



**NORTHWEST TERRITORIES  
LEGISLATIVE ASSEMBLY**

**5th Session**

**Day 38**

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**HANSARD**

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The Honourable **Samuel Gargan**, Speaker

MEMBERS PRESENT

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

ITEM 1: PRAYER

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

**SPEAKER (Hon. Samuel Gargan):**

Thank you, Ms. Thompson. Good morning. Orders of the day. Item 2, Ministers' statements. Mr. Morin.

ITEM 2: MINISTERS' STATEMENTS

Minister's Statement 97-13(5): Re-establishing GNWT Central Switchboard

**HON. DON MORIN:**

Thank you, Mr. Speaker. Mr. Speaker, this government has gone through many staffing changes in recent months. Employees have moved jobs as departments reorganized. Some have taken on special projects related to the creation of two new territories next year. This is in addition to the usual staff turnover that any organization experiences. These rapid changes have made it almost impossible to print and distribute internal telephone directories fast enough to keep pace. It became very difficult for most people, both inside and outside the government, to contact many employees by telephone. I would like to thank Mr. Roy Erasmus for raising this issue.

As a result of these concerns, the government has taken steps to re-establish its central telephone switchboard. Mr. Speaker, I am pleased to announce that a local private sector firm has made an acceptable proposal to supply this service. Office Compliments will begin to operate a central switchboard for this government, as soon as the necessary telephone lines and equipment can be

installed in their offices. That should take about one week to complete.

Mr. Speaker, the switchboard will work exactly the same way it did when these duties were handled by internal staff. An operator will be taking calls from 8:00 a.m. through 5:00 p.m. including over noon hour, each business day. The operator will be able to transfer incoming calls to any government office that is on the central telephone system. For those five percent who are not connected to the central system, the operator will give the caller the number of the people they are trying to reach. Mr. Speaker, I am also pleased to be able to announce the telephone number of our new switchboard. It will be 873-7500. This number will be advertised in northern newspapers over the next week. Thank you, Mr. Speaker.

--Applause

**MR. SPEAKER:**

Thank you. Ministers' statements. Mr. Kakfwi.

Minister's Statement 98-13(5): NWT Protected Areas Strategy Update

**HON. STEPHEN KAKFWI:**

Thank you, Mr. Speaker. I am frequently approached by people who ask me how the key values of the land will be protected while we pursue industrial development. They emphasize that critical areas for wildlife and places of cultural importance are needed to give meaning to our lives and those of future generations.

Mr. Speaker, while developing economic opportunities in the Northwest Territories is an urgent concern, we must also maintain the ecological integrity of our land. To accomplish this, the Government of the Northwest Territories and the federal government jointly committed to creating a Protected Areas Strategy.

The Department of Resources, Wildlife and Economic Development (RWED) had the lead on this project and jointly organized a workshop in April in Yellowknife. The workshop brought together representatives from the communities, environmental organizations, industry and claims-based regional bodies. Participants shared the results of their protected area initiatives and discussed ways of advancing the overall strategy.

The most important recommendation to emerge from the workshop was that an Advisory Committee be established to work with the two governments in developing the Protected Areas Strategy. I strongly support this recommendation and have written to regional political leaders asking for their support and for their nominees to the Advisory Committee.

This committee will play a key role in reviewing the draft strategy and making recommendations. It is my hope that the Advisory Committee will be in place by the end of May.

Mr. Speaker, much has already been achieved particularly at the regional level with respect to the establishment of protected areas in the Northwest Territories. Several areas have been set aside in the Inuvialuit Settlement Region. The Gwich'in has also made good progress, identifying special areas important both for cultural values and for wildlife and other natural values.

What is required is a coordinated effort to guide and assist similar successes throughout the Northwest Territories. Work of this kind is well advanced in all other jurisdictions of Canada

Page 1342

and is supported by various community, environmental, tourism and resource industry groups.

We can learn from all of this work, but we still need to ensure that our own efforts address the unique political, cultural and social circumstances of the north. I look forward to having the Advisory Committee assist us in this important task. Mahsi cho.

--Applause

**MR. SPEAKER:**

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

Minister's Statement 99-13(5): Global Climate Change

**HON. STEPHEN KAKFWI:**

Thank you, Mr. Speaker. Mr. Speaker, scientists are telling us that the build up of carbon dioxide from the burning of fossil fuels is causing our atmosphere to warm up. Our own observations and experience are telling us that changes are occurring to our weather

and environment that we have never experienced before.

Last December, representatives from more than 160 countries met in Kyoto, Japan to discuss this global problem. After ten days of tough negotiations, agreement was reached on a legally binding protocol. It states that industrialized countries are to reduce their collective emissions of greenhouse gases by 5.2 percent over the next 15 years. Canada's target is a six percent reduction from 1990 levels by the year 2013.

In April, I had the privilege of co-chairing a meeting of federal, provincial and territorial Energy and Environment Ministers to further discussions in Kyoto. Collectively, we agreed to proceed on two key issues. We agreed on a process for developing Canada's National Implementation Strategy - one that is based on collaborative government leadership and shared responsibility. We also agreed to strengthen and encourage voluntary actions to reduce greenhouse gas emissions. These reductions, Mr. Speaker, will not be easily achieved. A recent forecast conducted by my department indicates that in the Northwest Territories alone, if action is not taken, emissions could be 30 percent higher in 15 years time. That figure could be even higher with the development of our oil and gas reserves.

There is no doubt that climate change is an important global issue and other countries, the federal government, provinces and territories must each do their part to address it, but we must remain realistic.

Reducing the Northwest Territories' emissions to meet Canada's national target will have significant impacts on our developing economy. We must address global warming in such a way that no region is asked to bear an unreasonable burden. It is also important that our national and regional economies are not significantly impacted.

Participants have been asked to report on progress at the next Energy and Environmental Ministers' meeting this fall. It is my intention to immediately begin developing a strategic framework for action in consultation with appropriate agencies, municipalities and industry to help control northern greenhouse gas emissions. With a balanced approach, the framework will guide our participation in this important national process. Mahsi cho.

--Applause

**MR. SPEAKER:**

Thank you. Ministers' statements. Ms. Thompson.

Minister's Statement 100-13(5): Safety Concerns Regarding Dogs

**HON. MANITOK THOMPSON:**

Thank you, Mr. Speaker. Mr. Speaker as we all know, dogs play an important and historical role in the north. For the aboriginal cultures of the Northwest Territories, they have served as a means of transportation, protection and as pets. Even today, dogs serve the same purposes for many of our northern residents.

However, Mr. Speaker, dogs can also be dangerous. We have seen many tragic incidents occur throughout the north. Incidents such as this can and must be prevented. But to do so, we must raise public awareness. Children, especially, need to know that dogs can be dangerous.

Mr. Speaker, the Department of Municipal and Community Affairs is working in collaboration with members of our Community Constable Program, and the RCMP to develop public service announcements. These will be aired on television and community radio stations. It is a community responsibility to ensure that people are safe around dogs. These messages will help to remind dog owners to be responsible and ensure their dogs do not endanger anyone.

Mr. Speaker, my staff is also working directly with the Inuit Broadcasting Corporation to produce an episode of the popular children's television show, Takuginai. The theme of this show is dog safety.

A colouring book is being produced to go with the Takuginai episode. This book will provide teachers, community constables, by-law officers and others involved with public safety issues, an additional opportunity to help children learn important safety rules.

Finally, Mr. Speaker, I want to say in this Assembly that my heart goes out to the Tikivik family, and to all those who have lost their children to similar tragedies. Leah Tikivik was not the first victim of such tragedy. We hope that with initiatives like the Dog Safety Awareness campaign, we can prevent the same thing from happening again.

Lastly, I want to express my gratitude for all those involved in this important public awareness campaign.

The work that they do is a meaningful contribution toward making our communities safer places to live. Thank you, Mr. Speaker.

--Applause

**MR. SPEAKER:**

Thank you, Ms. Thompson. Ministers' statements. Item 3, Members' statements. Mr. Steen.

Page 1343

**ITEM 3: MEMBERS' STATEMENTS**

Member's Statement 394-13(5): Appreciation for Nunakput Teachers and Staff

**MR. STEEN:**

Thank you, Mr. Speaker. Good morning to the rest of my colleagues. Mr. Speaker, during the past week the school year has drawn to a close in the communities of Paulatuk and Tuktoyaktuk. Next week the same will happen in Sachs Harbour and Holman. On behalf of the residents of these four Nunakput communities, I wish to express my appreciation to the teachers and staff employed in these four communities for their dedication and patience while teaching the children of Nunakput.

I hope they have a happy and warm summer break and look forward to their return in the fall. Mr. Speaker, I also wish to pass on to the students in these four communities, my sincere wishes for a safe and carefree summer holiday. Thank you, Mr. Speaker.

--Applause

**MR. SPEAKER:**

Members' statements. Mr. Miltenberger.

Member's Statement 395-13(5): Pay Equity and Collective Bargaining

**MR. MILTENBERGER:**

Thank you, Mr. Speaker. Today I wish to rise and speak briefly on the issue of pay equity. There has been a lot of information which we as MLAs have been presented, both by the government through extensive briefings and by the union through mail, phone and personal contact. It is clear that the legal landscape is changing when we first started these

discussions, when we took office. One thing I do know for sure is that the \$40 million offer on the table is a lot of money, especially in light of the sacrifices all northerners made in the last two years as we attempted to balance the budget. I would like to repeat all northerners made sacrifices.

I think it is very important that we try to resolve this issue, and the feedback I have received from constituents who are union members to date has been very consistent. They want a chance to personally make a choice and vote on the package which has been presented. This is the feedback I have received from the constituents in my riding. I would hope that at some point, this particular issue does not stay jammed long, it does not stay at this level between politicians and elected officials of the government and the union, but that at some point the people who are supposed to benefit from this package have an opportunity to tell us what they think about the work that has been done to date. Thank you, Mr. Speaker.

--Applause

**MR. SPEAKER:**

Thank you. Members' statements. Mrs. Groenewegen.

Member's Statement 396-13(5): Funding for FAS/FAE Students

**MRS. GROENEWEGEN:**

Thank you, Mr. Speaker. I rise today to speak on an issue which affects all educators in the Northwest Territories. The under funding of help for FAE/FAS and special needs children in our education system is, I believe, starting to take its toll on the quality of education that we can offer our children. Mr. Speaker, I have heard in this House, the Minister stating that the needs of these special needs students are being met within regular classroom settings and that ultimately, it is the divisional board that has to decide how to apportion the budget to deal with the needs of these children.

These children have difficulty participating in a regular classroom situation. Mr. Speaker, as you and other Members are no doubt aware, some symptoms affecting special needs students are attention deficit disorder, acting out due to frustration and many other manifestations in forms ranging from mild to extreme. To mainstream these children without the proper

resources and classroom assistance means that teachers' time and attention can be dominated by a few students. Another consequence of the teacher having to spend a significant portion of their time in maintaining classroom decorum is that the average students' quality time is lessened and ultimately everyone is being short-changed. The budget-cutting exercise of this government and Assembly that was undertaken passed along these cuts to educational divisional boards. The boards, Mr. Speaker, can no longer afford to hire classroom assistants to work with special needs students.

Mr. Speaker, my impression of the situation is that no one is being properly served by the way in which this deficiency exists and these students are being mainstreamed in the regular classroom without proper resources. Teachers are burning out from the stresses of trying to ensure that all students are being provided with the core information to succeed in higher grade levels. Average students are not getting the level of instruction and support that a quality education system should provide and special needs' students are not receiving the level of the one-on-one instruction they require to ensure that they learn all that they can. As a government, Mr. Speaker, I strongly believe that we have the responsibility to make sure that we meet the fiscal requirements of the boards of education to deal with special needs' students. We have to make sure that educators have the resources to implement a course of action which provides the most benefit to each child. I strongly urge the government to formulate a territorial-wide action plan to deal with the large numbers and ever growing numbers of special needs' students in our classrooms. Thank you, Mr. Speaker.

--Applause

**MR. SPEAKER:**

Thank you. Members' statements. Mr. Roland.

Member's Statement 397-13(5): Pay Equity and Collective Bargaining

**MR. ROLAND:**

Thank you, Mr. Speaker. Mr. Speaker, before I start, I would like to send greetings back to my wife and family at home in Inuvik.

--Applause

Mr. Speaker, on many occasions, I have also had the opportunity to talk to union representatives and employees alike

Page 1344

in the community of Inuvik. Employees have spoken with me and many of them said that no one can afford a strike at this time. Many of our employees are going from payday to payday to make ends meet. The issue of concern now is with talks that are no longer continuing and the information being put forward by both sides is extreme to one another. Some employees I have talked to - who do not attend my meetings, but I have a chance to speak with them - mention they would like the opportunity to see this thing go through and a deal to be settled. There are those who also raise the concern of fairness of how past employees will be dealt with, whether they live in or out of the territories.

During question period, I will be questioning the Minister of Finance regarding the retroactivity of this offer that has been put out and the impact it would have on the residents of the territories and those no longer living. In the issue of fairness, as I have spoken about, we need to deal fairly with all employees who work for this government because it is the employees who perform the work and serve residents of our communities. Many of our own people, aboriginal people and long time northerners, have filled jobs within the government to date. I hope that when it all comes to an end, we will see a satisfactory settlement where people will have a chance to decide if they can support this or not. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Thank you. Members' statements. Mr. Picco.

Member's Statement 398-13(5): Recognition of the Contributions of Catherine Moore

**MR. PICCO:**

Thank you, Mr. Speaker. Mr. Speaker, it gives me great pleasure to rise today and recognize and congratulate the outstanding contribution made by an Iqaluit resident and friend. Mr. Speaker, Catherine Moore is the director of Academic Studies, Trades and Community Programs at the Nunatta Campus of Nunavut Arctic College in Iqaluit. On May 25th, Catherine will be travelling to Winnipeg to accept the

prestigious 1998 Association of Canadian Community Colleges 1998 Leadership Excellence Award.

Mr. Speaker, Catherine came north in 1979, first to Igloodik. She worked there as a home management educator. In 1981, Catherine moved to Iqaluit and continued to work for the Department of Education. In 1987, she became the director of Community Programs for Arctic College and it was in this important role she took a leap of faith and hired yours truly, as the first adult educator in Hall Beach. Catherine has, for the past 11 years, overseen the development of adult education programs in the Baffin region and her leadership in this area is one of the major reasons why she will be presented with the prestigious award next week.

Mr. Speaker, Catherine was my supervisor for five and a half years. She is a dedicated educator, mother and a friend. I would like to take this opportunity to congratulate Catherine and her national award speaks volumes nationally with the programs and services that have been developed and delivered in the north. Mr. Speaker, Catherine's award for exceptional leadership, community involvement and creativity reflects well on the north and Nunavut Arctic College on the national stage. Thank you, Mr. Speaker.

--Applause

**MR. SPEAKER:**

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

Member's Statement 399-13(5): Baker Lake Inuit Heritage Centre

**MR. O'BRIEN:**

Thank you, Mr. Speaker. Today, I would like to offer my congratulations to the residents of Baker Lake. Thanks to the last five years of hard work and planning, the residents of Baker Lake are preparing for a grand opening of their new Inuit Heritage Centre on June 3rd. Mr. Speaker, many special guests will be attending the opening including the Governor General of Canada and his wife, the Honourable Charles Dent and the elders of Baker Lake. The elders first dreamed of having a centre that would permanently record their rich and unique history as the only inland Inuit in Canada.

This new centre will preserve Inuit history for future generations and provide a fantastic and interesting museum for all. Various patches of this dream were

sewn together by many different people. The hamlet council immediately agreed to support the elders and offered to renovate the old community hall and transform it into the Heritage Centre.

As always, the difficult task of raising money began. Over time, with contributions from the GNWT Department of Education, Culture and Employment, other levels of government, foundations, corporations and individuals from all across Canada, the money trickled in. With generous work, assistance and interest from many people, especially those from the Prince of Wales Northern Heritage Centre and Mr. David Webster, the elder's dream has become a reality. The newly established national historic site will also be interpreted in the new centre which now employs a full-time manager, a trainee and two summer students.

In addition to the grand opening, the elders are also launching a CD of traditional Inuit music, done by the elders, a book containing the oral histories of 26 Baker Lake elders and a video entitled, Amarook's Song relating to the nomadic life of our elders. Hats off to the people of Baker Lake. Thank you.

--Applause

**MR. SPEAKER:**

Thank you. Members' statements. Mr. Barnabas.

Member's Statement 400-13(5): The Need for a Wharf in Grise Fiord

**MR. BARNABAS:**

Thank you, Mr. Speaker. Mr. Speaker, I will speak in Inuktitut. (Translation) Mr. Speaker, this morning I would like to make a statement regarding my communities needing a wharf in Grise Fiord. The boats they purchased in the communities are very expensive and the weather is always very harsh because it is in the High Arctic. Regularly, the boats the individuals purchase are easily broken because of the weather. I would like the people of Grise Fiord to have assistance in getting a wharf. It is a small community, but everything is very expensive. For that reason, I would like to support them in getting a wharf. Due to the distance of the

Page 1345

community, it takes a long time to get all the supplies they need from the south. For this reason, I make a statement to support the community of Grise Fiord to

get a wharf. During question period, I will be asking the Minister of Transportation in this regard. Thank you. (Translation ends)

**MR. SPEAKER:**

Thank you. Members' statements. Mr. Evaloarjuk.

Member's Statement 401-13(5): Nunavut Social Development Meetings in Igloolik

**MR. EVALOARJUK:**

(Translation) Thank you, Mr. Speaker. I rise today to speak on the general meeting that was held in Igloolik, March 20th to 23rd, with the Social Development Committee. Representatives from all the Nunavut regions were in attendance. At the meeting, we learned a great deal including aspects of the new Nunavut government to be, the role that our culture plays and how we must maintain it and try to understand it. We realize how much of our culture we are losing. Our elders were there to remind us of the importance of our heritage. Young people, elders, men and women were at this meeting. The meeting helped us a great deal and we have to recognize the contribution of the Social Development Committee as well as remembering that we have to implement our cultural nature in our future endeavour. To do this, we must ensure that funding is provided for their work on an ongoing basis. Thank you, Mr. Speaker. (Translation ends)

**MR. SPEAKER:**

Thank you. Members' statements. Mr. Rabesca.

Member's Statement 402-13(5): The Need for a High School in Rae

**MR. RABESCA:**

Thank you, Mr. Speaker. Mr. Speaker, today I rise to tell you a bit of history. Back during the time of our Great Chief Jimmy Bruneau, Edzo was a new community developed by this government. Our chief recognized the need for our people to be educated in the ways of the southern people. With his foresight and determination the government built what is now called the Chief Jimmy Bruneau Regional High School in the community of Edzo.

Over the years, we have had an increasing number of students attend this school, where today we have over 300 students travelling daily from Rae to Edzo a 15-kilometre drive so they can learn and grow. This

school has become a very important part of our community. However, our community leaders believe that if the school was located in the main community of Rae instead of in Edzo, our student population would increase even more. Today with all the development in the mining sector and the conclusion of our land claims negotiations, our residents are seeing the need to further their education. They want to have a high school where the people are living. Rae is the place where it should have been built in the beginning. Rae is also going to continue to grow. Currently, the community service board is looking at various possibilities to achieve this goal. As more and more students enrol in all levels of schooling, we are seeing the need to increase the number of busses used to travel this 15 kilometres, as well as, the increased demand to provide more and more lunch time meals for the students.

By bussing the students to Edzo many students miss classes because they missed their bus. It is a one shot deal, if a student misses his bus, he may as well go back home as there are no other busses to take him to school. We realize this will take years to become a reality. However, we feel if we start working on it now, future generations will benefit from this important move. Thank you, Mr. Speaker.

--Applause

**MR. SPEAKER:**

Thank you. Members' statements. Mr. Krutko.

Member's Statement 403-13(5): Funding Required for Educational Programs

**MR. KRUTKO:**

Thank you, Mr. Speaker. Mr. Speaker, my statement today is also on the line of education and the cuts we have seen and the effect it has had on our communities, especially in the area of special needs, problems we see in our schools with FAE/FAS, special needs students and the value of education they are presently receiving. We have to keep in mind that this is not only an education problem, it is also a health problem which will have long term effects on our communities and to this government. I believe we have to take the initiative now to improve education for all students, the time spent in the classrooms with the number of cuts that have taken place, cuts to special needs teachers, the high turnover of teachers that we have seen in our communities and also the numbers of student drop

outs in our smaller communities. We have to deal with this initiative and we have to deal with money. We may hear there are no real dollars out there, but I believe if there is a will, there is a way. We have to take the initiative to assist wherever possible to improve education and health as one. We have to look at FAE and FAS not only as a problem that teachers have to deal within the classroom, but the community has to deal with it in the long term.

Mr. Speaker, I feel that we have to do something now because of the stress, the high turnover rate of teachers that we have seen and also the cuts we have made in delivering education to our communities, especially in the area where we have seen cuts to different programs and services that were there at one time; for example, language programs and special need's teachers who are needed in the classrooms, also cuts to the delivery of education programs that are no longer there. Mr. Speaker, later I will be asking the Minister a question to see if there is a way to coordinate some effort between the Departments of Health and Education to deal with this major problem in our communities. Thank you.

--Applause

**MR. SPEAKER:**

Members' statements. Mr. Ootes.

Member's Statement 404-13(5): Yellowknife Chamber of Commerce Economic Conference

**MR. OOTES:**

Thank you, Mr. Speaker. Mr. Speaker, following the Diamond Conference, which I spoke about yesterday, the Yellowknife Chamber of Commerce sponsored a two-day

Page 1346

Economic Futures Conference which I also attended. This open space conference was timely because Yellowknife's economic future is not what it used to be.

Our economic stability has been jarred over the past several years because of government cutbacks and the low price of gold, both of which have had the effect of many job losses in the city. This Yellowknife Economic Conference was designed to look at the issues facing growth of our Yellowknife economy and



the new areas that can be developed by doing some practical planning.

The conference included mind mapping sessions conducted by Yellowknife consultant Mike Bell. Seven specific recommendations were made, and it is important that I make reference to these because they affect not just Yellowknife citizens but other citizens as well and in some ways the Government of the Northwest Territories. The recommendations were:

- That the Chamber of Commerce and the city of Yellowknife sponsor a conference on information technology and work with other groups in the city to create a central database of information.
- That the Chamber work with Aurora College to develop an inventory of courses and training opportunities that could be made available to all northern students and employers.
- That the Chamber and the city take an active role in the development of the new constitution.
- That the Chamber of Commerce and the city of Yellowknife take an active role in the promotion of Yellowknife.
- That the Yellowknife Chamber present policy concerns that would affect businesses to the territorial government and to the community itself in such areas as P3, the BIP, infrastructure and so forth.
- That the Chamber of Commerce and the city compile and make available cost of living data, provide an analysis and background information about how costs are arrived at and why they are so high and also make recommendations to decrease cost of living.

I salute those who took part in this innovative exercise and promoted it. It is time for us as Yellowknifers to turn the corner and open new economic doors instead of looking back at those that have closed.

Diversification can only lead to long-term prosperity for the city and the economic health of the entire NWT and the western Arctic. Thank you, Mr. Speaker.

--Applause

**MR. SPEAKER:**

Members' statements. Mr. Henry.

Member's Statement 405-13(5): Proposed Changes to the GNWT Northern Living Allowance

**MR. HENRY:**

Thank you, Mr. Speaker. Mr. Speaker, over the past couple of weeks I have been approached by several constituents who have serious concerns about changes to the Northern Living Allowance contained in the proposed Collective Agreement. Mr. Speaker, after examining the issue, I must agree that there seems to be a serious inequity in the government's position.

Mr. Speaker, the employer's proposal provides increases to employees from \$421 to \$4,096 per year effective April 1, 1998, for employees in communities where the cost of living exceeds Yellowknife. The upshot, to this Mr. Speaker, is that employees in every community in the Northwest Territories, with the exceptions of Yellowknife and Fort Rae received increases in their Northern Living Allowances. The government's logic appears to be that since the inflation rate in Yellowknife has been negligible for the past year, there is to be no increase to the Northern Living Allowance for employees in Yellowknife.

The Northern Living Allowance in the communities of Fort Smith and Hay River, as examples, will increase by \$1,132 and \$941 respectively. I know for a fact that the cost of living in these two communities is significantly lower than it is in Yellowknife. They pay less for accommodation, food and gas and they can drive to Edmonton in a day. Mr. Speaker, a house that would cost \$200,000 in Yellowknife can be bought in Hay River for approximately \$120,000. In short, Mr. Speaker, the proposed Northern Living Allowance increases are not fair to the GNWT employees living in Yellowknife. Thank you, Mr. Speaker.

--Applause

**MR. SPEAKER:**

Thank you. Members' statements. Mr. Erasmus.

Member's Statement 406-13(5): Re-establishment of the GNWT Switchboard

**MR. ERASMUS:**

Thank you, Mr. Speaker. I am very pleased and happy to hear the announcement made by the Premier this morning that he is re-establishing the GNWT central switchboard. That shows, indeed, that

this government is responsive when concerns are raised and shows that there is a heart on the other side of the hall. Mr. Speaker, I would also like to thank the Yellowknife North constituents who participated in a random survey that my constituency assistant did last year and for which I presented the results to the Premier last year. Mr. Speaker, this is a good news story and people will once

Page 1347

again be able to phone one number through which they will be able to reach most GNWT employees in Yellowknife or at least a voice mail. Once again, I would like to thank the Premier for responding to this concern. It is a good thing that he has done. Thank you.

--Applause

**MR. SPEAKER:**

Thank you. Members' statements. Mr. Ningark.

Member's Statement 407-13(5): Kitikmeot Leaders Forum in Kugluktuk

**MR. NINGARK:**

Thank you, Mr. Speaker. Mr. Speaker, recently Mr. Ng and I had the opportunity and pleasure of attending the Kitikmeot Leaders forum in Kugluktuk. As usual Mr. Speaker, we were made welcome and were full participants of the forum. Mr. Speaker, many issues were discussed and resolutions passed respecting the social economic well-being of the Kitikmeot residents. One of the many issues, Mr. Speaker, that we discussed was the operation and management of the Kitikmeot boarding home here in Yellowknife. Mr. Speaker, I will not get into details as Mr. Ng is aware of the issues, as well as the residents of the Kitikmeot are aware of the issues. Since most of the issues and concerns came from the eastern part of the Kitikmeot region which I represent, better known as Natilikmiot. Next week, I will be asking questions of the Minister of Social Services on these issues. Thank you, Mr. Speaker.

--Applause

**MR. SPEAKER:**

Thank you. Members' statements. Mr. Enuaraq.

Member's Statement 408-13(5): Clyde River Whale-Watching Tourism Initiatives

**MR. ENUARAQ:**

(Translation) Thank you, Mr. Speaker. I will

be speaking in Inuktitut. For those of you who do not understand Inuktitut, please put on your ear pieces. Mr. Speaker, as we are all aware, it will soon be spring and summer. Each summer in Clyde River there are many whales in the nearby area and we have many species in our waters. They are a wonderful sight to see for tourists whether they are Inuit or others. People are very interested in watching the whales and there are numerous whales in that area. Perhaps first of all, I should express my gratitude to the people of Clyde River, as they prepare for the proper management of the species and promote tours for the observation of the whales. I would like to thank the Hunters and Trappers Association for their careful management of the animals. I would also like to recognize that the committee members often take people out to a certain island as a tourism promotion. This has been an ongoing thing which has been prepared for many years to ensure that it is safely carried out. There are also environmental aspects that the committee is aware of such as avoiding oil spills for that special region. Mr. Speaker, I would like to encourage people to come to Clyde River to observe these wonderful animals within our area. They can also learn more about our animals and the proper care and management of the species. We welcome anyone to come to Clyde River. Thank you, Mr. Speaker. (Translation Ends)

--Applause

**MR. SPEAKER:**

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

**ITEM 4: RETURNS TO ORAL QUESTIONS**

Return To Oral Question 496-13(5): Hay Job Evaluation System

**HON. JOHN TODD:**

Thank you, Mr. Speaker. I have a return to an oral question asked by Mr. Erasmus on May 20, 1998, Hay Job Evaluation Benchmarks:

Return To Oral Question 491-13(5): Job Evaluation Systems

If I may, Mr. Speaker, the second one, asked by Mr. Ootes, on May 20, 1998, Job Evaluation System:

The Willis Job Evaluation System was used in the 1990 - 1992 Joint Equal Pay Study (JEPS). The JEPS study evaluated a sample of some jobs only. The sample evaluations were inadequate for assessing whether there was a pay equity problem. An attempt by the Government of the Northwest Territories to evaluate all positions based on the job evaluation system used by JEPS also ended in failure. Subsequent research found that the Willis System used by JEPS created problems on implementation for employers and employees in other organizations and the use of the system is in decline. The Willis System was abandoned for these reasons. Thank you, Mr. Speaker.

**MR. SPEAKER:**

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

ITEM 5: RECOGNITION OF VISITORS IN THE GALLERY

**MRS. GROENEWEGEN:**

Thank you, Mr. Speaker. It is my pleasure today to recognize a constituent who is 14 years old in grade 7, and she is a Corporal with 2724 Hay River Army Cadet Corps and being from Hay River, it is appropriate her name is Angel.

--Applause

**MR. SPEAKER:**

Recognition of visitors in the gallery. Mr. Krutko.

Page 1348

**MR. KRUTKO:**

Thank you, Mr. Speaker. I would like to recognize Pat Thomas of the NWTTA.

--Applause

**MR. SPEAKER:**

Recognition of visitors in the gallery. Item 6, Oral questions. Mrs. Groenewegen.

ITEM 6: ORAL QUESTIONS

Question 514-13(5): Identification of Education Funding

**MRS. GROENEWEGEN:**

Thank you, Mr. Speaker. My question today is for the honourable Minister of Finance. I do not know which subject to question him on first because there are so many questions that could be asked, but my question today is on the subject of education and funding for education. As the Finance Minister, I hope he can respond. The Premier says there is no pot of gold at the end of the rainbow, but I submit to you, Mr. Speaker, that there is a pot of gold. In the upcoming budget planning process for the new Western Territory, I think the MLAs need to get a little more aggressive in examining these multi-million dollar line items in the budget.

In the meantime, I want to hear from the Finance Minister what we can do as Ordinary Members, if we can identify funds. Is there a process for rebasing funds, not within the barraged strategic budget planning process, but at any time? Thank you, Mr. Speaker.

**MR. SPEAKER:**

The Minister of Finance, Mr. Todd.

Return To Question 514-13(5): Identification of Education Funding

**HON. JOHN TODD:**

Thank you, Mr. Speaker. I wonder if my honourable colleague could give me a little clarification? Does she mean under the existing budget that has now been approved through the legislative process or does she mean the new budgets that are going to come forward in 1999 to the year 2000? Thank you.

**MR. SPEAKER:**

Mrs. Groenewegen.

Supplementary To Question 514-13(5): Identification of Education Funding

**MRS. GROENEWEGEN:**

Thank you, Mr. Speaker. Mr. Speaker, I am talking about the budget which has just recently been approved. For example, if we can find a million dollars which has already been approved and

allocated in a certain area, can we rebase that money toward education? Thank you, Mr. Speaker.

**MR. SPEAKER:**

Mr. Todd.

Further Return To Question 514-13(5): Identification of Education Funding

**HON. JOHN TODD:**

Thank you, Mr. Speaker. Mr. Speaker, I sometimes wonder why we have a budgetary process. Mr. Speaker, we only finished our budget, as you know, two or three months ago. All Members were actively involved through the committee process. Budgets were allocated then and approved. There were concerns raised then about education as there was about health care, as with pay equity, with housing, with economic development and child welfare. There are a variety of issues out there, with all due respect to my colleague, that everybody sees as a priority.

We have a process in place that is all-encompassing, that involves all of this Assembly in determining targets and determining where we spend money. This is what we have done. I have said out of the House and I will say in the House, if there is a ground swell of support and concern that we reallocate money from one envelope to another, and there is support for it out there, then we would look forward to those recommendations, but ultimately, the Cabinet and the FMB have to make the decision. If there is a concern, and I am talking about the passed budget, talking about the new budget is a different issue. If there is a concern about the existing one, there is a requirement for additional dollars in there, in education, and nobody disputes that, by the way, including the Minister of Education, Mr. Dent. He understands that, but he is working under difficult constraints that I have had to place on him, my Cabinet colleagues, in relationship to our overall fiscal position. If there is support out there, then we would look forward to the recommendation from the House bearing in mind, that we would get recommendations from where we should take it. Thank you.

**MR. SPEAKER:**

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

Supplementary To Question 514-13(5): Identification of Education Funding

**MRS. GROENEWEGEN:**

Thank you, Mr. Speaker. I would hope that the Minister of Finance would take those suggestions very, very seriously, given the fact that every time we, as Ordinary Members say we want more money put toward education, it is constantly thrown back up to us. You find the money. You identify the funds. You tell us from where you want to take it. Given that is the response we are always given, I would hope that the Finance Minister would take any recommendation brought forward in this House very seriously, and I thank him for that.

How much do we have to find at any given time? How much is it worth transferring over? What if we find \$1 million, \$2 million, \$10 million? It seems like during the strategic planning, if you cannot find millions of dollars, it is not worth it. What is the threshold?

**MR. SPEAKER:**

Mr. Todd.

Further Return To Question 514-13(5): Identification of Education Funding

**HON. JOHN TODD:**

We need to put it in some context. The Department of Education, while we all acknowledge we could put more money into it, it is no different from the Department of Economic Development. We all acknowledge we would like to put more money into it. It is no different from the Department

Page 1349

of Health, we all acknowledge we need to put more money into it. The threshold is, the overall fiscal framework that we have in this government is, we have x-amount of dollars to spend. I am not making those numbers up. Everybody has access to that. These are the numbers we get from the benevolence of the federal government and from the taxpayers of the Northwest Territories that is the threshold.

What we do is work it out in partnership with yourselves and the Cabinet Ministers as to what levels of financing each envelope and each department gets. There is \$303 million currently being spent on education. This is a significant amount of our overall budget. I am not suggesting that it is enough. There is never enough money in politics, but there are some fiscal realities that we all have to look toward.

The threshold is, and the way we have to approach this, you cannot isolate education out and say, that has a greater priority than health care, if you are prepared to say that, let me hear that. You cannot isolate education and say it has a greater priority than job creation. They all have priorities.

We all have to reach reasonable compromises. The budgets we develop should not be developed because of minority groups out there lobbying for one point of view, which I have no problem with. I have a responsibility as the Finance Minister, as Cabinet colleagues and you do, to look at the overall impact the budget has on the territorial populace, and to treat it in a fair and reasonable way and to reach the compromises that are necessary to provide the level and standards of service that our constituencies come to expect.

You cannot look at increasing the budget in education in isolation of the other components that make up the services that we provide to territorial residents. This is the point I was trying to make. Thank you.

**MR. SPEAKER:**

Oral questions. Supplementary, Mrs. Groenewegen.

Supplementary To Question 514-13(5): Identification of Education Funding

**MRS. GROENEWEGEN:**

Mr. Speaker, I think I bring out the very best in the Minister. Not everyone as Ordinary Members has a chance to sit on every committee. We do not necessarily know the detail in the breakdown in some of the budgetary items. Is the Finance Minister willing to help us, as Ordinary Members, to try and identify some of those areas where there may be money that we could reallocate to education? Some of that pot of gold that I believe exists?

**MR. SPEAKER:**

Mr. Todd.

Further Return To Question 514-13(5): Identification of Education Funding

**HON. JOHN TODD:**

There is no pot of gold at the end of the rainbow, otherwise, we would be spending it. The reality is, we are back to where we are talking about the last two years. I am not trying to be disrespectful to my

colleague. I think this is an important serious issue. What I am trying to tell you is the Minister responsible for Education has worked extremely hard to get his fair share of the budget in consultation with the Ordinary Members. Everybody has the capacity, if they have the time to attend committee meetings, everybody has that ability. I, as an Ordinary Member, attended most of those meetings and tried to influence what I believe was the right thing to do.

The point I am trying to make here is, and I think it is an important one, it is no different from the organized labour, the UNW, the other day lobbying for their point of view. This is a legitimate lobbying entity out there saying, this is what we want. It is no different from my honourable colleague lobbying on behalf of education. I am not questioning that.

Mr. Speaker, I wonder if I could have some order from my colleague across from the far left.

**MR. SPEAKER:**

Could we have some order please, and allow the Ministers to respond to the questions? I would also like to ask the Ministers to answer the questions.

--Applause

**HON. JOHN TODD:**

I was taking the lengthy reply to the question, Mr. Speaker, because of the importance of the issue and trying to put it into some context and seriousness of the issue, of which my honourable colleague across the floor spoke about yesterday. His disparaging comments to my response, I find that a little disappointing. What I am trying to explain to my colleagues is, when you say, where are we going to reallocate money from one envelope to another, there has to be a spirit of compromise in that discussion. There has to be an acceptance which has ramifications for the other envelopes, and there has to be a consensus if that is what you want to do. She is asking me for advice and I am trying to give it to her. If there is a consensus amongst the Ordinary Members that you want to reallocate the existing budget, then come forward with some recommendations, and we will see what the Cabinet and the FMBS can do, but it has to have a consensus, and we need some direction in the spirit of cooperation as to where we think it should come from. Thank you.

**MR. SPEAKER:**

Oral questions. Final supplementary, Mrs. Groenewegen.

Supplementary To Question 514-13(5): Identification of Education Funding

**MRS. GROENEWEGEN:**

Thank you, Mr. Speaker. Mr. Speaker, for clarification purposes, I am not a lobbyist, I am a duly elected Member of the Legislative Assembly. If I can get the concurrence of enough Ordinary Members to form a majority, I believe that the government, we are the government, we do make those kinds of decisions. This is what we would like to do. On line items, it is difficult sometimes to know exactly where there could be excesses. Approximately 12 years ago, the Auditor General's Department undertook a value for money audit for government leases and contracts. Would the Finance Minister, in assisting Ordinary Members, find where there may be excess money this government is spending? Would the Finance Minister support us in a request to the Auditor General to review some of our contracts and leases

Page 1350

engaged in by this government to identify excess sources of funds for education? Thank you, Mr. Speaker.

**MR. SPEAKER:**

Mr. Todd.

Further Return To Question 514-13(5): Identification of Education Funding

**HON. JOHN TODD:**

I am well aware that my honourable colleague is the elected voice of Hay River and has spoken passionately about issues in this House. I would not want there to be any misunderstanding. My only point I was trying to make is, people have the right to lobby. We have the responsibility to analyse overall, what is the best interest of the territorial peoples that we represent. I believe the Auditor General reviews all of our fiscal arrangements on a year-to-year basis.

**MR. SPEAKER:**

Oral questions. Mr. Ningark.

Question 515-13(5): Reference to Yellowknifer Article

**MR. NINGARK:**

Thank you, Mr. Speaker. Mr. Speaker, it is Friday, and to make a point, my question is directed to the Premier. I want to draw the attention of Members to an article in the Yellowknifer, page A17, Friday, May 22, 1998. The heading is, A Wing and a Prayer and a Premier. Mr. Speaker, I want to make a quotation:

A one-winged raven is heading south to an Alberta bird sanctuary thanks to Premier Don Morin.

My question is, Mr. Speaker, did the raven fall under the compassionate travel budget?

--Applause

**MR. SPEAKER:**

I am sorry, the question is out of order. The Premier cannot confirm any articles which are not within the knowledge of this House. Oral questions. Mr. Steen.

Question 516-13(5): Staff Housing for Teachers

**MR. STEEN:**

Thank you, Mr. Speaker. Mr. Speaker, we have just heard the Finance Minister, Mr. Todd, suggest there was not much direction from this Assembly as to concerns with funding for education issues, in particular, teachers and programs. Mr. Speaker, I would like to point out that over the past number of years on many occasions, we have requested the Finance Minister to assure us there was adequate housing for teachers in the smaller communities while they were in the process of selling those assets. Mr. Speaker, I would like to ask the Finance Minister if he would not reconsider, now that these issues have been brought out, that, in fact, housing requirements for teachers do take a large portion of funding out of their pay. Would he reconsider allowing those houses which are left in the smaller communities to be used by the teachers as they were in the past?

**MR. SPEAKER:**

The Minister of Finance, Mr. Todd.

Return To Question 516-13(5): Staff Housing for Teachers

**HON. JOHN TODD:**

Mr. Speaker, the policy of the government is to get out of housing and as I have said on a number of

occasions in the last two and a half years, I think we have done that very successfully. We have created the Home Ownership Program in the Arctic that some of us believed was not possible a number of years ago. We are continuing to lease housing, and I have a policy in place which makes sure that housing is affordable, et cetera. Now, if there is a specific issue in relationship to my honourable colleague's constituency, I would be prepared to deal with that, but from a policy perspective, we believe we are on the right track. There are obviously glitches within that, but we believe we are in the right track. Thank you.

**MR. SPEAKER:**

Oral questions. Supplementary, Mr. Steen.

Supplementary To Question 516-13(5): Staff Housing for Teachers

**MR. STEEN:**

Thank you, Mr. Speaker. Mr. Speaker, yesterday my honourable colleague from Great Slave North, Mr. Rabesca identified in his area whereby there was government housing that was simply boarded up because nobody was buying them. I would like to point out, Mr. Speaker, this is basically the same case, especially in the hamlet of Tuktoyaktuk where government houses are simply boarded up. Nobody is buying them. At the same time, we have teachers and other government staff like the nurses, who do require reasonable housing. Now, I appreciate, Mr. Speaker, that the government's policy adopted over the recent two years is to get out of the housing business, but we are also, as has been pointed out by the Finance Minister, that some of these policies need re-evaluation. I again ask the Minister, would he consider rather than simply having these houses boarded up allowing them to be used by teachers? Thank you.

**MR. SPEAKER:**

Mr. Todd.

Further Return To Question 516-13(5): Staff Housing for Teachers

**HON. JOHN TODD:**

Mr. Speaker, if my honourable colleague remembers, he was really the advocate two sessions ago, which I appreciated him indicating where there was surplus housing, asking if we would be prepared to transfer

those over to social housing, which we have done in a number of communities. That was some of the direction he gave us which was good direction at that time. His current concern with respect to empty houses, which are boarded up because people do not want to purchase them, I will re-examine based on Tuktoyaktuk and see if we can find a fair settlement for that community and the Member who represents them. Thank you.

**MR. SPEAKER:**

Oral questions. Supplementary, Mr. Steen.

Supplementary To Question 516-13(5): Staff Housing for Teachers

**MR. STEEN:**

Thank you, Mr. Speaker. Mr. Speaker, I think there are two points here. One, is that the Minister of Finance says there is no more money to raise teachers' salaries so that they can, in fact, pay the going rate or higher rates than they have had in the past for rent. I am suggesting here to the

Page 1351

Finance Minister that this possibly could, in fact, find a way around the finance problem by amending our housing policy, whereby, these teachers would again have adequate housing in the communities at a reasonable rate. Suggesting that we simply re-evaluate whether or not these houses could be turned over to the social envelope or the social housing in the communities is not what I am suggesting here at all, I am suggesting that we could address these two problems by, in fact, re-evaluating our housing policy and that was the question I put to the Finance Minister, would he re-evaluate his housing policy and, in fact, reconsider allowing teachers to have government housing?

**MR. SPEAKER:**

Mr. Todd.

Further Return To Question 516-13(5): Staff Housing for Teachers

**HON. JOHN TODD:**

Perhaps my honourable colleague misunderstood me. I thought I had answered the question. I was actually being complimentary to him based on the direction he gave us two or three sessions ago with respect to the

surplus housing and indicated where there is housing being boarded up, and for whatever reason, teachers are not purchasing them or the community is not and there is a requirement for teacher housing. On a community-by-community basis, I would be prepared to look at. Thank you.

**MR. SPEAKER:**

Oral questions. Mr. Picco.

Question 517-13(5): Re-establishment of GNWT Switch Board

**MR. PICCO:**

Thank you, Mr. Speaker. Mr. Speaker, following up on Mr. Morin's announcement this morning on the re-establishing of the GNWT switchboard. Mr. Speaker, the privatization of the switchboard services, was that a proposal tender, negotiated, was it sole-sourced, was it RFP'd? How was it awarded? Thank you, Mr. Speaker.

**MR. SPEAKER:**

The Premier.

Return To Question 517-13(5): Re-establishment of GNWT Switch Board

**HON. DON MORIN:**

Thank you, Mr. Speaker. It was in the newspapers. Thank you.

**MR. SPEAKER:**

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

Supplementary To Question 517-13(5): Re-establishment of GNWT Switch Board

**MR. PICCO:**

Thank you, Mr. Speaker. It was in the newspapers that is great. Was it advertised in the newspapers? What were the criteria? He has not answered my question. Was it RFP'd, was it negotiated, was it sole sourced, was it a tender? Thank you, Mr. Speaker.

**MR. SPEAKER:**

Mr. Morin.

Further Return To Question 517-13(5): Re-establishment of GNWT Switch Board

**HON. DON MORIN:**

Thank you, Mr. Speaker. It was a tender request for proposal in the newspapers. Thank you.

**MR. SPEAKER:**

Oral questions. Supplementary, Mr. Picco.

Supplementary To Question 517-13(5): Re-establishment of GNWT Switch Board

**MR. PICCO:**

Thank you, Mr. Speaker. Mr. Speaker, a request for proposal is not a tender. What criteria were used for this proposal to select it? Thank you.

**MR. SPEAKER:**

Mr. Morin.

Further Return To Question 517-13(5): Re-establishment of GNWT Switch Board

**HON. DON MORIN:**

Thank you, Mr. Speaker. A request for proposal is a tender. It was in the newspapers. I have no problem tabling that in the Legislative Assembly. Thank you.

**MR. SPEAKER:**

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

Supplementary To Question 517-13(5): Re-establishment of GNWT Switch Board

**MR. PICCO:**

Thank you, Mr. Speaker. We cannot find any more money for education, but we can find money to privatize our phone services. What was the value of that contract? Thank you.

**MR. SPEAKER:**

Mr. Morin.

Further Return To Question 517-13(5): Re-establishment of GNWT Switch Board

**HON. DON MORIN:**

Thank you, Mr. Speaker. Approximately \$3,000 per month. Thank you.



**MR. SPEAKER:**

Oral questions. Mr. Henry.

Question 518-13(5): Increase in Northern Living Allowance

**MR. HENRY:**

Thank you, Mr. Speaker. Mr. Speaker, my question is for Mr. Todd, the Minister responsible for the Financial Management Board. Can the Minister explain in a clear and concise language as he is very capable of doing, the reasoning for the increase in the Northern Living Allowance offered to government employees living in Fort Smith and Hay River? Thank you, Mr. Speaker.

**MR. SPEAKER:**

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

Return To Question 518-13(5): Increase in Northern Living Allowance

**HON. JOHN TODD:**

Thank you, Mr. Speaker. I am not sure, but

Page 1352

I will try to give it a go because I have asked the same question that my honourable colleague has raised with me, et cetera. The cost of living index is used to update information and provide us with the base for northern allowance, et cetera and is determined, to some extent, on the information we received from Statistics Canada. Statistics Canada surveys NWT communities once every three years to determine the value of the food basket, the basket of goods, air transportation, et cetera. Based on this index, employees receive the difference between the basket of foods purchased in Yellowknife versus the basket of food purchased in their home community. That is the first index. The second index is on a seven-day advanced airfare out of the community. The index is used on the flat amount being paid on airfare for a family. Yellowknife is used as a base for both those indexes. The two indexes produce a rate for each community that is a multiple of the Yellowknife based rate. The amounts produced by each index are added together to produce the Northern Allowance. In 1997-98, four changes were made to the Northern Allowance for the 1998 round of collective bargaining. We updated the value of the basket of goods in line

with the consumer price index. We updated the cost of the living index based on the recent Statistics Canada information and we updated the transportation index based on the current airfare costs. This is a fairly lengthy response, Mr. Speaker, so I hope that is all right with everybody.

**MR. SPEAKER:**

Oral questions. Supplementary, Mr. Henry.

Supplementary To Question 518-13(5): Increase in Northern Living Allowance

**MR. HENRY:**

Thank you, Mr. Speaker. I recall when the Minister in the government proposed doing away with the VTA and called it a Northern Living Allowance. From my perspective, and I think it is factual, people need the necessities of life. They need food, shelter and clothing. I recall many statements made by the government over the last couple of years that they were, indeed, trying to create a northern workforce. I hear the Minister telling me that most of the emphasis in the Northern Living Allowance is related to air travel. Mr. Speaker, I would ask the Minister to tell me why the Northern Living Allowance that this government has created is not taking into consideration what it actually costs a person to live there and create this northern employment workforce? Thank you, Mr. Speaker.

**MR. SPEAKER:**

Mr. Todd.

Further Return To Question 518-13(5): Increase in Northern Living Allowance

**HON. JOHN TODD:**

I certainly do not want to put words in my honourable colleague's mouth, but if he were to ask me if I would re-examine the cost of the living index, I would be prepared to do that.

**MR. SPEAKER:**

Oral questions. Supplementary, Mr. Henry.

Supplementary To Question 518-13(5): Increase in Northern Living Allowance

**MR. HENRY:**

Thank you, Mr. Speaker. I appreciate the Minister's consideration of that, and I think in the words of Mr. Roland earlier on today, he was talking about fairness to all of the Government of the Northwest Territories employees. At the same time I would ask the Minister if he would also look at the name of the particular program, Northern Living Allowance and ensure that it really does reflect northern living allowance and not northern travel allowance. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Mr. Todd.

Further Return To Question 518-13(5): Increase in Northern Living Allowance

**HON. JOHN TODD:**

Mr. Speaker, clearly the issue that was raised by my colleague prior in discussions with him informally and what he has raised in the House needs to be re-examined. I appreciate the opportunity to say to him that I am prepared to do that and hopefully, come forward with more comprehensive cost of living indexes for the territories and in the future. Thank you.

**MR. SPEAKER:**

Oral questions. Mr. O'Brien.

Question 519-13(5): Arctic Airport Transfer Update

**MR. O'BRIEN:**

Thank you, Mr. Speaker. Mr. Speaker, my question is to the Minister responsible for Transportation. Could the Minister give this House an update as to the present status of the Arctic Airports transfer as it relates to the eastern communities? Thank you.

**MR. SPEAKER:**

The Minister of Transportation, Mr. Antoine.

Return To Question 519-13(5): Arctic Airport Transfer Update

**HON. JIM ANTOINE:**

Mahsi, Mr. Speaker. Good morning to my colleagues. It is good to be back here at the Legislative Assembly. The Keewatin Transfer Initiative was going ahead because of the changes in Nunavut in regard to some of the departments; for example, Transportation and

Public Works, getting together and forming changes in the structure of the

Page 1353

organization; there is a slow down in that process. We are not moving ahead as quickly as we had first anticipated. We are still working with the communities. However, it is a slower process than we had originally anticipated. Thank you.

**MR. SPEAKER:**

Oral questions. Supplementary, Mr. O'Brien.

Supplementary To Question 519-13(5): Arctic Airport Transfer Update

**MR. O'BRIEN:**

Thank you, Mr. Speaker. Mr. Speaker, can the Minister try to be more precise as to what is actually causing the delay? Is it regarding organizational problems? Thank you.

**MR. SPEAKER:**

Mr. Antoine.

Further Return To Question 519-13(5): Arctic Airport Transfer Update

**HON. JIM ANTOINE:**

Thank you, Mr. Speaker. Mr. Speaker, the airport transfer to the Keewatin communities has been directly linked to the Keewatin Pilot Project. There has been a lack of progress in this pilot project and some of the discussions that were going on with the deputy minister of Community Government, Housing and Transportation with the Nunavut government. There is a new amalgamation and how the new Nunavut government is going to run this. It will probably be Community Government Housing and Transportation will be forming together in Nunavut. The airport transfer is not their highest priority at this point in time and so, the Department of Transportation in the west, is slowing down our work in this whole transfer. Should the pilot project and the airport transfer become a priority for the Interim Commissioner, and the deputy minister for Nunavut, the department is prepared to pick up the pace on short-notice. This is the reason for the slow down in the transfer. Thank you.

**MR. SPEAKER:**

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

Supplementary To Question 519-13(5): Arctic Airport Transfer Update

**MR. O'BRIEN:**

Thank you, Mr. Speaker. Could the Minister tell the House whether there have been any meetings that are planned in the near future to pick up the pace on these transfers, whether it is with the Interim Commissioner or whomever the related parties are?

**MR. SPEAKER:**

Mr. Antoine.

Further Return To Question 519-13(5): Arctic Airport Transfer Update

**HON. JIM ANTOINE:**

Thank you, Mr. Speaker. Mr. Speaker, I am not aware at this point in time what the process is to continue with this initiative. I would like to take that question as notice and get back to him to see what the scheduling and timeframe is on this. Thank you.

**MR. SPEAKER:**

The question is taken as notice. Oral questions. Mr. Krutko.

Question 520-13(5): Special Needs Education Funding

**MR. KRUTKO:**

Thank you, Mr. Speaker. As I indicated in my statement regarding education, funding cuts, specifically students with learning disabilities, my question is for the Minister of Education, Culture and Employment, Mr. Dent. Considering that 15 to 50 percent of the student body in any given school may be affected with a learning disability of some degree, and upwards of 25 percent of students of the student body in any one specific region show affects of FAS/FAE; could the Minister commit to address this problem in the immediate future so that the problem of service levels will not drop any further and the possibility of increased problems of combating this problem will be dealt with? Thank you.

**MR. SPEAKER:**

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

Return To Question 520-13(5): Special Needs Education Funding

**HON. CHARLES DENT:**

Thank you, Mr. Speaker. Mr. Speaker, given the fiscal situation this government faces, we will certainly do our best to continue to address the special needs of children in the classroom. As I have said in this House before the special needs portion of the formula that we use to provide funding to divisional education councils is the one area that has actually increased over the past three years and has not seen reductions as other areas have. Thank you, Mr. Speaker.

**MR. SPEAKER:**

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

Supplementary To Question 520-13(5): Special Needs Education Funding

**MR. KRUTKO:**

Thank you, Mr. Speaker. Regarding Fort McPherson where the numbers I have heard from the Principal at an education council meeting that was held with the assistant deputy minister, we heard numbers of up to 25 percent of the student body is affected in some way or another and because of that the delivery of services. One of the suggestions was, if there was a possibility of the Department of Health and the Department of Education consolidating their efforts to come up with some sort of a solution, that we do not just look at it as an education problem, but also a health problem. Is there any way the Minister could commit himself to possibly looking at this, in light of this also being a health problem?

**MR. SPEAKER:**

Mr. Dent.

Further Return To Question 520-13(5): Special Needs Education Funding

**HON. CHARLES DENT:**

Thank you, Mr. Speaker. In comparison to how departments operated in the past, our new envelope system does, in fact, bring departments closer together when it comes to looking at issues such as

this. We have a good history of working together within our envelope, education and health in particular, on programs designed to help children in need. An example I can point to is the Healthy

Page 1354

Children Initiative, which is a cooperative effort between the Department of Health and the Department of Education, Culture and Employment. I can assure the Member that we will work together with our partners in the envelope to try and ensure that we address the problem as economically as possible. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Oral questions. Supplementary, Mr. Krutko.

Supplementary To Question 520-13(5): Special Needs Education Funding

**MR. KRUTKO:**

Thank you, Mr. Speaker. Regarding the social envelope, one of the problems that we see with FAE/FAS children is alcohol and sexual abuse and the effects of which a lot of these children have found themselves in because of the alcohol related illness that has caused this to come about. Is there any way that you can also look at that to build into, you mentioned the Healthy Children Initiative, but also look at the delivery of the programs in the communities such as what we are trying to do through the Tl'ooondih Healing Program or through the Department of Health with regard to alcohol and related things to deal with the family and also the discipline of the children? It seems one of the areas which is mostly affected is the discipline these children have and how they act in the schools. Is there a way you could also consider looking at those programs and delivery so they look at the alcohol related effects of these children in the classroom? Thank you.

**MR. SPEAKER:**

Mr. Dent.

Further Return To Question 520-13(5): Special Needs Education Funding

**HON. CHARLES DENT:**

Thank you, Mr. Speaker. Mr. Speaker, the department has worked with agencies in the north

already to develop programs to help caregivers deal with young people who are suffering from Fetal Alcohol Syndrome and fetal alcohol effects and, in fact, there is now some training that is offered to our educators which are available to help them understand how to deal with the situation. The answer to the Member's direct question is, we will work together with Health and Social Services, to the best of our abilities. Both Health and Social Services and Education, Culture and Employment staff recognize, because of the limitation of funding that we face, we have to find a way to work together to deal with problems such as this. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Oral questions. Final supplementary, Mr. Krutko.

Supplementary To Question 520-13(5): Special Needs Education Funding

**MR. KRUTKO:**

Thank you, Mr. Speaker. Mr. Speaker, regarding the meeting that was held in Fort McPherson with your assistant deputy minister, can the Minister tell me if he had an opportunity to meet with the deputy minister and be briefed on that discussion and if he has, is there a chance that he could also give me an update as to what happened with that briefing as to what is going to be done in relation to that meeting? Thank you.

**MR. SPEAKER:**

Mr. Dent.

Further Return To Question 520-13(5): Special Needs Education Funding

**HON. CHARLES DENT:**

Thank you, Mr. Speaker. Mr. Speaker, I have before me the briefing note related to that meeting that Ms. Pauline Gordon attended with the Member in the community. I will be happy to meet with the Member at any time to discuss and follow up. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Oral questions. Mr. Roland.

Question 521-13(5): Impact of Collective Agreement on Former Employees

**MR. ROLAND:**

Thank you, Mr. Speaker. Mr. Speaker, my question at this time will be directed to the Minister of FMBS. Mr. Speaker, as in my Member's statement, I stated that I spoke to many employees and union representatives in my community. One of their major concerns is, if this agreement is accepted, how it would deal with employees who worked for this government since the complaint was laid in 1989 and who no longer work with government and have left the territories. My question to the Minister is, how would this agreement that is before everyone, how would that impact those past employees who worked for this government and are no longer living within the territory, how it would impact them? Thank you.

**MR. SPEAKER:**

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

Return To Question 521-13(5): Impact of Collective Agreement on Former Employees

**HON. JOHN TODD:**

Thank you, Mr. Speaker. Former employees who have left either the territories or who are residing in the territories, will be given retroactive pay on the pay equity issue.

**MR. SPEAKER:**

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

Supplementary To Question 521-13(5): Impact of Collective Agreement on Former Employees

**MR. ROLAND:**

Thank you, Mr. Speaker. This would include all people, past employees who were working for this government since 1989, the date the complaint was filed?

**MR. SPEAKER:**

Mr. Todd.

Further Return To Question 521-13(5): Impact of Collective Agreement on Former Employees

**HON. JOHN TODD:**

Thank you, Mr. Speaker. There is a formula worked out for that. I do not have the details in front of me, but there is a formula worked out for past employees. Thank you.

**MR. SPEAKER:**

Oral questions. Supplementary, Mr. Roland.

Page 1355

Supplementary To Question 521-13(5): Impact of Collective Agreement on Former Employees

**MR. ROLAND:**

Thank you, Mr. Speaker. Is there any way of informing employees, besides the big issues that are going into the papers, and so on? Are there fillers with their pay cheques to inform them of this, all of the positions that are being put forward; for example, the two percent minimum for all employees?

**MR. SPEAKER:**

Mr. Todd.

Further Return To Question 521-13(5): Impact of Collective Agreement on Former Employees

**HON. JOHN TODD:**

Thank you, Mr. Speaker. I must admit, Mr. Speaker, I have been a little confused with some of the concerns that have been raised because I felt we have done, I will admit, in the past, perhaps we have not done as good a job of communicating as well as we should have, but I thought on this issue, we have communicated significantly, both in the press and in letters to employees on a one-to-one basis, management team, et cetera. The two percent increases are for all employees, if that is what my colleague is indicating. I repeat, all employees. Thank you.

**MR. SPEAKER:**

Oral questions. Final supplementary, Mr. Roland.

Supplementary To Question 521-13(5): Impact of Collective Agreement on Former Employees

**MR. ROLAND:**

Thank you, Mr. Speaker. The minimum spoken about includes those who have been red circled and that it

is an actual salary increase that will remain there?  
Thank you.

**MR. SPEAKER:**

Mr. Todd.

Further Return To Question 521-13(5): Impact of  
Collective Agreement on Former Employees

**HON. JOHN TODD:**

I should indicate also that the two percent increase, plus northern allowance, plus, plus, plus. The reality is, as I said many times and even said as late as yesterday, there will be no cash lost, if you want, or wage loss to any of our existing employees. There are some employees who will have to be, I think the term is, red circled. They will get the northern allowance. They will get the two percent wage increase, et cetera, et cetera, et cetera. Thank you.

**MR. SPEAKER:**

Oral questions. Mr. Miltenberger.

Question 522-13(5): Pay Equity Settlement Funding

**MR. MILTENBERGER:**

Thank you, Mr. Speaker. My question is directed to the Minister of Finance, and it is in regard to the pay equity issue as well. The first question is, could the Minister tell us where the \$40 million that is on the table, or that approximate figure, is coming from?  
Thank you.

**MR. SPEAKER:**

Minister of Finance, Mr. Todd.

Supplementary To Question 522-13(5): Pay Equity  
Settlement Funding

**HON. JOHN TODD:**

That is a good and timely question given the earlier debate today about the reallocation of dollars and the overall fiscal framework of the government. The first thing I want to say is, there are no excess monies in relationship to the \$40 million. That figure, as I said, frequently, was undertaken by careful analysis of the Hay Plan Associates job evaluation, et cetera. I want to say today because this gives me an opportunity. I want to let everybody know here that while we have balanced the budget, we still have to remain vigilant

as to how we spend what we have left over because it is important, at the end of the day for all of you, myself included, that we maintain a balanced budget as we move into 1999. I would hope that this objective is common amongst all 24 of us.

We will find the \$40 million, if you want, as you all know, we do maintain a small supplementary reserve that gives us some flexibility when we have unanticipated requirements. An example of that would be the year before last when Mr. Kakfwi had an enormous expenditure in the forest fire side of things. Last year, he had some savings, so there is some flexibility on the supplementary reserve. We are trying, to the best of our ability, to manage the monies of government as well as we should. We have budgeted for the sale of some assets. We think that will bring some cash in. We are hoping that through careful expenditure management; the fact that we maintain a small supplementary reserve for unanticipated spending requirements, a sale, if you want, of some of the assets that are going to be forthcoming. There are not many, but there is some out there that will be able to, at the end of the day, provide us with the \$40 million.

We can ill-afford, at this time, to look beyond that, and I have indicated that to the Members on a number of occasions. It will not be easy, but I am optimistic, and I am watching the budgetary expenditures of the government on a weekly and monthly basis. I have alerted my department to keep their eye on where there may be the potential for some surpluses, although they become less and less these days, the way the expectation of the populous is. It is going to be a series of initiatives on my department's part along with the cooperation of my Cabinet colleagues in trying to find the \$40 million should we reach an agreement where our membership and the membership of the UNW are given the democratic opportunity to vote on the final offer that we placed before them.

**MR. SPEAKER:**

Oral questions. Supplementary, Mr. Miltenberger.

Supplementary To Question 522-13(5): Pay Equity  
Settlement Funding

**MR. MILTENBERGER:**

Thank you, Mr. Speaker. Could the Minister indicate or clarify then, whether this \$40 million will not

contribute to a deficit for the year or add to the accumulated debt that we now carry?

**MR. SPEAKER:**

Mr. Todd.

Further Return To Question 522-13(5): Pay Equity Settlement Funding

Page 1356

**HON. JOHN TODD:**

Certainly, that is the intention. I have indicated, with the support of my Cabinet colleagues, as the Finance Minister, that we intend to remain on course for a balanced budget which the populous and future generations expect us to do. It certainly would be our intent to manage our money from within; as I said earlier, to look at some of the surpluses we might have and some of the supplementary reserves that we put in place. I keep my fingers crossed every day, when I come to work, and I look to see if there is any smoke out there. I am, quite frankly, nervous that Mr. Kakfwi will be coming in and saying, hey, Mr. Finance Minister, I need another \$20 million for forest fires. Mr. Kakfwi has an obligation to keep those under control. We have an obligation to balance the budget, but these kinds of unanticipated expenditures worry me sometimes. It is going to take some careful management. It is going to take a little bit of luck at the end of the day in terms of fires and a number of other things that are out there. I am fairly confident we are on track, as long as we have the support of our colleagues here, recognize that no new spending of no other dollars that we do not have, does not occur, and we will be able to do this and still maintain the level of services and a balanced budget in March 31, 1999. Thank you.

**MR. SPEAKER:**

Oral questions. Supplementary, Mr. Miltenberger.

Supplementary To Question 522-13(5): Pay Equity Settlement Funding

**MR. MILTENBERGER:**

Thank you, Mr. Speaker. The \$40 million being talked about at present and the final settlement offer is currently on the table, and there is an apparent impasse at this point between the government and the union. My understanding is that there is an option of mediation. My question to the Minister is, how long

and what process will result before some resolution can be brought forward? Can this impasse last forever? Can it drag on until division? Is there some way to bring closure to this? Thank you.

**MR. SPEAKER:**

Mr. Todd.

Further Return To Question 522-13(5): Pay Equity Settlement Funding

**HON. JOHN TODD:**

Let me say from the outset, I fundamentally believe that the offer we have on the table is a fair one. I fundamentally believe it is also an affordable one. I do not know if passion is the right word, but I certainly believe that sincerely. I think the union has a moral obligation to allow its membership to vote on whether we have presented, as legislators, myself and my Cabinet colleagues, a fair agreement. If the union requests to go to a mediator, we are prepared to move today, tomorrow, the next day, but at the end of the day for me, when we all talk about democracy and the right of workers and the right of management, et cetera; I have to believe in my heart that the responsibility lies with the UNW to allow its membership, my constituents, to vote on whether this offer is fair or not. I believe we will be judged based on that. Thank you.

--Applause

**MR. SPEAKER:**

Final supplementary, Mr. Miltenberger.

Supplementary To Question 522-13(5): Pay Equity Settlement Funding

**MR. MILTENBERGER:**

Thank you, Mr. Speaker. I do not disagree with the issue of the moral obligation to take this to their membership. My question is more on a technical or legal point of view. What steps, aside from a moral obligation which is very hard to nail down or impose, are there in this process to ensure this thing is not left hanging up to division, heaven forbid? Thank you.

**MR. SPEAKER:**

Mr. Todd.

Further Return To Question 522-13(5): Pay Equity Settlement Funding

**HON. JOHN TODD:**

We have placed our final offer on the table, as the government. I do not want to be repetitive. Again, I feel very personal about this, and I think it is fair. It is a good offer, and I hope our employees will see it that way. The responsibility lies with the UNW now to ask it to go to mediation. If they do, we are ready to go. Once it goes to mediation, there will be a time line, I think, there. I cannot remember exactly what it is, 30 days or whatever. The mediator will come back and say something, and then a decision is to be made from there. I do not understand, quite frankly, why organized labour and the UNW are not prepared to take this to its membership. It has an obligation and a responsibility and all the legal arguments of the day do not take away from the fact that our constituents and our employees have a right to vote on this agreement.

**MR. SPEAKER:**

Oral questions. Mr. Barnabas.

Question 523-13(5): Plan for a Wharf in Grise Fiord

**MR. BARNABAS:**

Thank you, Mr. Speaker. Mr. Speaker, as per my Member's statement earlier this morning, I would like to ask questions to Mr. Antoine, Minister of Transportation. First of all, I would like to say welcome back to the House. The question I have is, I understand from the constituents which I represent in Grise Fiord, that there were plans to make a wharf for the community. I was wondering if there are still plans and if funding is available to build a wharf in Grise Fiord? Thank you, Mr. Speaker.

**MR. SPEAKER:**

Minister of Transportation, Mr. Antoine.

Supplementary To Question 523-13(5): Plan for a Wharf in Grise Fiord

**HON. JIM ANTOINE:**

Mahsi, Mr. Speaker. Mr. Speaker, the request from Grise Fiord for putting a wharf, I am aware of that. I was up in the community some time ago, and it was one of the topics that was raised. What we have done in the department is try to do some preliminary

planning. I understand there was some consultation. Consultations were done trying to look for a site for such a wharf in that area, I think discussion that had

Page 1357

taken place about that with the leadership of the community and some department officials. We also had to identify material for the work, where it could be accessed, as well as how it could get done. These are the preliminary works that the department has conducted so far. The main part of this whole project is funding. We do not have any funding right now. The available funding for this program in this department is committed to projects that are in progress right now in other communities. This is where the money is tied up. The department and I are committed to continue to work with the community and yourself, as the MLA, to plan for these improvements in Grise Fiord for this marine infrastructure. The scheduling of when it gets done, will all depend on when funding for that program will become available. There is preliminary work going on, but we have not identified any source of funding to actually do it. Thank you.

**MR. SPEAKER:**

Oral questions. Mr. Erasmus.

Question 524-13(5): Hay Job Evaluation System

**MR. ERASMUS:**

Thank you, Mr. Speaker. My question is to the Minister of Finance. In response to a question I asked last Wednesday, May 26th, on the Hay Job Evaluation System. The Minister indicated that the Hay Job Evaluation System has been used in the territories for close to 20 years and is used right across Canada in a variety of municipal, provincial and private sector areas. Mr. Speaker, I have been informed by people in the nursing field that they do not believe the Hay Job Evaluation System is actually used in the nursing area. I was wondering if the Minister could clarify that for me whether this is or not.

**MR. SPEAKER:**

Minister of Finance, Mr. Todd.

Return To Question 524-13(5): Hay Job Evaluation System

**HON. JOHN TODD:**



Mr. Speaker, what I had indicated is that we have used the Hay Plan Evaluation System for our management in this government for a number of years, I believe it is 15 to 20 years. What I was trying to indicate was how broad, if you want, the Hay Plan Evaluation System is across Canada. Whether it was used for the nursing profession or not, I am not aware of that. I would have to look into it. It certainly is now, under the job evaluations that we have done and there is, particularly for community nurses, a significant increase in their salaries, I think somewhere in the region of \$13,000 to \$14,000 for a community nurse, I believe, and, of course, slightly less for hospital nurses. There is some concern being raised by the nursing fraternity between the disparity between institution nurses and nurses who are at the community level. Thank you.

**MR. SPEAKER:**

Oral questions. Supplementary, Mr. Erasmus.

Supplementary To Question 524-13(5): Hay Job Evaluation System

**MR. ERASMUS:**

Thank you, Mr. Speaker. The nurses had also indicated that through this new system, they do not seem to be treated as professionals any longer. Is there any merit to this and if there is, could the Minister explain what has happened here?

**MR. SPEAKER:**

Thank you. Mr. Todd, two questions.

Further Return To Question 524-13(5): Hay Job Evaluation System

**HON. JOHN TODD:**

I would certainly hope that we would view the nursing fraternity, as we view all other professionals, as an important service and professional institution in our communities. I am not aware of that. I think there is some concern in respect to comparative jobs. I already offered up yesterday, or the day before, during the conversation I had with some of the local nurses, an opportunity for them to talk directly to me. I would say again today, that I am perfectly willing to do that and sit down and try to get a better understanding of what their position is and see if we can act accordingly. The position of the government is and has been, as long as I can remember, nurses are a very, very, very important component to our health

care system and certainly stand in the professional area like teachers, lawyers and everybody else. Thank you.

**MR. SPEAKER:**

Oral questions. Final supplementary, Mr. Erasmus.

Supplementary To Question 524-13(5): Hay Job Evaluation System

**MR. ERASMUS:**

Thank you, Mr. Speaker. Another concern that the nurses had was that people are getting burnt out, and leaving is a good way of putting it. I am not exactly sure where the problem arises, but it seems as though everybody is working extreme hours of overtime on weekends and evenings. The way they put it is, we are wasting thousands and perhaps hundreds of thousands of dollars on overtime when it should not be happening. Is the Minister aware of this?

**MR. SPEAKER:**

Mr. Todd.

Further Return To Question 524-13(5): Hay Job Evaluation System

**HON. JOHN TODD:**

I am aware of it. Certainly the Minister of Health has tried to address it. There is a serious concern about retention of the nursing fraternity. Of course, there is a recognition that community nurses and large institution nurses are putting in an inordinate amount of time. Certainly, the Minister of Health and the Cabinet is working toward trying to find some solution to that. What I would say though, in somewhat defence to our position, is that this is not just a position just commonplace to the territories. If you read in the newspapers and if you do the research, there is a shortage of professionals like the nursing fraternity right across the country. Of course, we are getting hit with that as well, but there is a genuine attempt to work out an appropriate solution to retain nurses and to determine what will retain them. We know that money is one part of it, but there are a variety of other things, as Mr. Erasmus said, job environment, work hours, et cetera. Mr. Ng is not here today, but I believe he is working hard with the medical community in trying to find an appropriate solution to this difficult problem we have. 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. We will take a 15-minute break. I would also like to invite the Pages to join us in our lounge for lunch.

--Break

**MR. SPEAKER:**

The House will come back to order. We are on item 11, reports of standing and special committees. Mr. Erasmus.

**ITEM 11: REPORTS OF STANDING AND SPECIAL COMMITTEES**

Committee Report 7-13(5): Report on Bill 1, Power Corporation Act and Bill 2, An Act to Amend the Public Utilities Act

**MR. ERASMUS:**

Thank you, Mr. Speaker. Mr. Speaker, the Standing Committee on Government Operations is pleased to present its report on the review of Bill 1, Power Corporation Act and Bill 2, An Act to Amend the Public Utilities Act.

Chapter 1 of the report establishes the terms of reference for the review and outlines what the bills are intended to accomplish. The 2nd chapter of the report describes the standing committee's course of action in reviewing the two bills. Chapter 3 deals with the environmental scan. It outlines the political forces and legal structures impacting upon the proposed legislation. This chapter identifies a number of organizations with a significant role in the proceedings and briefly describes their mandates. In chapter 4 of the report, the principles of the review and the factors that guided the standing committee in their deliberations are introduced. Chapter 5 of the report is designed to help the reader understand the differences between the present legislation and how Bills 1 and 2 would impact on the operations of the Power Corporation and the Public Utilities Board. Chapter 6 of the report outlines the core issues that the standing committee heard during its public hearings on the two bills and the solutions offered by the presenters to their concerns with the bills and the companion documents. In chapter 7 the committee

makes recommendations and explains the current status of the two bills.

On October 23, 1997, the Minister responsible for the Northwest Territories Power Corporation, the Honourable Charles Dent, introduced Bill 1, Power Corporation Act. Bill 1 received first and second readings in the Legislative Assembly and was referred to the Standing Committee on Government Operations for review and public hearings. On October 23, 1997, the Minister responsible for the Northwest Territories Public Utilities Board, the Honourable John Todd, introduced Bill 2, An Act to Amend the Public Utilities Act. Bill 2 received first and second readings in the Legislative Assembly and was referred to the Standing Committee on Government Operations for review and public hearings.

The Power Corporation Act would repeal the current Northwest Territories Power Corporation Act and provide for the continuation of the Northwest Territories Power Corporation under the Canada Business Corporations Act. The bill authorizes the Minister to hold shares in the Corporation and to transfer shares to the Interim Commissioner of Nunavut, upon the agreement of the Interim Commissioner. The Government of the Northwest Territories would be authorized to make guarantees on behalf of the corporation, to make loans and contributions to the corporation and to invest in the corporation. Consequential amendments would be made to five other acts to reflect the change of status of the corporation. The NWT Power Corporation is currently incorporated under territorial legislation and operates only in the Northwest Territories. The new territory of Nunavut will be created under the Nunavut Act on April 1, 1999. The effect of the Nunavut Act is that the laws enforced in the Northwest Territories on April 1, 1999 will be duplicated for Nunavut. If no legislation is passed before the creation of Nunavut, the current NWT legislation, the NWT Power Corporation Act,

will be duplicated in Nunavut. This would mean the creation of a separate power corporation for Nunavut.

In Footprints 2, the Nunavut Implementation Commission's Report to the Governments of Canada and the Northwest Territories and Nunavut Tunngavik Incorporated on the establishment of Nunavut, the NIC recommended that a single power corporation exist to serve customers in Nunavut and the new Western Territory. The Government of the Northwest Territories agreed with this proposal and introduced Bills 1 and 2 as enabling legislation. The proposed

Power Corporation Act calls for the NWT Power Corporation to be continued under federal legislation (the Canada Business Corporations Act) with its shares held by the Governments of Nunavut and the Western Territory. Under the CBCA the continued corporation could operate in more than one province or territory.

Bill 2 would amend the current Public Utilities Act to allow the Public Utilities Board to establish joint divisions with a Public Utilities Board of another province or territory, where a public utility conducts business in both jurisdictions. The bill provides that a joint division has the jurisdiction, powers and duties of the board and that a decision or act of a joint division is a decision or act of the board. This amendment would allow the future governments of Nunavut and the Western Territory to set up a joint division of their respective Public Utilities Boards made up of members of both boards to regulate a utility that operates in both jurisdictions. The proposed act to amend the Public Utilities Act is largely in response to the proposed Power Corporation structure set out in the Power Corporation Act, the Standing Committee on Government Operations decided to review and report on the two bills together.

Mr. Speaker, I will now pass this onto Mr. Miltenberger. Thank you.

**MR. SPEAKER:**

The Member for Thebacha, Mr. Miltenberger.

**MR. MILTENBERGER:**

Thank you, Mr. Speaker. The Standing Committee on Government Operations met on November 18, 1997, to review the bills as presented in the Legislative Assembly and to decide on an appropriate course of action to ensure that the interests of all northerners were represented. The committee also requested from the Minister, copies of the companion documents relevant to the Power Corporation Act,

Page 1359

the proposed Unanimous Shareholder Agreement and the proposed By-laws and Articles of Continuance of the Corporation and the proposed Allocation of Existing Equity. Bills 1 and 2 are primarily enabling legislation. Committee Members realized that the companion documents provide the detail on the proposal for the future of the NWT Power Corporation. Members were aware that these

documents would be of interest to the public, and the committee made arrangements to supply these documents to interested stakeholders and prospective presenters. Committee Members realized that passage of Bill 1, the Power Corporation Act would result in a fundamental change in the structure of the Power Corporation and in the legal framework within which it conducts its business. To help committee Members and staff understand the implications of these fundamental changes, the committee engaged the services of legal counsel with significant corporate and regulatory expertise to assist the committee in its deliberations.

In order to ensure that all interested parties had an opportunity to provide input, the committee solicited responses through advertisements placed in all major northern newspapers. The committee also provided stakeholder packages and an offer to appear to many identified interested parties. The committee had initially planned to hold the public hearings during the week of December 15, 1997, but revised its schedule at the request of prospective presenters. Public hearings were held in Yellowknife during the week of January 15, 1998, and on March 30 through April 1, 1998 in Iqaluit. The Standing Committee on Government Operations would like to thank all of the parties who took time to make a presentation to the committee at the public hearings. The comments and suggestions heard by the committee were wide-ranging and received careful consideration from Committee Members. Appendix 1 contains a list of presenters who appeared before the committee as well as copies of their presentations.

The NWT Public Utilities Board is responsible for regulating energy suppliers in the Northwest Territories. A complete history and mandate for the NWT Public Utilities Board are included as Appendix 3. The Western Coalition consists of representatives from Northwest Territories aboriginal organizations, MLAs, the Western NWT Chamber of Commerce and the Western NWT Association of Municipalities. The Western Coalition represents the western perspective on division matters, such as the division of assets and liabilities, federal financing issues, the future of the NWT Power Corporation and the Workers' Compensation Board and other issues that will impact the new Western Territory after Division.

Nunavut Tunngavik Incorporated (NTI) is a federally incorporated organization recognized in the Nunavut Final Agreement as the central body responsible for the administration and enforcement of Inuit beneficiary rights as set out in the Final Agreement.

NTI's mandate is to constitute an open and accountable forum, organized to represent Inuit of all regions and communities of Nunavut in a fair and democratic way, that will safeguard, administer and advance the rights and benefits that belong to the Inuit of Nunavut as an aboriginal people, so as to promote their economic, social and cultural well-being through succeeding generations. Its role is to ensure that the rights of the Inuit under the Nunavut Final Agreement are not abrogated.

The Interim Commissioner's Office (ICO) is charged with setting up the physical Government of Nunavut. The Interim Commissioner is appointed under section 72 of the Nunavut Act to hold office until the appointment of the first Commissioner of Nunavut. The Interim Commissioner's Office also recruits the employees for the Government of Nunavut, establishes systems and processes for the Government of Nunavut including the organization and administration of territorial courts and carries out other functions that may be assigned by federal Order-in-Council. With the approval of the Governor-In-Council, the Interim Commissioner may enter into agreements to provide services to the people of Nunavut that were previously carried out by the Government of the Northwest Territories, enter into funding agreements with the Government of Canada or the Government of the Northwest Territories in relation to Nunavut and enter into agreements with the Government of the Northwest Territories concerning the division of assets and liabilities between Nunavut and the Northwest Territories.

The Canada Business Corporations Act (CBCA) provides for the incorporation of federal corporations. A CBCA corporation has the basic right to carry on business anywhere in Canada. The CBCA provides a framework for incorporation but allows the incorporators wide latitude to determine how the corporation's affairs will be governed. Articles of Continuance set out certain important matters about the corporation. The articles must contain the following information: the name of the corporation, the place within Canada where the registered office is to be located, the classes of shares including the rights and restrictions attached to each class of shares and any maximum number of shares the corporation is authorized to issue, any restrictions on share transfer, the minimum or maximum number of directors and any restrictions on the businesses the corporation is entitled to carry on and the powers it is entitled to exercise.

required to exercise any particular power. One of the advantages of a USA can be the guaranteed participation of minority shareholders in key decisions of the corporation. A disadvantage may be the potential risk of deadlock in the event of a shareholder's dispute which cannot be effectively resolved.

Mr. Speaker, I would now like to turn over the reading of the report to my colleague for Yellowknife South, Mr. Henry.

**MR. SPEAKER:**

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

**MR. HENRY:**

Thank you, Mr. Speaker. Committee Members were very concerned that as these two bills were the first division related legislation to come before a committee, the review process must be open, fair and balanced from an east/west perspective. Committee Members also realized that the comments and submissions that the committee would be receiving would reflect the interests and priorities of the stakeholders within the framework of division depending on which new territory they represented. The committee's responsibility is to look at the issues from a territorial perspective and to act in the best interests of all residents of the NWT.

In conducting its review of the proposed Power Corporation Act, the committee provided a very clear definition to stakeholders and prospective presenters of the committee's role in the public review of the two bills. Committee Members felt that negotiations between the Interim Commissioner's Office and the Government of the Northwest Territories on the Unanimous Shareholder Agreement should be conducted at a properly constituted negotiation table and not in a public forum convened by a legislative committee.

Until April 1, 1999, this committee has the responsibility to consider the needs of all residents of the present Northwest Territories. This was a paramount principle in guiding the committee's deliberations. Committee Members realized that although their primary responsibility is to review the bills referred to the committee, the companion documents could not be ignored. The proposed Power Corporation Act is inextricably linked with the USA, articles and by-laws and must be viewed in that

context. The presentations to the committee reflected this and much attention was focused on how contentious issues might be resolved through changes to the companion documents. It was not possible to separate the bills from the broader context.

The proposed Power Corporation Act would repeal the existing Northwest Territories Power Corporation Act and provide for an application to be made to have the Power Corporation continued under the Canada Business Corporations Act. The Minister would be authorized to transfer shares in the Power Corporation to the Interim Commissioner of Nunavut, upon reaching an agreement with the Interim Commissioner. As a Canada Business Corporations Act corporation, the continued Power Corporation would have powers and restrictions that are different from those under the current NWT legislation. There would be additional flexibility to place corporate governance provisions in the USA, the articles and the by-laws of the Corporation.

The committee examined the impact Bill 1 and its companion documents would have on the structure and governance of the Power Corporation. Under the existing Northwest Territories Power Corporation Act (NWTPC Act), the Power Corporation is an agent of the Government of the Northwest Territories. A typical CBCA corporation is not generally an agent of its shareholders and the new Power Corporation Act would not expressly make the Power Corporation an agent of its shareholders.

The present NWTPC Act provides for the directors, chairperson and president to be appointed by the Minister Responsible for the NWT Power Corporation. Under the CBCA, the directors are elected by majority vote of the shareholders; the directors appoint the chair and the president. The by-laws or USA can alter this. The proposed USA calls for the appointment of six directors by the NWT and four directors by the future Government of Nunavut. The chairperson is to be appointed by agreement of the shareholders and the president is to be appointed by the Board of directors.

Mr. Speaker, I would ask that my colleague Mr. Krutko continue with the presentation. Thank you.

**MR. SPEAKER:**

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

**MR. KRUTKO:**

Thank you, Mr. Speaker. Presently, under the NWTPC Act, the directors of the NWT Power Corporation must act in accordance with directions and policy guidelines from the

Page 1361

Executive Council. Under the CBCA, the directors are obligated to act in the best interest of the corporation. There are no restrictions or definitions of the directors' duties in the Power Corporation Act or any of the companion documents, other than what is contained in the CBCA itself. The directors, officers and employees are not presently subject to liability where they reasonably believe their actions were required or authorized by the NWTPC Act or any other act. The NWT Power Corporation may, with the permission of the Minister, indemnify any person sued by reason of their position within the corporation. The CBCA does not expressly limit the liability of directors, officers or employees; the CBCA specifically imposes liability on directors for such things as unpaid employee wages (up to six months) and improper corporate distributions. A CBCA corporation may indemnify directors and officers, in certain circumstances, where they are sued in their capacity as such. The proposed by-laws impose an obligation on the new Power Corporation to indemnify the directors or officers when they are sued in their capacity as such. The specific liabilities imposed by the CBCA remain in effect.

The directors and officers of the present NWT Power Corporation are subject to the Conflict of Interest Act. The conflict provisions contained in the CBCA are limited when compared to the territorial legislation. The continued Power Corporation would operate under the conflict of interest guidelines contained in the CBCA, unless conflict of interest provisions were incorporated into the companion documents.

I would now like to ask Mr. Picco to continue. Thank you.

**MR. SPEAKER:**

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

**MR. PICCO:**

Thank you, Mr. Speaker. Mr. Speaker, I would like to take this opportunity at this time to thank the Government Operations Committee for coming to Iqaluit on the Power Corporation issues. Under Core

Issues, the committee heard many common issues and concerns related to the bills and their companion documents were expressed by persons appearing before the Standing Committee on Government Operations, in a context appropriate to the respective interests of the two future territories.

Under Bill 1 The Power Corporation Act there was a section on the Corporate Governance.

The proposed Power Corporation Act calls for the incorporation of the NWT Power Corporation under federal legislation, specifically the Canada Business Corporations Act. This would effectively remove the NWT Power Corporation from direct political control by the Minister responsible for the NWT Power Corporation. While presenters could see some merit to the proposal to incorporate the NWT Power Corporation as a CBCA corporation, there was concern that the checks and balances contained in the USA were not sufficient to protect the interests of the peoples of the NWT and Nunavut.

The Western Coalition was concerned about the lack of legislative control over the operations of the Power Corporation under the proposed Power Corporation Act and companion documents. The coalition felt it was important to insert into the USA corporate governance provisions to protect the public interest. These provisions would include, but are not limited to, the creation and operating of an Audit Committee, a Human Resources Committee and a Corporate Governance Committee made up of Members of the Board of directors. The Western Coalition also proposes that certain provisions of the Financial Administration Act and the Financial Administration Manual and

Page 1362

other legislation be imported to the USA to provide for greater protection of the public interest.

The town of Fort Smith and Stand Alone Energy Systems are both concerned that the two governments would lose flexibility and control in favour of a financial advantage to the Power Corporation. These presenters argue that the rationalization for the proposed model for the Power Corporation requires more in-depth analysis. Nunavut Tunngavik Incorporated notes that the incorporation of the Power Corporation may appear attractive because it suggests an efficient and business-like relationship between the Power Corporation and the governments which will be its shareholders.

However, the structure would mean that the governments would lose some of the existing controls over the workings of the Power Corporation, without gaining much in return. Without independent financial analysis, NTI believes that this is the wrong time to pursue this option. NTI has proposed an 18-month interim agreement. This interim agreement would approximate the current status quo of the Power Corporation as closely as possible. It would identify one trustee to hold the undivided shares in the Corporation in escrow, with terms that prevent any major business changes in the short term.

NTI also suggests that an independent consultant analyze the technical and financial implications of the proposal. NTI's major concern is that the new structure would impact on the subsidy programs and would result in a price increase for the residents of Nunavut. The independent consultant would examine the direct subsidy presently provided for by Power Corporation dividends and the effects of the proposal on other programs that will be directly or indirectly subsidized by the future Government of Nunavut. NTI believes that the negotiation of any deal on the Power Corporation must be on a government-to-government basis and that a moratorium on the deal would allow the future Government of Nunavut time to get on its feet. NTI envisions that minor changes to existing legislation would accomplish their proposal.

The Interim Commissioner's Office believes that continuance of the Power Corporation under the Canada Business Corporations Act is a fundamental change in the way the Power Corporation conducts its business. The ICO believes that the GNWT proposal is inconsistent with the recommendations contained in the Nunavut Implementation Commission's reports, Footprints 1 and Footprints 2. The Interim Commissioner's Office is of the opinion that NIC's recantation for joint political control implied equal control of the Power Corporation by the two parties. The ICO had understood that the Power Corporation would remain under direct political control of the two governments. The ICO agreed with the position of NTI, that an 18-month interim agreement maintaining the status quo of the Power Corporation should be entered into until such time as the two governments are able to negotiate an agreement on equal footing. The ICO envisions negotiating the inter-jurisdictional agreement in conjunction with a termination agreement. Should the two parties be unable to come to an agreement on the future of the Power Corporation, the termination agreement would come

into force and two Power Corporations would come into existence.

Providing that agreement can be reached on the underlying model and the continuation of the Power Corporation under the CBCA, the Standing Committee on Government Operations believes that the corporate governance issues can be dealt with to the satisfaction of all parties by inserting appropriate clauses in the Unanimous Shareholder Agreement and the by-laws and the Articles of Continuance.

Under the Review Period, several presenters suggested that a requirement for a review period should be attached to any agreement between the parties. The majority of presenters preferred incorporating provisions for a review period in the Unanimous Shareholder Agreement. However, the committee Members felt that for greater certainty, the review period clause should be included in the bill rather than the companion documents.

In his presentation on behalf of his constituents, Mr. Miltenberger suggested that a clause establishing an initial three-year review period be incorporated in Bill 1, the Power Corporation Act. A review period would require the future governments to consider whether the structure of the Power Corporation continues to meet the needs of the residents of each territory. The governments would also have the opportunity to opt out of the agreement. In Mr. Miltenberger's view, this would provide stability to the Power Corporation for the short term, while ensuring that each government has the flexibility to ensure that the arrangement continues to be the most effective structure for the delivery of power in each jurisdiction.

Presently, the earnings of the corporation are not subject to corporate taxation, because the Government of the Northwest Territories is the sole shareholder of the NWT Power Corporation. Several presenters were concerned that with continuance of the Power Corporation as a CBCA corporation that this tax-exempt status would cease. Although the Minister responsible for the NWT Power Corporation and Power Corporation officials responded that they had been verbally informed by Revenue Canada that the tax-exempt status would continue, this was an area of concern.

After the completion of the public hearings, the Minister, Mr. Dent, supplied to the committee a copy of an interim tax ruling by Revenue Canada. The ruling confirms that the Power Corporation would likely continue its tax-exempt status for so long as the

governments of the NWT and Nunavut remain the sole shareholders.

Several presenters to the Standing Committee were concerned that the model for the future Power Corporation, as presented in Bill 1, the Power Corporation Act and its companion documents, might not be the best option. The committee shares that concern and had expressed this to the Minister during the early stages of the committee's review of the bill, while generally satisfied with the Minister's explanation that continuation of the Power Corporation as a CBCA corporation was the most viable option; in the committee's view, other options should have been presented to the stakeholders early in the process and the government's reasoning on the options fully explained.

At this time Mr. Speaker, I would like to give an opportunity for

Page 1363

my colleague, Mr. Enuaraq, who is the Member for Baffin Central, to continue with the report on page 11 under the subsection, Unanimous Shareholder Agreement. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Thank you. The Member for Baffin Central, Mr. Enuaraq.

**MR. ENUARAQ:**

Thank you, Mr. Speaker. I might not be as professional as my colleague, Mr. Picco in reading, but I will give it a good try. Mr. Speaker, the Unanimous Shareholder Agreement as mentioned earlier in this report of the Standing Committee on Government Operations recognizes that it is not technically within the committee's purview to provide recommendations on the proposed Unanimous Shareholder Agreement. The standing committee has always held the view, however, that the successful passage of the Power Corporation Act is contingent upon the negotiation of a mutually acceptable Unanimous Shareholder Agreement between the governments of the NWT and Nunavut.

The NWT Power Corporation's reasoning for the 50/50 split on the \$43 million in equity between Nunavut and the Northwest Territories is that under NCPC ownership, the costs of assets in each community were not specifically recovered through the rates set in that community. This means that

although NCPD records indicate in which community the assets were acquired, the cost was being recovered on a territorial-wide basis from all customers. In the opinion of the NWT Power Corporation, this makes it impossible to verify that the customers in a particular community, in fact, paid for the assets in that community, and the fairest way to allocate the common stock of \$43 million is to divide it equally between the customers in the East and the West.

The NWT Power Corporation forecasts that 31 percent of the rate base will be located in the east and 69 percent in the west. This same rate of allocation would be applied to the retained earning forecast of \$56 million as of March 31, 1998.

Combining the above equity factors, the NWT Power Corporation proposes that 40 percent (\$39.1 million) of the total equity be allocated to the east and that 60 percent (\$60 million) be allocated to the west. The Western Coalition does not agree with the share split as proposed and believes the split to be unfair to the residents of the new Western Territory. The coalition suggests two alternate approaches to the \$43 million in equity. First, because the \$43 million was a gift from the federal government to the residents of the NWT, one can argue that this gift should be distributed on a per capita basis. Based on the 1991 census, approximately 63 percent of NWT residents lived in the west and 37 percent in Nunavut. Secondly, the Western Coalition argues that the \$43 million in equity has been earning a return on equity since 1988. Since the return on the equity has been paid by customers through their rates and since contributions to this return on equity have been generally made according to the rate base, the Coalition believes that the formula for the share split should be based on the 1997/1998 rate base of 69 percent for the west and 39 percent for Nunavut.

The Western Coalition calculates that if the original \$43 million in equity is distributed on a per capita basis and the remaining equity is split according to the rate base of each territory, the Western Territory would hold 66 percent and Nunavut would hold 34 percent of the shares in the new Power Corporation. The Western Coalition asserts that the formula for the share split must be determined using past performance and cannot be based on future possible mitigating factors, such as the closing of Giant Mine or projected population growth in Nunavut. The MLA for Yellowknife Centre, Mr. Jake Ootes, also supports a share split that allocates a greater proportion to the Western Territory. The town of Hay River believes

that this is an issue that can be worked out within the USA negotiations by the two parties.

The Office of the Interim Commissioner does not agree that the proposed share split is fair to the residents of Nunavut. The share split is similar to the proposed membership structure of the Board of directors and that does not guarantee the people of Nunavut an equal say in the affairs of the proposed continued Power Corporation. The Interim Commissioner's Office feels that there is insufficient data to recommend the adoption or approval of the proposed share split model or any other model for that matter.

Nunavut Tunngavik Incorporated also has concerns with the

Page 1364

proposed 60/40 share split because the model does not take into account that three-quarters of the accumulated debt is for projects in the western NWT. NTI also notes that the model does not take into account the fact that future growth of the NWT Power Corporation will be steady in Nunavut and will follow measurable population increases. In the Western Territory, NTI suggests future growth is tied more directly to industrial growth. Due to the uncertainty of industrial growth projections, NTI maintains that the assumption that the Western Territory will increase at the same rate as in Nunavut cannot be relied on. NTI also argues that the future expiration of franchise power distribution agreements in the Western Territory could lead to reduced revenues should any of the franchises decide to generate their own power. NTI can see the case for an unequal profit split but can see no case for anything less than a 50/50 voting share split.

The joint presentation by the Baffin/Iqaluit Chambers of Commerce call for the share split to be based on revenue and not assets. This would work out to 46 percent of the shares for Nunavut and 54 percent for the Western Territory. However, the Chamber is convinced that a 60/40 share split is doomed to failure because minority shareholder rights cannot be adequately protected. The Chambers believe that there must be an element of trust in the sharing of the Power Corporation by the two territories and that a 50/50 share split would show this trust. The Chamber stated that the Power Corporation must be equally owned and operated. Anything less than equal ownership and control means that there should be two Power Corporations. The MLA for the High Arctic,



Mr. Levi Barnabas stated that the proposed 60/40 share split would be unfair to the residents of Nunavut and that the distribution should be 50/50.

Mr. Speaker, I will now ask Mr. O'Brien, MLA for Kivallivik, to continue. Thank you.

**MR. SPEAKER:**

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

**MR. O'BRIEN:**

Thank you, Mr. Speaker. Composition of the board of directors is as follows: the proposed composition of the board of directors for the continued Power Corporation is outlined in Section 2(a) of the Unanimous Shareholder Agreement. This section states that unless the shareholders agree in writing, and notwithstanding the provisions of the by-laws of the corporation, the board of directors will consist of twelve members. The Western Territory will be entitled to appoint six directors to the board and Nunavut will be entitled to appoint four directors to the board.

The chairman and the president would also act as members of the board of directors. The chairman would, under the USA, be appointed by agreement of the shareholders and the board would appoint the president. The president may be, but does not have to be, appointed from the existing members of the board of directors. The proposed composition of the board of directors for the new Power Corporation drew sharp criticism from the Nunavut presentations to the standing committee. The Interim Commissioner's Office is concerned that the Nunavut board members would always be in a minority position on the board of directors. This concern is compounded by the fact that a majority of board members would constitute a quorum and any decisions could be made by a simple majority of that quorum.

Nunavut Tunngavik Incorporated also raised the points that the proposed board of directors was not consistent with the recommendations contained in the NIC's Footprints reports. In NTI's view, the shared arrangement model proposed in Footprints 2 requires equal political control. NTI suggests that it would be irresponsible of NTI to approve a share structure that results in a permanent disadvantage in voting shares. In NTI's opinion, a 50/50 share split between the two governments would represent institutionalized trust.

The joint submission from the Iqaluit/Baffin Chambers of Commerce also proposes equal representation by the two Territories at the board of directors level. The Chamber is of the opinion that anything less than 50 percent in shares or control would mean two Power Corporations are necessary.

In presenting on behalf of his constituents, Mr. Michael Miltenberger, the MLA for Thebacha, also agrees that it is inappropriate that the proposed agreement is indefinite and argues that a binding agreement should not be imposed on the two future territorial governments. He suggests that there should be an initial specified review period (perhaps three years) and a defined process for dividing the corporation. At the end of the review period, either party could decide to terminate the agreement. Mr. Miltenberger envisions the review and dissolution agreement incorporated into Bill 1, The Power Corporation Act.

Mr. Speaker, I would now like to ask Mr. Erasmus, chairman of the committee, to conclude the report.

**MR. SPEAKER:**

The Member for Yellowknife North, Mr. Erasmus.

**MR. ERASMUS:**

Thank you, Mr. Speaker. There was also

Page 1365

significant agreement among the presenters to the Standing Committee that a defined arbitration/mediation process should be incorporated into the Unanimous Shareholder Agreement. The proposed USA calls for the two shareholders to use their best efforts to resolve any disputes on the application or interpretation of the USA as quickly as possible. If the two parties cannot resolve the dispute, they agree to refer the matter to a mediator. If the parties cannot resolve the dispute with the assistance of the mediator, they agree to refer the matter to a sole arbitrator for resolution. If the parties cannot agree on the appointment of a sole arbitrator, the matter will be referred to an arbitration panel, made up of one member from the Western Territory, one member from Nunavut and the third member to be appointed by the two members appointed by the two Territories. The decision of the arbitrator will be binding upon the two parties. The party who is unsuccessful in the arbitration will bear all costs unless otherwise ordered by the arbitrator.

The Interim Commissioner's Office believes the dispute resolution process to be inadequate. The ICO believes that the terms, application and interpretation, need to be clearly defined. The Western Coalition suggests that a provision be added to describe the rules and procedures on arbitration and to stipulate the law to be applied to the resolution of arbitration. The dispute resolution clause should include the procedure for either party to give notice of their intention to enter into arbitration, a timeframe to select an arbitrator and the identification of the location where the arbitration is to take place.

Michael Miltenberger, MLA for Thebacha, expressed his view that the proposed arbitration process is too complicated. He is not confident that a dispute could be resolved in a reasonable length of time.

In conclusion, the Standing Committee on Government Operations has maintained since the beginning of the review process that passage of Bill 1, The Power Corporation Act is contingent upon successful negotiation between the ICO and the GNWT of a mutually acceptable Unanimous Shareholder Agreement. The Minister responsible for the NWT Power Corporation has advised the committee and the House that negotiations are ongoing and that the parties need time to negotiate an equitable agreement. Since the Fifth Session is expected to prorogue before Bills 1 and 2 can be considered in the context of an agreement having been reached, the responsible Ministers intend to introduce new legislation during the Sixth Session of the 13th Assembly. Although it may appear that the two sides are widely divergent in their positions on the future of the Power Corporation, the committee is hopeful that there are sufficient common positions between the Government of the Northwest Territories and the Interim Commissioner's Office to facilitate the successful negotiation of a Unanimous Shareholder Agreement.

Committee Members agreed that it was still important to report on the review and public hearings on the two bills to date. The standing committee will conduct a detailed clause by clause review of the reintroduced bills and will report to the Legislative Assembly on its review. Some technical drafting issues with the Power Corporation Act have been raised and will need to be addressed, but they do not impact upon the intent of the bill. Assuming the successful negotiation of a viable Unanimous Shareholder Agreement, the committee is confident that these issues can be dealt with at a later date.

Bill 2, An Act to Amend the Public Utilities Act did not elicit strong sentiments from the stakeholders making presentations to the standing committee. All parties seem to agree that the proposed amendments would be satisfactory if a mutually acceptable USA can be worked out. The standing committee recognizes that the proposed amendments are enabling provisions and that their usefulness depends upon the continued cooperation of the two Public Utilities Boards. The standing committee has no difficulty with the proposed amendments at this time.

Mr. Speaker, that concludes the report of the Standing Committee on Government Operations on the review of Bill 1, Power Corporation Act and Bill 2, An Act to Amend the Public Utilities Act.

I would therefore move, seconded by the honourable Member for Kivallivik, that Committee Report 7-13(5) be received by the Legislative Assembly and adopted. Thank you, Mr. Speaker.

#### **MR. SPEAKER:**

Thank you, Mr. Erasmus. The motion is in order. To the motion. Question has been called. All those in favour? All those opposed? The motion is carried. Reports of standing and special committees. Item 12, reports of committees on the review of bills. Item 13, tabling of documents. Mr. Krutko.

#### **ITEM 13: TABLING OF DOCUMENTS**

Tabled Document 86-13(5): Letter From Fort McPherson District Education Authority Re: Educational Needs and Funding

#### **MR. KRUTKO:**

Thank you, Mr. Speaker. I would like to table a document from the District Education Authority in Fort McPherson in regard to education needs and funding. Thank you.

#### **MR. SPEAKER:**

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

#### **ITEM 15: NOTICES OF MOTIONS FOR FIRST READING OF BILLS**

BILL 17: An Act to Amend the Territorial Court Act and the Justices of the Peace Act

**HON. GOO ARLOOKTOO:**

Thank you, Mr. Speaker. Mr. Speaker, I give notice that on Monday, May 25, 1998, I will move that Bill 17, An Act to Amend the Territorial Court Act and the Justices of Peace Act be read for the first time. Thank you.

**MR. SPEAKER:**

Thank you. Notices of motions for first reading of bills. Item 16, motions. Item 17, first reading of bills. Mr. Todd.

Page 1366

**ITEM 17: FIRST READING OF BILLS**

**BILL 16:** An Act to Amend the Income Tax Act, No. 2

**HON. JOHN TODD:**

Thank you, Mr. Speaker. I move, seconded by the honourable Member for Baffin South that Bill 16, An Act to Amend the Income Tax Act, No. 2, be read for the first time. Thank you, Mr. Speaker.

**MR. SPEAKER:**

Thank you. The motion is in order. To the motion. Question has been called. All those in favour? All those opposed? The motion is carried. Bill 16, An Act to Amend the Income Tax Act, No. 2, has had first reading. First reading of bills. Item 18, second reading of bills. Item 19, consideration in committee of the whole of bills and other matters. Item 20, report of committee of the whole. Item 21, third reading of bills. Item 22, orders of the day. Mr. Clerk.

**ITEM 22: ORDERS OF THE DAY**

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

Mr. Speaker, there is a meeting of the Nunavut Caucus after adjournment today. On Sunday there will be a meeting of the Western Caucus beginning at 10:00 a.m. For Monday morning at 9:00 of the Standing Committee on Social Programs and the Standing Committee on Infrastructure and at 11:00 a.m., the Ordinary Members' Caucus and at 12:00 noon of the Standing Committee on Government Operations.

Orders of the day for Monday, May 25, 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
  - Motion 17-13(5), State of Education in the Northwest Territories for Discussion in Committee of the Whole
17. First Reading of Bills
  - Bill 5, An Act to Amend the Financial Administration Act, No. 2
  - Bill 17, An Act to Amend the Territorial Court Act and the Justices of the Peace Act
18. Second Reading of Bills
  - Bill 16, An Act to Amend the Income Tax Act, No. 2
19. Consideration in Committee of the Whole of Bills and Other Matters
  - Bill 7, An Act to Amend the Territorial Court Act
20. Report of Committee of the Whole
21. Third Reading of Bills

22. Orders of the Day

**MR. SPEAKER:**

Thank you, Mr. Clerk. This House stands adjourned to Monday, May 25, 1998 at 1:30 p.m.

--ADJOURNMENT