it seems very unfortunate that organizations do not take the time to solve these problems. Instead, it is left to forums such as this. Thank you.

MR. SPEAKER:

Mr. Morin.

Further Return To Question 329-13(5): Midget Hockey Selection Process

HON. DON MORIN:

Thank you, Mr. Speaker. Through the Minister of MACA we will make that request, and it is better that the organizations involved deal directly with the parents and the people involved. I know the Member is raising the issue on behalf of his constituents. I commend him for that and we will work with the Minister to work with the organizations that are involved to deal directly with the parents and the players who have been affected. Thank you.

MR. SPEAKER:

Thank you. Oral questions. Mr. Krutko.

Question 330-13(5): Aklavik Proposal For an Adult Offenders Camp

MR. KRUTKO:

Thank you, Mr. Speaker. My question is for the Minister of Justice, Goo Arlooktoo. It is in relation to the camps for adult offenders. Mr. Speaker, I believe it was last year and the year before, there were funds allocated to the communities of Aklavik and Fort Resolution for such a camp which were approved by this government. It was recognized in the budget, but yet, it was cancelled by the previous Minister. I see the same alternative is being put forth again. In light of this initiative, where money has already been spent in the planning and proposal stage from the community of Aklavik to the Knut Lang camp, I would ask the Minister of Justice, will he consider relooking at that proposal of this new initiative, in which, I believe, work has already been done? Can the Minister tell me if he will consider reinstating that proposal?

MR. SPEAKER:

The Minister of Justice, Mr. Arlooktoo.

Return To Question 330-13(5): Aklavik Proposal For an Adult Offenders Camp

HON. GOO ARLOOKTOO:

Thank you, Mr. Speaker. The Member did mention this all occurred before I became Minister of Justice, but that aside, the camps that I spoke about for adult offenders in my statement were relatively low cost, unsophisticated bush camp types, as opposed to the facilities that were at one point planned for Aklavik and Fort Resolution, that were unfortunate victims of the cuts we made at the beginning of our Assembly. I would have to do some research on what further thought has been put into those facilities. I do know the situation with funding is still not good. We still have not received an influx of capital dollars. It would be quite difficult. Thank you.

MR. SPEAKER:

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

Supplementary To Question 330-13(5): Aklavik Proposal For an Adult Offenders Camp

MR. KRUTKO:

Thank you, Mr. Speaker. In the whole area of cost saving to this government, this probably will be a cost-saving initiative where a lot of inmates and young offenders are sent to southern facilities, because we do not have any facilities

Page 808

in the Inuvik region for such an event. There has been \$50,000 spent with regard to the whole proposal to date. There has been a proposal drafted which it was approved by the Department of Justice at one time. I would like to ask the Minister again, in light of the consideration of looking at saving money for this government, would he consider relooking at this proposal with the possibility of a new method of dealing with inmates, keeping them at home, because of the cultural aspect he made reference to in his statement? It is important to keep the people as close to home as possible. Will the Minister consider relooking at this and if it is a question of cost, can he sit down with the different parties to try to resolve that?

MR. SPEAKER:

Thank you. Two questions. Mr. Arlooktoo.

Further Return To Question 330-13(5): Aklavik Proposal For an Adult Offenders Camp

HON. GOO ARLOOKTOO:

Thank you, Mr. Speaker. It is important to note that it is a consensus amongst most people, it is better for a portion of offenders that they do not spend time in institutions, depending on the severity of their criminal acts and the danger they pose to themselves or to the public. If we cannot keep them out of institutions and assist them in turning their lives around elsewhere, that is the way to go. The issue of a facility for Inuvik or Mackenzie Delta is one that I saw in briefings which have been brought up on quite a number of occasions through the years by the Member, by the MLA for Inuvik and by others. The Department of Justice has been putting together a review of what to do with the situation. Of course, you always have balances set up with the resources at hand, but I can tell the House that we are expecting a report to be made available to myself by the end of this month that will look at the whole area of young offenders' facilities and their locations. Members may know that the young offender's facility in Hay River requires replacement due to safety concerns and the replacement or possible relocation is something I am prepared to look at. Thank you.

MR. SPEAKER:

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

Supplementary To Question 330-13(5): Aklavik Proposal For an Adult Offenders Camp

MR. KRUTKO:

Thank you, Mr. Speaker. In light of the overcrowding and amount of hours guards and inmates, we are seeing a real increase in the number of inmates. I think that is one alternative this government can look at, in savings, due to increases we are seeing in the budget regarding overtime for the guards. This is one way that you stimulate the economy of the Beaufort Delta. Mr. Speaker, I would like to ask the Minister if he can seriously consider looking at this proposal and considering there will be savings in the long-run and considering the increased costs to this government in regard to the number of inmates we have in our facilities now, would he take that into consideration and put a serious effort to look at this proposal?

MR. SPEAKER:

Mr. Arlooktoo.

Further Return To Question 330-13(5): Aklavik Proposal For an Adult Offenders Camp

HON. GOO ARLOOKTOO:

Thank you, Mr. Speaker. Certainly, the cost benefit comparison is one the government always looks at. Rather than taking this question as notice, I think it would be best in our budget review process. The Department of Justice is next on the order paper. I would be pleased to discuss this in further detail during that process. Thank you.

MR. SPEAKER:

Thank you. Oral questions. Mr. Roland.

Question 331-13(5): Available Office Space

MR. ROLAND:

Thank you, Mr. Speaker. Mr. Speaker, in my Member's statement, I made reference to the Lahm Ridge Tower and us, as Members, being referred to, as representing a banana republic. I should tell that person maybe it is like a snowflake republic. No bananas in this country. Mr. Speaker, we have heard many questions and we have heard some answers and we have skirted around the issue time and time again. I would like to address the question to the Minister of Public Works and Services. It is in reference to the office space that we have available, surplus office space of 75,000 square feet and Lahm Ridge Tower having office space of 45,000 square feet. Hearing the Minister, in the past, say this has been a good business decision, that we are saving money, my question is, in that 75,000 square feet, that we are already leasing, already paying for, is it a true net savings, when we could have moved people into some available space, instead of signing another agreement that costs this government \$1.2 million a year? Would there be a savings by moving them across into some of this available space? Thank you.

MR. SPEAKER:

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

Return To Question 331-13(5): Available Office Space

HON. JIM ANTOINE:

Thank you, Mr. Speaker. Mr. Speaker, no, there will not be a net saving. We have some office spaces that are surplus, however, there are pockets of them throughout the whole lease arrangements in Yellowknife. We have about 11 leases for different buildings. Yes, we do have surplus space, but there are pockets of them all over the place. Lahm Ridge Tower contains all of the Education, Culture and Employment (ECE) offices and the Department of Transportation's section of the administration. If we had vacated Lahm Ridge Tower, then we would have had to split up these two departments into little pockets all over the place in Yellowknife to fill these surplus places.

Since the Government of the Northwest Territories had occupied Lahm Ridge Tower, we have put a lot of money into tenant improvements, carpets and so forth. We would have lost that, plus moving. In the long-run we would not have had any net savings by disrupting two existing program deliverers and moving them into pockets of those spaces throughout Yellowknife. Thank you.

MR. SPEAKER:

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

Page 809

Supplementary To Question 331-13(5): Available Office Space

MR. ROLAND:

Thank you, Mr. Speaker. There are two departments in Lahm Ridge right now, Education, Culture and Employment, as well as, Transportation. Splitting those departments up, there is no available space within our surplus office space arrangement we have right now? If you took Education, Culture, you could not put them into one area or Transportation into another? Thank you.

MR. SPEAKER:

Mr. Antoine.

Further Return To Question 331-13(5): Available Office Space

HON. JIM ANTOINE:

Thank you, Mr. Speaker. That is correct. Again, we have surplus spaces throughout the office leases in Yellowknife, but not one that is large enough to take in existing office spaces in Lahm Ridge Tower. Let us say for Education, Culture and Employment or the Department of Transportation, we would have had to further split them up in order to accommodate them in the surplus spaces. Thank you.

MR. SPEAKER:

Thank you. Oral questions. Mr. Ootes.

Question 332-13(5): Previous Assurances Regarding Unsigned Note

MR. OOTES:

Thank you, Mr. Speaker. My question will be for the Premier. I still have some concerns and questions about the Premier's response, the other day to Mrs. Groenewegen, regarding his certainty that no Cabinet Member sent an unsigned note to her. Could the Premier tell us, is the Premier's certainty that no Cabinet Minister wrote the note, based solely on his query of each Member? Thank you.

MR. SPEAKER:

I will rule the question out of order. The question has been asked already, and it has been answered. The question is out of order. Mr. Ootes, do you have another question?

Question 333-13(5): Assurance From Cabinet Members

MR. OOTES:

I do, Mr. Speaker. I have a question along the same lines, Mr. Speaker. The note is a very serious matter because the Member from Hay River perceived it to be intimidating and could possibly lead her to be reluctant to ask questions along the lines she was pursuing. My question is, is the Premier prepared to commit to further explain and back up his comment, I have never been more sure of anything in my life? What does the Premier base this comment on?

MR. SPEAKER:

Thank you, Mr. Morin. Do you wish to respond?

Return To Question 333-13(5): Assurance From Cabinet Members

HON. DON MORIN:

Thank you, Mr. Speaker. I have been a Member of this Legislative Assembly for about ten years. I have been a Member of Cabinet for six. I have been a human being now for 47 years. One thing I have learned, no matter what it was, diamond drilling, truck driving or whatever I did in my life, I have learned to take men and women at face value. I have the greatest of confidence in my Cabinet. I have the greatest of confidence in their honesty and their ability to carry out their job to represent the Northwest Territories. When I ask them a straightforward question, they give me an answer and I could say that I believe the answer and I can say in no uncertain terms that I believe in the Members of my Cabinet when they gave me that answer. Thank you.

MR. SPEAKER:

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

Supplementary To Question 333-13(5): Assurance From Cabinet Members

MR. OOTES:

I understand what the Premier is saying, but is he prepared to put up his reputation and position behind this strong position?

HON. DON MORIN:

I will resign tomorrow.

MR. SPEAKER:

I am sorry, Mr. Morin, I did not recognize you. Could you for the record Mr. Morin, repeat your response please?

Further Return To Question 333-13(5): Assurance From Cabinet Members

HON. DON MORIN:

Thank you, Mr. Speaker. If this Member or any other Member can prove one of my Cabinet Ministers wrote that note, you will have my resignation the same day. Thank you.

MR. SPEAKER:

Thank you. Oral questions. Mr. Miltenberger.

Question 334-13(5): Interjurisdictional Water Management

MR. MILTENBERGER:

Thank you, Mr. Speaker. My question is addressed to the Minister of RWED. It is in relation to the Mackenzie River Basin Board and Secretariat that has been structured and set up to implement the agreement that was signed between the Northwest Territories, Yukon, British Columbia, Alberta and Saskatchewan. Could the Minister indicate what is happening in terms of structuring of the board and when they will, in fact, start doing business and implementing all the necessary steps to become a functional entity? Thank you.

MR. SPEAKER:

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

Return To Question 334-13(5): Interjurisdictional Water Management

HON. STEPHEN KAKFWI:

Thank you. Mr. Chairman, we are under discussion presently with the other jurisdictions, with the other governments to designate certain officials within the governments that would be appointed to this board and to start formulating and drafting some ideas on how to go about the business of setting up the secretariat and a work plan for that

Page 810

new creature we are going to set up. Specific details will be available to Members probably in the next couple of weeks. Thank you.

MR. SPEAKER:

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

Supplementary To Question 334-13(5): Interjurisdictional Water Management

MR. MILTENBERGER:

Thank you, Mr. Speaker. Could the Minister indicate whether at this point he is satisfied with what has transpired? This agreement, will it be able to be implemented to protect the interests of the Northwest

Territories and the vast river and water systems we have within our boundaries? Thank you.

MR. SPEAKER:

Thank you. Mr. Kakfwi.

Further Return To Question 334-13(5):
Interjurisdictional Water Management

HON. STEPHEN KAKFWI:

Mr. Speaker, we are satisfied with the progress that we have made with our neighbouring jurisdictions over the last decade, culminating in the agreements that we have reached to date. It is commendable on the part of these neighbouring jurisdictions that they would make the kind of effort they have, to come to the agreement that we have reached to date to work together, to share resources, expertise and to share the responsibility and management of all the waters that flow between our jurisdictions to ensure that all of us can, in the future, look to responsible action on the part of governments for ensuring good quality water to all our residents in the jurisdictions involved. Thank you.

MR. SPEAKER:

Thank you. Oral questions. Mr. Ningark.

Question 335-13(5): Fire Safety Inspections

MR. NINGARK:

Thank you, Mr. Speaker. My question is directed to the Premier. Mr. Speaker, I was informed, when it comes to public safety inspections, home inspection by the fire marshal's office in our community by local fire fighters, pardon me Mr. Speaker, that all the public units were inspected except the private dwellings. It was indicated that all the public units are inspected routinely and private dwellings are inspected only at the request of the owner of the public dwelling. Mr. Speaker, are we categorizing safety? Thank you.

MR. SPEAKER:

Thank you. Mr. Premier.

Return To Question 335-13(5): Fire Safety
Inspections

HON. DON MORIN:

Thank you, Mr. Speaker. It probably is the case in the small communities where the public housing stock is inspected yearly for fire hazards and other hazards. The Member raises an excellent concern. I will take it up with the Minister responsible that we should have a program in our communities where homeowners can also request inspections from the fire marshal. It is available, but maybe it is not made public enough. We should make the public aware and we would be pleased to work with the Member on that issue. Thank you.

MR. SPEAKER:

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

Supplementary To Question 335-13(5): Fire Safety
Inspections

MR. NINGARK:

Thank you, Mr. Speaker. Everyone will realize that when it comes to public safety, whether you are living in public dwelling or private dwelling, that it is routine. I do not think that a person living in the private dwelling should have to make a request. Every home should be inspected at the same time on a yearly basis. Will the Minister inform the House that private dwellings will also be inspected during the time when public dwellings are being inspected? Thank you.

MR. SPEAKER:

Thank you. Mr. Morin.

Further Return To Question 335-13(5): Fire Safety
Inspections

HON. DON MORIN:

Thank you, Mr. Speaker. I do not believe the government has the authority to go into any person's home to inspect it for hazards. They have to be requested into a person's home to do that. I will check into it because I know some years back in Yellowknife they had a deal where the fire fighters, on your request, would come and inspect your home for you and let you know what the deficiencies were in your home so you could get them fixed. Maybe that would be the best approach in our small communities as well, but I will check with the Minister and have him work with the Member to solve this issue, as well as, any other Members if they so choose. Thank you.

MR. SPEAKER:

Thank you. Oral question. Mrs. Groenewegen.

Question 336-13(5): RCMP Attendance at the Legislature

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. Mr. Speaker, in late January I had occasion to meet with two members of the Royal Canadian Mounted Police, commercial crime division, in my office. This attendance at the Legislature by these members raised the concern of someone because it is my understanding that it precipitated correspondence between someone in this Legislature and the RCMP as to the rule, convention or protocol concerning the RCMP entering on the premises of the Legislative Assembly. Mr. Speaker, what I would like to ask the Minister of Justice today is, if he knows who wrote the letter or contacted the RCMP regarding this protocol? Thank you.

MR. SPEAKER:

Thank you. The Minister of Justice, Mr. Arlooktoo.

Return To Question 336-13(5): RCMP Attendance at the Legislature

HON. GOO ARLOOKTOO:

Thank you, Mr. Speaker. I would have to do some research on that one. I do not believe it is my

Page 811

duty or would be right for me to make suggestions as to who may have written the note. I probably do, but it would not be right for me to say here on the floor of the House. Thank you.

MR. SPEAKER:

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

Supplementary To Question 336-13(5): RCMP Attendance at the Legislature

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. Actually, what I am referring to is correspondence with the RCMP with respect to the issue of this Legislature's rule, convention or protocol with respect to RCMP members entering the premises of the Legislative Assembly. If there is such a rule, I, as an Ordinary Member, am not aware of it

and, obviously, the RCMP must not have been aware of it. There was some correspondence made to clarify this issue and I would like to know if the Minister is aware of that correspondence and whom it originated from? Thank you, Mr. Speaker.

MR. SPEAKER:

Thank you. Mr. Arlooktoo.

Further Return To Question 336-13(5): RCMP Attendance at the Legislature

HON. GOO ARLOOKTOO:

Thank you, Mr. Speaker. I think the question has been clarified. The RCMP was not requested by the government to come into the Assembly. It was not Members or the GNWT in general that raised the issue of concern of the RCMP coming into the House. It is all I can say. This was not a concern of the government then and we did not raise it. Thank you.

MR. SPEAKER:

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

Supplementary To Question 336-13(5): RCMP Attendance at the Legislature

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. It is my understanding that subsequent to this initial correspondence between someone, we do not know who, and the RCMP, there was a subsequent meeting between members of the RCMP and officials in the Department of Justice. Is the Minister saying he is unaware of this meeting between his officials and the RCMP regarding this protocol or convention? Thank you, Mr. Speaker.

MR. SPEAKER:

Thank you. Can I ask the Member for Hay River if you could rephrase your question please?

MRS. GROENEWEGEN:

I will try and rephrase this Mr. Speaker. Mr. Speaker, concern was raised by someone with respect to the protocol of RCMP entering the premises of the Legislative Assembly while the House was sitting. I do not know, as an Ordinary Member, if in fact, there is any rule. I called the RCMP. I asked the RCMP here. If I broke a rule or protocol, I want to know what the

rule is. If they broke a rule or protocol, I want to know what it is. I am telling you, I know that subsequently to that meeting, senior officials of the Department of Justice met with the RCMP to discuss this. Is the Minister aware of this?

MR. SPEAKER:

Mr. Arlooktoo.

Further Return To Question 336-13(5): RCMP Attendance at the Legislature

HON. GOO ARLOOKTOO:

Thank you, Mr. Speaker. We are dealing with some rumour and misinformation. The facts, as I understand them to be, are a note was passed to the Member for Hay River, a note that did not come from the government side nor from any Minister. I understand the Member for Hay River called the RCMP in to investigate whether a Minister did or did not and that is the reason they were here as I understand it. The Department of Justice has no authority or any control over the way the RCMP conducts its investigation. In fact, on the contrary, we make sure we stay out of any perception that we may be interfering with their investigations.

The prosecution side of justice belongs in the hands of the federal government. They have their own shop here in Yellowknife and they deal with that side. The Government of the Northwest Territories has nothing to do with that. I understand from the Member's question that someone, here again we do not know who, was concerned with the fact that the RCMP came here to the Legislative Assembly. Again, that was not the government. The government was not the someone. Thank you.

MR. SPEAKER:

Thank you. Oral questions. Final supplementary, Mrs. Groenewegen.

Supplementary To Question 336-13(5): RCMP Attendance at the Legislature

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. Mr. Speaker, the Minister refers to knowing that I called the RCMP. I just said I called the RCMP. As to the content of my meeting, I would be very curious to know how he knows what the content of the meeting was because I certainly did not offer what was discussed. However, the Minister

has explained that it was to talk about a note that I received. Mr. Speaker, is the Minister of Justice aware of any rule, convention or protocol that would preclude me as a Member from conducting a conversation with RCMP members on this premises while the House is sitting? Thank you, Mr. Speaker.

MR. SPEAKER:

Mr. Arlooktoo.

Further Return To Question 336-13(5): RCMP Attendance at the Legislature

HON. GOO ARLOOKTOO:

Thank you, Mr. Speaker. If I could clarify once again, why or how I knew what the RCMP was here for, I understand that I, as the Minister of Justice, was accused of having written the note and therefore the RCMP contacted me to investigate whether I did or not, and I did not. That is why I knew. I want to clarify again, the rules of protocol for the House of the RCMP going in the House, that is the domain of the Speaker and the Speaker's authority and not the government. That needs to be very clear. Thank you.

Page 812

MR. SPEAKER:

Thank you. Oral questions. Mr. Krutko.

Question 337-13(5): Agreement for Coaching Training

MR. KRUTKO:

Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister of Municipal and Community Affairs, Maniok Thompson. It is in relation to a return to an oral question regarding the termination of the NWT ski coach. My question to the Minister is, in light of the work that has been done to date with the communities and training of coaches through a funding agreement with Human Resources Canada, what assurances can the Minister give me that the agreement which has been signed where funds have been given to implement the training and employment program for community coaches will be concluded and carried out to its fullest?

MR. SPEAKER:

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

Return To Question 337-13(5): Agreement for Coaching Training

HON. MANITOK THOMPSON:

Thank you, Mr. Speaker. The Department of Municipal and Community Affairs provides \$10,000 to the ski division board of directors and the board of directors finds other funds somewhere else. In this case, they found some funds from Human Resources Canada to maintain the training programs. It is within their authority to make sure that the programs are running as smoothly as possible. I have every confidence in this board of directors that they are doing that. Thank you, Mr. Speaker.

MR. SPEAKER:

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

Supplementary To Question 337-13(5): Agreement for Coaching Training

MR. KRUTKO:

Thank you, Mr. Speaker. In light of the outcry from the communities, it seems like it is a question of the service that has been provided by this individual because they have seen someone who has shown an interest in the communities, who does not just look on Yellowknife as the ski capital of the north but looks at all communities and tries to treat them fairly. That is the biggest concern the communities have. They want to ensure they are treated fairly and have people there who will give them the service and time they need to ensure the ski programs go on. Can the Minister assure me that her Department of Municipal and Community Affairs, in light of the money that has been given from this government, will continue to ensure that this service is provided to all communities, not just Yellowknife?

MR. SPEAKER:

Ms. Thompson.

Further Return To Question 337-13(5): Agreement for Coaching Training

HON. MANITOK THOMPSON:

Thank you, Mr. Speaker. I will have my staff ensure that all the communities are treated fairly by this division. Thank you.

MR. SPEAKER:

Oral questions. Mr. Erasmus.

Question 338-13(5): Lahm Ridge Tower Purchase

MR. ERASMUS:

Thank you, Mr. Speaker. I am not exactly sure who to refer my questions to, but I will refer them to the Premier, regarding something Mr. Roland brought up earlier. I am also getting rumblings from my constituency, that a lot of time is being used here for issues that can be discussed elsewhere. We may run into extra costs at a later date because of the extra time needed. One of the issues, of course, that has been taking a lot of time is Lahm Ridge Tower and its relation to the Aurora Fund. There still is the misconception out there, I think it is a misconception, that the Aurora Fund was somehow involved with the purchase of the Lahm Ridge Tower building. I would like to know if the Premier could indicate, once and for all, whether the Aurora Fund was in any way related to the purchase of the Lahm Ridge Tower building?

MR. SPEAKER:

Thank you. Mr. Premier.

Return To Question 338-13(5): Lahm Ridge Tower Purchase

HON. DON MORIN:

Thank you, Mr. Speaker. The Aurora Fund, we have tabled in this House, all the loans that are given out by that fund. There is no loan from the Aurora Fund for the purchase of Lahm Ridge Tower. Through the chronological order of events and hundreds of questions the Ministers answered on this issue and all the information he has given to this House, unless there are some other issues that arise, it is very clear Lahm Ridge Tower was financed by a bank or a financing company. It was financed privately. It was not financed through the Aurora Fund. Pacific Western financed Lahm Ridge Tower. Thank you.

MR. SPEAKER:

Oral questions. Mr. Ootes.

Question 339-13(5): Appeal of Termination Benefits

MR. OOTES:

Thank you, Mr. Speaker. My question will be for the Premier. It has to do with the statement I made earlier on personnel matters and concerns. My question is, is there a mechanism in place that allows laidoff employees to appeal their severance package terms in the event that they are not in agreement with the severance issued? Thank you.

MR. SPEAKER:

Mr. Premier.

Return To Question 339-13(5): Appeal of Termination Benefits

HON. DON MORIN:

Thank you, Mr. Speaker. I will be relaying those questions to the Minister responsible. I will take them as notice so the Member can get his detailed answer as soon as possible. Thank you.

MR. SPEAKER:

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

Question 340-13(5): Public Perception of Cabinet

MR. ROLAND:

Thank you, Mr. Speaker. Mr. Speaker, my

Page 813

question at this time will be directed to the Premier. Mr. Speaker, after being elected, one of the discussions I remember having in this forum is perception and how people would view us in making our decisions, the things we voted on, the matters that came before us and the way we dealt with them. I would like to know from the Premier if, when Cabinet was selected, did you go through a process of dealing with perception and how that would impact us in decision making? Thank you.

MR. SPEAKER:

Mr. Premier.

Return To Question 340-13(5): Public Perception of Cabinet

HON. DON MORIN:

Thank you, Mr. Speaker. As Members are well aware, we had quite a few new Members in this Legislative

Assembly, as well as, new Ministers. We had talked at the beginning of our term about perception. There is one thing that you cannot control and that is how people do their politics and perception rises from politics. There is no control, no matter what you do as a government. You can answer any given question 1000 times, you can give out all the information, but people may not be happy with the answers or the information. Some may think it is something else and I have no control over that, neither does any Member of my Cabinet. We, as a government, deal with issues straight-on, head-on, and we deal with them and it is done. As a government, we have done a lot of good things in the last two and a half years. We will do a lot more good things in the future, Mr. Speaker. As far as perception, there is a certain lack of control on that one, Mr. Roland. Thank you.

MR. SPEAKER:

Oral questions. Supplementary, Mr. Roland.

Supplementary To Question 340-13(5): Public Perception of Cabinet

MR. ROLAND:

Thank you, Mr. Speaker. Knowing that, yes, perception is a difficult issue to deal with, is there a way of dealing with this? For example, we are made aware to try to avoid this. Is that done when Cabinet is selected and is that relayed to their deputy ministers? Thank you.

MR. SPEAKER:

Mr. Morin.

Further Return To Question 340-13(5): Public Perception of Cabinet

HON. DON MORIN:

Thank you, Mr. Speaker. Through our strategy and Cabinet meetings we always talk about how, on any given decision, how we present that to the public. As a Cabinet, there is a very simple rule you follow, every decision you make, should be made as if it is going to be on the front page of News of the North the next week. A very simple rule, we do follow that. We give out as much information as we are allowed to give out as a government. We try to deal with all the questions the general public brings up. Mr. Speaker, we are eight Members of this Legislative Assembly and perception does reflect all 24 Members. Members, themselves, do have a responsibility, Mr. Speaker. I,

myself, when I first came here ten years ago, you look back in a Hansard. I asked very few questions, I did very little work in the Legislative Assembly because I had to learn, listen and watch. One thing I did learn very early in my term, Mr. Speaker, is there are always two sides to every story and it is always good to get both sides and go directly to the source. Then you get the answers that you need to address your issues. Thank you.

MR. SPEAKER:

Thank you. Oral questions. Mr. Steen.

Question 341-13(5): Enforcement of Wildlife Regulations

MR. STEEN:

Thank you, Mr. Speaker. Mr. Speaker, my question is directed to Mr. Kakfwi, Minister of Wildlife. Mr. Speaker, on October 16th, Mr. Kakfwi tabled Wildlife Business Regulations. In particular, these regulations applied to the licencing of outfitters. I would like to know if Mr. Kakfwi's department is enforcing these regulations as they came into effect October 1, 1997. Thank you.

MR. SPEAKER:

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

Return To Question 341-13(5): Enforcement of Wildlife Regulations

HON. STEPHEN KAKFWI:

Mr. Speaker, all regulations of this government are respected by our officials, therefore, are meant to be enforced. Whether that is done through an educational approach, by making people aware of them, so that they are not contravened or violated, or whether it is strictly by enforcement, is one of continuous debate in the department. We have generally taken the view that we should primarily use an educational means to make sure that all people are aware of the regulations and that is the best way of ensuring compliance. Thank you.

MR. SPEAKER:

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

Supplementary To Question 341-13(5): Enforcement of Wildlife Regulations

MR. STEEN:

Thank you, Mr. Speaker. Mr. Speaker, the Minister says that he is making people aware of the regulations. Mr. Speaker, since these regulations came into force October 1st, and they were announced October 16, it would seem there is a timeframe where the regulations came into force even though the announcement came later. In other words, people are getting the information after in fact, the regulations are enforced. Therefore, in my area, there have been many people who were operating as guides and they were actually operating as outfitters. Is the Minister making any effort to ensure these people are aware they can no longer operate as outfitters unless they are licensed? Thank you.

MR. SPEAKER:

Mr. Kakfwi.

Further Return To Question 341-13(5): Enforcement of Wildlife Regulations

HON. STEPHEN KAKFWI:

Thank you, Mr. Speaker. I will check with the department in the Inuvik region and ask for specific details on what they have done in relation to this issue

Page 814

and how they have dealt with the public in that region and get back to the Member. Thank you.

MR. SPEAKER:

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

Supplementary To Question 341-13(5): Enforcement of Wildlife Regulations

MR. STEEN:

Thank you, Mr. Speaker. Mr. Speaker, I was one jump ahead of the Minister. In November, I talked with his superintendent, Mr. Morrison, in Inuvik and asked him if he was going to take the opportunity to level the playing fields for all those guides who were operating as outfitters and remove those grey areas, whereby some people were taking advantage of the vagueness of the law. The superintendent did assure me he was

going to make the communities aware of these new regulations. Mr. Speaker, since September, there has been no wildlife officer in Tuktoyaktuk. Tuktoyaktuk is one of the areas where there are the most guides operating as outfitters. How will the Minister assure that this is, in fact happening, that people are aware of the legislation and the department is enforcing the regulations? Thank you.

MR. SPEAKER:

Mr. Kakfwi.

Further Return To Question 341-13(5): Enforcement of Wildlife Regulations

HON. STEPHEN KAKFWI:

Mr. Speaker, I responded earlier and I will repeat again, I will be asking the superintendent for the Inuvik region to update me on this issue to tell me exactly what is being done, whom he has talked to, the steps he has taken to address the concern that the Member is raising. I will provide the details to the Member as soon as I receive that report. Thank you.

MR. SPEAKER:

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

Supplementary To Question 341-13(5): Enforcement of Wildlife Regulations

MR. STEEN:

Thank you, Mr. Speaker. Mr. Speaker, in regard to the timeframe in getting information back from the honourable Minister, last year I requested some information on bear populations and tagging from this particular Minister and I have not seen it yet. Will there be a faster response this time?

MR. SPEAKER:

Mr. Kakfwi.

Further Return To Question 341-13(5): Enforcement of Wildlife Regulations

HON. STEPHEN KAKFWI:

Thank you, Mr. Speaker. It is true that we do not always provide prompt responses to every question Members raise. The Member should appreciate that sometimes we are very prompt to respond to his

questions. Some, when you are talking about number of bears in a certain area, takes a little bit of work and study. Sometimes the answers are not so readily available. Again, in response to the Member's question, I will speak to the deputy minister, and the deputy minister will contact the superintendent in the Inuvik region and request the information the Member is seeking. Hopefully, it will just comprise a verbal response. It may come in the form of a fax, written response, and hopefully, it should be done this week. Thank you.

MR. SPEAKER:

Oral questions. Mr. Krutko.

Question 342-13(5): Northern United Place Lease

MR. KRUTKO:

Thank you, Mr. Speaker. My question is to the Minister of Public Works. It is in relation to Northern United Place. We have a lease for \$12 million and I would like to ask the Minister, what is the purpose of this lease and is the whole Department of Education going to be moving there? Does it include all personnel?

MR. SPEAKER:

The Minister of Public Works and Services. Two questions.

Return To Question 342-13(5): Northern United Place Lease

HON. JIM ANTOINE:

Thank you, Mr. Speaker. The Northern United Place is leased for accommodating the college, the living quarters, as well as, for the office and classroom facilities. Thank you.

MR. SPEAKER:

Supplementary, Mr. Krutko.

Supplementary To Question 342-13(5): Northern United Place Lease

MR. KRUTKO:

Yes, Thank you, Mr. Speaker. I thought one of the initiatives of this government, in regard to office space, was to try and consolidate all the departments into one location. I presume that this was the reason

for Northern United Place. I ask the question again, will all the personnel of the Department of Education be located in this building?

MR. SPEAKER:

Mr. Antoine.

Further Return To Question 342-13(5): Northern United Place Lease

HON. JIM ANTOINE:

Thank you, Mr. Speaker. Mr. Speaker, the intention of the Northern United Place is to accommodate the Arctic College facilities. No, not all the Department of Education, Culture and Employment will be there. Thank you.

MR. SPEAKER:

Thank you. Question period is over. Your final supplementary, Mr. Krutko.

Supplementary To Question 342-13(5): Northern United Place Lease

MR. KRUTKO:

Thank you, Mr. Speaker. Can the Minister tell me exactly where the locations of all the other departments are, if they are not all going to be located in one location?

MR. SPEAKER:

Mr. Antoine.

Further Return To Question 342-13(5): Northern United Place Lease

Page 815

HON. JIM ANTOINE:

Thank you, Mr. Speaker. There are about 12 major leases we have in 18 different buildings including our own. It is a detailed question I would like to take as notice, so that I am clear. We have approved a Yellowknife office plan rationalization that we are implementing, so that has to be taken into consideration when we are looking at trying to move departments together. I will take it as notice and get more details. Thank you.

MR. SPEAKER:

Thank you. Question period is over. Item 7, written questions. Item 8, returns to written questions. Item 9, replies to opening address. Item 10, petitions. Item 11, reports of standing and special committees. Item 12, reports of committees on the review of bills. Item 13, tabling of documents. Mrs. Groenewegen.

ITEM 13: TABLING OF DOCUMENTS

Tabled Documents 49-13(5): Analysis Performed by Forensic Document Examiner

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. Mr. Speaker, I would like to table a report prepared by a Forensic Document Examiner of Delta, B.C. who I asked to determine the authenticity of an unsigned note that I received in this Assembly. Thank you, Mr. Speaker.

MR. SPEAKER:

Thank you. Tabling of documents. Item 14, notices of motion. Item 15, notices of motion for first reading of bills. Item 16, motions. Item 17, first reading of bills. Mr. Arlooktoo.

ITEM 17: FIRST READING OF BILLS

Bill 11: Supplementary Appropriation Act, No. 3, 1997-98

HON. GOO ARLOOKTOO:

Thank you, Mr. Speaker.

I move, seconded by the honourable Member for Yellowknife Frame Lake, that Bill 11, Supplementary Appropriation Act, No. 3, 1997-98 be read for the first time.

MR. SPEAKER:

Thank you. The motion is in order. To the motion. Question has been called. All those in favour? All those opposed? Motion is carried. Bill 11, has had first reading. First reading of bills. Item 18, second reading of bills. Mr. Arlooktoo.

ITEM 18: SECOND READING OF BILLS

Bill 11: Supplementary Appropriation Act, No. 3, 1997-98

HON. GOO ARLOOKTOO:

Thank you, Mr. Speaker.

I move, seconded by the honourable Member for Tu'Nede, that Bill 11, Supplementary Appropriation Act, No. 3 1997-98, be read for the second time. Mr. Speaker, this bill makes supplementary appropriations for the Government of the NWT for the fiscal year ending March 31, 1998. Thank you.

MR. SPEAKER:

Thank you. The motion is in order, to the principle of the bill. Question has been called. All those in favour? All those opposed? Motion is carried. Bill 11, has had second reading and, accordingly, the bill stands referred to committee of the whole. 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 2-13(5); Committee Report 3-13(5); Committee Report 4-13(5); Committee Report 5-13(5); Tabled Document 15-13(5) and Tabled Document 19-13(5). With Mr. Ningark in the Chair.

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

CHAIRMAN (Mr. Ningark):

I would like to call the committee to order. We have a number of items under the consideration in committee of the whole of bills and other matters. I would like direction from the committee as to how to proceed. Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. That we proceed with Bill 8, Appropriation Act, 1998-99, Committee Report 2-13(5) and Committee Report 3-13(5) and continue with the Department of Public Works and Services, followed by the Department of Justice. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. We are considering Bill 8, Appropriation Act, 1998-99, Committee Report 2-13(5) and Committee Report 3-13(5), Public Works and Services and subsequently, if we are able to conclude Public Works and Services and Justice. Thank you. We will continue at this time. Mr. Antoine, would you like to take the witness table please?

HON. JIM ANTOINE:

Thank you, Mr. Chairman. I will.

CHAIRMAN (Mr. Ningark):

Do we agree the Minister takes the witness table?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Proceed please. Thank you. Mr. Minister, are you comfortable to go ahead now?

HON. JIM ANTOINE:

Thank you, Mr. Chairman. My staff has not arrived yet and I will handle the questions. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. We are, for the record, on page 5-6, 1998-99 main estimates, public works and services directorate, operations and maintenance, total operations and maintenance, \$8.839 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you very much. Project management, operations and maintenance, total operations and maintenance \$7.609 million. Agreed? Mr. Krutko?

MR. KRUTKO:

Is the Minister going to have his deputy minister here to assist him?

CHAIRMAN (Mr. Ningark):

Mr. Krutko, we have dealt with that matter. The officials will be here momentarily. We have discussed that matter and the Committee decided together with

Page 816

the Minister, we will proceed while we are waiting for the officials to arrive. Project management, operations and maintenance, total operations and maintenance, \$7.609 million. Mr. Krutko.

MR. KRUTKO:

Mr. Chairman, I would like to ask the Minister, in regard to project management, how the superintendents who seem to have a lot of authority when it comes to exactly how they manage

properties, how they approve the expenditures of this government, get into leases and everything? What role does the superintendent play in the overall plans and development of these properties? In light of what happened with regard to Lahm Ridge Tower and that property, how much of a role did the superintendent play in that decision, because he seemed to have done a lot of the leg work?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, the reference the honourable Member made to Lahm Ridge Tower and the role that the Regional Superintendent, Mr. Vince Dixon, played here in Yellowknife, is an exceptional case. In Yellowknife, we have a very large office space requirement, for this government to have their headquarters and different departments in. There is very large participation there. In the life of this government, Mr. Chairman, we have delegated more authority to the deputy ministers, in turn, they to their directors and to superintendents. In the agenda for a change document, this government initiated earlier on, the idea was to give more authority to managers so that they could manage. As well, all approvals do not have to come to the Minister or the deputy minister, the managers can do their work. There are a lot of safeguards within the regulations to guide the superintendents to do it. It has changed quite substantially from the previous government where a lot of the authority had gone to them to provide this information. In the case of superintendents, they have more authority, not only in this department but in other departments, to do the work they have been hired to do, and to move things along fairly quickly, to make this government streamlined, effective and efficient in their decisions. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. For the record, Mr. Minister, would you please introduce the witnesses?

HON. JIM ANTOINE:

Thank you, Mr. Chairman. To my left we have Mr. Ken Lovely, deputy minister of Public Works and Services and to my right, Ms. Gay Kennedy, the director of corporate services for Public Works and Services. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. When we concluded last Friday, Mr. Steen, who was in the chair, reminded all the Members that questions on Lahm Ridge Tower should be raised on page 5-8 under asset management. I would like to remind all Members when you refer to leasing the building, wait until we go to page 5-8. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Krutko.

MR. KRUTKO:

Mr. Chairman, I would like to seek consent to go back to the directorate.

CHAIRMAN (Mr. Ningark):

We are in the directorate, Mr. Krutko. We have concluded the directorate. We are on page 5-7, project management. We will be referring to leases, page 5-8. Mr. Krutko.

MR. KRUTKO:

Mr. Chairman, I would like to move a motion that we go back to the directorate, so we can seek unanimous consent.

CHAIRMAN (Mr. Ningark):

I am advised the Member is seeking unanimous consent to go back to page 5-6. Are there any nays? No nays. Mr. Krutko you have unanimous consent.

MR. KRUTKO:

Thank you, Mr. Speaker. I would like to know, under the directorate, exactly what the superintendent's role is, along with the deputy minister, and who puts the project in front of the Minister or deputy minister? Whose role is it to develop the scenario as to what is good for the government and what is not great? Is it the superintendent who has full authority to develop this scenario and put it forth or is it the deputy minister who does the footwork? Thank you.

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, the superintendent and the deputy minister work together in putting plans or different initiatives together for the Minister and for the government. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Directorate. Agreed? Mr. Krutko?

MR. KRUTKO:

Mr. Chairman, as we all know, the deputy minister is usually a very busy man, but as the one asking the question is, the role of the superintendent, going out, taking and looking for proposals or submissions to find out exactly where there can be savings to this government, who makes the deal of which assets are going to be sold or what leases are going to be required? Is it the superintendent who does the majority of this leg work?

CHAIRMAN (Mr. Ningark):

Thank you. A deputy minister could be either a man or a woman. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, the superintendent does a lot of the leg work, and once that is done, then the deputy minister's approval for whatever plan of action is taken. In reference to the selling of assets, that is up to the Financial Management Board to decide which is to be sold, once the legwork is done by the Department of Public Works and Services and is approved in that manner. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. There is a very strong tendency to move to page 5-8, since we started reviewing Public Works and Services. Shall we approve the directorate, project management? We can talk about asset management on page 5-8. I would like to remind Members. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. Under a directorate,

Page 817

we are talking about the responsibility of the deputy minister, of corporate services, also the superintendent and how they deal with their financial management. We are leaving a lot of responsibilities up to one individual, especially when you are talking about multi-million dollar leases and selling off of major government assets. I would like to know exactly how much power and responsibility this individual has in the selling off of government assets? Exactly who does all the leg work in developing the proposals, coming up with the price of the asset and how is it being sold? Is it going to go to public tender? Is it going to look at taking proposals from the different interested parties, or does he go out there unilaterally and say, well, if I think this is a good deal, put your name on it?

Under the directorate, which is where my question is leading up to, the superintendent doing the majority of this leg work, do they take into account there are policies in this government in regard to the business incentive policy? A lot of aboriginal groups have been looking at government property and assets. A lot of them feel they have put a lot of time and effort into developing their proposals and submissions to this government. I would like to know exactly what are the government and the superintendent's role? Does he follow the policies ensuring the affirmative action policies are followed and the selling of assets, there is a fair way of distributing it and the aboriginal people are allowed to partake in a lot of these bids and purchasing of these assets? Does this superintendent follow the basic business incentive policy when it comes to selling off government assets and looking at leases?

CHAIRMAN (Mr. Ningark):

Thank you. We have a Member who will be creating a conflict once we get to asset management. I wish to keep from referring to government assets at this time until such time we get to page 5-8. I will recognize Mr. Minister and then, he will be the last one to speak and then we will take a break. We are breaking at 12:00 p.m. and we will go back to a Member, Mr. Krutko, if you wish, after the break. Mr. Minister.

HON. JIM ANTOINE:

Mr. Chairman, in the role of the superintendent, the question is, what does this person do and what kind of authority does he have. Mr. Chairman, I made references earlier to a major initiative of this government when we started and the agenda for

change, how we intend to make government more effective and efficient by transferring authority and accountability for actions to program departments and to the communities. This has allowed for streamlining processes and trying to get rid of unnecessary regulations. It is also for reducing administration and increasing the authority the superintendent has, which is quite substantial. The superintendent has full control and authority for his budget. The superintendent follows all the policies of this government and in cases of discussing proposals that are put forward, unsolicited proposals by different individuals in this case, specifically for looking at office spaces and so forth. They are the front-line workers and they have discussed different ideas that different groups have come forward with to deal with accommodating the government. Yes, that is their responsibility to initiate discussions.

Once discussions are underway, this is moved to the deputy ministers for approval. This is how they work together to eventually develop a plan. There is a disposal policy for government assets. In the case of major government assets, again, it has to be approved by the Financial Management Board before disposal of that major asset. This is the way the superintendent works. Thank you.

CHAIRMAN (Mr. Ningark):

Before we take a break, I would like to remind all Members that we have a Member who will be declaring a conflict of interest. Please try to refrain from discussing the matters on page 5-8 while the Member is sitting here who will be declaring conflict of interest. Thank you. We will take a break for lunch.

--Break

CHAIRMAN (Mr. Ningark):

Good afternoon. I would like to call the committee back to order. We were on the directorate, page 5-6. Mr. Krutko has a few seconds left out of his ten minute allotted time. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. My question to the Minister is in regard to the rules or regulations that the Minister, deputy minister or superintendent has in regard to accountability. What regulation does the superintendent have to follow? Is there a contract he has to sign dealing with confidentiality or how he

carries out his job? Is there a contract in place for superintendents?

CHAIRMAN (Mr. Ningark):

Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, the Members of the Legislative Assembly were given a copy of the financial signing authorities of the deputy minister. I do not know whether it has been handed out or not, but we did provide that to the Clerk. The superintendents have similar types of authorities handed out to them. They have that issued, as well, to the superintendents. Their accountability is in line with them. Each superintendent has a budget that they have authority over. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Members are indicating that such paper, protocol or signing authority paper was not received by Members from that side of the table. Since Mr. Krutko's time was almost over when we took a break, I will now recognize Mr. Steen, who is on the list. Mr. Steen, we are back on page 5-6, directorate due to the request of Mr. Krutko. Do you want to pass this now or return to project management? Which page are you going to be referring to? Mr. Steen.

MR. STEEN:

Mr. Chairman, I had questions on project management.

CHAIRMAN (Mr. Ningark):

Thank you. Page 5-6, total operations and maintenance, \$8.839 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. Last Friday we discussed the Financial Administration Act slightly. I would just like to make reference to section 44. I am making reference to

the Financial Administration Act, section 44(2). I will read part of that,

No person shall enter into a contract or assume an obligation for or on behalf of the government that requires an expenditure in a subsequent fiscal year unless, a person considers that

- circumstance requires such an expenditure to be incurred, and
- the contract or obligation is in the public interest.

The contract is entered into or the obligation assumed in accordance with the directions of the Minister whose department administers the contract for any particular case or class of cases.

In regard to that, there does not seem to be, from what I have been able to find out, in the legislation or the regulations, anything which has the effect of automatically exempting leases from this requirement. With this in mind, I wish to pose some questions. In what areas is the authority given to the deputy minister to sign leases beyond one year?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, there are two directives which should be taken into consideration with respect to signing authorities and multi-year contracts. There is a section 43(2) of the Financial Administration Act. There is FAM Directive 802-1 entitled Signing Authorities. Mr. Chairman, section 43(2) of the Financial Administration Act states that, no person should enter into multi-year a contract unless:

a) the person considers that the circumstances require such an expenditure to be incurred and the contract or obligation is in the public interest, and

b) the contract is entered into or the obligation assumed in accordance with the direction of the Minister whose department administers the contract or any particular case or class of cases.

In Section B of it, the obligation is assumed in accordance with the direction of the Minister whose department administers contracts. In this case, according to the delegation of authority that we just provided here, that authority under the direction of the

Minister was delegated to the deputy minister. Thank you.

CHAIRMAN (Mr. Ningark):

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

MR. OOTES:

The signing authority has been handed over completely according to this directive, Mr. Chairman. This is for the whole department and any future obligations. Am I correct that the deputy minister can sign away all future obligations according to this?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. That is correct. According to the Financial Administration Act, that I just read, in section 43(2), there are provisions in there that stipulate how this is done. We have complied completely with it. However, again, the deputy ministers have authority according to their budgets. It is approved on a year to year basis. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. If this is the case, has each department or deputy minister been given full signing authority? This particular department has. My second question on that is, was this approved by Cabinet? I see the Minister's signature here, but was it approved by Cabinet?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Antoine.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, I can only speak for this department. The ability to sign over the full authority to the deputy minister has been approved by Cabinet, the ability of it. That is how this department has done it as well. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. Earlier today we discussed where best to ask questions with respect to specific areas. I have some questions with regard to the Yellowknife office space plan that do involve reference to the Lahm Ridge Tower and to the Laing Building. I have questions with regard to the principles of the Yellowknife office plan and fairness to other interested parties of what has transpired. It seems that Members want to move onto asset management. My concern is, can I ask all these questions under asset management because I do not want to be short changed?

SOME HON. MEMBERS:

Agreed.

MR. OOTES:

Can I get assurance from the Minister and from the Chair that questions with regard to the Yellowknife office space plan, its principles, the Lahm Ridge Tower, the Laing Building and decisions made by Cabinet in regard to all those issues? Can I ask those under asset management?

CHAIRMAN (Mr. Ningark):

Thank you. I am advised, Mr. Ootes, that the Chair does not assure any Member. If the Minister wishes to answer that, it is entirely up to the Minister. I will try to be fair to every Member as we go through the summary on this particular activity. Mr. Antoine.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, I would like to have the opportunity of answering all the questions on Lahm Ridge Tower and all the questions on the Yellowknife office plan, be it under asset management, if that

Page 819

is where it belongs.

CHAIRMAN (Mr. Ningark):

Thank you. Do we agree?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you. Directorate, total operations and maintenance, \$8.839 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. I had some questions in another area. This is in regard to request for proposals. As both the Minister and deputy minister are aware, I have been asking and have been quite interested in seeking clarification on the methodology by which government issues its contracts. The one question I have to start is a question to the deputy minister, has he been informed to do work on the motions passed in this House regarding the one passed last May where we asked for clarification on the various non-competitive contracts? Second, on the RFP. Has the deputy minister been instructed to work on clarification in those areas? Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. I would like to ask the deputy minister if he could provide some details on that. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Lovely.

MR. LOVELY:

Thank you, Mr. Chairman. Last year the Legislature asked for clarification on a variety of issues. One of the areas that was of concern was negotiated contracts. As a result of that concern, a draft negotiated contracts policy was developed and submitted to the standing committees for their consideration. We have not taken any further steps on that until we get feedback from the standing committee. With regard to request for proposals, I am not currently doing any work in that area. The department did develop an information brochure that

was circulated to MLAs in February, 1997, outlining the methodology the department uses to award contracts through a competitive process, as well as the alternatives which are available in a non-competitive methodology, either sole-sourced contracts or negotiated contracts. The government contracting regulations contain the details which guide us in our utilization of the tendering process or utilizing requests for proposals. At this point, I am not doing any further work on it because our view in Public Works is that there is sufficient information in the contracting regulations for that process to be clear. The department gave direction to its superintendents last year to provide consistent and standard information to proponents who were unsuccessful in their bids when they submitted proposals through requests for proposals. We have been following a practice of providing fairly standard information to contractors so they are aware of their success, the reasons for their success or their lack of success in a particular bid. Other than that, I am not working on any other procedures. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Directorate. Your time is up, Mr. Ootes. Total operations and maintenance, \$8.839 million. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. I asked the question earlier, but I do not believe I received an answer, in regard to the regulations or guidelines which are in place that superintendents sign some oath of office or a declaration in regard to their conduct as superintendents, regarding the way that leases and government purchase assets. Are there any guidelines and regulations in place? What is the procedure? Does a superintendent have to sign some sort of a declaration and what is in that declaration?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. I would like to ask the deputy minister to provide some details. Thank you.

CHAIRMAN (Mr. Ningark):

Mr. Lovely.

MR. LOVELY:

Thank you, Mr. Chairman, the superintendents, regardless of the department they work for, all are required to sign an oath of office and secrecy which requires them to fulfil their responsibilities in an ethical way and to keep information confidential that is associated with their business when it is appropriate to do so. They sign a job offer which outlines their terms and conditions of employment. The job description for the position is attached to that job offer. It provides them with their terms of reference and greater detail on their day to day responsibilities. Every superintendent, when they are appointed to their jobs, also signs a financial signing authority spreadsheet similar to the one that was circulated for the deputy minister. The deputy minister delegates the authority wherever it is appropriate to the superintendent. The superintendent provides a specimen signing sheet showing the signature associated with the signing authority.

In addition to that, the superintendents are limited by the provisions of existing contractual arrangements or leases. They cannot terminate a lease other than in a lawful manner. They are bound by the restrictions of their budget in terms of the amount they can spend in each activity. There is only a certain amount of flexibility they have been given, as much as, their budget is tied up in contracts and leases. They are required to conform to government policy in all areas, whether it is associated with the management of their human resources, policies such as recruitment of staff, the affirmative action policy, those sorts of things.

In the specific department of Public Works and Services, we have a variety of policies that superintendents and managers must conform to. For example, they cannot negotiate a contract because that is not within the prerogative of a superintendent or even a deputy minister. That is the prerogative of Cabinet or the Financial Management Board. They are required to conform to policies such as the leasing of improved real property policy, the disposal of real property, the government contracting regulations and the restrictions that are outlined in the Financial Administration Manual. Their expenditures are monitored on a weekly basis. We are able to pull off financial reports weekly to check to determine whether or not our expenditures are consistent with the commitments

Page 820

that have been made. There are checks and balances within the system to ensure unauthorized and

exorbitant expenditures are not occurring. Although all managers have the signing authority, the responsibility and the authority that they need to do their jobs, there is a fairly strict set of guidelines and rules that they are all bound by and which they are all made aware of as part of their initial orientation and their ongoing training. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Directorate, total operations and maintenance. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. In regard to the superintendents, did you say they cannot sign any long-term leases or make any arrangements where they can verbally commit themselves to a lease with someone without the approval of Cabinet?

CHAIRMAN (Mr. Ningark):

Thank you. Deputy Minister, Mr. Ken Lovely.

MR. LOVELY:

Mr. Chairman, the superintendent does have the authority to enter into leases and make commitments so long as those leases have gone through an accepted process. The only authority a superintendent has to enter into a lease is if he has entered into that lease through a competitive process whether it is a call for proposals or a tender call. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. Does the superintendent partake in all discussions between the parties, the deputy minister, the interested party who wants to lease or purchase? Is he involved in all the deliberations and discussions right up to the time the decision is made?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. deputy minister.

MR. LOVELY:

Yes, Mr. Chairman. The superintendent, within his range of authority, takes the process from start to

finish including signing the lease and making a commitment on behalf of government, if it is within his signing authority to do so and if it is done within his authority. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. What is the signing authority of the superintendent?

CHAIRMAN (Mr. Ningark):

Thank you. Before I recognize the deputy minister, Mr. Ken Lovely, on behalf of Mr. Antoine, I would like to recognize in the public gallery his son Denezeh Antoine and friend Heather Pelts.

--Applause

CHAIRMAN (Mr. Ningark):

Welcome to the committee. Mr. Lovely.

MR. LOVELY:

Thank you, Mr. Chairman. The superintendents in Public Works and Services have been provided with full delegated signing authority for all the activities within their budget. Unlike previous years where even though a superintendent may have completed the tendering process and determined who should be awarded the contract they had to submit those documents to the deputy minister in Yellowknife for his approval. That added three to six weeks to the length of time that it took for the contracts to be awarded, significantly slowed down the construction process and made it very difficult for the superintendent to do his job. When the Ministers provided deputies with full signing authority in Public Works at least, which is the only department I can speak for, we delegated that authority down to the level of the superintendents so they would have the authority to spend within the rules, and within the full range of their budget. In a case of a contract, there is no restriction on the dollar value of a contract that a superintendent can sign. If a superintendent is contracting with a company for the building of a school, he has the authority to enter into a contract as long as he has gone through the competitive process for the full value of the contract. He usually takes the advice of the technical people we have been working for us in Yellowknife, but he makes the final

commitment. The same is true of leases under the leasing of improved real property policy. As long as it is within the amount of money that is available to him and he has done it through the competitive process the superintendent can sign it off.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. In regard to this page that was handed out, the financial authority expenditure list, I see on the list under item 6, it says supervisor/foreman, 25. Is that 25,000? If he has an unsaid limit on how much he can spend, is there a limitation in regard to this authority?

CHAIRMAN (Mr. Ningark):

Thank you. Three zeros in brackets on top says it is 25,000. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, I will answer this one. In that document you have a list of classification levels, the Minister, deputy minister, director and regional superintendent have full authority. Starting on manager it has a \$100,000, officer, general foreman \$50,000, supervisor, foreman \$25,000 and all others are \$5,000. This is, I understand, up to the level of the operations and maintenance budget. That is their limit. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Krutko.

MR. KRUTKO:

Is this authority only for the year that it is signed for? This was signed in April of last year and will expire in April of this year?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, it is for the individual. It is not done on a yearly basis. Once an individual is in place then the authority is delegated to them for that level specified. Thank you.

CHAIRMAN (Mr. Ningark):

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

Page 821

MR. KRUTKO:

Thank you, Mr. Chairman. In regard to these long-term leases where the authority, according to this, goes on forever, but we only approve money on an annual basis. If you are approving a budget for \$10 million, which basically, is committing ourselves. Say, we sign 20 leases for \$10 million each. You are talking major dollars that will have an impact on future governments or the future deficit of this government. How can we give somebody that type of authority, where they have no limit to how they can spend? Under these authorities, like you say, it seems like they are out there running hot shot. They have as much authority as they want to put themselves into with no limits. I think that for us to say that you only agree to a one-year term in regard to this, based on what is in the budget, but making long-term leases, we are making long-term commitments to this government.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman under the Financial Administration Act that we covered just recently when Mr. Ootes was asking questions, there is a section 43(2). There are conditions in there that gives the person full authority. There are conditions in place like, the honourable Member is implying, that lets the deputy minister or superintendent have full signing authority so they will go out and expend the funds. There are a lot of controls in place and we have the Financial Administration Act and there are long-term leases in place that we have to comply with. Yes, we have an appropriation that is approved every year for office rentals and so forth, in our budget. Once it is approved that is the limit that this full authority has. There are a lot of controls in place and we have to comply by all the policies that this government has. There are a lot of safeguards in there so that an individual who has full signing authority does not expend needlessly. Again, the deputy minister just answered earlier on that there are occasional reviews of the different staff under the

deputy minister on their expenditures. There are a lot of safeguards in place. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. I have Mr. Ootes.

MR. OOTES:

Mr. Chairman, I would like to refer back to the Financial Administration Act. The item that the Minister is referring to is actually a 44(2)(b) and I will read it.

No person shall enter into a contract or assume an obligation for or on behalf of the government that requires an expenditure in a subsequent fiscal year unless:

b)the contract is entered into or the obligation assumed in accordance with the directions of the Minister whose department administers the contract for any particular case or class of cases

Mr. Chairman, the deputy minister stated last week that he did not inform the Minister of the signing of the Lahm Ridge Tower lease. It says right here that it cannot be entered into without the direction of the Minister. This does not give him direction to sign a multi-year lease. What is the explanation of this?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister, would you substantiate please.

HON. JIM ANTOINE:

It is the same thing. The opinion of the department, and also other departments, is that we, as Ministers, delegate full authority to the deputy ministers to carry on the work. The deputy ministers are the managers of these departments and they have full authority under their budget to do that. The explanation to the honourable Member is that yes, through a Minister we fully delegate our deputy ministers to do this work. They have a full authority to do it. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. This signing authority, to me, refers only to the budget before us. I do not see

how a Minister could sign off signing authority for future years. Especially down the road into two new governments. I do not see how that can be done, unless there is some documentation that we do not have before us. Additionally, the contract we are referring to is very specific and it states here, the contract is entered into or the obligation assumed in accordance with the direction of the Minister. Perhaps I could ask, did the deputy minister receive specific direction from the Minister to proceed with the contract? Last week he said no, but I do not see where he gets the authority to do this. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Ootes did refer to in his initial question the term, subsequent years. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, again we are sliding back into the specific area where the deputy minister exercises full authority in negotiating the extension of an existing lease. It is not a new lease, it is not a new arrangement, therefore, he had the full authority to go ahead and exercise his full authority in this regard. Yes, we have signed over full authority to the deputy minister but, again, there are a lot of safeguards in place. In the future we go year by year in this government. We realize that the appropriations for this department have to be approved by this Legislative Assembly on a yearly basis. That is understood. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. Are there any other written directions available to the deputy minister, other than this sheet that all Members have been given, with respect to signing authority, with respect to leases that are signed, with respect to directions that the deputy minister is given on contracts?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, as far as I know this is the only document that is there.

However, I would like to ask the deputy minister for more clarification. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Lovely.

MR. LOVELY:

Mr. Chairman, I hesitate to try to interpret the Financial Administration Act because the Minister of Finance

Page 822

has the responsibility for doing that, but the signing authority spreadsheet that we are referring to here, is a document that really flows from a number of different rules and regulations. It starts with the Financial Administration Act and is outlined in some detail in the Financial Administration Manual. Those directives, in the Financial Administration Manual, provide the details under which delegation may occur. Those directives are 802-1(11), 813, 815, 820-1 and 850. Ministers are empowered to delegate authority to their deputy ministers under the authority of those directives. When we read that section of the Financial Administration Manual, the interpretation is the Minister has provided direction by delegating to the deputy minister the authority to enter into contracts and leases under the regulations. The written directions or the directions that are provided to him are the rules and regulations.

There is no choice but to enter into multi-year contracts whether they are leases or contracts for things like petroleum products. It is not possible to get a reasonable financial arrangement on a lease unless you enter into a lease of five to ten years. Landlords are not prone to enter into shorter-term leases because of a lack of security. They are more likely to get out into the marketplace to locate a tenant who is prepared to sign on for a longer period of time. With the petroleum products contracts that we sign, we cannot get the right price for petroleum products unless we are prepared to commit to a supplier that we will enter into an arrangement with him for three to five years. Those contracts are typically worth \$150 to \$200 million. The deputy minister signs off on those contracts. The one stipulation that is in every one of those contracts is expenditure which is subject to appropriation by the Legislative Assembly each year. If those appropriations are not approved by the Legislative Assembly, then the contract is null and void. We would be subject to legal action if we were

not able to fulfil our commitments, but there is a stipulation in the contract to that effect. I would suggest, if there is a need for a more detailed interpretation of the Financial Administration Act, it would probably be better for Finance to provide it. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. I can appreciate what the deputy minister is saying. There needs to be a mechanism to enter into long-term contracts to handle leases. I find it, quite frankly, totally irresponsible for Cabinet to sign off their responsibility on multi-year, multi-million dollar contracts and not to take the responsibility. That is, to me, absolutely astounding. The reality, Mr. Chairman, it is true, there is a clause out within contracts that are signed, but it does leave this government open to legal action if those contracts are not adhered to.

CHAIRMAN (Mr. Ningark):

Thank you. There was no question unless Mr. Minister wishes to respond. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, as the Minister of Public Works and Services, I take full responsibility for the actions of this department including the deputy minister, since I have signed over the full authority to the deputy ministers. It is a direction we took when we started in this government two years ago in the agenda for change, where we wanted to streamline operations and make it more effective and efficient for this government to operate. There are a lot of safeguards we have to adhere to. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. We are on directorate, operations and maintenance, total operations and maintenance, \$8.839 million. Agreed? Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. In regard to the activities of the superintendent or deputy minister and the effect it may have politically, in regard to being a political embarrassment to this government, such as the one

we find ourselves in now, is there any process in place if something as controversial as issues politically sensitive to this government, where there are steps that have to be followed to ensure all bases are covered, that different departments are aware this is politically sensitive? Either because there is going to be a political backlash in the way the lease was let go or anything that was done by particular superintendents or deputy ministers? In light of where we find ourselves, is there such an avenue in place to ensure there is a process we follow, that if we know something is sensitive, such as the issue at hand, the Lahm Ridge Tower deal, where it is in the papers every day of the week? Maybe someone made a mistake. Before it becomes mud on all our faces, we know there is a process that should have been followed because it was going to be a sensitive issue. The deputy minister stated he knew there were going to be political implications regarding the decision that was going to be made. It is a politically sensitive issue. Is there such a process in place that we do not find ourselves being called a banana republic or whatever? Is there an appeal process or a challenge that can be made?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, the honourable Member is making reference to one specific transaction this government has made. This department has done many different contracts and lease arrangements throughout the whole Northwest Territories and has been doing so for many years. Personally, I do not think it is a political embarrassment, as far as I know, because I have been studying this particular case ever since I became Minister of Public Works and Services. I am assured, in talking to the deputy minister and his staff about how this particular lease was handled, as far as I am concerned, Mr. Chairman, it was done in a very businesslike manner. The department followed all the different requirements they had to. They even had legal advice.

At the time the decision was made to renegotiate the existing lease and at the same time, immediately after that, this business was sold, and the former owners walked away from the table when they moved back down south with a substantial profit, as I understand. At the same time, it was unknown this particular deal would have attracted so many questions by the

media, as well as, in this House. It was unknown at the time when they were negotiating, this was going to happen. It is hard to say in hindsight, what should have been done.

The leases have been renegotiated and they are legal documents. They are in place right now. I am trying to answer all the questions on this particular case in question period and

Page 823

during this budget. It was a good business deal. I have said it time and time again. I even provided documents. However, if it is a politically sensitive case, how do we handle it? How are we going to handle it? If we were to do it again, I would say that the department would be instructed to try to get the best deal for this government and it probably would have gone the same way it did. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. In the book of Parliamentary terms, the word, irresponsible, is determined to be unparliamentary. I would remind Members not to use that term again in this quorum. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. In the whole area of issues that have happened over the year, in regard to this department, you talk about the Keewatin resupply project, that was a political embarrassment. At the end, it was shot down at a cost of some \$250,000 to study the thing. All this takes money. You talk about issues such as housing for the Premier, the Ministers, in which there, again, are another political issue. Then, we come down to the selling off of assets, houses and of this government. There again, we are reacting to one issue after another. The reason I ask the question is not because I want to embarrass anybody, but to say, there has to be more accountability put in place. There has to be checks and balances in place to ensure these issues are dealt with before taking some sort of a survey, knowing that these issues are going to be sensitive. We have to look at it, on the one hand we are cutting off peoples' subsidies, grants and communities not having the adequate funding to deal with their water and sewer subsidies. Yet we are still able to dish out \$12 million leases. We give people long-term leases on houses. Yet, we are trying to sell ours off. We have all this vacant office space. It is one thing after the other. The reason I ask the question is, there has

to be a process in place to make people who make these decisions accountable, not only to this House, but to the people, the taxpayers out there paying these bills. I would like to know if there is anything in place, or this department is doing, where we find ourselves, in regard to all of these matters I have raised here, are there any new guidelines going to be put in place to ensure this does not happen again?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, as a Minister, I work closely with the deputy ministers and their staff on different initiatives. If we feel the deputy minister is not being accountable and if there are problems in the way they do their work, we, as Ministers, have the authority to deal with them in a disciplinary manner. When the honourable Member talks about if there are going to be new guidelines, you have to deal with it on a case-by-case basis. Some of the initiatives he mentioned, Keewatin resupply ran its course and now we have taken direction and it is not going to go ahead. There are some initiatives that have been initiated by this government which is no longer there. The sales of assets and so forth, there are a lot of initiatives this government has taken to change the way we do business. Whenever there is change, there are always a lot of unanticipated problems that come with it, that are not foreseen. We try to deal with them as they arise. The main concern here is more accountability, knowing what issues are coming up and how they get dealt with. When this government or department is doing its work, they are involved in situations where a lot of decisions have to get made. The deputy ministers do their work and whenever they run into any problems, we try to deal with it. If there are problems, it comes to the Ministers and we try to deal with it. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. The process has allowed us to review page 5-6, activity summary, directorate. Every Member is given an opportunity to review, debate and this page was concluded. I recognize two Members whom I will not recognize again on this page. I will give them every opportunity to speak to any other pages or activity subsequent of this page, but I will however, ask other Members who have not spoken to this yet, for the last time, if you wish to speak to item

Directorate, total operations and maintenance, \$8.839 million. Do we agree?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you. We will move to page 5-7, Project Management. I would like to recognize Mr. Steen at this time. Project management.

MR. STEEN:

Thank you, Mr. Chairman. Mr. Chairman, my question is in regard to negotiated contracts, RFPs, sole-sourced. I would like to know if the department has a record of how many negotiated contracts they successfully negotiated this year.

CHAIRMAN (Mr. Ningark):

Before I recognize the honourable Minister, on behalf of Mr. Arlooktoo, I would like to recognize up in the public gallery Pauloosee Michael, a constituent of Mr. Arlooktoo of Kimmirut, Baffin South.

--Applause

CHAIRMAN (Mr. Ningark):

Welcome to the Committee. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, yes, we have a record of successful negotiated contracts. We have five that we have done this year, during the 1997-98 year. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Steen.

MR. STEEN:

Thank you, Mr. Chairman. Mr. Chairman, could I get some indication where these contracts were, whether they were in Nunavut or whether they were in the west?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you. The five that we have negotiated are all in the west. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Steen.

MR. STEEN:

Mr. Chairman, how many attempted negotiated contracts were not successful?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

Page 824

HON. JIM ANTOINE:

There are three of them that were not successful. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Steen.

MR. STEEN:

Mr. Chairman, in the cases where they were not successful, what did the departments do? Did they go to public tender?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. The three that were not successful, we went out to public tender on those. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Steen.

MR. STEEN:

Thank you, Mr. Chairman. Mr. Chairman, I understand it is one of the guideline policies of negotiated contracts that contracts must come in under budget. Has this been the case over the past few years whereby if they are not under budget they go public tender?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Yes, in previous years we have come under budget or close to it. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Steen.

MR. STEEN:

Mr. Chairman, have there been cases where, in order to come under budget, the budget is raised?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, we would like to get back to the honourable Member with more information on that. I have been told that we may have had to go back to Cabinet in previous years, in a few cases, when the cost was higher than the budgeted amount. We would like to be more specific on it, so we need to get back to the honourable Member. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. The honourable Member for Nunakput, Mr. Steen.

MR. STEEN:

Thank you, Mr. Chairman. Were these higher costs actually negotiated suggested figures or actually public tender figures?

CHAIRMAN (Mr. Ningark):

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

HON. JIM ANTOINE:

Thank you, Mr. Chairman. It could be either of them. It all depends on a lot of variables. It depends on the client. Again, we need to get some more information from the department on exactly how to answer the honourable Member's question. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Project management. Mr. Steen.

MR. STEEN:

Mr. Chairman, I wonder if the department has figures, how many requests for proposals they went with this year, how many sole-sourced contracts and standing offer agreements. What I would like, Mr. Chairman, is a comparison of how many went through these processes versus public tenders.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, we have figures for the RFP and sole-sourced and so forth. Normally for construction, about ten percent of it went for design work which we went out for RFP and the rest, 90 percent, went out for public tender. We have those figures, and we could provide that. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Steen.

MR. STEEN:

Thank you, Mr. Chairman. Mr. Chairman, the guideline policy for negotiated contracts suggests it has to be a 100 percent northern company and it has to come in under a contract, under budget. Are those the same types of guidelines that are used for RFP, sole-sourced, standing offer agreements?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Yes, they are. Thank you.

CHAIRMAN (Mr. Ningark):

Project Management. Mr. Steen.

MR. STEEN:

Mr. Chairman, if all these processes of awarding contracts seem to be efficient in addressing that only northerners would get the contracts...

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Steen. Your microphone was off. For the record, please repeat the last part. Mr. Steen.

MR. STEEN:

Mr. Chairman, the guidelines for negotiated contracts, RFP, sole-sourced, standing offers, seem to guarantee northerners are going to get the contract. Therefore, it would suggest that it is not necessary to have BIP in here. I mean, they are guaranteed the contracts anyway, so why would you have BIP? It also suggests in here that since they are going to be northern contractors, why would they have a manufacturing one as well, because all the benefits are going to go to northerners? What is the purpose of BIP?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. I would like to ask the deputy minister to reply to that. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. The deputy minister, Mr. Lovely.

MR. LOVELY:

Thank you, Mr. Chairman. It is true that negotiated contracts are with northern companies and the benefits of negotiated contracts do go entirely to northern companies. Whether they get the contract through negotiated contracts or the competitive process, they still have to conform

Page 825

to the northern manufacturing directive which requires them to use materials made in the north. BIP is primarily used when contracts are awarded through the competitive process, either through a request for proposal or the tendering process. What it does is provides, and I probably do not have to explain exactly how the percentages work, a percentage of preference for northern companies based on the ownership of the firm. It is not really a factor. BIP is not really a factor in negotiated contracts. It is primarily for the competitive contracts. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Your time is up, Mr. Steen. Project management. Mr. Krutko.

MR. KRUTKO:

Mr. Chairman, I call on a point of order. I would like to know why I was cut from questioning the directorate. As a representative for Mackenzie Delta, and parliamentary democracy in regard to committee of the whole, I have the right to ask questions to the appropriate Minister in light of the concerns that arise around this department. I would like to ask for a ruling on it.

CHAIRMAN (Mr. Ningark):

Thank you. I will read the rule here. I did not mean to annoy you, Mr. Krutko. On page 26 of the Rules of the Legislative Assembly of the Northwest Territories in 79(1) time limits on speaking. No Member shall speak for more than ten minutes at any one time in committee of the whole. Speaking for more than once, (2), that is under 79 again, subject to the discretion of the Chair, underline the word discretion of the Chair, a Member may speak for more than once to a matter under discussion, but not until every Member wishing to speak has spoken. I have indicated earlier that every Member was given an opportunity to review and debate the activities summary, directorate, every Member was given that opportunity. I have stated I will recognize any Member who has not spoken yet to this activity summary, however, those Members who have not spoken, I will not recognize them but on subsequent pages I will give them every opportunity to speak. That was my ruling earlier. When we went back to page 5-6, directorate, which was reviewed, debated and concluded, Mr. Krutko, I recognized you five times in that matter that should have been concluded and was concluded earlier. I gave you five opportunities to speak to the matter which was concluded that we went back to. You have no point of order, Mr. Krutko. Mr. Steen.

MR. STEEN:

Mr. Chairman, point of order. In consideration that three quarters of my speaking time is taken up by the Minister, how do I get my ten minutes?

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Steen. The ten minutes will allow you to make a general comment if you wish to, but if you are in fact asking questions and, I am sure, you want

a response from the Minister. When you ask a question, Mr. Minister or his officials will respond to you. How you want to use the time is entirely up to you. If you want to speak for the duration of the ten minutes that is up to you, but if you want to ask questions, the Minister has the right to respond to you. Thank you. I am advised there has been a lot of leeway, so you have no point of order. On page 5-7, 1998-99 main estimates, activity summary, Public Works and Services project management, operations and maintenance, total operations and maintenance, \$7.609 million. Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. I have a question to the Minister regarding the request for proposals. When the successful proposal is awarded, those who submitted proposals are sometimes left hanging as to the reasons why the proposal was awarded to a specific company, perhaps without a great deal of explanation of why the proponent was not successful. I have had some feedback from several companies that state that while the officers that explain this are very good, there sometimes seems to be a great deal of variation in the application of the rating system that is used. Of course because of this, it leaves it open to speculation why a contract was awarded and why it was not awarded to a specific company. I wonder if the Minister could tell us if he could make the rating sheets for proposal reviews public to the proponents that submitted them so they can understand the basis for the decisions and, in turn, improve upon their business proposals where they may be weak? This has been consistent. Over the last two years that I have been here, I have heard comments on that. I understand that the rating sheets are, perhaps, not made public to those proponents or there are variations in them. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Please try to be direct when we respond and ask questions, Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, I will try to be brief in my answers. Mr. Chairman, Public Works and Services did write a letter to the honourable Member answering the questions on February 10th. In there, it lays out how this department does the contracting methods. The information is that, when contracts are awarded, this department advises the unsuccessful bidders and there are regret letters sent

to the unsuccessful proposers and for the proposals. The officials are available to discuss issues with the unsuccessful proposers and give them feedback on areas where proposers may be able to improve on future proposals. This is how the department advises the unsuccessful bidders. Request for proposal goes out mainly to the consulting businesses, but ten percent of the total budget goes, and it is not strictly based on the financial, it also deals with the costs involved, building quality, project teams, schedules, training methodology on how they plan to do the proposal. A lot of this is weighted in there, so we try to be as open and transparent as we can. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. Are the rating sheets given back to the proposers?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

No, we do not give the rating sheets back. Thank you.

CHAIRMAN (Mr. Ningark):

Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. This is the area of contention. I wonder if the Minister could undertake to look into this because it is the area of contention. The proponents want

Page 826

to see the rating sheets and it would clarify a lot for those individuals submitting proposals. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. We will look into it, however, a lot of the proposers submit their proposals

on a confidential basis. We would like to seriously look into this. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Ootes.

MR. OOTES:

Just a comment, Mr. Chairman. The proposals are submitted on a confidential basis. I am not asking that the rating sheets be handed out to everyone, just the rating sheets for that particular company that submitted a proposal, their respective rating sheets. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. I will repeat what you said. It is just a comment. Mr. Minister.

HON. JIM ANTOINE:

Yes, we will look into it. Thank you.

CHAIRMAN (Mr. Ningark):

Project management, page 5-7, operations and maintenance, total operations and maintenance, \$87.609 million. Mr. Steen.

MR. STEEN:

Mr. Chairman, if I could follow up with my question on negotiated sole-sourced RFPs. The information I have been supplied suggests that the BIP policy has been in place since 1976. It is effective. If it is effective, why would we need these negotiated contracts, sole-sourced, standing offer agreements and RFP policies?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. I would like to ask my deputy minister to answer it very briefly. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Lovely, I will allow you to answer.

MR. LOVELY:

Thank you, Mr. Chairman. The business incentive policy is administered by the Department of Resources, Wildlife and Economic Development. I do not want to speak on their behalf in terms of how the policy is administered. It is intended to provide a degree of preference for northern businesses when contracts are awarded through the competitive process. The only two forms of competitive process that we are involved with are requests for proposals and tender calls. The tenders are awarded almost entirely on the basis of costs, who submits the lowest bid. As you know, proposal calls are for when we are not quite sure how we want to have it done and we want some idea, some creative proposals on how to do it. It does contain an element of cost. With sole-sourced and negotiated contracts, the BIP is not much of a factor because sole-sourced means you cannot get the service or the goods from anything other than one source within the timeframe that it is needed, particularly when you have emergency requirements. Negotiated contracts are not heavily impacted by BIP because BIP is applied when contracts are awarded, when there is a degree of preference needed in the awarding of contracts. The business incentive policy is applied to contracts awarded through the competitive process and is not really much of an issue in those other areas you identified. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Steen, on page 5-7, project management.

MR. STEEN:

Thank you, Mr. Chairman. Mr. Chairman, the Department of Public Works is heavily involved in pricing of projects in the budget to different departments. I am wondering at the time the project is costed out in the budget, how much of that is BIP?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, when the project has been priced by the planners in this department, BIP is not costed out at that time. It is only factored in later through a public tender process that is when it is weighted. However, during the costing, we would look at northern factors like northern suppliers in the costing of the project. BIP is

not really factored in until after public process such as a public tender, has been issued. Whoever put their bids in then, that is when this is factored in. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Steen.

MR. STEEN:

Thank you, Mr. Chairman. How much BIP is in your overall operations and maintenance?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you. I would like to ask the deputy minister to answer, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Mr. Lovely.

MR. LOVELY:

Thank you, Mr. Chairman. We do not specifically budget for premiums associated with the business incentive policy. We do not automatically assume that contracts are going to cost more because they are done by northern firms. The business incentive policy does not increase the cost of a contract, it simply provides some preference or premium to northern contractors so that they can compete more effectively. We do not actually budget for a premium associated with BIP. Thank you.

CHAIRMAN (Mr. Ningark):

Mr. Steen.

MR. STEEN:

Mr. Chairman, if we do not budget for premiums how do we address the premiums? Surely we must be paying for them somewhere.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Lovely.

MR. LOVELY:

Thank you, Mr. Chairman. Over the years Members have asked questions about what is the additional cost. It is very difficult to determine whether there is an additional cost because of factors such as the uncertainty of knowing whether companies, outside firms like southern firms, have decided not to bid because of the existence of the

Page 827

business incentive policy. There is no way of knowing whether we could have got it cheaper if we had more firms competing because they felt that they could not be competitive from outside the jurisdiction. We do not budget specifically for a BIP premium. We budget on the basis of how much we expect it to cost given the utilization of northern firms, the utilization of northern suppliers, the manufacturing directive and all those factors. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Steen.

MR. STEEN:

Mr. Chairman, I saw recently a report that suggested that this government awarded 95 percent of their contracts northern and that shows the success of BIP. How much of that 95 percent was, in fact, negotiated contracts, RFPs, sole-sourced, standing offer agreements, et cetera, rather than BIP?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. I am told that about five percent of the total contracts for construction are done through negotiated contracts. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Steen.

MR. STEEN:

Mr. Chairman, that was not my question. My question was, out of all the contracts that were awarded, the 95 percent that is suggested that we awarded northerly, it was suggested that because we have used the BIP we were successful in awarding 95 percent of our contracts to northern contractors. My question is how many of those contracts that 95 percent, were, in fact,

negotiated contracts, RFPs, sole-sourced, standing offer agreements?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Mr. Chairman, we have to get back to the honourable Member with this information and the amount of detail that is required to review this. I take it as 90 percent of all the contracts went to northern that may include not only Public Works and Services, but may include the Department of Transportation, as well as the Housing Corporation. We are dealing mainly with the Department of Public Works and Services. I would like to ask the Member if he could give us some time here, we will try to get that information for him. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Your time is up, Mr. Steen. Project management, operations and maintenance, total operations and maintenance, \$7.609 million. Are there any Members who wish to speak at this time before I recognize Mr. Steen? No? Do you agree he speaks at this time?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Mr. Steen.

MR. STEEN:

Mr. Chairman, I do not have any further questions. I would like to point out that was not my time that was our time.

CHAIRMAN (Mr. Ningark):

Thank you. Project management, total operations and maintenance, \$7.609 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Mr. Henry, I would like to recognize you at this time. Thank you.

MR. HENRY:

Thank you, Mr. Chairman. Mr. Chairman, prior to this committee considering the item, asset management, within the Department of Public Works, I would like to take this opportunity to advise the House that I have an interest in a company which leases a building to the Government of the Northwest Territories. As such, I am declaring a conflict of interest pursuant to provisions of the Legislative Assembly and Executive Council Act. I will be withdrawing from the House and will not be participating in debate or consideration of this item. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Henry. Your declaration of a conflict of interest is noted. Thank you. Asset management, operations and maintenance, total operations and maintenance is \$42.577 million. Do we agree? Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. I have some questions with respect to the Yellowknife office space plan in relationship to a lease that was signed regarding the Lahm Ridge Tower. The chronology of this, Mr. Chairman, dates back to January 1997. Between January and August a variety of discussion papers were developed and various deputy ministers were briefed on the office plan. Then, in July the Yellowknife office space plan was agreed to by all deputy ministers. I feel it would be reasonable to suggest that some or all of the deputy ministers consulted their Ministers with regard to the office plan. My point being, with respect to a certain item, Mr. Chairman, is on August 1, 1997, the regional superintendent of Public Works and Services and the owner of the Lahm Ridge Tower, at that time, signed off a letter of intent to renew the lease. Through previous questions asked in this House, it was also known at that time that the previous owner intended to sell the building to new owners. On August 6, 1997, sorry, the letter stated, according to the information we have received, that the letter outlines detail under which the government was prepared to extend the lease. That was an item dated August 6th. On August 14th, Mr. Chairman, the Executive Council approved, in principle, the Yellowknife office space plan. Mr. Lovely stated on Friday that his Minister was never briefed on this, but, obviously, on August 14th his Minister was, for sure, briefed on this because that is when the Executive Council of this government gave approval in principle to it. The lease was not signed

off at that point. It was only a letter of intent. Therefore, the Ministers were aware that the lease was to be signed and that lease was not signed until the end of September. Am I correct in my facts on that so far? Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Now we can indulge in Lahm Ridge Tower. Mr. Minister.

HON. JIM ANTOINE:

Yes.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister, would you repeat that please. Your microphone was off.

Page 828

HON. JIM ANTOINE:

Yes, Mr. Chairman, the honourable Member is correct on the timing. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Ootes.

MR. OOTES:

Thank you. There was an opportunity, then, for Cabinet to discuss the potential sale and the extension of the lease to Lahm Ridge Tower because it was only a letter of intent that was signed. The lease documents were not signed. I have that right from a document prepared by the government. It said that the letter outline details under which government was prepared to extend the lease.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, when this document came before the Executive Council on August 14th for approval on the general Yellowknife office plan, it was what it was. It was the option for looking at the whole office plan requirements for the Government of the Northwest Territories. A discussion was never entered into about a private business building owner selling it to another private

business. That was never part of the discussion that I was aware of. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Ootes.

MR. OOTES:

Is the Minister stating that they put forward the office plan but the Lahm Ridge Tower was never discussed?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister, you will remember the question will you not? I would like to recognize Mrs. Groenewegen. I apologize. I should have recognized you first. Mrs. Groenewegen.

MRS. GROENEWEGEN:

Thank you, Mr. Chairman. Mr. Chairman, I would like to draw to the committee's attention, I have a controlling interest in a company, Greenway Holdings Ltd., which leases office space to the gas and electrical inspector in Hay River. As this item deals with the specific issue of asset management and office leases, I would like to declare a conflict and withdraw from the debate. Please have the record note that I have just entered the House. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. Your declaration of conflict of interest is noted. Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. I do not know how much of the discussion which happened in Cabinet that I could speak about. The general office plan in Yellowknife dealt with a variety of existing leases we have in different buildings, not specifically dealing with Lahm Ridge Tower, which was one of the existing leases.

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. In Friday's unedited Hansard debates, the deputy minister at the end of a statement stated in regard to a lease extension, at no time did I talk to my Minister about the negotiations

that were underway. My recollection is, I may have discussed it with him about a week after the event. Could the deputy minister explain his statement?

CHAIRMAN (Mr. Ningark):

Mr. Lovely.

MR. LOVELY:

Thank you, Mr. Chairman. The Minister of Public Works and Services signed the options' paper for the Yellowknife office space plan on July 31st. I briefed the Minister about a week later. Following the actual submission of the document, I briefed him in more detail. The event that was referred to was the signing of the letter of intent between Mr. Marceau and Mr. Dixon. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. I will allow you one more question. One of us pushed the wrong button. Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. I thought there were at least eight minutes left, however, I appreciate this. I want to get it clear in my mind, the deputy minister stated he referred, to the Minister, the letter of intent to sign the lease on July 31st. Was that correct? I did not quite understand what transpired. Could he repeat it for me?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Lovely.

MR. LOVELY:

Thank you, Mr. Chairman. The July 31st date is the date that the options' paper was actually submitted to Cabinet. I briefed the Minister on the office space plan a week later. It was about a week following the day the letter of intent was signed for renewal of the lease. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. We are reviewing activity asset management, operations and maintenance, total operations and maintenance, \$42.577 million. I will recognize Mr. Steen.

MR. STEEN:

Thank you, Mr. Chairman. Mr. Chairman, I would like to confirm the department has an agreement with the Hamlet of Tuktoyaktuk to handle their buildings in Tuktoyaktuk.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Yes.

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Steen.

MR. STEEN:

Thank you, Mr. Chairman. Mr. Chairman. How long has the agreement been in place?

CHAIRMAN (Mr. Ningark):

Thank you. The clock is ticking. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, we entered into the community transfer agreement with the Hamlet of Tuktoyaktuk April 1, 1995. It will be three years. Thank you.

CHAIRMAN (Mr. Ningark):

Mr. Steen.

MR. STEEN:

Thank you, Mr. Chairman. Mr. Chairman, recently the Hamlet of Tuktoyaktuk wrote a letter to MACA expressing their concern that DPW, already had an agreement in place

Page 829

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Lovely.

MR. LOVELY:

The department has been entering into community transfer agreements for some time. We have been working with Municipal and Community Affairs to make the transfer agreements more generic, so they are more consistent with agreements other

departments are utilizing between the community and the departments. I gave my Minister incorrect information earlier. I apologize for that. The community transfer agreements are not for a specified period. They are in place until they are amended by the parties. We asked the hamlet if they would be prepared to enter into a new agreement called a community empowerment agreement that was more consistent with what was being done across the government. It was the intent in making a change to one of consistency rather than having an agreement that reflected the needs of only one department. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Steen.

MR. STEEN:

Thank you, Mr. Chairman. This seems like a very small concern. Did the department respond in such a manner to the hamlet?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Lovely.

MR. LOVELY:

Thank you, Mr. Chairman. The department has been speaking with the community. We are in negotiations right now. We are asking for some monetary changes. When we originally negotiated the agreement, we included funding for housing stock, staff housing in the community, which was subsequently transferred to the Housing Corporation and we wanted to remove the responsibility for the petroleum products division tank farm. We felt it was more technical than the community needed to handle. We have been in negotiations with them for the last while in an effort to come to an agreement. As far as I know, the community is not opposed to it. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Steen.

MR. STEEN:

Mr. Chairman, could I have some indication from the department as to how responsive the communities have been about accepting these transfer agreements? I have the impression the department still has a fair amount of staff in the region with regard to trades. Recently, I saw an advertisement for a

plumber in Inuvik. Are we supposed to be downloading to the communities? Why are we advertising for these types of positions in Inuvik?

CHAIRMAN (Mr. Ningark):

Thank you. Deputy minister, Mr. Lovely.

MR. LOVELY:

Thank you, Mr. Chairman. Communities have been fairly responsive to community transfer, but most of our success has been with Nunavut communities. Communities in the west have been less open to entering into these agreements with us. In some cases, it has to do with the fact there are a number of different governing bodies in a community, such as a Metis local, First Nation, those kinds of organizations. It has not been as easy to determine whom the transfer should be made to. We have not entered into an agreement with Inuvik. There is a continuing need for some tradespeople in Inuvik, although we do have a small staff. We have lost significant numbers of staff through the transfer. Some of them have transferred to the communities themselves. Some were laid off when the employee and the community have not been able to come to an agreement on the terms of their employment. Thank you.

CHAIRMAN (Mr. Ningark):

Mr. Steen.

MR. STEEN:

Thank you, Mr. Chairman. Has this resulted in having to maintain regional staff, trades, because communities are not responding?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Lovely.

MR. LOVELY:

Thank you, Mr. Chairman. It is varied, depending upon the region and the numbers of communities that have entered into those agreements. It is true, we do need to keep some regional office staff because there are 13 communities where we have entered into community transfer arrangements, but they are spread across Nunavut. There is a continuing need to coordinate some of that work out of the regional offices.

CHAIRMAN (Mr. Ningark):

Thank you. The honourable Member for Nunakput, Mr. Steen.

MR. STEEN:

Thank you, Mr. Chairman. Mr. Chairman, are we keeping certain trades, like electricians, plumbers, as technical staff to support the communities?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. We do.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Steen.

MR. STEEN:

Mr. Chairman, is this consistent throughout the region, that we are going to keep X number as support for the communities?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. We are.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Steen.

MR. STEEN:

Mr. Chairman, if we are going to do this on a long-term basis, is it possible for the departments to employ apprentices under these trades?

CHAIRMAN (Mr. Ningark):

Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, this department used to have apprentices. We have finished our obligations to the Apprenticeship Program. We were getting our funding from Education, Culture and Employment. Since

tightening our belts and cutbacks, we no longer have that program. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Steen.

MR. STEEN:

Mr. Chairman, could I suggest to the department that it would be beneficial if these were long-term programs, and that we do, in fact, start hiring apprentices again?

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. It is a good idea and it is worth looking into how we could do that again. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. On the list, before 3:00 p.m., I would like to recognize Mr. Ootes. We are dealing with asset management. Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. Could the deputy minister confirm the size of Lahm Ridge Tower in square footage? The amount used today was 46,000 square feet. Could you tell us if that is correct?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, we are dealing with square metres. It is 3,979.9 square metres. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Ootes, would you like to convert that to square feet? Mr. Ootes.

MR. OOTES:

My next question, Mr. Chairman, is the former Minister, on November 27th, gave to all Members of the Legislative Assembly an active expense lease

sheet. It listed all the leases in the North Slave, Fort Smith, et cetera. Under one, he has Lahm Ridge Tower for an annual cost of \$1.18 million. Could the Minister tell us, is that rent exclusive? In other words, does that include heating, lighting, taxes, or is it excluding all those? Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you. That includes the base rent, the operations and maintenance, and utilities. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Ootes.

MR. OOTES:

Could the deputy minister tell us if he is familiar with who Mr. Greg Herndier is of URBCO and has he had discussions with him?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Lovely.

MR. LOVELY:

Thank you, Mr. Chairman. Yes, I do know Greg Herndier. I believe he is with URBCO. I have had many discussions with him over the past year, all of it related to office space in the community. My recollection is that Mr. Herndier was associated with the proposal from the Denendeh Development Corporation to buy the Laing Building. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. Could the deputy minister confirm that Mr. Herndier and URBCO and their potential joint venture partners submitted a proposal to buy the Laing Building? Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Lovely.

MR. LOVELY:

Thank you, Mr. Chairman. I have to admit that the discussions that I had with URBCO, Mr. Herndier, were discussions only. I have not seen a proposal, although I understand that a proposal may have been submitted to RWED. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Ootes.

MR. OOTES:

Thank you. I understand that a proposal was submitted. Perhaps, if I can make reference to what I have been told, what this proposal was, and that was to buy the Laing Building. It was based on a variety of different options. It was a 20-year lease, they were proposing to do \$2.5 million worth of renovation costs, which included office space and re-cladding of the building. Their proposal was to charge \$15 a square foot and pay the government \$3 million for the building. They had another option for \$10 a square foot and a payment of \$2 million. A final option was for \$5 a square foot and \$1 million. I am informed that this was discussed extensively and that a proposal was made. It was discussed extensively with some of the deputies' officials. Could he tell us if I am correct in the proposal? Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. We will be taking a break after Mr. Ootes' question. Mr. Lovely.

MR. LOVELY:

Thank you, Mr. Chairman. I cannot tell you whether or not the numbers that you are quoting are entirely accurate because I really cannot remember. When we were working on the Yellowknife office space plan, we were working on a plan designed to mitigate the negative economic impacts of a major surplus in the Yellowknife market. We had proposals from a variety of companies to do creative things. One company suggested that they would give us a great deal if we would put all of our staff into their buildings. All we had to do was agree. They would buy the Laing Building and take it off the market. They had a variety of proposals associated with the Laing Building. Mr. Herndier talked to many of my staff over the years and I know the issue of the Laing Building was on the agenda quite a few times. In the final analysis, because of the numbers of organizations who were concerned about the need to maintain some competition and some fairness, it was decided to

recommend to Cabinet that any new space that we enter into leases for would be entered into through a competitive process. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Ootes.

MR. OOTES:

I would like to touch base on Lahm Ridge and the Laing Building in comparison. It has been stated to us in various memos that the cost of improvements to Lahm Ridge was \$500,000 and spent over the last seven years. That was in a memo from Ms. Kennedy. However, in the Arthur Laing

Page 831

Building the improvements, government spent \$2 million to \$3 million over the last four to five years. Could I get confirmation of that, please?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Lovely.

MR. LOVELY:

Thank you, Mr. Chairman. I cannot verify those numbers but I can check them fairly quickly. I could perhaps have an answer on that after the break, in terms of the actual detail. One of the biggest problems, Mr. Chairman, was that the requirement for \$3.9 million of additional funds for code upgrades, things like elevators and a new HVAC system, was a factor in considering the future of the Laing Building. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. We only have a few seconds, Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. To mitigate that cost to the government, URBCO and their partners were prepared to spend \$2.5 million in improvements, as I said earlier. That would cover a lot of it. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. If you want to respond briefly, Mr. Minister.

HON. JIM ANTOINE:

Mr. Chairman, what the honourable Member is making reference to is a DDC proposal that came to government and not necessarily to this department. The deputy minister is not aware of those numbers from DDC, nor am I. The Yellowknife office plan was initially approved last summer and finally approved last month, in January. The whole office plan rationalization calls for the disposal of the Laing Building. The Laing Building is up for sale and there are a number of groups who are interested in pursuing it. In speaking to the Minister of Finance, he would like to see it proceed through a public tendering process. If the DDC has a proposal and it is a good proposal, then it will be considered. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. It has been a long afternoon. We will take a 15-minute break. Thank you.

--Break

CHAIRMAN (Mr. Ningark):

Thank you. I would like to call the committee back to order. Asset management, operations and maintenance, total operations and maintenance, \$42.577 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. I would like to go back to an earlier question I had. I did a conversion of the square metres of the Lahm Ridge Tower and it works out to, 29,941 square feet. Approximately 30,000 square feet. Could the Minister tell us if that is correct?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Mr. Chairman, we do not have the conversion. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. We believe, Mr. Ootes, you are quite correct. Mr. Ootes.

MR. OOTES:

Thank you. Perhaps I can deal with some mathematics, Mr. Chairman. What I am trying to show is that retaining the Laing Building is what should have been considered, a very viable method to go versus the Lahm Ridge Tower. If my calculations are correct of 30,000 square feet, then the two departments that are in Lahm Ridge Tower could potentially be accommodated with some adjustments in the Arthur Laing Building. If that is the case, it would save the following monies because in the documentation we have been provided, to move the Executive and FMB out of the Laing Building would have cost \$1.4 million. To lease the Laing Building, we would have only the operating cost in there because it is government owned. If it was sold, then the government could realize \$3 million plus pay \$15 per square foot. Therefore, if the Laing Building was used at \$15 per square foot, the total cost of operating would be \$900,000 per year. With the way that the government went, they would have to lease new space for the Executive and FMB, say, at the same cost of \$15 per square foot. That would total \$550,000 and Lahm Ridge, at \$20 per square foot, would be \$600,000 for a total of \$1.1 million. The difference is \$200,000 per year in cost of leasing. Over a ten-year period, let me just state I think it could be between \$1 million and \$2.5 million depending upon the exact cost of the square footage of the Lahm Ridge Tower. If the Executive and the FMB had moved, it would have cost \$1.4 million to move. The government instead will make \$3 million in return for the sale. I do not understand the economics of this situation where it paid to retain the Lahm Ridge Tower.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Ootes, are you basing your calculation to be the exact number or are you using that as an example? That would put the Minister in a position where he would be working on the assumption that your calculation is correct, Mr. Ootes.

MR. OOTES:

First of all, maybe they can tell me what they are paying per square foot in this Lahm Ridge Tower? My calculation is a minimum of \$20.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister. Mr. Ootes, your microphone was off. Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. What is very important here is, what is the square footage cost of the Lahm Ridge Tower? We do not have that. I need that in order to be able to put the exact figures together here. So far, I do not have that.

CHAIRMAN (Mr. Ningark):

We heard your question. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, it is impossible to compare some proposals that have come forward that Mr. Ootes is taking example from this forum. It is impossible to do that. The Yellowknife office plan that was approved last month is being implemented by this department, and we are going to be putting out a proposal call to seek the

Page 832

best value for our dollars in Yellowknife. We do not want to say what the cost per square footage is, because it would set a benchmark for anybody who is going to be proposing office space for rent. The intention of this government is to try to get best value for the dollars. I have already said that there are a number of leases out there and the Lahm Ridge Tower is the third lowest of that whole arrangement that we have now. When we were looking at the extension options, the property management personnel did an analysis based on a number of factors. The base rent and the operations and maintenance costs per square foot are the major ones. The landlords' proposed rates are weighted against other leases that are similar to the one the government holds in the community. They are also considered as well as expenditures that we put into the different office buildings. We call it tenant improvements. There are a lot of factors that go into the whole decision. If you were going to start comparing different proposals that come forward here, like I said, it is impossible to do at this time. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Ootes.

MR. OOTES:

Mr. Chairman, I would not have any difficulty doing a comparison check if I had the square footage costs of the Lahm Ridge Tower. It would take me five minutes to do a comparison. I have some figures here if it is 30,000 square feet we are dealing with a total cost of \$39.41 per square foot. Take away your operating costs for taxes, et cetera or whatever is included in that. That is a guess, is it not? Say \$15 per square foot, that is perhaps normal. Normally you are at \$25, I have given the benefit of the doubt at \$20. What is it, that is the question? What is that square footage cost? I need that in order to be able to deal with a \$32 million expenditure under other operations and maintenance in this asset management area.

We are here to worry about the government's expenditures. I cannot justify sitting here and not being convinced that this was the best financial deal for this government. I do not know that and that is what I am trying to get at. Was this the best financial deal for this government? I am not getting an answer to my question, yet we have everything else but the square footage cost.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, I am told that the amount of space in the Lahm Ridge Tower is approximately 42,000 square feet. We will double check here with the department to get as close as possible to the number. Once you start going cost per square foot, the option that was proposed to the Executive and approved by the Executive is not the cheapest way to go. The cheapest way would be to fill up all our existing spaces, but there is the matter of the economy of Yellowknife at stake here. Who knew the gold prices were going to go down, that mines were going to be shutting down and that people would be losing their jobs? There is a big surplus of office space here in Yellowknife. The direction that we decided to go was to accommodate the businesses that own these office spaces in Yellowknife. Sure, the cheapest way to go would have been to fill up everything that we own, but that would create a bigger surplus in existing spaces here in Yellowknife. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. The time for Mr. Ootes is up. Dealing with considering asset management, I have Mr.

Miltenberger, Mr. Krutko, Mr. Steen. Mr. Miltenberger.

MR. MILTENBERGER:

Thank you, Mr. Chairman. Is the Minister, now that he has acknowledged that there is about 42,000 square feet, there was a bunch of money being saved for improvements. The yard stick is cost per square foot. Can the Minister tell us approximately what the cost is per square foot?

CHAIRMAN (Mr. Ningark):

Thank you. Approximately, Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, this department is going to be going out soon for a proposal call to the existing businesses in Yellowknife. It is the advice of the deputy minister not to release the figures. It is not for withholding information, but it is for trying to do the best business for this government. There are a number of buildings that we have and the cheapest base rate we have is \$11. The highest is \$23.25. However, if you add the operations and maintenance on top of it, it increases quite substantially. For example, the cheapest one, \$11 base rate, the operations and maintenance is \$11.11, so that makes it an annual of \$22.11 which is quite low. Then also, the \$23.25 one, the highest base one that I mentioned, has an operations and maintenance of \$9.72, which makes it \$32.97. These are the existing leases that we have. In the case of the Lahm Ridge Tower, I think that if you are insisting on it, then I will tell you. The base rate we negotiated was \$16.10, and the operations and maintenance is \$10.05, which makes it \$26.15. So, we are in the middle of the pack. Like I said, we are the third lowest in this whole deal. It is not only the base and the operations and maintenance that is taken into consideration, as well, Mr. Chairman. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Miltenberger.

MR. MILTENBERGER:

Thank you, Mr. Chairman. Just to confirm as well, initially this was touted as a good business deal, that it made sense. You say the cost per square foot is in the middle of the pack which I have no reason to dispute. I just want to confirm that there was a willingness to pay at somewhat of a premium because

of the current economic situation in Yellowknife. You mentioned the downturn in gold prices. I think it was specifically the one issue you mentioned, but there was a willingness on the part of the government to pay somewhat of a premium and not necessarily go with the lowest cost per square foot price because of that other factor.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, it is true, however, there are other factors that were taken into consideration. Namely, that the common response from the department was their desire to remain in the building. There is a matter of, since 1990, this government had invested \$0.5 million in the Lahm Ridge Tower for tenant improvements, which is putting up the walls, divisions for the offices, rug improvements, the switches, the lighting and so forth. If we go

Page 833

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Miltenberger.

MR. MILTENBERGER:

Mr. Chairman, I would just like to get back briefly to the comment made about five minutes ago by the Minister, which was a new one, as far as I can recollect, in listening to this lengthy discussion on the Lahm Ridge. That was the recognition of the current economic downturn in Yellowknife being a factor in the decision making, making the government more willing to pay a slight economic premium in doing the negotiating of this contract. I am just interested to know, is that sort of a free-floating criteria since the deputy has full authority to negotiate these leases and to make that kind of assessment that has, I would say, some political overtones because of the implication for other jurisdictions if they are going to be willing to pay premiums since a lot of communities have, in fact, experienced economic downturns? Is there a fairly clear criteria in evaluating these kinds of lease proposals that have that particular factor in there in a way that is nonpolitical but is part of the economic mix? Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, the comment of taking the Yellowknife economy into consideration is more in line with trying to rationalize the total Yellowknife office space plan of which the Lahm Ridge Tower is a small part of the overall plan of retaining existing spaces, with the renegotiated lease being more financially beneficial than was originally negotiated. This office plan is, again, not the cheapest solution for the Government of the Northwest Territories in satisfying the office needs here in the capital of the Northwest Territories. The simplest and cheapest solution would have been to retain the existing long-term leases that we have and government-owned buildings and consolidate government departments within these buildings wherever possible. That would have been the cheapest solution. In one of the earlier documents, it was one of the options. However, the least-cost option could be potentially devastating to the economy of the City of Yellowknife. There is an existing office surplus of 120,000 square feet on the market in Yellowknife. There is an expanding surplus, as well, coming to division. The action also recognized the impact of government decision on the economy of Yellowknife. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. I want to be fair to all of you. Mr. Miltenberger, your time is up. However, later on after I recognize a couple of Members here, if you want to go back to posing questions, that is up to you. On the list I have Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. In spite of the amount of vacant office space in regard to the decision to go forth with the leases the government presently has approved, the Minister is saying they are still reviewing and seeing where there are savings to be made. Yet, we have something like 120,000 square feet of vacant office space in Yellowknife. Then there is going to be down sizing of the government with division coming along. How can you state that we are being fair to not only this government but fair to the real estate market when we are leasing space at a prime rate. Plus, in regard to the economy in Yellowknife, where there is a lot more competition for office space, which Mr. Ootes made reference to, and an offer that was put on the table of almost \$10

dollars a square foot in regard to selling the Laing Building, where there is a push from the developers to bring down the cost of the lease per square foot in Yellowknife. I would like to ask the Minister, why did they approve this knowing that these conditions were out there and that the office space plan was still being developed? Why did we not wait until after the plan was completed and take into consideration all the circumstances around division and down sizing of the government in the west? Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Lovely.

MR. LOVELY:

Thank you, Mr. Chairman. The Yellowknife office space plan was developed over a period of several months because it was such a complex issue. It was felt there was a need to find a way to cushion the impact of continuing changes to the size of the public service. As we move toward division, our need for office space will diminish. We are expecting, once division is completed and two new territories have been created, that the economy will start to rebound. In the meantime, we did not want to do anything to further damage the real estate market by cancelling a lot of leases and pulling ourselves into a lot of owned buildings that needed major capital investments to make them continuing good office space. The reason we went in the direction that we did, and the reason we made the recommendations to Cabinet, was we felt we had to get some of the office space currently on the market off the market. That was the reason for recommending the sale of the Laing Building which would remove 60,000 square feet from the Yellowknife office space inventory immediately. There are two departments that occupy that building, the Executive and the Financial Management Board Secretariat, and it is 60,000 square feet. However, they only require 38,000 square feet of space. It is our intention to go to a call for proposals to accommodate those departments outside of the Laing Building. Over time, we will reduce our inventory by 90,000 square feet, I believe it is by the year 2005. We will do that by dropping leases as they reach their termination. We will do it in a way that is least damaging to the economy. The reality is that, when we take a look at the number of jobs that have been lost as a result of government restructuring and the potential reductions that will continue to occur, they have largely been in Yellowknife. The vast majority of those jobs have been lost from Yellowknife even though there have been

reductions at the community level. I think it is critical to recognize that the health of your capital also has an impact on the health of the rest of the communities in the jurisdiction. If the real estate market is devastated in the capital, the economy of the entire region suffers. This was the reason for selling the Laing Building and eliminating it from the office space inventory. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. In regard to the Laing Building, I do not believe that by selling it you are taking it off the market. Right now it is not classified as a lease property which is owned by this government. We own it lock, stock and barre. It is no cost to us in regard to leasing. If you lease that building, what you are doing is putting another 90,000 square feet on the market for whoever buys it. If that is what they want to do, that is what they can do. You are increasing the amount which is basically 220,000 square feet right now. Technically you are adding to the problem versus resolving it.

In regard to the question I asked earlier, there is a lot of office space in Yellowknife in which, to be fair to all people in the real estate market, there should have been some call for proposals so we can get the best price for the amount of money we spend. If that means someone is going to come in at a price the lease market has right now in which you are getting it for \$15 a square foot, instead of paying \$35 a square foot; I think the market right now is competitive and people will go that extra mile to get your business. In the case of the Laing Building, there were interested parties who took a look at it with the understanding from the Department of Public Works that there were going to be no long-term lease initiatives made. There were meetings held between the Denendeh Development Corporation, yourself and the Minister. You knew there were other interested parties in this building. You are saying, we did it. Yet, you are still planning on looking at savings. There has to be a plan in place where we know exactly the price per square foot of each of these buildings that we are looking at, so we can see exactly what the cost-savings are to this government. We recently approved three office spaces in the Centre Square, the Lahm Ridge Tower, the Northern United Place and the Professional

Building. Yet, there are other buildings out there, the Northwest Tower, Bellanca Developments, where there is a lot of vacant office space. I would like to ask the Minister, did they go out for calls for proposals with regard to when they were looking at the Lahm Ridge Tower deal?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, the Yellowknife office plan was finally approved last month, in January. It was not approved before that. It was still in the development stages. However, during that whole planning stage, by last July, the department knew which office space it would like to retain. There was not a call for proposals back then to look for new office space because the Yellowknife office plan had not been approved. It was approved only last month. Since that time, the department has been initiating the work to go to a request for proposals, after the decision was made, which was last month. The intention is to go out to the public to see what kind of costs we could have out there. We need to do that.

In the case of the Laing Building, there is a caveat. The decision of Cabinet was to sell the Laing Building. There was a caveat not to lease it back to the government. What, in fact, that does, is take 60,000 square feet off the market immediately. What we will be doing is going out for leasing 36,000 square feet to replace what we lost for FMBS and the Executive. By doing that, it will avoid a major investment of about \$3 million on the part of the government to retrofit the Laing Building. We will have to put in new elevators and an air handling system. It is quite a substantial amount of renovation that we will avoid by doing that. It will also reduce some of the surplus which is already out there. The government will reduce its remaining inventory by quite a substantial amount. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Your time is up, Mr. Krutko. We are dealing with asset management. Mr. Arlooktoo.

HON. GOO ARLOOKTOO:

Mr. Chairman, I want to clarify the statement made by Mr. Krutko that there were meetings between the Denendeh Development Corporation, the deputy

minister and the Minister at that time. I want to clarify, as I was the Minister then, that there were no meetings between these parties regarding the possible sale of the Laing Building. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Roland.

MR. ROLAND:

Thank you, Mr. Chairman. My concern is, although this government is recognizing the economic downturn, I see a couple of inconsistencies. One, for example, is ,say, for whatever reason, the Laing Building goes on the market and you take it off and, say, you cannot lease it back to the government. It does not mean that space is not available. It is there for the rest of the City of Yellowknife and people looking for office space. It is still there. Another issue, and this is coming mainly from my riding, is this government's sudden concern for economic downturn in communities. In my case, this is ten, 12 years too late. When the community of the Beaufort Delta was booming at 7,000 to 8,000 people, I do not recall a plan of the government to help out businesses that had investments in that community, but we are going at it with this.

The question I have for the Minister is, was there a plan? I know this goes back a long way, but could you give me that information? Was there a plan by the government to deal with the downturn in the Beaufort Delta economy to help out businesses that were running at the time?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Mr. Chairman, this is the type of information that requires some research. We will try to find this information. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. We are not talking about then. We are dealing with the activity that we are looking at now. Mr. Roland.

Page 835

MR. ROLAND:

Thank you, Mr. Chairman. I had to put a plug in for Inuvik. Mr. Chairman, the concern is, I asked the question earlier. I made reference to the Lahm Ridge being 45,000 square feet and this government having a surplus of 76,000 square feet. The Minister stated that if we took the two departments in the building and took them out, you would not be able to put them into one area in any of the space available. Could the Minister supply the information, and possibly it has already been asked with the many questions that have gone through since this began? Could the Minister supply the information that would give us the available space, where it is located and what sizes of vacancies they are? For example, in one building you could have 10,000 square feet and another 20,000. That information would be nice to have. The Minister stated earlier that there were pockets of them around, but you could not put either one of these departments into the spaces that were available. Could you come up that information?

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Roland. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, we have that information but we will need some time to put it together. We will endeavour to provide that as soon as we can. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Asset management. Mr. Steen.

MR. STEEN:

Thank you, Mr. Chairman. Mr. Chairman, for clarification on a couple of questions I have. I heard the department say earlier that the deputy minister and superintendent have signing authority with regard to leases where the size of the budget, in fact, they could commit the government to long-term leases. My question is, under the Financial Administration Act, there are limitations as to how much liability this government could have at any one time. Would there not be a requirement from the departments to meet with the Financial Management Board or the rest of the Cabinet to ensure there was room for this long-term liability before anything was signed?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. In the case of Lahm Ridge Tower, the deputy minister consulted with the FMBS to get the parameters laid out. In this case the budget was already there for Lahm Ridge Tower. We needed the 42,000 square feet that was there. If we did not have it there, we would have had it somewhere else. The budget has already been approved and it is there for that. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Steen.

MR. STEEN:

Thank you, Mr. Chairman. Mr. Chairman, I am not arguing whether the budget was there or not. The budget would have been there for only one year anyway. We would have been talking about future budgets and commitments of this government. I am under the impression that at least the Finance Minister, the Minister of Education and the Minister of Transportation were involved, as well as the Minister of DPW, at an early stage as to who was going to use the facilities. Who was involved in the approval?

CHAIRMAN (Mr. Ningark):

Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, the deputy ministers were involved in the renegotiation of this lease and the Ministers were not involved in the arrangement for negotiating the new lease or the approval of it.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Steen.

MR. STEEN:

Mr. Chairman, I am not referring to the negotiations. I am referring to the identified needs of the departments. Obviously, the Finance Minister would have been involved at a very early stage to ensure there was room under the limitations for a long-term lease. Is that correct?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. The deputy ministers projected the staff's needs for both departments beyond division. It was well known what was required and how much space was required by the two departments. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Steen.

MR. STEEN:

What about the Finance Minister, was he involved?

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Minister.

HON. JIM ANTOINE:

Mr. Chairman, the Financial Management Board Secretariat was informed of this decision to renegotiate this lease of the Lahm Ridge Tower. I am not aware that the Finance Minister was aware of this. Perhaps his secretary, Lew Voytilla was informed of this. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Steen.

MR. STEEN:

Thank you, Mr. Chairman. Obviously, we are understanding here that it was at deputy minister levels, but at some point it was brought to Cabinet for approval. Is that correct?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

No, it was not brought to Cabinet for decision. Since it was an extension of an existing lease, it is under the full authority of the deputy ministers. In this case, it was the deputy minister of Public Works, to approve the extension. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Steen.

MR. STEEN:

Thank you, Mr. Chairman. I understand Cabinet was not involved. My other question is in regard to the urgency of signing this lease. Considering the department was in the process of reviewing office space requirements, what was the urgency of signing the lease at that time?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Lovely.

Page 836

MR. LOVELY:

Thank you, Mr. Chairman. The urgency in terms of extending the lease was really on the part of the owner. He was looking to find a way to make his building an attractive investment for a potential buyer. We knew that was the case and we were prepared to talk with him about extending the lease if he could make it financially worthwhile for us to do so. On that basis we sat down with him and it was not difficult within a period of a couple of days to come up with the details of the renewed lease. I should make it clear that when we entered into that, when we gave the commitment to the owner, Mr. Marceau, through a letter of intent, we signed a document which committed us to this arrangement. This would allow the owner to get a new mortgage to, perhaps, attract investors. Even though we had not signed the lease extension, we were still legally committed to the extension at that point, which, I believe, was the end of July, 1997. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Steen.

MR. STEEN:

Mr. Chairman, I do not quite get the thought plan. For instance, the deputy ministers are only involved at the point where the deal is struck. The deputy minister signs off, but then on the office space plan, it needs the decision of Cabinet. Now why would you need a decision of Cabinet for an office space plan, if a decision of Cabinet is not required to sign the lease?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Lovely.

MR. LOVELY:

Thank you, Mr. Chairman. When the Department of Public Works brought the recommendations to Cabinet for the Yellowknife office space plan, we did not come forward with a proposal which outlined the exact details of everything that was going to happen. We needed approval in some very specific instances for some components of it. We indicated we wanted to extend some beneficial leases. That was one component of the plan, but was not something that required Cabinet approval. That was within the authority of the deputy minister to make those arrangements. However, we did require Cabinet approval to sell the Laing Building as one component of the office space plan. We made other recommendations to Cabinet and FMB for options that would have required their approval. Although the extension of some of the existing leases was not something we required their approval on, it was something we made them aware of, by indicating that is how we plan to deal with satisfying some of our long-term space needs. It was completely within the authority of the deputy to sign the lease extensions without necessarily going to Cabinet.

CHAIRMAN (Mr. Ningark):

Mr. Steen.

MR. STEEN:

Thank you, Mr. Chairman. I understand that Cabinet's decision was not required, even though this was a negotiated extension to a lease. I understand that any negotiated contracts of CAP have to have approval of Cabinet. I do not understand what the difference between this negotiated contract, lease or whatever you want to call it, and an ordinary negotiated contract. Both seem to require a decision of Cabinet. Why would a Cabinet decision be involved in the case of a negotiated contract which may not be \$8 or \$10 million, may only be \$250,000 or whatever; why would their authority be required and a negotiated lease of this size, there is no approval required?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, again, this lease arrangement has some history. Originally, it went through public tender to get the initial lease with the Lahm Ridge Investment Company, the former

owners. After ten years was up, the provisions called for extensions. Even though it was on holdover, it was still a lease extension so it is under the authority of the deputy minister. He could go ahead and renegotiate a better deal for the government. If the lease had ended and we were to go for a totally new package with them, then it would have had to be approved by Cabinet. I understand that is the difference.

CHAIRMAN (Mr. Ningark):

Thank you. We are considering asset management. Mr. Steen, your time is up. On the list I have Mr. Ootes and Mr. Krutko. Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. On January 28th, the Minister, I believe, tabled a document regarding the scenario, date and times with what happened regarding Lahm Ridge Tower. On July 29th, the owner phoned Public Works, they met on July 30th and on August 1st, the owner wrote PWS, agreeing to general terms. On August 6th, PWS sent a letter outlining details under which the government would be prepared to extend the lease. Then, eight days later, the Executive Council grants approval in principle to the Yellowknife office plan. There is a 14-day period here. My question would be, what was the big rush? Why did the deputy minister take this action so fast? It could have waited. There was no reason. This gentleman phoned and the deputy minister stated before or the minister did, that they had no contact from the owner before July 29th. What all of a sudden is the panic for this, when we are considering the whole office plan situation in Yellowknife? Within a six-day period they sign off this lease and yet, the office plan, which has to take into consideration all sorts of political implications by doing that. There are other business people in this community with tremendous investment and yet, boom, just like that, a lease is signed on the basis, before it was a case where, and I stand to be corrected on this, but my understanding was, there was no desire to renew the lease because it was a southern owner. All of a sudden, there is potential for northern owners, and the lease is signed. Perhaps I can get the Minister to address a little more on the timeframe, why was the urgency here to sign this lease in this short timeframe?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. I have already answered several similar questions a few times. The answer is that it was a good business deal. The deputy minister tells me, at the time of the development of the Yellowknife office plan, it was deemed that the two departments that were in the Lahm Ridge Tower desired to remain in the building. The instruction of the deputy minister to the superintendent, was to negotiate with the owner, with the view of reducing the utility costs, dealing with the long-standing air handling problem and general improvements to the building. The superintendent was successful in negotiating under these conditions. As a result of

Page 837

that, the agreement was reached. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. Perhaps I can deal with the issue of what was developed as the principles behind the Yellowknife office plan. This is from, again, documentation the Minister has tabled in this House. These are not necessarily in this order, but these were principles put down:

-that the government ownership of space in Yellowknife should be minimized;

-that maximum local and northern private sector involvement be obtained that avoid excessive costs;

-and that lease contracts must be awarded through competitive proposal process.

Dealing with those principles, when they say the GNWT ownership of space in Yellowknife should be minimized, it is true they are selling the Laing Building, but there were parties interested in buying the Laing Building and the Stuart Hodgson Building. Did it not make sense to say, fill up the Laing Building, sell it to northern owners, sell the SMH building to northern owners. That building which is owned by a southerner on the way down to the hill, unfortunately, we are not interested in southerners. Would that not make a lot more sense, Mr. Chairman? Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, it would have been good if it was that simple, but there are a lot of factors that have to be taken into consideration. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. In some of the documentation, I recall there is also an interest ensuring an aboriginal component, where possible, to be involved in the real estate factor in Yellowknife with government buildings. There was an opportunity to have an aboriginal component in a couple of the buildings. Where has the aboriginal component gone to now? How do aboriginal organizations that have expressed an interest in buildings, how do they possibly get involved in the real estate business in Yellowknife?

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Again, the decision by Cabinet to sell the Laing Building, the Tapwe Building and the RWED waterfront area was made only last month. The opportunity the honourable Member mentions, of aboriginal involvement in acquiring these assets, is still there. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Ootes.

MR. OOTES:

Thank you. I have a very important question. As I stated earlier, one of the issues in the principles that were stated was to avoid excessive cost. We are here to approve the budget. How do we know that you were able to avoid excessive cost? Can I be supplied the documentation and all the permutations versus the Laing Building and the Lahm Ridge Tower and some of the other space? Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, we do not have a document such as the honourable Member is asking for. Avoid excessive costs, yes, I agree that this government should try to avoid all excessive costs that are there, but a lot of these decisions are not based on costs alone. There are other factors. In this case, the Yellowknife office plan is taking into consideration the economy of the capital of the Northwest Territories here in Yellowknife. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Ootes.

MR. OOTES:

Yes, Mr. Chairman. Of the principles, there were four main ones and I referred to them, I cannot tell you about number three which I referred to, excessive costs because I do not have the information in front of me. I am asking to have the information in front of me. I need to have that, but let me just conclude my questions in this round. There were four areas. One was that GNWT get out of ownership. Two, maximize local and northern private sector involvement. I asked the question about aboriginal involvement. That is not there. It was not offered. Three, excessive cost, I cannot get an answer to it. Four, lease contracts awarded through competitive proposal process. It was not awarded through a competitive proposal, it was just renewed. Mr. Chairman, I do not see how these principles were adhered to. Perhaps I can have some clarification on those principles because I do not see that they were adhered to. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, I have answered these questions over and over again. I have been trying to be clear as possible. I am trying to be as calm as possible, too. It is getting to the point where, what else can I offer here as a Minister to the honourable Member from Yellowknife in regard to his questions? He is asking these questions and I am not giving him the kind of answer that he wants.

I think that what I said is that the aboriginal content is still there. How clear can I be on that? I do not know

what else he is asking here. We are getting out of the government ownership, minimizing government ownership of office space in Yellowknife. We are selling the Laing Building, we are selling the Tapwe Building, we are selling the RWED holdings down at the lake front.

Effective management of lease inventory to avoid excessive costs, the deputy minister and I have said time and time again, the Lahm Ridge Tower deal was a business deal. It had no political interference. Of all the leases we have, it is the third lowest. There are about eight other leases in Yellowknife which are higher than that. I do not see how much clearer I could be on maximizing private sector involvement in providing the

Page 838

GNWT office space in Yellowknife. There are a lot of businesses in Yellowknife. If we sell the Laing Building then there are 60,000 square feet in there. If we put all our offices in the Laing Building and the Stewart Hodgson Building then the excess office space that is out there will increase by that much. Is the honourable Member from Yellowknife saying, take it away from the real estate businesses in town and put everybody into the office building or is he agreeing with me saying that we should look at the economy of Yellowknife and try to accommodate them in this depressed time that we are entering here? Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. The honourable Member at this time is not able to answer because his time is out. We have Mr. Krutko on the list. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. Could the Minister give us an idea, you mentioned that out of eight real estate properties that you presently lease that the second lowest was the Lahm Ridge. You must have some information in front of you where you are coming out with this scenario. Is it possible that this document could be tabled with Members in the House so that we can see for ourselves exactly the savings to this government?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Yes.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. You made reference to the options document which was sent to Cabinet. Could you give us an idea of what was contained in that options document and when was it sent?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

The deputy minister will explain the options. It is a Cabinet document and normally we do not release these documents. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Deputy minister, would you please care to explain the options?

MR. LOVELY:

Thank you, Mr. Chairman. This options paper resulted from, I would say, at least a dozen draft discussion papers that were discussed with deputy ministers. These are not the only options which were considered, but they are the only options that we felt, as deputy ministers, that we could recommend to Cabinet.

The first option was a stand-fast option, which simply was to put all the staff that we could possibly put into the Laing and the Hodgson Buildings, put some capital money into the budget to do code upgrades and drop any leases that are on a month-to-month basis or which expire between 1997 and 1999. That was the cheapest option and it was one that was not recommended because of the potentially negative impact on the market.

Option two was to sell both the Laing and S.M. Hodgson Building and lease them back for ten to 20 years. Sell a variety of other office space in town and probably be in the same situation as we would have been had we simply retained ownership of those two buildings. The increased costs that were associated with this one over option number one were the increased lease costs.

Option number three was to sell the Laing Building and the Hodgson Building, to put a caveat on the Laing Building that it could not be used for government office space, to lease back the Stuart Hodgson Building for a period of ten to 20 years and to sell a variety of other properties around town as indicated in the office space plan. The reason that the Stuart Hodgson Building was recommended for sale and lease back was because of the existence of the government's main computer centre in the building. It was felt that was the building which had the most obvious lease back value.

In the end, Cabinet did not approve a variation of the third option. It indicated that the Stuart Hodgson Building should be retained as a government-owned building given the specialized nature of it, sell the Laing Building with a caveat and to extend long-term leases and sell some other properties. Those are the three options that were submitted. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. Could you tell me at what time these options were put forth to Cabinet?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

It was submitted to Cabinet on July 31st. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. Regarding the selling of the Laing and Stuart Hodgson Buildings with a lease-back cost arrangement. Was that item ever discussed with the Denendeh Development Corporation regarding looking at options where there were meetings held on that particular item?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, I am told that this option two, the sale of the Laing Building and the SMH Building, was discussed in general terms with our superintendent. The Department of RWED was also involved in those discussions. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. Regarding option two, I believe it is URBCO and the Denendeh Development Corporation had done extensive work in which there were different scenarios put forth to this government. Back in August they were under the understanding that option two was going to be the scenario that was going to go. At what time did they decide to cancel out option two and three, if in July and August that option was still on the table?

Page 839

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Antoine.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, the document was given forward to Cabinet on July 31st. On August 14th the Cabinet reviewed this document and decided to go with option three at that time. In January, last month, the final decision was made with a different variation of option number three. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. Regarding the aboriginal component, looking at the real estate market in Yellowknife, which the Gwich'in and Inuit believe the Denendeh Development Corporation and other aboriginal groups have shown an interest in looking at the possibility for acquiring real estate in Yellowknife and looking at getting into landlords and looking at long-term leases such as what happened in the case of the Lahm Ridge Tower. It always comes to the conclusion that they put all the work, sweat and effort into developing proposals, options, talking to consultants and looking at the options, at the end of

the day being led down the garden path where they presume one thing at the start of the proposal, and then are told a couple months later, sorry, guys, it is off the table. If it took this government a matter of days to work out a lease with regard to Lahm Ridge Tower, why is it taking the aboriginal groups so long for them to acquire lease arrangements with this government in Yellowknife? Why is there a difference between one group and the other? Why is that?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. I was not aware, personally, about the Denendeh Development Corporation's unsolicited proposal until about three weeks ago. I was not aware that there were meetings going on with regard to the Laing Building. The scenario that developed and the final decision by Cabinet to propose for the sale of Laing Building is based on the work that the DDC had already done. I do not think it is fair that they were not taken into consideration at all. There are other aboriginal corporations and groups that are interested in the Laing Building, as well, other than DDC and the Gwich'in. How do you accommodate them, as well? That is something that we had to deal with in Cabinet. The final decision is that, yes, the Laing Building is the Government of the Northwest Territories' own asset, over which we have control to sell or lease. This is the only building that we have that type of control over. In this case, it took a long time but the decision was made last January to go ahead and sell it.

During the summer, the officials of Public Works and Services had general discussions with DDC, but they did not have the authority to sell the building at that time. The authority was not given at that time. It only happened in January. These are all preliminary general discussions of possible proposals. It is up to a proponent to try to convince Cabinet to go for their proposal at that time but it never did materialize. It was worked into the overall Yellowknife general plan for the office plan. That is how it was handled. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Your time is up, Mr. Krutko. I have Mr. Roland, Mr. Ootes and Mr. Krutko. Mr. Roland.

MR. ROLAND:

Thank you, Mr. Chairman. One question, depending on the answer. When the original owner came back for extending his lease November 30, 1995, he was told, or the department said, no, we cannot extend the lease because of the situation. Now a year and a half later, July 30, 1997, there is agreement that it can go ahead. During that time it went from a month-to-month lease. My question is, if the original lease ended with an agreement to extend, two options were five-year and five-year, but there is no talk mentioned of a month-to-month. Is this an actual lease extension if, in fact, the options were not exercised when the date of the original lease ended? It is a month-to-month until that time. Can the Minister clarify that for me? Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. It is between the two parties to agree on a month-to-month basis. Even though it goes to two years or more, the department had a legal opinion that we could still exercise the lease extension. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. We have considering asset management, 1998-99 main estimates, activity summary. Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. Going back to the timing, again, and it is important, Mr. Chairman. I did not catch correctly what the Minister said when the office plan document was sent to Cabinet. Did he state that the office plan was forwarded on July 31st to Cabinet Members?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, the office plan document was signed by the Minister of Public Works and Services on July 31st. We are assuming that those documents were sent to the Ministers immediately after that. Exactly when each Minister

received these documents would be some time after July 31st, or shortly thereafter. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Ootes.

MR. OOTES:

Thank you. Therefore, the Minister of Public Works was aware of the pending lease to be signed, that negotiations were on regarding the Lahm Ridge Tower, because this is July 31st and it was not done until August 1st.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Lovely.

MR. LOVELY:

Thank you, Mr. Chairman. The options paper that was signed by the Minister of Public Works and Services did not speak about the lease renewal for the Lahm Ridge Tower. It talked about, in each of the three options, extending long-term leases where it made sense, where it made economic and operational sense to do so. It did not make specific reference to individual leases, so the Minister of the day was not aware at that time because it was not detailed in the actual plan. Thank you.

Page 840

CHAIRMAN (Mr. Ningark):

Thank you. Asset management. Mr. Ootes.

MR. OOTES:

What did this document contain if it did not contain the listing of the buildings and what they were going to do with them?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Lovely.

MR. LOVELY:

Thank you, Mr. Chairman. The paper, as I mentioned earlier, presented three options. Those options included the combination of extending existing leases where it made sense to do so, selling some buildings, lease-back in some of the options. It did not get down to the level of detail that would allow you to say this lease is going to be or is recommended for extension

because the decision about the extension of leases, the awarding of contracts through a competitive process is an administrative one that is handled at the deputy ministerial level. What decision was being requested from Cabinet was a decision to allow us to proceed in a general direction with one of the three options that were outlined in the document. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Total operations and maintenance, \$42.577 million. Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. I wonder if we could have access to what the three options were and what paper documents they submitted for consideration to Cabinet.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, the documents are Cabinet documents and we do not normally make a practice of issuing them out. I will take that under advisement and see what could be provided. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Asset management. Are you through, Mr. Ootes?

MR. OOTES:

For now.

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Ootes. I have Mr. Krutko and Mr. Steen. I will recognize Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. Can the Minister tell me when the proposal that the Denendeh Development Corporation put forth with regard to the Laing and the Stuart Hodgson Buildings went to Cabinet?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you. The proposal that the honourable Member is making reference to did not go to Cabinet. In April, 1997, the DDC submitted an unsolicited proposal to the government. This is a proposal that is not called for, there was no request for it, but they, on their own, put a proposal together and gave it to the GNWT. That is when it was given to the government, from my information. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. Is the Minister or the deputy minister aware of the submission put forth by the Gwich'in Development Corporation on the same properties?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you. I am not aware that the Gwich'in Development Corporation had put a proposal forward.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. There was a letter sent to FMBS and Mr. Todd in relation to these buildings. Is the Minister aware of that?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. I am told that the Minister of the day was aware that there were a number of letters sent to different Ministers. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. With regard to the DDC and the Gwich'in Development Corporation letters, Cabinet was aware that there was a lot of interest being shown in these particular buildings in Yellowknife? Was that discussed with regard to the tabling of the three options to Cabinet on July 31st?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, I was aware during the discussion that there was aboriginal interest in acquiring some capital assets here in Yellowknife. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. In the April, 1997, DDC letter, was there any mention of the Lahm Ridge Tower in that letter as one of the things they were also considering?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. The only information I have on the DDC is a briefing note saying that there was an unsolicited proposal to government by DDC with an interest in the Laing Building. I do not know what the content of the letter was. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. Can you tell me who the letter was sent to? Was it the previous Minister?

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. I am told that one letter went to Public Works and Services, a letter went to the Minister of Finance and there may have been a letter to RWED, as well. Thank you.

Page 841

CHAIRMAN (Mr. Ningark):

Thank you. The honourable Member for Mackenzie Delta.

MR. KRUTKO:

Thank you, Mr. Chairman. You mentioned the letter went to Public Works. Was it the Minister of Public Works or any individual within that department.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Yes, to the Minister. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Asset management. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. The government was aware that there was an interest shown by the aboriginal groups in regard to these three options almost a year ago. There was a proposal put forth in April. In July their three options were put forth to Cabinet and, I believe, right after in August there was another meeting between the superintendent and the DDC in regard to their proposal put forth in April. At that time they were under an understanding that option 2 was still a possibility for them to consider, looking at the sale of the Laing Building and the Stuart Hodgson Building with a lease-back arrangement. I would like to ask the Minister is that his understanding also. Is that the scenario that has taken place?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. The honourable Member is correct. At that time in August, 1997, at the invitation of the RWED representatives, Public Works and Services officials met with DDC representatives

to discuss their proposal. Public Works and Services advised the DDC representative that, at that time, the option was still there. The Laing Building would be disposed of and from the sale leasing back the S.M. Hodgson Building was still an option within the office plan. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. In regard to option 3, you mentioned that the Stewart Hodgson Building was classified as being retained because of the computers. Why is it we are able to get into a communication contract with aboriginal organizations, NorthwesTel to do a similar thing in regard to the telecommunications contract that this government has gone into for \$10 million? Yet, the same company that is involved in that venture cannot be trusted to take over the Stewart Hodgson Building. Dealing with the same aspect of communication which they are presently in, with regard to the business venture with NorthwesTel and other aboriginal groups. Why are they being restricted from getting into that section of business, yet they are in that business with the government already?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you. The only way I can reply is, it was the decision of Cabinet to retain the Stewart Hodgson Building because it is a special building that has a computer main frame. Although the option was there, Cabinet decided to retain the building. It is not because this group is not trusted or any of those other reasons the honourable Member is saying. It was the way the decision was made.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. Final clarification. April, 1997, there was a letter sent to the Minister of Public Works by the Denendeh Development Corporation regarding an idea of job prospectives they had. Just

to be clear for the record, there was a letter sent to the Minister of Public Works at that time?

CHAIRMAN (Mr. Ningark):

Mr. Minister, would you like to respond to that?

HON. JIM ANTOINE:

I have asked the officials to see if they can locate that letter. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. On page 5-8, asset management. Operations and maintenance, total operations and maintenance, \$42.577 million. Agreed? Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. Could the Minister check with some of his officials within his department with regard to talks held between Mr. Greg Herndier of URBCO on what might come up for sale or what might be leasable in Yellowknife? Specifically, could they check to see if discussions were held with respect to Lahm Ridge Tower? I have been informed by Mr. Herndier that they would have been interested in the building, but were told there was no way the lease would be extended on that particular building. Could the Minister check with his officials to see who has had discussions with Mr. Herndier and what were the nature of those discussions? Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. We will find the information the honourable Member is requesting. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Ootes.

MR. OOTES:

Thank you. Like Mr. Krutko, who was informed by the Denendeh Development Corporation, I was informed by Mr. Herndier that they were extremely interested in the Yellowknife office situation and were willing to work on this whole area. They would have put in an offer on the Lahm Ridge Tower, but all indications made to them were, the lease would not be extended

and it would not be renewed. I need to have some feedback from the Minister to check with his officials to tell me what that was all about. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, the information I have is: if the question is about the Lahm Ridge Tower lease, I said over and over again that the lease, even though it is on over hold legally, is still a legal agreement. I do not see where the information would come from that it was not going to be extended. We will check with our officials. The

Page 842

deputy minister and the superintendent do not have that information. Perhaps, Mr. Greg Herndier may have talked to some other officials. We will check into that to see where this direction is coming from. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. I have Mr. Steen and Mr. Krutko. Mr. Steen.

MR. STEEN:

Mr. Chairman, thank you. A couple of questions for clarification. Mr. Chairman, I understand Lahm Ridge Tower was in over hold, and I understand it was an over hold pending a decision of Cabinet as to what to do with the office space plans. Also, there were two other leases that were in over hold at the same time. They were all subject to Cabinet giving direction as to the office space plan. The question I have is, why would the deputy ministers proceed with a lease that was in over hold unless they had direction from Cabinet to do so? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. The deputy ministers had determined by that time, this was one of the long-term leases that they would like to retain. They did not require Cabinet approval to renegotiate the extension of this lease. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Steen.

MR. STEEN:

Mr. Chairman, the reason they were in over hold in the first place for two years was, they were waiting for a decision in Cabinet on the office space plan. The office space plan did not get approved until January of this year. Is the department suggesting to me, they went ahead regardless of Cabinet's approval on this extension even though it was in over hold waiting for Cabinet's approval?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. The deputy minister did not require Cabinet approval. The reason for the over hold was at the beginning of this government, there was, again, not a lot of different initiatives that required amalgamation, reduction and personnel. There were going to be more amalgamations, but it did not happen in the first two years. The reason for the over hold was that we did not know how the government departments were going to look after all the changes were made. By January, 1997, it was quite obvious that no more major downsizing and amalgamating was going to happen with the government departments. It was quite stable by that time. The departments were pretty firm in how they were going to look for the next little while. The decision was made to start moving ahead and developing some scenarios and options to deal with the office space requirements in Yellowknife. Some of the over hold were reactivated. Specifically, in the case of Lahm Ridge Tower, it was activated by the then owners wanting to, because of good timing, they decided to negotiate their lease and get it out of over hold and move it into an extension. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Asset management. Mr. Steen.

MR. STEEN:

Mr. Chairman, were there any other contracts in over hold, leases in over hold, that action was taken on at the same time? In other words, priority for one, priority for the others seem to be equal. If you can make a decision on one, it seems obvious you can

make a decision on all. Was there action taken on the other over holds?

CHAIRMAN (Mr. Ningark):

Thank you. We have a bit of a detailed question. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, there was Northern United Place where there was an over hold and we needed a place for the Arctic College. We made an arrangement to negotiate an existing lease with Northern United Place. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Steen.

MR. STEEN:

Mr. Chairman, I understand these extensions were initiated at the same time.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

I am told the extension of Northern United Place was in the spring of 1997. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. Regarding the Department of Public Works in regard to aboriginal organizations, the BIP process or contracts, there seems to be a real question about which organization represents who. The Denendeh Development Corporation has membership of about 14,000, the Gwich'in Development Corporation of almost 2,500 people and then the Inuvialuit Development Corporation who represent constituents that are claims beneficiaries. Why is it there seems to be such a problem within Public Works to associate with who has authority over who or who has to represent everybody as a whole? In regard to Lahm Ridge Tower, you look at the context of two individuals, but in regard to interests of aboriginal organizations where they represent, in the case of the Denendeh Development Corporation, which is made up of all the bands in the Northwest

Territories, of almost 14,000 people, why is there such a discrepancy in regard to who represents who, yet when it comes to Lahm Ridge Tower, we are talking about two individuals? Why is it we talk about affirmative action in this government and we talk about what is happening regarding different aboriginal claims where there are certain sections of the agreements that have to be fulfilled to ensure the aboriginal people get the most economic opportunities available in those areas. Especially when it comes to claims in the Inuit Act, Section 35. Why is it this department seems to have such a problem verifying the aboriginal groups have to prove who they are, yet it is not that case with individuals?

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. There is no such problem with this department. What the honourable Member really wants, is he wants DDC to acquire the Laing Building and they have the opportunity to do so now. Finally,

Page 843

the decision is made to sell the Laing Building, only last month it was decided. Now, the process is in place for the different organizations that want to acquire it, the process is in there to do it. They have the opportunity to do it. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. In regard to the contract and lease arrangements with this government, we have a variety of organizations, the Metis Development Corporation, DDC, Inuvialuit Regional Corporation, Dogrib Development Corporation, so there is a large range of aboriginal development corporations out there. They have money to invest in the Northwest Territories, but I think when it comes to realizing the amount of time, effort and energy they put into developing proposals or looking at investments, they seem to get the feeling that they have to develop their proposals two times as thick as the next guy, because that is the amount of information that is being asked for. They are being put in the position that they put a lot of energy and

effort in developing these things, then at the end of the day, being told there was no opportunity for them to look at it.

In regard to the Laing Building or the Stuart Hodgson Building, they had the ability to look for partners in that arrangement, but now are being told, sorry folks, the opportunity that you have, this is what it is now. The terms have changed. Before you were looking at the possibility of buying it, renovating it, then leasing it back. That is out of the picture. The only option you have now is to purchase the Laing Building and you are not allowed to lease it for a number of years, which is going to be a caveat put against it. The scenarios change so drastically, that it makes you wonder exactly how committed are we to aboriginal development corporations in the Northwest Territories, especially from this department.

I think because of the situation that we find ourselves in now in Yellowknife because of office space and everything else, I think it puts a real dim light on the aboriginal organizations to seriously look at the potential of investing in Yellowknife because of the way they have been treated in this latest scenario from the Lahm Ridge deal to where we are going now in regard to the Laing Building. Where before it was feasible, it was practical, it was something they could invest in knowing they would be able to make a business venture out of it which was fair and practical. Where they could have put money up front and made an investment and knowing it was a safe investment. Why is there such a discrepancy between these groups and the other development real estate agents, in the way this government deals with them?

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. The Lahm Ridge Tower situation has nothing to do with the Laing Building at all. It is two totally separate situations altogether. I have explained it over and over again. The decision is made. We should look at what lies ahead of us. Whatever happened in the past, you have to use it. If it is a good decision we should say it, if it is a bad decision, everybody makes mistakes and we try to learn from that. We would like to move forward and to say that the Laing Building is up for sale. DDC, Inuvialuit Development Corporation, Gwich'in Development Corporation, all the different aboriginal corporations have an opportunity to buy this Laing

Building. It took a long time to make the decision. The DDC, last July, put a proposal together and gave it to the government saying they were going to buy the Laing Building. It is not that simple for this government to say, okay, we will sell it to you, right there and then. It took some time to look at the overall office plan requirements for Yellowknife. It took some time. Finally, we came up with a decision in January to sell the Laing Building. It took that time. It is not because we do not want to treat the aboriginal development corporations specially. It is the way things turn out and you cannot blame this government for that. It is not really fair to say that. The opportunity is there now that the Laing Building is for sale and the development corporations have a good opportunity now to get their act together and maybe work together. There are so many different groups out there that are interested now. To be fair to all of them, it is going to have to be done through a competitive process. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. I think to be fair to everybody and the whole idea of aboriginal groups being involved through the competitive process, I think it would have been fair to all the people of the Northwest Territories, and on the aboriginal organizations, that the Lahm Ridge Tower lease renewal should have been put out to competition so that people could all have an opportunity to bid on that amount of office space that this government required. Why was that not done in this case?

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Minister.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. I am told that there was an existing lease with the Lahm Ridge Investment Company and it was on a holdover and it was renegotiated. The honourable Member mentioned that we could have just dropped that lease and put it out for competitive tender. I am told that we could have done it, but it might have taken a couple of years to try to resolve finding new spaces and so forth, so it would have taken some time. It would have cost us money if we found a cheaper place some place else. This is a decision that was already made. We try to

explain it the best we can. In hindsight, we could have done a lot of things differently, perhaps. It is like that in everyday life, but I like to move ahead and move with the decision that we have to make. We have a lot of other things that we have to deal with in this government besides the Lahm Ridge Tower. I would just like to answer like that. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Krutko.

MR. KRUTKO:

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

CHAIRMAN (Mr. Ningark):

Thank you. Proceed with your motion, Mr. Krutko.

MR. KRUTKO:

I would like to make a motion that this section, approval, be deleted until all answers are in from the Minister's office that have been promised to the Members of this House.

Page 844

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Krutko. I am advised that if you want to defer this particular part, not to delete it but to defer it, would you rephrase your motion please?

MR. KRUTKO:

Yes, Mr. Chairman. I would like to defer.

CHAIRMAN (Mr. Ningark):

We will take a five-minute break and have your motion written and translated into Inuktitut. Thank you.

--Break

CHAIRMAN (Mr. Ningark):

Thank you. I would like to call the committee back to order. Mr. Krutko, would you read the motion please?

Committee Motion 15-13(5): To Defer Further Consideration of the Activity Asset Management, Department of Public Works and Services

MR. KRUTKO:

Thank you, Mr. Chairman. I move that the committee defer further consideration of the activities, asset management, the Department of Public Works and Services at this time.

CHAIRMAN (Mr. Ningark):

Thank you, Mr. Krutko. Your motion has been distributed and translated and is in order and is not debatable. All those in favour? All those opposed? Thank you. The motion is defeated. We will go back to the review of the 1998-99 main estimates, activity summary, asset management, operations and maintenance, total operations and maintenance. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. I would like to ask a question of the Minister of Public Works regarding why, for two years, the previous owner of the Lahm Ridge Tower was unable to acquire a lease, and then all of a sudden within a matter of a couple weeks new owners were able to come into the picture in which they acquired an eight-year lease? Why was this individual not able to sign a long-term lease with this government?

CHAIRMAN (Mr. Ningark):

Thank you. We have Mr. Krutko and Mr. Erasmus. Mr. Minister. Thank you. Mr. Arlooktoo, to the point of order.

HON. GOO ARLOOKTOO:

Thank you, Mr. Chairman. Not to limit the debate, but a lot of the questions that are being asked in the last several hours have been answered time and time again. I would raise a point of order according to rule 781 regarding the committee of the whole. The rules and procedures of the Legislative Assembly shall be observed in the committee of the whole, as far as they are applicable. Two, speeches in the committee of the whole must be strictly relevant to the item and clause under consideration. The other part of my point of order, Mr. Chairman, is in the rules of debate 23(c) that in a debate a Member shall be called to order by the Speaker, or in this case the Chair, if the Member persists in needless repetition or raises matters which have been decided during the current session. Thank you. That is my point of order.

CHAIRMAN (Mr. Ningark):

Thank you. I do not have to repeat it as it will be in the unedited Hansard tomorrow. I have mine twice and I appreciate the Member for raising the point of order. What is the wish of the committee? Do you want to debate this point of order, Mr. Krutko?

MR. KRUTKO:

Thank you, Mr. Chairman. Regarding the point of order, it says that a Member may speak more than once to a matter. It does not clearly define exactly the number of times an individual can speak on a particular matter. Unless you want to clarify exactly, nail it down to a number, ten, 20, 30 times to a particular matter, more is more. More could be less, but it clearly states that we may speak more than once to a particular matter, unless that is defined. I thought this is a democratic process where we had nothing to hide. Unless they are hiding something that they do not want us to ask questions about, this is supposed to be a democratic process where everybody has a right to speak their minds.

CHAIRMAN (Mr. Ningark):

Excuse me. Mr. Arlooktoo, to the point or order.

HON. GOO ARLOOKTOO:

Thank you, Mr. Chairman. The Member, in his previous statement imputes false or hidden motives about another Member by suggesting that somebody from this side has something to hide and that we wish other Members to stop asking questions. It is clearly a breach of privilege. That is my point of order. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. I am advised when a Member is speaking generally, he is not imputing on any other Members within the forum. No point of order. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Chairman. I would like to ask a question of the Minister.

CHAIRMAN (Mr. Ningark):

Thank you. At the same time, when a Member is speaking generally, I indicated they are not imputing on any other Member to have hidden motives, but, as Mr. Arlooktoo outlined, it is coming pretty close to Rule 23(1). To the point of order, Mr. Miltenberger.

MR. MILTENBERGER:

Thank you, Mr. Chairman. I think this is a situation that needs clarification. While we do not want to limit Members' rights to ask questions. I have a concern where, after repeated agreements by ten, 15 people, one person can still, by sticking up their hand, control the activity of this House and, in many cases, just by asking the question slightly different time after time. We have to have a balance so that, in fact, the tail is not wagging the dog and we can have some orderly process to avoid the situations leading to confusion and increased frustration. I agree, this should be clarified with some ceilings and clarity brought to this issue. Thank you.

CHAIRMAN (Mr. Ningark):

Thank you. I am advised that the chair has discretion of how many times a Member, any Member, can speak to a specific issue. I will refer to the time limit on speaking in the marginal quote, of the Rules of the Legislative Assembly of the Northwest Territories.

79(1) No Member shall speak for more than 10 minutes at any one time in committee of

Page 845

the whole.

Speaking more than once, marginal note:

79(2) Subject to the discretion of the chair, a Member may speak more than once to a matter under discussion but not until every Member wishing to speak has spoken.

I am advised that it is up to the chair how many times a Member should speak. I am advised that Mr. Arlooktoo has no point of order, although he made a good point. Mr. Miltenberger, you made a good point and we will try to, without taking the Member's opportunity to speak, will try and ensure this committee follows the rules. However, there is no rule limiting any Member to how many times they can speak. I will take my direction from the House. It is 6:00 p.m. I will rise and report progress. I thank the witnesses for appearing before the committee. Thank you, Mr. Minister.

MR. SPEAKER:

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

ITEM 20: REPORT OF COMMITTEE OF THE WHOLE

MR. NINGARK:

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

MR. SPEAKER:

Thank you, Mr. Ningark. Seconded by Mr. Steen. The motion is in order. To the motion. Question has been called. All those in favour? All those opposed? The motion is carried. The Member for Baffin South has a point of privilege. Mr. Arlooktoo.

Point of Privilege

HON. GOO ARLOOKTOO:

Thank you, Mr. Speaker. I rise on a point of privilege. This is a sad day, Mr. Speaker, but the Member for Hay River has left me no choice by tabling a document today. My point of privilege, Mr. Speaker, is that Tabled Document 49-13(5) constitutes an implicit allegation that I wrote an unsigned note that the Member for Hay River attempted to table two weeks ago.

Mr. Speaker, in my tenure as a Minister, there have been occasions where it appeared that a political leader or another Member had concerns or comments about me. As a Member of this House and as a leader, I have handled these situations in an open and up front manner, approaching the individuals to ensure I have all the facts before acting and to possibly remedy the situation. In all cases, Mr. Speaker, this approach has cleared the air. I have never been approached by the Member for Hay River to ask if I wrote the note.

Mr. Speaker, I said in the House today that I did not write, and I repeat, I did not write this note. Premier Morin also made it clear to this House that no Cabinet Member wrote the note either. I was elected to this government based on my honesty and integrity. Given the manner in which I have conducted myself in this House, I cannot believe that my word would not be taken, or worse still, not even sought before tabling such a document in the House.

Mr. Speaker, there is a long standing convention that reflections on Members and the House may constitute

a breach of privilege. I am speechless as to why the Member for Hay River would go outside the walls of the Legislative Assembly to obtain the services of a documents examiner, to offer conclusions based on two brief sentences, without confronting me first.

Mr. Speaker, it has been ruled that simple justice requires that no honourable Member should have to submit to an investigation of his conduct by the House or a committee until he has been charged with an offense. In this case, Mr. Speaker, I believe that this breach could be interpreted to extend to individual Members' investigations. All investigations of events that occur within the House should be a matter for the House or a committee. As a Member of this House, I am always mindful of the fact that what I say and do has wide implications for the people I serve and for my colleagues in the House. Mr. Speaker, I cannot help but be personally offended by the actions of the Member for Hay River in tabling this document.

Therefore, Mr. Speaker, the basis of my point of privilege rests in the following definition, and I quote, "to constitute a breach of privilege a statement reflecting on the conduct of a Member in his capacity as a Member need not be untrue, but it must tend to lower the House in the eyes of the public." That is to say, Mr. Speaker, the actions of the honourable Member for Hay River has hurt all Members of this House today. Thank you, Mr. Speaker.

MR. SPEAKER:

Thank you, Mr. Arlooktoo. I would like to indicate the procedures that it is my duty to follow when a point of privilege is raised. It is the duty of the Speaker to decide if a prima facie case can be established. I am required to be satisfied, both that privilege appears to be sufficiently involved to justify giving such precedent and that the matter is being raised at the earliest opportunity. Therefore, in accordance with the rules, I will allow for debate to assist me in making my determination. To the point of privilege. Mr. Arlooktoo.

HON. GOO ARLOOKTOO:

Thank you, Mr. Speaker. Just on the first point that you require that this is the first opportunity to raise the point of privilege. The Member for Hay River tabled the document, several hours ago. It took some time to obtain the document and to review it. Therefore, I submit that this is my first and earliest opportunity to raise it. Thank you.

MR. SPEAKER:

Thank you. Do we have any other debate on this? I can only make the ruling based on what the parliamentary procedures are. I will quote from Citation 64 of Beauchesne's Parliamentary Rules and Forms, 6th edition, in which it says that the House has occasionally taken notice of attacks on individual Members. Also in Erskine May Parliamentary Practice, 21st edition, on page 127, it says that written imputations, as affecting a Member of Parliament, may amount to breach of privilege, without perhaps, being libels at

Page 846

common law, but to constitute a breach of privilege a libel upon a Member must concern the character or conduct of the Member in that capacity.

Based on those two references, I would have to say that the Member for Baffin South does have a prima facie point of privilege and our rules are clear on the actions available to Members. If the Members wish to go to your rules, it is on page 8 on how to deal with the matter. 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 are meetings for tomorrow at 9:00 a.m. of the full Caucus and at 11:00 a.m. of the Ordinary Members Caucus, and at 11:45 a.m. a lunch briefing with the directors of the NWT Friendship Centre.

Orders of the day for Tuesday, February 17, 1998:

1. Prayer
2. Ministers' Statements
3. Members' Statements
4. Returns to Oral Questions
5. Recognition of Visitors in the Gallery
6. Oral Questions
7. Written Questions
8. Returns to Written Questions
9. Replies to Opening Address

10. Petitions
11. Reports of Standing and Special Committees
12. Reports of Committees on the Review of Bills
13. Tabling of Documents
14. Notices of Motion
15. Notices of Motions for First Reading of Bills
16. Motions
17. First Reading of Bills
 - Bill 5, An Act to Amend the Financial Administration Act, No. 2
 - Bill 7, An Act to Amend the Territorial Court Act
 - Bill 9, Loan Authorization Act, 1998-99
18. Second Reading of Bills
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 Estimates
 - Tabled Document 15-13(5), 1998-99 Budget Address
 - Tabled Document 19-13(5), Guidelines for Implementing Public/Private Partnerships
20. Report of Committee of the Whole

21. Third Reading of Bills

22. Orders of the Day

MR. SPEAKER:

Thank you. This House stands adjourned to Tuesday, February 17th at 1:30 p.m.

--ADJOURNMENT