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The Honourable **Samuel Gargan**, Speaker

MEMBERS PRESENT

Honourable Jim Antoine, Honourable Charles Dent, Mr. Erasmus, Honourable Sam Gargan, Mrs. Groenewegen, Mr. Henry, Honourable Stephen Kakfwi, Mr. Krutko, Honourable Michael Miltenberger, Mr. Ootes, Mr. Rabesca, Honourable Floyd Roland, Honourable Vince Steen.

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. Sam Gargan):

Thank you, Mr. Henry. Good afternoon. Orders of the day, item 2, Ministers' statements. Mr. Miltenberger.

ITEM 2: MINISTERS' STATEMENTS

Minister's Statement 36-13(7): College Graduates

HON. MICHAEL MILTENBERGER:

Mr. Speaker, we have great opportunities in the Northwest Territories. As our economy expands, there is a growing demand for skilled employees with post-secondary education. In the public sector, there is a high demand for health care and teaching professionals. There is a broad range of needs in the private sector, particularly in the oil and gas and diamond industries. Across all sectors, we need people who are qualified in the trades, with technical and professional skills and with information technology skills.

If northerners are going to take advantage of these job opportunities, they will need to pursue post-secondary education. The good news is that many NWT residents are attending college and university programs, through Aurora College and also at universities and colleges in the south. There are currently 1,474 NWT students accessing the Student Financial Assistance Program. With their new skills, they will be ready to pursue the job possibilities available here at home.

Mr. Speaker, this past weekend, I had the pleasure of attending the graduation ceremonies at Thebacha

Campus of Aurora College in Fort Smith. I had a chance to meet with the graduates who are about to enter our workforce, with the benefit of their new knowledge. In the weeks to come, more students will graduate from the campuses in Inuvik and Yellowknife. As well, many northern students will be completing their diplomas and degrees at other institutions.

Mr. Speaker, it takes hard work, long hours and perseverance to make it to graduation. I invite all Members of this House to join with me in offering congratulations to all the northern graduates and to their families who gave them support them along the way. Thank you.

--Applause

MR. SPEAKER:

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

ITEM 3: MEMBERS' STATEMENTS

Member's Statement 102-13(7): Custody of Roberta Vaneltsi's Children

MR. KRUTKO:

Thank you, Mr. Speaker. Mr. Speaker, over two years ago I made a Member's statement regarding the child custody matter involving the removal of Roberta Vaneltsi's two children from Canada. To date, it has been almost five years since the father of Roberta's children took them to the Czech Republic and refused to return the children to the Northwest Territories to their mother. The children have been away from their mother since they were eight and five years old. The oldest will be turning 13 on May 5 and the youngest is now ten years old. Mr. Speaker, their mother Roberta, has been trying vigorously to bring the children home. They have said repeatedly that they want to come home.

The Czech Republic is now party to the Hague Convention, that means that the treaty obligations to return abducted children below the age of 16 applies as of a year ago. However, Mr. Speaker, the Czech Republic only recently ratified the convention and it has been well over a year since Roberta's children were wrongly removed from her custody. After one year the court has still been unable to order the children returned, because the person restrainer filed returning documents stating that the children were settled in a new environment. The Czech Republic

must participate in the return of the children unless the children refuse to return, the court considers them old enough, satisfactory emotionally, to say for themselves.

Mr. Speaker, Roberta's children have expressed a wish to return home and under the convention, that is satisfactory for them to do so. Mr. Speaker, I seek unanimous consent to conclude my statement.

MR. SPEAKER:

The Member for Mackenzie Delta, is seeking unanimous consent to conclude his statement. Do we have any nays? There are no nays. Mr. Krutko, you have unanimous consent. Please conclude your statement.

MR. KRUTKO:

Thank you, Mr. Speaker. Thank you, colleagues. Mr. Speaker, Roberta Vaneltsi has been told that the convention is a private civil law mechanism to deal with the matters that are between parents and not the governments. However, if one country does not abide by the convention then the only recourse that a person has is legal action. Therefore, I call upon the government to take immediate action to support Roberta Vaneltsi in her efforts to bring her children home. First, Mr. Speaker, this government must press upon the federal government to urgently obtain intervention status when Roberta presents her case in the Czech Republic. If possible, this government should do all it can to intervene on her behalf as

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well. Finally, Ms. Vaneltsi is in desperate financial need of support from this government to bring her children back to the Northwest Territories where they belong. Thank you, Mr. Speaker.

--Applause

MR. SPEAKER:

Members' statements. Mr. Ootes.

Member's Statement 103-13(7): Report of the Minister's Forum on Education

MR. OOTES:

Thank you, Mr. Speaker. My comments today are on the Minister's Forum on Education and the report. Mr. Speaker, I have to say that I was very surprised that

so much emphasis was placed on doing the consulting work and preparing a report and creating a forum by the former Minister of Education, Culture and Employment, but that the budget yesterday did not include and did not address the recommendations adequately with funding. It is bothersome to me that such extensive consultation has taken place, and now many of the recommendations cannot be implemented because of the lack of dollars. Of course, the current Minister, Mr. Miltenberger, I feel for him, because in many ways, he has been saddled with the problem. Now I do have to emphasize, though, Mr. Speaker, that the Minister states that 32 are non-monetary and I think we can certainly debate that because I see it a little different way.

Let me just quote from the report and what the report really says - the present strategic plan is excellent, but attaining the goal of the strategic plan is impossible with current resources. It emphasizes the need for additional human and material resources and that message was loud and clear in each of the 11 communities visited. The single most common issue raised was the current educational funding level and how it affects the education system. The lack of funding, of course, has resulted in an increase in classroom sizes, decreased support services for inclusive schooling, and limitations have been placed on optional courses once operated as part of the school program.

There has been a great deal of stress factor added in the education process which has been further compounded by the addition of new programs and no new funds. New programs, such as additional early childhood development programs, new curricula and community high school extension programs. In reading the report, Mr. Speaker, it seems to me that the most important elements, of course, are those that do require funding, in other words, the other 12 recommendations. I guess I would be curious how the Minister can address those 12 that require funding. Thank you, Mr. Speaker.

--Applause

MR. SPEAKER:

Thank you. Members' statements. Mr. Rabesca.

Member's Statement 104-13(7): Recognition of Dan Marion as Commissioner of the NWT

MR. RABESCA:

Thank you, Mr. Speaker. Mr. Speaker, this morning we witnessed the swearing in of the new Commissioner of the Northwest Territories. This is a proud moment for my region and all of our NWT residents. Over the years Mr. Marion has been there to help. If anyone needs a helping hand Mr. Marion is there. This is how Mr. Marion lives and works. He is a strong and personable man that will make the NWT proud to have him as our Commissioner.

During his speech Mr. Marion mentioned how the different groups across the Northwest Territories must now see through our differences and concentrate on building a new territory, that is truly representative of all our people. This is something that I believe in and I am sure that the rest of my colleagues are also in agreement. I hope that we as a whole Legislative Assembly can work together to achieve this goal. This goal will take time, however; we must strive to achieve this, as it is our future generations that will depend on us to make this goal a reality. In closing I would like again to congratulate Dan Marion on his appointment as Commissioner. Thank you, Mr. Speaker.

--Applause

MR. SPEAKER:

Members' statements. Mr. Antoine.

Member's Statement 105-13(7): Economic Potential in the Liard Valley

HON. JIM ANTOINE:

Mahsi, Mr. Speaker. Mr. Speaker, as I stated yesterday, I had the good fortune to spend a couple of days in Fort Liard, one of the six communities in my constituency, last week. I was very impressed with the work that people at Liard are doing to take advantage of the development opportunities in their region and attempting to build a healthy and productive community. During my stay there I met with leaders and the public to discuss important economic initiatives being undertaken in the Liard River Valley. The visit also afforded me a better understanding of the challenges faced by the band, businesses and residents as they try to gain a full measure of benefits from economic opportunities in their back yard.

Mr. Speaker, the Liard River Valley is blessed with an abundance of forests and hydrocarbon resources. The people are working hard to build the businesses

and skills required to meet the demands of this thriving forest industry, the oil and gas exploration industries, tourism and other economic development opportunities. I would like to take this opportunity to identify some of the successes and encourage the community to continue on and take advantage of these opportunities. Under the leadership of the Chief, Harry Deneron, and the band council, the Acho Dene Koe Band has focused on the areas of job training, employment and improving social well-being in the face of the development activities. They have Beaver Enterprises Ltd., which provides heavy equipment and camp services, Deh Cho Air charter lines, Deh Cho Helicopters and Liard Valley Fuel Centre Ltd.

Mr. Speaker, Fort Liard also has several First Nations, Metis and entrepreneurs who have developed their businesses there as well. I came away from Fort Liard with renewed optimism. The people of this small but vibrant community are meeting the challenges of development head-on and fostering businesses which will not only benefit their community, but the territory as a whole. With that, I would like to encourage and support people in Fort Liard who are facing these challenges head-on. Mahsi,

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Mr. Speaker.

MR. SPEAKER:

Thank you. Members' statements. Mrs. Groenewegen.

Member's Statement 106-13(7): Support for Roberta Vaneltsi

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. Mr. Speaker, today I would like to speak to an issue which is not particular or specific to my constituency or the people I represent, but something which I am very concerned about and a matter raised by Mr. Krutko here today. Mr. Speaker, far be it from this government to become involved in a specific domestic issue on behalf of a specific constituent. However, the situation experienced by Roberta Vaneltsi, having her children virtually kidnaped, is a desperate situation. I can only say that, as a mother, if I had to project into the future as to what the worst thing that could possibly happen to me in my life when you consider the tragedies that can befall people, the worst thing that I can imagine

would be to have my children removed from me, have them in a place where I could not see whether they were well or whether they were being cared for and not be able to contact or communicate with them. It would be similar to what people experience when their children are taken and they do not really have a concept of whether they are dead or alive or what has happened to them. It would be continual torment.

My question is, to whom can a woman turn in a situation like this, if not the government? This is a matter of international magnitude. No doubt the situation would be frustrating enough if these children had been removed to another country, or even if they were on this continent it would be frustrating enough. Here this single mother has to fight with the issues of red tape and international convention, something that is far above and beyond any of the capabilities of anyone in this room, even, I would suggest. So, I would like to suggest that we as a government, although we deal with broader-based issues, I still believe that we need to have a compassionate and attentive attitude toward things of this nature as well. I would like to say that is why I have seconded this motion of Mr. Krutko's and would encourage all Members of this House to support this woman, Roberta Vaneltsi, in this very unfortunate circumstance. Thank you, Mr. Speaker.

--Applause

MR. SPEAKER:

Members' statements. Item 4, returns to oral questions. Item 5, recognition of visitors in the gallery. Item 6, oral questions. Mr. Ootes.

ITEM 6: ORAL QUESTIONS

Question 79-13(7): Class Sizes in the NWT

MR. OOTES:

Thank you, Mr. Speaker. I would like to follow up from my statement with some questions in regard to the Ministerial Forum on Education. The area that I wish to look at and to ask some questions is in the pupil/teacher ratio area. First I would like to make reference to some facts, Mr. Speaker, and that is related to class sizes because it is generally well-recorded that students in smaller classes consistently out-perform students in regular classes. In smaller classes more time is spent on curriculum, the material is absorbed faster and in more depth, and students who need special services are identified easier in

smaller classes and it reduces long-term costs. There are also movements by other jurisdictions across Canada to limit class sizes. So, my first question for the Minister of Education, the Honourable Mr. Miltenberger, is could he tell us is there a pupil/teacher ratio mandate for class sizes in the territories?

MR. SPEAKER:

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

Return To Question 79-13(7): Class Sizes in the NWT

HON. MICHAEL MILTENBERGER:

Thank you, Mr. Speaker. Mr. Speaker, I cannot help but agree with the Member's comments about the need for smaller classes. Currently the pupil/teacher ratio is at 18 to 1. It is too high. Is there any other sort of mandatory requirement that it is supposed to adhere to, I cannot really say. If there is, I am not aware of it. I can tell you what it is and what it was over the last five years and it has gone steadily upward. I think the intent is to keep it as low as possible. I am hoping that from here on in it is only going to go down. Thank you.

MR. SPEAKER:

Oral questions. Supplementary, Mr. Ootes.

Supplementary To Question 79-13(7): Class Sizes in the NWT

MR. OOTES:

Thank you, Mr. Speaker. I do understand that the pupil/teacher ratio is strictly a method by which funding is provided to boards and that the classroom size is not necessarily dictated by that. It is left up to the boards and I wonder if the Minister could address that question, the relationship of the pupil/teacher ratio to class sizes.

MR. SPEAKER:

Mr. Miltenberger.

Further Return To Question 79-13(7): Class Sizes in the NWT

HON. MICHAEL MILTENBERGER:

Thank you, Mr. Speaker. Mr. Speaker, the boards and divisional boards are funded on the basis of enrolment through a block funding arrangement. It is based on the pupil/teacher ratio. It is one of the components used in calculating that figure. Once the money is given to the divisional boards and the DEAs, then they have a significant amount of latitude under the new legislation in terms of how they want to do that, in terms of classes - do they want to have student counsellors, so there is a considerable amount of flexibility at the community level in terms of how that money is spent. Thank you.

MR. SPEAKER:

Oral questions. Supplementary, Mr. Ootes.

Supplementary To Question 79-13(7): Class Sizes in the NWT

MR. OOTES:

Thank you, Mr. Speaker. I thank the Minister for the answer. So, it really is a freedom of the boards to allow classes to be larger and in many cases, no doubt, it does accede the 1 to 18, but additionally, we have the problem, Mr.

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Speaker, of the diversity of the classes. They may be teaching at three or four different levels. It is extremely difficult for teachers, the size, no doubt, is beyond the 18 to 1 in many cases, but also the diversity. I guess my question, Mr. Speaker, would be how does our government monitor that the boards do stick to a limited number of students per class?

MR. SPEAKER:

Mr. Miltenberger.

Further Return To Question 79-13(7): Class Sizes in the NWT

HON. MICHAEL MILTENBERGER:

Thank you, Mr. Speaker. Mr. Speaker, the Department of Education, Culture and Employment is currently in the process of developing an accountability framework that will apply to divisional boards and DEAs to address some of those very specific issues that the Member has raised. This is currently underway. The Member raises a good point and it is one of the factors that are going to be included in this accountability framework, graduation

rates, class sizes, how the money is effectively spent in communities and by the divisional boards. That will be one of the factors addressed. Thank you.

MR. SPEAKER:

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

Supplementary To Question 79-13(7): Class Sizes in the NWT

MR. OOTES:

Thank you. I am glad that is underway because it is of concern and we do need to address it. I had understood that we did not have such statistics available to us at the moment. Could the Minister also tell us if he will address, in this compilation, the whole question of the diversity of classrooms because you may have 18, meet the ratio, but still have a tremendous diversity in there of different levels that need to be taught? Thank you, Mr. Speaker.

MR. SPEAKER:

Mr. Miltenberger.

Further Return To Question 79-13(7): Class Sizes in the NWT

HON. MICHAEL MILTENBERGER:

Thank you, Mr. Speaker. Once again, it is a legitimate concern that we are, as well, concerned about as a department. The issue of social paths, special needs and inclusive schooling approach, those are factors that are taken under serious consideration in the short term as we look at the money we do have and how we are spending it and, of course, more specifically in the longer term as we look for increased revenues to, in fact, address those issues, lower the classroom sizes, be able to pay better attention to special needs and then the issue of social paths is another issue that has come up, I know, in committee. As well, it is a concern, I think, by parents in general, the quality of education in that regard. Those are all important points that the Member has raised and they are going to be given serious consideration.

MR. SPEAKER:

Thank you. Oral questions. Mr. Krutko.

Question 80-13(7): Northern Accord Negotiations

MR. KRUTKO:

Thank you, Mr. Speaker. My question is to the Minister of Economic Development and Tourism, especially in regard to the resource sector. We have heard a lot of talk of the question about trying to generate new revenues in the Northwest Territories and the possibility of the amount of money that the federal government gets for royalties and other things. I would like to ask the Minister what is happening in regard to the progress of the Northern Accord negotiations? There was no mention of it in the budget speech, yet the aboriginal groups play a big role.

In regard to the Gwich'in Agreement, subsection resources, section 21.1.6 states, the Government of the Northwest Territories shall involve the Gwich'in in the development and implementation of Northern Accord of oil and gas in the Northwest Territories, which is being negotiated pursuant to an enabling agreement dated September 5, 1988, between the Government of Canada and the Government of the Northwest Territories which is the Northern Accord Agreement. Can the Minister tell me what progress has been made to date in regard to the Northern Accord negotiations between the aboriginal groups?

MR. SPEAKER:

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

Return To Question 80-13(7): Northern Accord Negotiations

HON. STEPHEN KAKFWI:

Thank you, Mr. Speaker. In January of this year, Premier Jim Antoine announced and offered to meet with the aboriginal leaders, chiefs, members of the Aboriginal Summit to discuss the possibility of advancing the devolution file, that is the ownership and management of northern resources, northern lands and waters. The proposal suggested that we would look at joint ownership of lands and resources and the sharing of revenues as essential elements for the aboriginal leaders to consider.

The Premier and myself have met with the Inuvialuit, the Gwich'in, members of the Sahtu Secretariat and the Sahtu Dene Council. We met with representatives of the Deh Cho, Dogrib Treaty 11, Akaitcho territory leaders, members of the Aboriginal Summit, and the Aboriginal Summit itself is still a file

that needs to be clarified with one-on-one discussions with a number of individuals; however, it is my view that there is movement toward entertaining setting up an intergovernmental forum that could be seen as the avenue through which progress could be made on the devolution file. It would require probably some work on the political protocol, so that aboriginal governments and this government would outline how we would relate to one another, what items and subject matters we would work on together and some mention of a process that could be used to develop that relationship and a work plan. Devolution, economic strategy, would be specific items, I think, that would flow from such an agreement, such an arrangement. At this time, as I understand it, there are officials meeting to look at a possible agenda that could begin, for instance, with a chiefs meeting, which could lead to an intergovernmental forum sometime this spring. A chiefs meeting is tentatively scheduled for the first week of May. That is the stage at which the talks are.

In relation to the specific reference in the Gwich'in claim to the economic measures, it is our proposal that we would go beyond

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what is called for in that chapter by offering to develop, in partnership with the Gwich'in and with every aboriginal group in the valley, an overall economic strategy so that the entire resources of government, every program, every resource that this government has, could be linked in support of whatever economic strategy the aboriginal peoples choose to design for themselves. Thank you.

MR. SPEAKER:

Oral questions. Supplementary, Mr. Krutko.

Supplementary To Question 80-13(7): Northern Accord Negotiations

MR. KRUTKO:

Thank you, Mr. Speaker. I am not too sure where to go with this. I think it is kind of hard to understand exactly, this commitment is implemented in the land claim agreement which is constitutionally protected. There is an agreement signed between the federal government and this government for the Northern Accord to transfer resources to this government and to the aboriginal groups in the Northwest Territories. Yet, Mr. Speaker, it is clearly stated they shall be

involved in all negotiations in the development of a Northern Accord. Have the aboriginal groups been involved with the discussion between this government and the government in Ottawa in regard to Indian affairs?

MR. SPEAKER:

Mr. Kakfwi.

Further Return To Question 80-13(7): Northern Accord Negotiations

HON. STEPHEN KAKFWI:

Thank you, Mr. Speaker. I think it is imperative that we understand categorically. The Government of Canada has said consistently for the last four or five years for devolution to happen, for any chance for it to happen, the support of aboriginal peoples is essential. The federal government has said that. This government has also said the support of aboriginal peoples is necessary for us to proceed on any discussions regarding transfer of responsibility from the federal government to the north. That has been categorical. There have been some preliminary overtures to say to the federal government that we may, if the aboriginal peoples agree or are in support of such an approach, that we would undertake to set up discussions with the full involvement and support of aboriginal governments, to begin discussions with the federal government on the transfer of ownership of lands and resources in the Northwest Territories to the people and governments of the north. Thank you.

MR. SPEAKER:

Oral questions. Supplementary, Mr. Krutko.

Supplementary To Question 80-13(7): Northern Accord Negotiations

MR. KRUTKO:

Thank you, Mr. Speaker. As most people know, there are presently negotiations going on for self-government agreements, but there is also a question about costs to implement those agreements. In the case of the Northern Accord agreements, a lot of the aboriginal groups are looking at the whole area of generating revenues for themselves to implement the self-government agreements. Yet, Mr. Speaker, there is no real statement anywhere in the budget or upon this government in regard to having the aboriginal groups have that ability to take on those own revenues and resources from their regions or their

ridings where those land claims have been settled. I would like to ask the Minister has there been anything in writing that says this government will take over lands and resources in the Northwest Territories?

MR. SPEAKER:

Mr. Kakfwi.

Further Return To Question 80-13(7): Northern Accord Negotiations

HON. STEPHEN KAKFWI:

Mr. Speaker, this has been a point that seems to be difficult to get clear or get across to everyone, and it is unfortunate. What the Premier has been saying, and the Minister of Finance and myself, since January, is that we are prepared to look at sharing the ownership of the lands and resources in the north with aboriginal governments. So the Government of the Northwest Territories with the aboriginal governments should propose together to assume ownership of resources of the north, that is the land and the sub-surface resources, including the waters.

We have also proposed, on a number of occasions, that we are prepared to discuss sharing the revenue that would flow from the development of these resources. We are prepared to discuss sharing the revenue and that the revenue should be shared between aboriginal governments and the Government of the Northwest Territories. That is what Premier Jim Antoine, Finance Minister Todd, now Minister Dent, and myself as the lead Minister have been offering as a basis to start discussions with aboriginal governments since January. Thank you.

MR. SPEAKER:

Oral questions. Final supplementary, Mr. Krutko.

Supplementary To Question 80-13(7): Northern Accord Negotiations

MR. KRUTKO:

Thank you, Mr. Speaker. In regard to the whole concept of sharing, it sounds great, but at the end of the day, usually when you share something there is a breakdown of how you break down a dollar or whatnot, the distribution of what percent each group gets. Does the Minister have any documentation to clearly stipulate or basically lay out the sharing mechanism, how it is going to be distributed and exactly how it is going to be allocated to the aboriginal

groups and the different claimant groups that presently have a land claims agreement in regard to certain rights for resources within those areas?

MR. SPEAKER:

Mr. Kakfwi.

Further Return To Question 80-13(7): Northern Accord Negotiations

HON. STEPHEN KAKFWI:

Thank you, Mr. Speaker. Mr. Speaker, we have been very careful in the way we make the overtures and the approaches. As you know, based on what was written about a visit that I made to Calgary with the Premier at the beginning of this year, certain members of the Aboriginal Summit abruptly called for my resignation and that of the Premier as well, based on what they perceived for me to have said based on the newspaper article. We have said to the Aboriginal Summit, and we have said to the Inuvialuit and the

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Gwich'in leaders, the chiefs of the Sahtu and the Sahtu Secretariat earlier this year that we are offering to share the ownership of land and resources with them. We are offering to share the revenues from subsurface resources with them.

How do we do it? How much is their share? We have not done any work, not even preliminary work, to look at that because it is, at this time, a suggestion. We would not want the aboriginal leaders to think that this is a preplanned, pre-programmed agenda that we are offering to work with them. We can compile with them the information needed so they can make decisions about what should be the mechanism for sharing of revenues and whether it should be done region by region, whether it should be done as a general interest, whatever approach it is, it will be done through joint discussions. So, Mr. Speaker, there are no documents, there is no preliminary research done on this. We are waiting for a positive response, a definitive response from the aboriginal governments, and we are proceeding and waiting to move with them as they would indicate. Thank you.

MR. SPEAKER:

Oral questions. Before we continue on, I would like to welcome and recognize the deputy Sergeant-at-Arms, Mr. Guy Gonville. Welcome to the Assembly. I understand it is your birthday, too, so happy birthday.

--Applause

Oral questions. Mr. Henry.

Question 81-13(7): NWTPC Employees Union Status

MR. HENRY:

Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister responsible for the Public Service Act, regarding the NWT Power Corporation employees' union representation. Mr. Speaker, it has dawned on me again that life has just one circle and I intend to demonstrate what I mean by those words.

Concerns were brought to my attention regarding the dissatisfaction of unionized employees of the NWT Power Corporation regarding their representation by the Union of Northern Workers. Originally when I received these concerns, I wrote to the Minister responsible for the NWT Power Corporation, which is Mr. Dent. He responded by indicating that the matter of representation of bargaining unit employees of the Government of the Northwest Territories would be best addressed by the Minister responsible for the Public Service Act, who was Mr. Todd at the time. I would have liked to address these concerns to Mr. Todd, but Mr. Todd is no longer in that position, so I have come full circle now and I would address the concerns back to Mr. Dent.

Could the Minister responsible for the Public Service Act indicate if it is possible for a group of unionized employees of the Government of the Northwest Territories, in particular, the NWT Power Corporation to have separate representation from the association other than the Union of Northern Workers? Thank you, Mr. Speaker.

MR. SPEAKER:

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

Return To Question 81-13(7): NWTPC Employees Union Status

HON. CHARLES DENT:

Thank you, Mr. Speaker. Mr. Speaker, I am advised that under the Public Service Act it would be necessary if the employees in the NWT Power Corporation bargaining unit did wish to have separate representation, would write to me proving unconditional support among the members for a new bargaining agent. We would then consider

amendments to the NWT Public Service Act. Thank you, Mr. Speaker.

MR. SPEAKER:

Oral questions. Supplementary, Mr. Henry.

Supplementary To Question 81-13(7): NWTPC Employees Union Status

MR. HENRY:

Thank you, Mr. Speaker. Thank you, Mr. Dent, for that answer. Just a simple question, Mr. Speaker, is the Minister aware of any costs that would be involved by the Union of Northern Workers other than the time to write the letter, would there be any additional costs to perform this wish of the employees? Thank you, Mr. Speaker.

MR. SPEAKER:

Mr. Dent.

Further Return To Question 81-13(7): NWTPC Employees Union Status

HON. CHARLES DENT:

Thank you, Mr. Speaker. I would be somewhat surprised if the UNW were to write the letter, because it would be on behalf of a group of employees asking to replace them. I am unsure if there would be any costs involved. However, in a previous answer, I indicated that the workers should show unconditional support for a change, when in fact, I meant unequivocal. There should be some clear method of demonstrating to me that the entire group of employees, or a significant majority of them, do favour a change. I do not know if there would be any costs associated with doing so. However, it may be necessary to demonstrate that it had been a free choice for everybody. I cannot think of any tremendous costs that would be involved in demonstrating such support. Thank you, Mr. Speaker.

MR. SPEAKER:

Oral questions. Supplementary, Mr. Henry.

Supplementary To Question 81-13(7): NWTPC Employees Union Status

MR. HENRY:

Thank you, Mr. Speaker. Mr. Speaker, would the Minister accept a petition with a covering letter as sufficient grounds for investigating this further? Thank you, Mr. Speaker.

MR. SPEAKER:

Mr. Dent.

Further Return To Question 81-13(7): NWTPC Employees Union Status

HON. CHARLES DENT:

Thank you, Mr. Speaker. I would certainly consider that a clear indication of the signatories' support. However, before receiving such a petition, I will not make a commitment as to how I would respond. Basically, if I receive a formal request I would advise Members of the Legislature that we would consider amendments to the Public

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Service Act. The issue would also have to come to the floor of this House for amendments to the act before it could be addressed. Thank you, Mr. Speaker.

MR. SPEAKER:

Oral questions. Mrs. Groenewegen.

Question 82-13(7): Workers' Pension Policy

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister responsible for the Workers' Compensation Board and it has to do with widows' pensions. I was wondering if the Minister could please tell us what the current policy of the WCB is when an injured worker receives a pension, and then is deceased and the pension then goes to his spouse, what is the policy of the WCB at this time with respect to if and when the widow remarries? Thank you.

MR. SPEAKER:

The Minister responsible for the Workers' Compensation Board, Mr. Miltenberger.

Return To Question 82-13(7): Workers' Pension Policy

HON. MICHAEL MILTENBERGER:

Thank you, Mr. Speaker. This is an issue that I believe all Members are aware of, they have all been copied the same letter that I received. Currently the legislation that governs WCB prevents WCB from paying widows' pensions to a widow if she remarries. However, there is currently a court case underway. Other jurisdictions have already gone to court and this has been deemed unconstitutional and has been changed. There is a court case currently underway in my understanding in the north, that may, in fact, bring the same change to us. Otherwise we are looking at a change in the legislation of the WCB which Members all know now that we are tied with our colleagues from Nunavut. Right now we are precluded by the legislation, but it is a need that has to be addressed. Thank you.

MR. SPEAKER:

Oral questions. Supplementary, Mrs. Groenewegen.

Supplementary To Question 82-13(7): Workers' Pension Policy

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. Could the Minister please confirm whether or not the NWT is the only Canadian jurisdiction which now terminates survivors' benefits where the spouse is remarried?

MR. SPEAKER:

Mr. Miltenberger.

Further Return To Question 82-13(7): Workers' Pension Policy

HON. MICHAEL MILTENBERGER:

Thank you, Mr. Speaker. I can confirm that we are a jurisdiction that currently does that, whether we are the only one in Canada, I cannot tell the Member that. I can commit to get that information for her though.

MR. SPEAKER:

Oral questions. Supplementary, Mrs. Groenewegen.

Supplementary To Question 82-13(7): Workers' Pension Policy

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. Mr. Speaker, I do believe that we are the only jurisdiction in Canada that has

this legislation in place and I think this is probably rather archaic in this day and age. I do not understand why we would have legislation that is out of step with what other provinces had proved to be unconstitutional and not in keeping with the Canadian Charter of Rights and Freedoms. I would like to ask the Minister, why are we waiting as a northern jurisdiction for the results of a court case if this has already been proven to be unacceptable in other jurisdictions?

MR. SPEAKER:

Mr. Miltenberger.

Further Return To Question 82-13(7): Workers' Pension Policy

HON. MICHAEL MILTENBERGER:

Thank you, Mr. Speaker. In fact, the WCB has been working on a rewrite of their legislation in anticipation of the political time when it could be brought forward because there are a host of areas like the widows' pensions that should be brought up to date. I am just on my way out, in fact, at 3:00 p.m., for briefings with the Minister from Nunavut responsible for the WCB. This is one of the issues on our agenda, the need to, in fact, bring forward, at least on a temporary basis, legislation that would change that particular issue in regard to widows' pensions. I ask the Members to keep in mind that we now have to work through two jurisdictions, so it is going to be critical that Nunavut agrees as well to go ahead with identical legislation. It is an issue and we are going to do our best to resolve that in the short-term. Thank you.

MR. SPEAKER:

Mrs. Groenewegen, I was not aware that there was a court case in progress. Can I ask for the cooperation of the Members regarding court cases in other jurisdictions. There are certain issues in which it is national in scope, so what we say here does influence what happens in other jurisdictions, as it did for the nurses, the transfer of health issues. There was a court case in that incidence which we could not discuss in the House. I would caution the Members to perhaps not make reference to certain cases. As soon as you mention a court case, of course, red lights flash over here on this desk and I have to watch that we do not go beyond influencing the courts. Mrs. Groenewegen.

Supplementary To Question 82-13(7): Workers' Pension Policy

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. I will refrain from mentioning that and just speak about the anticipated updating of the legislation then and would ask Mr. Miltenberger if it is the WCB's intention to amend this legislation and when they do that, will they make this legislation retroactive to widows who may have lost their pension in previous years while this legislation was in effect? Thank you, Mr. Speaker.

MR. SPEAKER:

You have used up your third and final supplementary, two questions. Mr. Miltenberger.

Further Return To Question 82-13(7): Workers' Pension Policy

HON. MICHAEL MILTENBERGER:

Thank you, Mr. Speaker.

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As the Minister responsible for the WCB, it is my intention to, in fact, bring forward amendments to the legislation that will address the issue of widows' pensions. I am not in a position to speak specifically to the issue of whether or not we could make it retroactive, but I will be finding out very soon and it will be on hopefully, the legislative agenda that I can bring forward to this House once it is approved by Cabinet. Thank you.

MR. SPEAKER:

Oral questions. Mr. Erasmus.

MR. ERASMUS:

Mr. Speaker, I was going to ask a question in the same vein, but considering that it is under consideration of the courts, I will refrain.

MR. SPEAKER:

Thank you. Oral questions. Mr. Ootes.

Question 83-13(7): Ensuring Adequacy of Resources

MR. OOTES:

Thank you, Mr. Speaker. My question will be again for the Minister of Education, Mr. Miltenberger. This time I would like to again address the Minister's Forum on Education with regard to resources that are available in the classroom and to the teachers. Mr. Speaker, we have situations where new programs are introduced to the school system, but it seems that in many cases that adequate funding and resources are not supplied. I would like to make reference to a situation where we introduced the new math program and allocated a total of \$350,000 to that program to introduce the new math program throughout the territories. The allocation, of course, was split amongst many jurisdictions. In one case, for example, one small school board had to introduce the program and it cost \$100,000 but their only allocation was \$30,000 to do this. My question for the Minister is, how does the department ensure that when a new program is introduced, they have a method of calculating the allocation of funds to deliver that program? Thank you, Mr. Speaker.

MR. SPEAKER:

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

Return To Question 83-13(7): Ensuring Adequacy of Resources

HON. MICHAEL MILTENBERGER:

Thank you, Mr. Speaker. Mr. Speaker, the school financing framework looks at enrolment, the salaries required, the size of the community and it covers issues like administration and school services, instructional staff, operational costs, student transportation, inclusive schooling, consultants, southern placements, so there is a whole host of factors there considered when formulas are worked out for individual divisional education councils. It is a fairly complex formula, is broken out into percentages. Those factors are all considered as well as the costs that the Member indicated. Thank you.

MR. SPEAKER:

Oral questions. Supplementary, Mr. Ootes.

Supplementary To Question 83-13(7): Ensuring Adequacy of Resources

MR. OOTES:

I appreciate the list of facts, but other facts, Mr. Speaker, indicate that there is inadequate funding and

I referred earlier to three particular programs and certainly that is born out by the, People, Our Focus for the Future report, the Minister's Forum on Education, the constant comment is inadequate resources. While I appreciate the criteria that the department uses, the reality is that they are not providing adequate funding and we are setting these programs up, it is like any business, if I am going to expand my business and do a new program and the adequate funding is not there, it will fail and this is unfortunately what we are facing here in the territory. We are introducing, and I referred to three new programs, the extension of high school programs in communities. How are we ensuring that adequate funding is being provided to those communities? Thank you.

MR. SPEAKER:

Mr. Miltenberger.

Further Return To Question 83-13(7): Ensuring Adequacy of Resources

HON. MICHAEL MILTENBERGER:

Thank you, Mr. Speaker. There is no argument that education would benefit by additional funds. The Member has on his desk the Main Estimates, he heard the comments in the budget speech by the Minister of Finance. It is very clearly laid out what the budget is for the Department of Education, Culture and Employment. If the Member could assist and suggest to me where he would think we could take money from out of this budget and get agreement to move it to education, I would be only too happy to look at that. I do not know what his suggestions would be, does he want to look at highways, does he want to cut capital at this point without new revenues, the budget we have is the money we have to operate. I appreciate the Member's concern, we have put in \$2 million out of our supplementary reserve into education for investing in people and working together to deal with student employment. I would appreciate, if the Member has specific suggestions, I would be only too happy to entertain them, but at this point I have no other revenue to offer except what has been placed in the Budget Address and in these Main Estimates. Thank you.

MR. SPEAKER:

Oral questions. Supplementary, Mr. Ootes.

Supplementary To Question 83-13(7): Ensuring Adequacy of Resources

MR. OOTES:

Thank you, Mr. Speaker. I am no magician either of saying, well take it from here or there, but that was not my point. My point is that new programs have been introduced in the past without adequate funding. I think that is the area I am concentrating on is why do we do that. I guess my message to the Minister is, let us not get into a situation of introducing new programs and we do not provide the funding because we know ahead of time that they will fail. I would like to take the Main Estimates the same as the Minister and say, well take it from here or there, but we cannot do that and I appreciate that, but I am not sitting over there introducing the programs. I am sitting over here saying that was wrong. I would like the Minister to address the question of, will he introduce any more new programs without further funding? Thank you, Mr. Speaker.

MR. SPEAKER:

Mr. Miltenberger.

Further Return To Question 83-13(7): Ensuring Adequacy of Resources

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HON. MICHAEL MILTENBERGER:

Thank you, Mr. Speaker. As I indicated when I first came over here, but before I knew that I was going to be Minister of Education, Culture and Employment, that I am interested in and my focus is going to be consolidation and bringing to a close issues and initiatives that were already underway. There are no plans for any significant new initiatives. As the Member indicated, we are very cognizant of the need to have the revenue to finance the existing system let alone bring in a bunch of new programs when there is no money. So, I can assure the Member that we are going to be very, very careful and temperate and considerate in how we move ahead as a department. Thank you.

MR. SPEAKER:

Oral questions. Final supplementary, Mr. Ootes.

Supplementary To Question 83-13(7): Ensuring Adequacy of Resources

MR. OOTES:

Thank you, Mr. Speaker. I always like to digest the words that are used. There are no plans for significant new initiatives. Can the, and I am concerned about that, because you know those words later on will be, well we said no significant new initiatives, Mr. Speaker. Can the Minister assure me that there would be no new initiatives without adequate funding? As I mentioned earlier, Mr. Speaker, we are doomed to failure unless we ensure adequate funding. Thank you.

MR. SPEAKER:

Mr. Miltenberger.

Further Return To Question 83-13(7): Ensuring Adequacy of Resources

HON. MICHAEL MILTENBERGER:

Thank you, Mr. Speaker. I am somewhat saddened by how cynical and jaded my colleague, Mr. Ootes, has become in such a short period of time having sat beside him for three and a half years, but let me reassure the Member that there are no changes, there are no new programs on the books, anything that we are doing the committees are aware of. The one issue that I am working on with all due haste is the ministerial forum and trying to come up with a way to implement some of those recommendations. I can reassure the Member that there are no new program initiatives that are going to require revenue coming up. Thank you.

MR. SPEAKER:

Thank you. You have used up your final supplementary. Mr. Ootes, your point of privilege.

Point of Privilege

MR. OOTES:

Mr. Speaker, I wish to take exception to the Minister saying how cynical I have become since he left this side of the House. I take exception to that, I am not cynical in my approach, I am analytical and presenting facts before the Minister. That is not cynicism, Mr. Speaker.

MR. SPEAKER:

What was your point of order?

MR. OOTES:

That was my point of privilege, that I take exception, Mr. Speaker, to that wording.

MR. SPEAKER:

On your point of privilege, a Member can raise on a point of privilege if he had been denied your right to exercise your privilege. With regard to the language being used, it could be a point of order. That was not what was raised, but again, to remind the Members that perhaps the language being used can be open to debate. The Member may perhaps raise on that point. There was no point of privilege. Oral questions, Mrs. Groenewegen.

Question 84-13(7): Lahm Ridge Review Terms of Reference

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. Mr. Speaker, last week in the House the Minister responsible for Public Works and Services agreed or told us that there was, in fact, an investigation underway within the Department of Public Works and Services and that a law firm from Edmonton had been retained to look into the practices of the department with respect to the results of the conflict of interest inquiry. Mr. Steen, at that time, indicated that he could not commit to releasing the report because there may be matters of personal and confidentiality contained in that report. My question to Mr. Steen is, would he please table the terms of reference under which the firm was engaged? Thank you.

MR. SPEAKER:

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

Return To Question 84-13(7): Lahm Ridge Review Terms of Reference

HON. VINCE STEEN:

Thank you, Mr. Speaker. Mr. Speaker, the terms of reference for the firm were, in fact, drawn up previous to my time so, I am going to have to take the Member's question as notice and get back to her about the proper terms of reference.

MR. SPEAKER:

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

Question 85-13(7): Linking Education and Employment

MR. HENRY:

Thank you, Mr. Speaker. Mr. Speaker, my question is to the Honourable Michael Miltenberger, the Minister of Education, Culture and Employment. The Minister made a statement in the House last week addressing priorities in Education, Culture and Employment. In that statement the Minister said, and I quote, the link between schools and the workplace is critical if we want to develop a northern workforce.

Mr. Speaker, Mr. Miltenberger's predecessor, Mr. Dent, and the Department of Education sponsored and financially supported a program called Bridges, which was a pilot program funded by the department to assist in the transition of school to workplace. This pilot program was funded by the department for two years at St. Patrick's High School. My question to the Minister is, is this the type of program that he wishes to further develop to assist the students from school to workplace? Thank you, Mr. Speaker.

MR. SPEAKER:

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

Return To Question 85-13(7): Linking Education and Employment

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HON. MICHAEL MILTENBERGER:

Thank you, Mr. Speaker. That would be the intent of my comments. I see there is a need to have a greater tie-in with industry with the marketplace in terms of working with the schools. There has to be a greater relationship between the high schools and the colleges and planning for the needs in the north in terms of employment and development. It is a question of that people are doing a lot of the work, but it is not as well, in my opinion, coordinated as it could be.

The big player we have to bring to the table in a bigger way is the private sector. We have to be able to forecast what our needs are. For example, we are just now gearing up for the development in the diamond industry with apprentices. To me, in an ideal situation we should be able to hopefully anticipate a little better some of these needs so we are not going to be losing four years gearing up with apprentices,

when there is a need today. If we do the work, do the labour market forecasting, we work with industry and the schools and the colleges that we can do a better job in that area. Thank you.

MR. SPEAKER:

Oral questions. Supplementary, Mr. Henry.

Supplementary To Question 85-13(7): Linking Education and Employment

MR. HENRY:

Thank you, Mr. Speaker. I thank the Minister for his response. My question to the Minister is, has he had an opportunity yet or does he intend to evaluate that particular program that the department has been funding for the past two years?

MR. SPEAKER:

Thank you. I heard two questions. Mr. Miltenberger.

Further Return To Question 85-13(7): Linking Education and Employment

HON. MICHAEL MILTENBERGER:

Thank you, Mr. Speaker. Yes, it is my intention to evaluate that program. As well, I intend, and I booked meetings to tour Sir John Franklin as well as St. Patrick High School, first-hand, so I can meet the staff and take a walk around, see the students and the facilities themselves, since it has been 30 some years since I have had the pleasure of going into Sir John Franklin. Thank you.

MR. SPEAKER:

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

Supplementary To Question 85-13(7): Linking Education and Employment

MR. HENRY:

Thank you, Mr. Speaker. The Minister is too modest. I would not have believed it was 30 years. Mr. Speaker, could the Minister report back to the House on his findings on that particular program and also as to whether it may require additional funding to develop further that it can be used in all parts of the territories? Thank you, Mr. Speaker.

MR. SPEAKER:

Mr. Miltenberger.

Further Return To Question 85-13(7): Linking Education and Employment

HON. MICHAEL MILTENBERGER:

Thank you, Mr. Speaker. I would be happy to commit to that on the assumption that if, in fact, we had to put more funds in and we could find it from within, that Mr. Ootes would concur that this is not a new program requiring new revenue, but yes, I will be happy to report back.

MR. SPEAKER:

Oral questions. Mr. Krutko.

Question 86-13(7): Previous Funding Assistance to Giant Mine

MR. KRUTKO:

Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister of Resources, Wildlife and Economic Development about the Royal Oak situation where they are presently in receivership. Regarding the question about funds that were given to this company to look at the possibility of new resources and whatnot within that mine. I would like to ask the Minister, what is the situation with those funds that this government gave to that company to look for new resources? Is that money going to be allocated back to this government? What is the situation with those dollars?

MR. SPEAKER:

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

Return To Question 86-13(7): Previous Funding Assistance to Giant Mine

HON. STEPHEN KAKFWI:

Thank you, Mr. Speaker. The government had provided some financial assistance to Giant Mine to continue exploring for additional reserves. We have discontinued that assistance as of the latter part of March. There is no further assistance being provided at this time. Thank you.

MR. SPEAKER:

Oral questions. Supplementary, Mr. Krutko.

Supplementary To Question 86-13(7): Previous Funding Assistance to Giant Mine

MR. KRUTKO:

Thank you, Mr. Speaker. Can the Minister tell the House exactly what is the plan for the monies that have been allocated, is it going back into the general revenue fund and how much was that fund?

MR. SPEAKER:

Mr. Kakfwi, two questions.

Further Return To Question 86-13(7): Previous Funding Assistance to Giant Mine

HON. STEPHEN KAKFWI:

Mr. Speaker, as of the end of March I believe it has lapsed and is now back in general revenue. Thank you.

MR. SPEAKER:

Oral questions. Final supplementary, Mr. Krutko.

Supplementary To Question 86-13(7): Previous Funding Assistance to Giant Mine

MR. KRUTKO:

Thank you, Mr. Speaker. Can the Minister tell me how much of that fund is still intact and exactly where did those funds end up?

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MR. SPEAKER:

Mr. Kakfwi.

Further Return To Question 86-13(7): Previous Funding Assistance to Giant Mine

HON. STEPHEN KAKFWI:

Mr. Speaker. I understand the money was part of the surplus that was split with the Government of Nunavut. The exact amount that we provided to Giant on what days and what amounts can be provided to the Members. I will circulate that information and also provide what amounts were actually withheld because of the developments with Giant in the last two weeks. Thank you.

MR. SPEAKER:

Oral questions. Mrs. Groenewegen.

Question 87-13(7): Vocational Training in High Schools

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister of Education, Culture and Employment. One of the recommendations contained in the minister's forum was ECE should investigate the need to offer vocational programs and explore options on appropriate methods for offering these programs either at the community, regional or territorial level. Vocational programs. The Minister has just stated that we should have had more lead time to prepare people for the diamond industry, I believe there has probably been a shortage of tradespeople in the Northwest Territories for a number of years and this is something specifically in my community, vocational program in the high school has been talked about for 20 years. Should we have any renewed hope of preparing our students for occupations in trades and in the diamond field based on this recommendation now when we have not seen any action on this in the last 20 years? Thank you.

MR. SPEAKER:

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

Return To Question 87-13(7): Vocational Training in High Schools

HON. MICHAEL MILTENBERGER:

Thank you, Mr. Speaker. As the saying goes, the hope springs eternal from the human breast. I think we always have to be optimistic, in spite of what we see as the lack of revenue to proceed on a lot of these issues. We meant just this morning, for instance, with members of your community and the Ice Diamond people about the employment opportunities in the diamond sector and the need for the schools and the college to be involved in that. As well the college is currently trying to gear up and tool up its apprenticeship programs to address and meet the significant shortfall in terms of tradesmen, millwrights, welders, electricians, plumbers, et cetera. We are gearing up. There is no new money, in fact, to do this. A lot of the funds we do have we are looking for third party funding. We have increased that funding significantly in the last few years.

Yes, I think there is cause for hope. What that exactly translates to in terms of vocational programs in Hay River, I cannot tell you at this point. I can tell you that our 6:45 a.m. meeting this morning addressed the issue of how we are pulling these recommendations together and the work that is going to be done on those. Thank you.

MR. SPEAKER:

Oral questions. Supplementary, Mrs. Groenewegen.

Supplementary To Question 87-13(7): Vocational Training in High Schools

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. I hope that my comments and questions do not contradict Mr. Ootes's position that he took on no new initiatives without the money. That is a concern and I think if we are realistic, we should not try and career path or education path everybody along academic lines strictly, that there is a good opportunity under the budget and money already allocated for high schools to get students started in that stream before they get to apprenticeships or college or choose an actual trade or profession. Could the Minister indicate whether or not there would be the opportunity within high schools that currently exist to add vocational training if it did not include more funding, is that an opportunity that is available at this time for high schools to integrate vocational trades and training at the high school level at this time?

MR. SPEAKER:

Mr. Miltenberger.

Further Return To Question 87-13(7): Vocational Training in High Schools

HON. MICHAEL MILTENBERGER:

Thank you, Mr. Speaker. I would say that the Department of Education, Culture and Employment is willing and committed to look at all these particular opportunities if the community wants to define where they think some of the needs are. I met with Mr. Butler from BHP and talked about the very issue of going to the schools on the issue of vocational trades and the needs for tradesmen. As well, I am meeting with the Ministerial Forum on mine training on Thursday and that is one of the issues we are going to be looking at. I would say, yes, and I would hope that the DECs and the DEA in Hay River are putting

pen to paper in terms of how they would like to see that happen.

MR. SPEAKER:

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

Supplementary To Question 87-13(7): Vocational Training in High Schools

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. Mr. Speaker, can the Minister tell us, does the department at this time have any way of tracking or identifying where there are trades, where currently we are bringing people in from southern Canada to fill trade positions? Can they quantify the needs for tradespeople in the various industries at this time?

MR. SPEAKER:

Mr. Miltenberger.

Further Return To Question 87-13(7): Vocational Training in High Schools

HON. MICHAEL MILTENBERGER:

Thank you, Mr. Speaker. To my knowledge we do not have a database of that nature but it is one of the issues that I talked about earlier in regards to a response to Mr. Henry of the need to be able to do that. To anticipate and forecast and point out where the needs are short-term and long-term in terms of those types of occupations so

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that we can plan and gear up our systems to meet the demand. Thank you.

MR. SPEAKER:

Oral questions. Final supplementary, Mrs. Groenewegen.

Supplementary To Question 87-13(7): Vocational Training in High Schools

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. At this time the Minister cannot tell us that the department knows for example, if there is a shortage in the area of heavy duty mechanics, automotive mechanics, I mean how can

we gear our education system to these needs out there in the workforce if we do not have any idea of where there is a shortage. Do we need welders in the Northwest Territories right now? Where are we lacking or does the department even know? Thank you.

MR. SPEAKER:

Mr. Miltenberger.

Further Return To Question 87-13(7): Vocational Training in High Schools

HON. MICHAEL MILTENBERGER:

Thank you, Mr. Speaker. The department has an idea, we know for instance that BHP is importing a lot of skilled tradesmen from the south, welders, millwrights, all those type of trades. We know in the different areas. I have not yet been made aware of any type of coordinated database that brings it all together to allow us to forecast. We do have information, but it is not as well put together as I would like. Thank you.

MR. SPEAKER:

Thank you. Question period is over. Mr. Krutko.

MR. KRUTKO:

Thank you, Mr. Speaker. Mr. Speaker, I seek unanimous consent to return to recognition of visitors in the gallery.

MR. SPEAKER:

The Member for Mackenzie Delta is seeking unanimous consent to return to item 5, recognition of visitors in the gallery. Do we have any nays? There are no nays. Mr. Krutko, you have unanimous consent.

REVERT TO ITEM 5: RECOGNITION OF VISITORS IN THE GALLERY

MR. KRUTKO:

Thank you, Mr. Speaker. At this time it gives me great honour to recognize Roberta Vaneltsi and her young son, Joel, and my newly appointed constituency assistant, Ms. Sharon Firth who is a former Olympic cross-country skier on the national team and a famous athlete at that. I would like to welcome Roberta, Joel and Sharon.

--Applause

MR. SPEAKER:

Welcome to the Assembly. Recognition of visitors in the gallery. Item 7, written questions. Item 8, returns to written questions. Item 9, replies to opening address. Item 10, replies to Budget Address. Mr. Erasmus.

ITEM 10: REPLIES TO BUDGET ADDRESS

Budget Reply 1-13(7)

MR. ERASMUS:

Thank you, Mr. Speaker. Mr. Speaker, before I start, I would like to congratulate the Minister of Finance on his first budget, although we are in a way balancing our budget, I guess it is still technically a deficit budget because we are going over our allocated revenues and using up our surplus from last year which, of course, only occurred because of the one-time injection of revenue from the federal government due to our population.

Mr. Speaker, I wanted to indicate that we do indeed have a lot of social challenges as the Minister has indicated in his address, and we are trying to address those social challenges. We have extended grades, this has increased enrolments in the communities and the people who required a better education are taking advantage of that. Many of the community people, the aboriginal people, are dropping out at the grade 9 or grade 10 level and this seems to be helping. I too, would like to commend the Minister for putting more money into the school system to ensure that the pupil/teacher ratio is maintained. However, Mr. Speaker, as we have heard, we do have the highest pupil/teacher ratio in Canada and simply putting enough money into the system to maintain the current ratio is not good enough. We need to decrease that ratio. We need to work on making the amount of students in our classrooms less in relation to the amount of teachers there. Particularly with social passing and inclusive schooling, we need more assistance in those classrooms. Mr. Speaker, while I think it was a good move to ensure that the pupil/teacher ratio does not increase, I think we have to work at decreasing that.

The Working Together Program, which provides employers with a wage subsidy to help students work in the summer and basically I guess this is for during the year as well, putting more money back into this

program as it was supposed to end this year, was a very good move. I certainly support that 100 percent. Also Mr. Speaker, the Investing in People Program, was also supposed to end this year, and the Minister was able to find \$1 million to put into this program to help keep adult basic education in some communities for the first time were able to get adult basic education. I fully support this as well. Hopefully, this will mean that the program for the first time was supported in Yellowknife North constituency of Detah, Ndilo will continue to be supported this year.

Mr. Speaker, I was very pleased to see in the Minister's comments that children are a priority of this government and of course we all support that and we support the continued support of the Health Children Initiative. Under health care, Mr. Speaker, we all know that the turn over rate for nurses is very high and this, I guess, substantiates that it is much higher than the governments staff average turnover. This also substantiates that our salary and benefits packages have not remained competitive enough with southern jurisdictions. We have been asking that in the past and I do not think we have received a straight answer. So this substantiates that. I am very glad to see we are putting more money into recruitment and retention in the health care area, specifically scholarships, summer employment and \$3 million for salary incentives. I do not know how they are going to do that. I understand we have unionized workers and as far as I know, we have just finished signing an agreement. How this is done I suppose, will have to be done

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very carefully, and with the cooperation and assistance of the unions. It is a good move, because we cannot offer less than the provinces are offering, because people will naturally go to a warmer climate. The majority of them anyways.

Mr. Speaker, the one area that does concern me, I do not see anything in here relating to housing. Since this government saw fit to do away with the housing that we used to provide for our teachers, nurses and other staff personnel, we seem to be having a hard time hanging on to those personnel. People are moving at an alarming rate and obviously this is substantiated in here when it says that the turnover rate for nurses is much higher than the government staff average and those are the nurses in the smaller communities. So this still has to be dealt with.

Mr. Speaker, I am very glad to see we are putting some money into the justice system, to improve the community justice and correction services and to have a dedicated probation and parole service that will work specifically on parole services and probation services. This has been needed for a long time and we have spoken about this in the past as Members of the social programs committee and also on the rehabilitation programs. We know that particularly in the Yellowknife Correctional Centre, the situation is so bad that the spaces that had been at one time put in place for adult basic education or whatever type of rehabilitation programs, those are all now used to warehouse those inmates. I recently had an opportunity to visit the Yellowknife Correctional Centre and I was appalled, Mr. Speaker. There is absolutely no room, I think there is one room that is available for art and that is about it. Every place else, even places where they were supposed to be eating and for recreation, those are now all used up with bunks to house the inmates. The renovations to the Yellowknife Correctional Centre are very, very welcome. I am glad to see this is happening.

The Community Assistance, Fire Prevention and Safety Program that has been initiated, I think is long overdue. Every year we hear of another school, or co-op building or something else that has been burned down whether by accident or through arson, and this is a huge drain on our resources. Obviously it is a shock to the community, as well, when these types of facilities are lost. The fire prevention and safety program is very welcome.

Mr. Speaker, in the area of housing I would also like to mention that the Cabinet made a very, very good move when they initiated the Minimum Down Payment Assistance Program. I know particularly in Yellowknife with the loss of jobs and the uncertainty created by Giant, Con mines and other areas, there were a lot of people who had their houses on the market and they were not able to sell those houses. This has given those people an opportunity to sell their houses. Many of them may have actually lost their homes because they were not able to meet their mortgage payments. This has now given them an opportunity to get out of those commitments and to allow other people who do have the money to meet their mortgage payments, but may not have had the money for the down payment. This has helped out on both sides of the fence, the people who were waiting, perhaps were saving and would have had to save for years in order to get into a home, it has helped those people. It has also helped those people who could

not sell their homes. I believe this was a very good initiative. Obviously there have been some complaints that there were not enough restrictions but, of course, it is always easier with hindsight to say you could have done this, you could have done that. I believe if we do this again in the future the Cabinet and the Minister responsible for Housing will have the benefit of this past experience to put some more restrictions in place so that perhaps some of these loopholes will be covered.

Mr. Speaker, we know that we are going to need a lot of jobs in the future for our young people. We have the youngest population in Canada and I am glad to see we are putting some money into projects to take advantage of the new diamond mines and those types of activities. I am also glad to see that the resource potential in oil and gas has not been forgotten. We have heard many times in this House where people such as Mr. Krutko, who has those potentials in his area, have been very concerned about this.

Mr. Speaker, I am glad to see that we are looking at economic diversification because we simply cannot rely on mega projects such as those diamond mines and other mines. We cannot rely on those alone. The mines are only in existence for a certain period of time. We have seen time and time again that it is not the community people who take advantage of the jobs and the economic opportunities that are presented when these mega projects happen. A lot of these opportunities go to southern people and to southern companies. I am very glad to see this government looking at economic diversification and I certainly hope that we are talking about looking at things like tourism and other investments so that some of the communities like Kakisa, Detah, Fort McPherson, those smaller communities can also benefit.

Mr. Speaker, I am very glad to see that there is no increase in our tax rates. I know that people are always saying we need more revenue, we need more revenue, but we simply cannot afford to tax our people at a higher rate. If we really sat down and analyzed how much money would be generated by increasing taxes, it is not that great an amount. Rather than placing a greater burden on our people and actually scaring people from moving up here, I think it is a good move to keep these rates lower so that people will not be frightened off and will move up here. Particularly, corporate income tax rates, we do have the lowest with the exception of Quebec and I think we have to keep that in place because it is expensive enough for corporations to move up here

and to do business, we do not also have to have a high corporate tax system so that it is an added burden on them to do business up here. Of course, this does not mean that we have to give them an open cheque book and let them do all kinds of environmental damage and the rest of that. This all has to come hand in hand, but I think it is a good move to keep our corporate taxes low.

Mr. Speaker, there has been a lot of talk about gaining northern control of northern resources and getting some movement on the tax window so that we can benefit more from the taxes and the royalty revenues from the new mines and any other new developments that occur. Mr. Speaker, obviously with a decline in our population and people have moved out of the territories due to losses of jobs, insecurity, and those types of things, because of that our budget will remain the same or perhaps even go lower in the future. We do need additional resources but we cannot get those additional resources, we cannot make

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a deal with the federal government on our own, we have to make that deal with the aboriginal governments. We know that, the aboriginal governments know that, because the Minister of Indian Affairs and Northern Development has stated that we have to do that. We have to have all the aboriginal governments, the main aboriginal governments on side. They have to agree.

I am glad to hear and to see in writing that the Minister of Finance says we have to do this in partnership with the aboriginal governments because we know that in the recent past there were some aboriginal governments who took exception with some of our Cabinet Members. They had mistakenly thought that the government was trying to move ahead on their own. We know from our meetings that this government is not moving ahead on its own and wishes to work in partnership with the aboriginal governments. I would like to encourage our Cabinet colleagues to try to move ahead as quickly as possible so that we can, in fact, ensure that we do gain control over those resources and perhaps are able to get a greater tax window and greater royalties from the resources in the Northwest Territories. As we all know, Mr. Speaker, if we do not do that it will mean a decrease in our programs and services. It will mean that the programs and services that we can provide to our constituents will not be as good as they

are today. I do not think that anybody wants that. Thank you.

--Applause

MR. SPEAKER:

Thank you. Replies to the Budget Address. Item 11, petitions. We will take a 15 minute break.

--Break

MR. SPEAKER:

I will call the House back to order. Item 12, reports of standing and special committees. Mr. Erasmus.

ITEM 12: REPORTS OF STANDING AND SPECIAL COMMITTEES

Committee Report 1-13(7): Report on the 1999-2002 Business Plans and 1999-2000 Main Estimates

MR. ERASMUS:

Thank you, Mr. Speaker. Mr. Speaker, the committee review of the draft Government business plans and Main Estimates is an integral part of the annual budget development process within the consensus model of government. This year, division of the Northwest Territories resulted in changes to the committee structure of the Legislative Assembly over the course of the business plan and Main Estimates review. Before division, the draft western business plans and Main Estimates were reviewed by the Ordinary Members of Western Caucus. The Members divided into two subcommittees, the Subcommittee on Social Programs and the Subcommittee on Resource Management and Infrastructure, to consider separately the budget issues for departments within those envelopes. All Ordinary Members of Western Caucus reviewed the plans and estimates of the Legislative Assembly and the Language Commissioner. The business plan review was conducted in November, 1998 and the draft Main Estimates review in March, 1999. Since division, all Ordinary Members of Western Caucus now meet as the Standing Committee on Government Operations, and the subcommittees are now standing committees. In the interest of continuity, the review committees will be referred to by their present names.

Mr. Speaker, it was decided by the Members of the Standing Committee on Government Operations to take a new approach in this year's report on the Main Estimates. In previous years the committees had

reported on their reviews of the business plans, but the report was an internal government document that was not released to the public. The report on the review of the 1999-2002 business plans was prepared following this year's review and provided to the government in January 1999. However, Members believe that their review of the departmental business plans is an integral part of the Main Estimates review process. To show this important correlation, the standing committees have incorporated their comments and recommendations on the business plans with their report on the review of the Main Estimates. This will give the public a greater understanding on the process leading up to the tabling of the Main Estimates in the House.

General overview.

During the business plan review, Members raised a number of concerns that are common to all of the business plans and pointed out issues of government-wide importance that require common strategies. Where appropriate, government responses to the committee concerns following the business plan review are incorporated and commented on by the committee in this report.

The business plans put forward for the new Northwest Territories focused on balancing the budget and creating a more effective and responsible government. With a balanced budget and a restructured government organization, the government's main focus is on addressing the critical issues and seizing opportunities facing the new Northwest Territories. The annual review of business plans by committees emphasizes the concept of "outcomes" rather than "inputs". The committees evaluate results achieved by the departments within their envelopes and assess each department's financial situation. Further, the committees make recommendations to reduce the departments' financial and operational risk, to ensure effective decision-making and bring about efficient service and program delivery.

Throughout the review process, the committees recommended that a consistent business plan template be adopted across government. The adoption of a common template will help to achieve an increase in accuracy and provide more relevant, understandable and timely information for committees and the public. A government-wide template will instill better accounting for the government's financial affairs, plus better accountability for the government's performance in achieving legislative objectives.

Ultimately, this will provide better value for the taxpayers' money.

Mr. Speaker, Members recognize that progress has been made in standardizing the business plans between the departments. This has made it easier for the committees to move from department to department in their review. However, while the general format and presentation order are common to most departments, further progress can be made. As well, the level of detail provided under each of the headings of the business plans varied greatly between the departments.

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With each year, accountability becomes more complex, and there is a fundamental requirement for better information. This will become increasingly evident as the government continues its evolution from direct program delivery to service management. An increasing proportion of public funds is being spent through alternative service delivery arrangements at the regional and community levels with little or no control over day-to-day operations of service providers.

The business plan and main estimate process provides the committees the only true opportunity to examine the progress the government makes in meeting the needs of northerners. If the business plans do not contain an adequate level of detail, it is impossible for the committees to garner true understanding of the total picture.

Members understand that division and downsizing have dictated the departments' agendas over the last three years. This reality has to a large part been the focus of attention for departments and committees. However, with the resolving of many of these issues it is time to refocus on western issues and concerns. The following are specific suggestions and concerns the committee had with the business plan content.

Under Benchmarks and Targets. The Standing Committee on Government Operations understands that division, and the lack of applicable western statistics make it difficult for the departments to establish benchmarks to measure success in meeting departmental goals and target objectives.

However, without initial benchmarks and projected targets, it is impossible for the committees to judge from previous years' business plans whether the departments have been successful in meeting their

objectives and whether the Committees' faith in the departments' business plans was justified. Members of the Standing Committee on Government Operations are concerned that with limited revenue growth, and often a high turnover and shortage of qualified staff, the gap between quality program and service delivery standards and the capacity to achieve them will continue to grow. To minimize this, specific indicators should be adopted to provide accurate and timely performance information on a continual basis throughout the year for each department. This benchmarking process will hopefully provide the departments with a consistent flow of relevant and reliable information that will allow managers to keep track of progress and adjust operations, even in mid-course, in a timely manner.

The Standing Committee on Government Operations had recommended in its report to the government on the business plans that the departments' next business plans include benchmarks and target goals that are quantifiable and measurable and that further efforts be made to use a consistent business plan format among departments. The government's response indicates that experience in other jurisdictions has shown that the development of appropriate measurement systems for major programs and the implementation of tracking systems for cross-departmental initiatives can take three to five years. The government indicated that they would continue to work on improving performance in establishing target goals and benchmarks.

The committee can appreciate that it takes time to establish target goals and benchmarks for any new program or government initiative. However, committee Members stand by their recommendations made during the business plan review. It is felt that in the absence of target goals and benchmarks for programs, the departments have no need to adhere to a work plan or to strive towards a projected outcome. Committee Members believe that even setting minimal yearly goals and objectives for new government programs would give the committee and the government a starting point.

Under Human Resource Implications, Mr. Speaker. The Department of Justice's overview of the human resource implications it is facing provided a level of detail that other departments would do well to emulate. One of the major concerns that Members have had is with the success of the government's Affirmative Action Program. The Department of Justice Affirmative Action Plan provided the Standing Committee on Social Programs an understanding of

the department's progress and goals in meeting the challenge of creating a truly representative workforce in the GNWT civil service. The plan, complete with actual numbers and status of affirmative action employees, provides a benchmark for the committee to determine the success of the department in meeting its affirmative action targets in next year's business plans.

Members were also concerned that the departments were using casual and term positions to meet their operational requirements. While this may be necessary to provide government services to residents, it appeared to the Members of the Standing Committee on Resource Management and Infrastructure that these casual and term employees were not included as part of the final tally of departmental employees.

The Standing Committee on Government Operations recommended, during the business plan review, that the departments examine the level of detail contained in the Department of Justice Human Resource Implications section of the business plans and incorporate that format and information. The government is in the process of redefining the Human Resource Implication section of the business plan and has advised that it will consider the committee's recommendation in the formulation of the new standards for the section of the business plans.

The committee also recommended that each department provide a position summary, which is to include the position description, geographic location and detail as to whether the position is filled, vacant, casual, term or indeterminate in the business plan. The government agreed to this request and has supplied the information. This will allow the committees to track person years over time and help them to ensure fair distribution of government employment opportunities.

The committee's final recommendation in the Human Resource Implications area was that complete organizational charts should be included as part of the information provided for each department including position titles and names of incumbents. The government agreed to this request and has supplied the information. Mr. Speaker, the committee understands that once the People Soft Personnel System is up and running it should be easier for the departments to provide this information. Organizational charts, for all levels of the departments, assists the committees to track changes brought about by restructuring.

Under Financial Reporting Issues. It was a time-consuming exercise for the committees to examine the financial information present in some departments' business plans in the absence of last year's financial figures. Committee Members realize that this is a one-time event that is due to division. However, in the future it should be possible for the departments to include the last year's financial figures as part of any information presented to the committees in the business plans. This would assist the committee Members in their deliberations by providing year-to-year reference points. Again, the government has agreed to this request.

Under P-3 Projects. Several Members of both the Standing Committee on Social Programs and the Standing Committee on Resource Management and Infrastructure were concerned about the lack of inclusion of P-3 projects in departmental business plans. Members believe that the business plan and budgetary processes provide the committees with their best opportunities to examine the operations and maintenance and capital requirements of the departments. Without information as to planned P-3 projects, Members believe that their oversight responsibility for the departments has been abrogated. Members also believe that the information on planned P-3 projects should include any projected operations and maintenance costs that have been identified.

The committee recommended that a separate section be included in each department's business plan that outlines any planned P-3 project and any identified operations and maintenance costs associated with the P-3 project and that P-3 projects be included in the capital planning process. The government has agreed with this request and will incorporate the information in future business plans.

Mr. Speaker, under Main Estimates. As part of the review of the draft 1999-2002 Main Estimates, the government presented the 1999-2000 Interim Appropriation. The presentation incorporated the government's fiscal outlook for the Northwest Territories. The government's projections confirmed the committee's forecast of an impending deficit. The government's current fiscal projections for 1999-2000 forecast a \$9 million accumulated surplus. However this may be considered optimistic, as the government in its low expenditure pressures scenario for the 1999-2000 year projects a \$15 million accumulated deficit, and in its high expenditure pressures scenario,

forecasts a \$34 million accumulated deficit. It should be emphasized that the government's high expenditure pressures scenario does not include all expenditure pressure factors. In its summary of expenditure pressures, the government forewarned that its scenarios include only those expenditure pressures quantifiable at this time, major requirements have not been quantified yet and will drive up these amounts. Program expenditure pressures include the high birth rate, population migration - from smaller to larger centres, political uncertainty, increasing unemployment, low education levels, decreasing revenue - including federal funding decreases and finally aging infrastructure and facilities.

Mr. Speaker, the committee realizes that unless new sources of revenue are acquired, or more effective and efficient means of using our current resources are found, the government's ability to deliver programs and services at acceptable levels may be severely compromised. Due to continued dependence on the federal government for the majority of our budgetary revenues, a limited ability to meet growing health, education and social pressures, limited revenues to invest in economic development, and a limited return on economic development - since a majority of revenues accrue to the federal government, the Government of the Northwest Territories may find itself unable to comply effectively with expenditure pressures.

The government's fiscal projections forecast a 2000-2001 accumulated deficit of a low of \$86 million to a high of \$144 million, further forecasts for 2001-2002 project a low deficit of \$186 million to a high of \$301 million. As outlined, in its review of business plans, the committee recommended the adoption of benchmarks or performance indicators that could provide the departments and the committees with a reliable source of information that would allow for tracking and adjustments of government programs and activities. With the potential for large accumulated deficits, the adoption of performance indicators, a consistent reporting template and clear lines of accountability have now taken on a greater importance.

Mr. Speaker, there are issues of government-wide importance and implications. Under the Northern Accord, committee Members believe that the time required to deal with the issues leading up to division has meant that work on this important file has not received the attention that it requires. The negotiation of an equitable Northern Accord becomes more and

more important as new diamond mines and gas and oil fields come on line and increased resource revenues flow south. If there is to be any hope of the Northwest Territories to become economically self-sufficient, the Territorial Government must have control of lands and resources for the benefit of all northerners.

Committee Members believe that the government has to allocate the appropriate resources to deal with the Northern Accord. It is hoped that in cooperation with aboriginal organizations, the government can make significant progress on this file in the upcoming fiscal year.

Mr. Speaker, under the year 2000 compliance. This will be the last probable opportunity for comment on this issue by the Members during the business plan review process. Next year's business plans will be too late for committee comment on year 2000 compliance, because if the departments haven't dealt with the issue it will be a moot case. Members are very concerned that the large government computer platforms and systems will not be in compliance on December 31, 1999. Members achieved no measure of comfort from any departments' informatics plans that they will be in year 2000 compliance.

The Standing Committee on Government Operations recommended during the business plan review that efforts be doubled to ensure year 2000 compliance. Members would appreciate regular updates as to the progress made by the departments. The government's response to the committee's recommendation is that the Informatics Policy Committee of the Financial Management Board is continuing to make significant progress on year 2000 compliance. The committee sincerely hopes that the government's confidence is justified.

Mr. Speaker, under contracting of services to Nunavut, Members expressed concerns during the business plan review that there are no consistent government-wide approaches to the

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ongoing and anticipated contracting of services to Nunavut. Each department seemed to be in the process of negotiating their own service agreements with their Nunavut counterparts without any central strategy or template from the government having yet been developed. Members understand work on this is underway. Members are concerned that these contract service agreements with Nunavut should

contain provisions for cost-plus recovery as part of the contracting requirement. The government's response allayed the committee's concerns. The committee was advised that there is a consistent government-wide approach and a cost-plus factor of 6.5 percent incorporated into Nunavut service agreements.

Under informatics strategies, several Members are concerned that there is lack of cohesion between the departments on the development of common informatics strategies. Although the Financial Management Board is in charge of developing the common Financial Information System (FIS) and a human resources system, there appears to be no one ensuring that the departments purchase compatible computer platforms. The Standing Committee on Government Operations recommended during the business plan review that there be closer, apparent co-operation between the departments and the Financial Management Board on informatics strategies.

The government's response indicates that the Informatics Policy Committee of the Financial Management Board is charged with the review and coordination of the departments' annual informatics plans. The Informatics Policy Committee reviews the plans to ensure compliance with the current government-wide Informatics Strategy and to look for opportunities for the departments to share informatics technology. The government admits that the Informatics Strategy is five years old and outdated in today's government's realities. The Financial Management Board will be working with the departments to develop a new strategy that will better support the business goals of the Government of the Northwest Territories over the upcoming fiscal year. The Standing Committee on Government Operations looks forward to reviewing this new Informatics Strategy when it is available.

Mr. Speaker, under Employee Appraisals. It is understood that during the time of upheaval surrounding division, many of the common practices of government may have been lost in the rush to deal with the myriad issues facing each department. Nonetheless, some Members believe that the departments are missing out on a potential source of feedback from employees on departmental success in meeting their goals and strategies. Members of the Standing Committee on Social Programs were impressed with the deputy minister of Health and Social Services proposed methodology to ensure that employee appraisals are completed in a timely fashion by tying the awarding of performance

bonuses to senior management to employee appraisals.

The Standing Committee on Government Operations recommended during the business plan review that all deputy ministers tie the awarding of senior management performance bonuses to their success in completing employee appraisals. The government indicated that this is one of the criteria, but not the only one, in the awarding of performance bonuses to senior management. The committee recommends that the departmental completion rate for employee performance appraisals be included as part of the mid-term activity report.

Mr. Speaker, under highway strategy. Members of the Standing Committee on Resource Management and Infrastructure see a need for the new western territory to develop a highway strategy that links every community in the Northwest Territories. Members believe that there are significant savings to be realized in the social program envelope through the development of a comprehensive highway system.

The Standing Committee on Government Operations recommended during the business plan review that the Department of Transportation undertake a review of the current highway system in the Northwest Territories with a view to extension to every community. The Department of Transportation indicated in their response that this has been part of their mandate since the formation of the department. While this may be a true statement as it relates to the internal corporate history of the department, the committee feels that this goal needs to be communicated to the people of the Northwest Territories. Division provides a perfect opportunity to refocus the Department of Transportation's goals.

Under government initiatives and ministerial responsibility, Mr. Speaker, Members were concerned that recent government strategies such as the Economic Development Strategy fall under the auspices of the Financial Management Board instead of the department where the primary focus of the strategies exists. Members are still not convinced as to the government's rationale for this. The Standing Committee on Government Operations recommended during the business plan review that any strategy developed by the government be tasked to the department that is the focus of the strategy. The government generally agreed with this recommendation in their response.

Under government Conflict of Interest Guidelines. At the time of the business plan review, recent events had dictated that there would be a review of conflict of interest guidelines for MLAs, Ministers and their respective spouses, as well as senior management. Members felt that it may be appropriate to also conduct a review of the conflict of interest guidelines for entry level and middle management employees. The Standing Committee on Government Operations recommended during the business plan review that a review of the conflict of interest guidelines for entry level or middle management employees be conducted by a committee struck from departmental human resource professionals in consultation with the Union of Northern Workers.

The government's response was for further study and a submission to the Conflict of Interest Review Panel. The Report of the Conflict of Interest Review Panel, presented April 8, 1999, makes no reference to middle managers or entry-level positions. Committee Members remain convinced that this is an opportune time to examine the conflict of interest requirements for all employees of the Government of the Northwest Territories in conjunction with the Union of Northern Workers.

The Committee recommends that a review of the conflict of interest guidelines for entry level and middle management employees be conducted by a committee struck from departmental human resource professionals in consultation with the Union of Northern Workers.

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Under Policy Development. There is a concern that the present policies and guidelines of the Government of the Northwest Territories do not reflect the realities of governance in the new western territory after division. This is a perfect opportunity for all departments to re-examine their policies and work together in developing policies that meet government objectives in a manner relevant to our new territory. The Standing Committee on Government Operations recommended during the business plan Review that all government departments re-examine their policies in light of division and develop, in cooperation, policies that meet the goals and objectives of the Government of the Northwest Territories and meet the needs of NWT residents. The government in its response agreed with this requirement and assigned the Department of the Executive to co-ordinate the review of policies in light of division and to identify gaps in the GNWT policy framework that require

attention to better meet future needs. Committee Members look forward to providing their input when the review of policies is complete.

Mr. Speaker, under Building Pilings in Inuvik. Members of the Standing Committee on Social Programs were concerned about the impact of rotting building pilings in Inuvik on government departments other than the Northwest Territories Housing Corporation. Members were also concerned that rotting pilings might not be an issue confined only to the community of Inuvik. The Department of Municipal and Community Affairs, in the eyes of committee Members, has a responsibility to assist the Town of Inuvik in assessing the potential impact to the town's infrastructure. The other departments with infrastructure in Inuvik also have to develop action plans to deal with this issue. In addition, should the issue of rotting pilings prove to be beyond the fiscal capabilities of the GNWT and its agencies, federal relief funds should be accessed if possible.

The Standing Committee on Government Operations, during its review of the business plans, recommended that the Department of Public Works and Services take a lead role in developing an action plan to deal with the potential impact of rotting pilings on government infrastructure in and around the Town of Inuvik. The government's response indicated that the Departments of Public Works and Services, the Northwest Territories Housing Corporation, the Town of Inuvik and the Inuvik Housing Association are coordinating their activities to share knowledge, avoid duplication and to keep costs to a minimum.

The committee also recommended that the Department of Municipal and Community Affairs render all required assistance to the Town of Inuvik in assessing the potential impacts of rotting pilings on the town's infrastructure. The government's response indicated that the Town of Inuvik completed the survey of their buildings in the fall of 1998 and identified four buildings that require repair. The Town of Inuvik is dealing with these buildings. The Department of Municipal and Community Affairs is on the Inuvik Utilities Planning Committee, which has been dealing with pilings that support the utilidor system over the last number of years and has contributed financially.

The committee also recommended that the government also ensure that rotting pilings are not an issue in any other western Arctic community. The government's response indicates that the Department of Public Works and Services and the Housing

Corporation believe that this is not an issue in any other region other than the Inuvik region. The committee's final recommendation was that should the rotting pilings issue exceed the fiscal capability of the GNWT, federal relief funds should be accessed if possible. The government has agreed with this and, should the financial requirements exceed the government's fiscal capability, will apply for federal relief.

Mr. Speaker, that concludes my introductory comments on the committee report of the 1999-2002 Business Plans and the 1999-2000 Main Estimates. I move that the report be referred to the committee of the whole for consideration in concurrence with the 1999-2000 Main Estimates, and Mr. Speaker, I further seek unanimous consent to waive rule 93(4) and have the report moved into committee of the whole for today. 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. The Member for Yellowknife North is seeking unanimous consent to waive rule 93(4) and move the report into committee of the whole. Do we have any nays? There are no nays. Mr. Erasmus, you have unanimous consent, the report of the Main Estimates is referred to committee of the whole for today. Item 13, reports of committees on the review of bills. Item 14, tabling of documents. Item 15, notices of motion. Item 16, notices of motion for first reading of bills. Item 17, motions. Item 18, first reading of bills. Item 19, second reading of bills. Item 20, consideration in committee of the whole of bills and other matters. Bill 17, Appropriation Act, 1999-2000, and Committee Report 1-13(7), with Mrs. Groenewegen in the chair.

ITEM 20: CONSIDERATION IN COMMITTEE OF THE WHOLE OF BILLS AND OTHER MATTERS

CHAIRPERSON (Mrs. Groenewegen):

I would like to call committee of the whole to order. We are here to consider Bill 17, Appropriation Act, 1999-2000, and committee report 1-13(7). Everyone has the detailed booklets before them. Mr. Dent delivered his Budget Address yesterday, Mr. Erasmus has just presented the overview comments on the committee's review of the Main Estimates so, at this time, if the committee agrees, we will proceed to general comments. Any general comments? If the committee agrees that there are no general

comments, then we will proceed to the Department of the Executive. I will ask Premier Antoine if he would please present his opening remarks. Thank you, Mr. Antoine.

HON. JIM ANTOINE:

Thank you, Madam Chairperson. I am pleased to be here today to discuss with you the 1999-2000 Main Estimates for the Department of the Executive. The Main Estimates before you today are built on the Department of Executive 1999-2002 business plan. They reflect the priorities and strategies of this government and current fiscal realities.

In previous years, Executive Offices streamlined its operations and assumed new functions to better coordinate important functions of government. During 1998-1999 there were two major changes to Executive Offices responsibilities:

1. The Official Languages unit was transferred from the Cabinet Secretariat to the Department of Education, Culture and Employment; and

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2. Corporate Human Resource Services (CHRS) was established in 1998 within the Cabinet Secretariat

to consolidate corporate, non-labour relations, human resource functions:

- The corporate, non-labour relations, human resource functions were transferred from the Financial Management Board Secretariat;

- The corporate human resource functions were transferred from Education, Culture and Employment;

and

- The remaining human resource functions of the Personnel Secretariat were transferred to Corporate Human Resource Services.

Corporate Human Resource Services provides broad policy support and coordination for organization-wide human resources initiatives. It also provides related advice, training and support for human resource practitioners and management staff in departments. This service supports the governments's strategy of decentralizing responsibility and accountability for human resources to departments.

Madam Chairperson, during 1999-2000 we can expect continuing change and challenge for government. The Department of the Executive has, through previous business plans and main estimates approved by the Legislative Assembly, set a course for the future and we are holding to that course.

- The Department of the Executive - Executive Offices will support Cabinet in establishing and advancing the Northwest Territories Agenda. Articulating and communicating the government's vision and agenda are necessary steps to accomplish the government's goals of increased employment for Northerners and a fair, representative and responsible government.

- Executive Offices will support Cabinet in building an effective, capable, representative and motivated public service. This strategy supports the government's goals of increased employment for Northerners and a fair, representative and responsive government. We are improving the way we do human resources planning, identifying competencies for managers, and improving communications with our staff.

- Executive Offices will support Cabinet in building a smooth transition to the new western government. Although the major work of the Division Secretariat has now been completed, transition to two new Territories will continue for some time. The nature of the relationship between our government and the Government of Nunavut is now one of intergovernmental affairs.

- Executive Offices will support Cabinet in preparing and communicating a transition plan to the new government following the next general election. The new Legislative Assembly and Cabinet will be provided with objective, timely, relevant and complete information needed with respect to the transition from one government to the next. A coordinated transition will be provided for the on-going processes of legislation and policy development, resource allocation, and strategic planning.

Madam Chairperson, the Executive Offices proposed Main Estimates for 1999-2000 are \$8.168 million. This proposed budget is allocated among four activities as follows:

1. The Commissioner's Office activity is budgeted for two positions and \$171,000.

2. The Ministers' Offices activity is budgeted for 20 positions and \$3,347 million. This activity includes:

- Premier's Office;
- Ministers' Offices;
- Public Affairs; and
- Women's Advisory.

3. The Cabinet Secretariat activity is budgeted for 39 positions and \$4.256 million. The Cabinet Secretariat includes the following activities:

- Office of the Secretary to Cabinet and Cabinet Secretariat (Policy);
- Corporate Human Resource Services;
- Division Secretariat;
- Intergovernmental Affairs;
- Corporate Services Division;
- Legislation and House Planning; and
- Regulatory Reform Secretariat.

4. The Public Utilities Board is budgeted for two positions and \$394,000.

Madam Chairperson, I would be pleased to answer any questions the committee may have on the department's proposed 1999-2000 Main Estimates. Thank you, Mr. Chairperson.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Premier Antoine. At this time I would ask Mr. Ootes to present the committee's overview of this department.

MR. OOTES:

Thank you, Madam Chairperson. I would like to present the Report of the Standing Committee on Resource Management and Infrastructure Report on the 1999-2002 western business plans and Main Estimates. This is the report for the Department of the Executive.

The mandate of the Premier and the department is to provide overall management and direction to the

Executive Branch for the Government of the Northwest Territories.

The Standing Committee on Resource Management and Infrastructure reviewed the 1999-2002 business plan for the Department of the Executive on November 19, 2000. The committee noted that there was understandably increased emphasis on the creation of two new Territories. There were also

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three significant changes in the department. The former Personnel Secretariat is now Corporate Human Resource Services, which develops and monitors government recruitment policy, the Affirmative Action Policy and other government-wide human resource policies. Secondly, the Official Languages Unit has been transferred to the Department of Education, Culture and Employment. Finally, a new task force comprised of outside consultants and a working group of officials under the direction of the secretary to Cabinet is developing an Economic Development Strategy. Since the business plan review, the development, coordination and administration of the Economic Development Strategy has been transferred to the Department of Resources, Wildlife and Economic Development (RWED).

Throughout the committee's review of the department's draft 1999-2000 Main Estimates on March 25, 1999, Members identified key issues that continue to exact a significant demand on the department and the government. These issues include political uncertainty; the lack of employment opportunities, especially for our youth; the education of the current workforce to align with current employment requirements; and a high staff turnover. Committee Members expect these challenges to be ongoing for at least the short to mid-term.

The committee noted that projected operations and maintenance expenditures reported in the department's draft 1999-2000 Main Estimates declined by \$33,000 or 0.40 per cent from their 1999-2002 business plan projections. Projected declines in the Commissioner's Office, Minister's Office and the Public Utilities Board were mostly offset by a \$74,000 increase for the Cabinet Secretariat. Overall expenditures for the department remain essentially flat.

Northern Accord.

During the review of the department's 1999-2002 business plan, the Committee discussed the limited ability of the Government of the Northwest Territories to raise revenues. Committee Members agree that increased efforts must be made to retain a more equitable share of the fiscal return from anticipated economic growth, by obtaining a greater share of resource revenues. This would reduce our dependency on federal transfer payments.

Federal Positions.

During the business plan review, committee Members also discussed the proposed transfer or devolution of DIAND employees that deal directly with northern issues from Ottawa to the Northwest Territories. Members noted that the relocation would most likely result in staff complements that are more responsive, accountable and sensitive to their northern clientele.

The department replied that the Department of Indian and Northern Affairs (DIAND) is currently assessing the potential for decentralization. DIAND has retained a consulting firm to look at this issue. Until the consultant's report is completed, there will be few opportunities to move this agenda forward.

Economic Development Strategy.

The Economic Development Strategy currently under development is expected to be a key strategy for the government in 1999 and beyond. However, committee Members continue to be concerned with the Strategy's costs to completion and other related costs. The Minister has agreed to provide the committee with details concerning the final cost of the Economic Development Strategy.

Youth Employment.

The Committee expressed its concern that current and projected economic growth will not keep pace with the need for new jobs. This is especially evident among our youth. Committee Members agreed that there is a need for a coordinated effort by departments in the development and implementation of the Northern Employment Strategy and other related youth employment initiatives, such as the "Better Future for Our Youth" strategy.

Affirmative Action.

The committee in review of the department's draft main estimates expressed concern that affirmative action may be successful at entry and mid-level positions, but may be less than satisfactory at the

upper echelons. As a result, the committee requested that the department provide a quantifiable affirmative action status report for all departments for the last three fiscal years.

Human Resource Management.

In the review of the main estimates, committee members were concerned that the current practice of decentralized government human resource management may not be as cost-effective as the previous centralized human resource management approach. The department advised that there are cost savings from this decentralized delivery approach; however, committee members requested further reassurance. The department agreed to provide results that clearly indicate cost savings from the current adoption of the decentralized approach to committee members.

Madam Chairperson, that is the report on the Department of Executive Offices in the business plan review.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Ootes. Would the Minister like to bring in witnesses at this time? Does the committee agree?

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Sergeant-at-Arms, would you please bring in the witnesses. Mr. Antoine, for the record, would you please introduce the witnesses.

HON. JIM ANTOINE:

Good afternoon, thank you, Madam Chairperson. Madam Chairperson, to my left I have Ms. Gabriela Sparling, she is the deputy secretary to Cabinet and to my right, Mr. Dave Waddell, director of corporate services.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. If Members would like to make any general comments at this time on the Department of the Executive. General comments, Mr. Krutko.

MR. KRUTKO:

Thank you, Madam Chairperson. My question is in regard to the whole area of the human resource sector and also the affirmative action where we seem to still have a problem especially in seeing the benefits of decentralizing the Department of Personnel, allowing the managers to basically manage and also to do their own internal hiring. I feel that there has to be more in-depth review of the possible implications of that move and also concerned with regard to the affirmative action, especially at the upper levels of government in the senior management area, deputy ministers and also in the manager

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area of government. I feel that it is essential that we do have a reflective government and bureaucracy with regard to the people it serves. I feel it is very disheartening when you hear of individuals who were employees of this government and were laid off and now because of the hiring freeze within the government, are unable to get employment with this government. I am talking about individuals who were former employees of the Department of Personnel and also employees who may have taken layoff packages because of the downsizing of government and also the implications of division.

I would like to have some assurances that this government is doing something in that area and also working to improve the employment opportunities in this government, especially for individuals who have gone off to university, received their bachelor degrees, political science or even degrees in other areas. In regard to the shortages we are seeing in the Department of Health, Education, teachers, and also that there has to be a more open government when it comes to allowing the government to grow and bring in new people with new ideas and new energy and new initiatives. Madam Chairperson, I would like to leave it at that to make the Minister or Premier aware that I do have concerns in that area and I would like at the appropriate time to ask questions on those matters.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Any comments in response to that, Mr. Antoine?

HON. JIM ANTOINE:

Thank you, Madam Chairperson. Madam Chairperson, as an Executive and responsible for this department, we are fully aware of the concerns raised

by the honourable Member and all the other Members in the House with regard to the whole area of hiring. I know there was a concern of the question as to why did the government do away with the Department of Personnel and so forth. What the government had done was to decentralize and turn the responsibility of this operation to the departments. Since becoming Premier, I have emphasized with the Ministers and the Deputy Ministers that the responsibility for following the policies in hiring people and trying to comply with the affirmative action is the responsibility of the Ministers and deputy ministers. That is the direction that this government has taken. At the same time, we are looking at the problem caused by the policy of the internal hiring. I think that may have caused a problem with people in the north who have certain skills that they would like to share with the rest of us and working for government. We are seriously looking at changing that in the next little while.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Krutko.

MR. KRUTKO:

Thank you, Madam Chairperson. In regard to the other area and the Northern Accord, and we know that it is probably one of the most critical issues that is at hand to find a way to find new revenues, but also to find a workable solution to try to have these talks hopefully come to a positive end and we have an agreement with the aboriginal groups, the Government of the Northwest Territories and Ottawa. I think it is critical that through the term of this legislature it was always a priority of this government. With regard to the amount of progress that was made on this file, it seems there has been no progress to date. For this government to basically see this issue in our annual reports time and time again, listing it as a priority, and that there has to be some movement in that area. It is very hard to comprehend that there will be an eventual end to these negotiations and talks, but I think before we see the light at the end of the tunnel we have to start the process. It is critical that the process starts as soon as possible.

Myself, as an individual and some one who was involved in the negotiations with the Northern Accord in the past, feel that because of the political uncertainty in the west and the democratic changes that we see coming with the question about the Boundaries Commission, restructuring of government, and also ridings in the new Western Territory, that it will possibly have a setback to the outcome of the

Northern Accord in the future. I think it is essential that we basically conclude these negotiations before any major changes to the political makeup of the Western Territory takes place. I honestly feel, as a person who has been involved in that, and also the problems that we see with the delivery of programs and services and also the challenges we have on self-government, where is the money going to come from? At the end of the day, we are all going to be going to the same, basically, funding source, which is the federal government. The only resources that we have presently to us is federal transfer payments and possibly resource revenue sharing.

I think the aboriginal groups and the self-government negotiations are seriously looking at how do they get those extra funds to carry out programs and services they are presently negotiating. I would like to ask the Premier exactly, at the timing of the Northern Accord has to be concluded or fast-tracked, and some effort has to be made by this government to start that process, regardless - having a meeting with all the aboriginal leaders and groups up and down the valley and trying to find a way to compromise and find a workable solution to have this concluded before the next election. Thank you, Madam Chairperson.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Krutko. Mr. Antoine.

HON. JIM ANTOINE:

Thank you, Madam Chairperson. Madam Chairperson, this whole area of Northern Accord, devolution or northern control of northern resources and sharing control of our resources, it all means the same, Madam Chairperson. This government, with the Agenda for the New North, trying to meet all the leaders and trying to get people generally in the whole Northwest Territories to understand the Agenda for the New North, basically it has the Northern Accord or devolution as a key element. There are five elements to that agenda and they are all linked. The Northern Accord or sharing control of our own resources, is a key element to that agenda.

Since becoming Premier, and especially since January, we have been sharing this agenda with people in the north, people who are stakeholders in the north, the oil and gas companies the Honourable Jane Stewart, the Minister responsible for DIAND, and Paul Martin, the federal Minister of Finance. The agenda itself includes this very important key element, and I have to say that as far as I am

concerned, the whole process has already started. The first step is to put everything on the table for the people in the north to see what it is that we are dealing with, and we are trying to get all the right information so that people see what we in the Government of the Northwest Territories and this Legislative Assembly have to grapple with in the next few years.

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As far as progress on this particular file, it is included in the agenda. I think we have shared the information. We have travelled to many communities. We still have to go to many communities. We have gone to a lot of events and we keep talking about this very important agenda and the key element to it is this devolution. The timing of it, to put a condition to this government to fast-track, to try to conclude it before the political makeup of the western NWT is changed is a very difficult task for us to do. I think the aboriginal nations and different organizations in the north are a very key part of this whole agenda. It is an agenda item that has been done very sensitively, and making sure that different organizations do not get the wrong impression of what we are attempting to do.

In that way, it will be difficult for us to say that we are going to fast-track it. I do not think I want to do that. I think that, even if we do not conclude it by election time, if October 4th is still the election deadline and if that is still when we are going to have an election, then we do not have that much time to do it. Even if it is later on, let us say February, March or even April of next year, there are some months there to do some work. There are indications by different aboriginal leaders, for example the Beaufort Delta leadership are supportive of this type of an approach. We have met with the chiefs, a few weeks ago here there were indications that they would like to explore that avenue. There are positive indications by different aboriginal leadership that they are willing to go that route and we are still talking to all the other organizations as well to make sure that they fully understand what we are trying to attempt.

I think it is safe to say that we have started the ball rolling on this. I do not know where it is going to end up, but the key component to this whole initiative is that the aboriginal organizations have to be onside on this one here. We have to work together in partnership with the aboriginal people, the territorial government and the federal government to make sure that this is successful. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Antoine. Are there any further general comments on the Department of the Executive? Mr. Ootes.

MR. OOTES:

Madam Chairperson, I just had a request. When the Ministers make their statements I wonder if they could provide copies to the Members on this side, it would be easier to follow and allow us to possibly generate some questions from that.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Mr. Premier.

HON. JIM ANTOINE:

We made copies of the opening comments and they should be in the hands of...thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. I guess they are not made available unless they are requested, so they are being requested now. Mr. Ootes.

MR. OOTES:

Thank you, Madam Chairperson. Madam Chairperson, I do not mean that I want Mr. Antoine's right now. What I meant was, if the Ministers, when they make their statements, if they could provide copies at the same time to the Members on this side, so that when the Ministers present their statements, their opening comments, that we can be supplied those copies.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Yes, I understand we can have copies of the Ministers' opening remarks provided to the Member shortly. Thank you. Mr. Antoine, would you agree that we could make this a matter of routine for all of the departments, that opening remarks be made available to the Ordinary Members?

HON. JIM ANTOINE:

Yes, we will. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Are there any further general comments? Mr. Ootes.

MR. OOTES:

Madam Chairperson, I just had a question, is the Minister in a position to update us on the federal positions that were identified within the Department of Indian and Northern Affairs as potential transfer to the north, does he have an update on that?

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Mr. Antoine.

HON. JIM ANTOINE:

Thank you. We have not been told by the federal government what their final report is in regard to the study that they have been doing for about three years now. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. I understand it has many phases. Mr. Ootes, anything further? Any further general comments? Mr. Erasmus.

MR. ERASMUS:

Thank you, Madam Chairperson. Similar to Mr. Krutko, I have a long-standing problem with the GNWT hiring process which has been exacerbated by the demolition of the Department of Personnel. We now have a lack of a central personnel agency. While this may have put more control into the hands of the managers in the departments, what this has done is given the perception to the general public that there is really no control over the hiring, I should not say no control, but that there are inconsistencies in the hiring processes and that perhaps people do not really have to be accountable because, with no central agency or no independent body within the hiring process, the only people in that process are the departmental people. What I have heard from a great many people is that they feel that without an independent person or body within the hiring process, that they have no faith in the process. That there is nobody there, if they appeal, to confirm whether what they are complaining about is accurate or inaccurate. This is a real concern of mine. Another concern is the inconsistencies in the departments in applying the Affirmative Action Policy. Apparently, some departments prioritize applicants by their affirmative action status, then determine if the candidate meets the criteria. If there are enough affirmative action candidates, the other applicants are not considered. Other departments prioritize applicants by how well they do on a selection criteria and secondly by

whether or not they are affirmative action candidates. This screening process is more susceptible to having affirmative action candidates who meet criteria overlooked in favour of others with less priority but who do very well on the selection criteria.

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Mr. Speaker, this has been researched by our research staff and they have been told that this is the way the departments do it. So, this is another concern, inconsistent application of the Affirmative Action Policy. There are also problems with different classifications within affirmative action. The way it is done right now, you could have a resident woman in the Northwest Territories for one year and they would have a higher priority status than a non-aboriginal man who was born in the Northwest Territories and lived here all his life. So, although I realize that women have traditionally been paid less for doing similar jobs and not really getting into senior management are that well, I do not believe that this is the way that we should go, that someone who has only been in the north for one year should have a higher priority status than another person who was born and raised in the Northwest Territories. These are some of the problems that I have with this hiring process.

Another area that Mr. Krutko had mentioned, which I had written the Premier about, is the way we are treating employees who are laid off from indeterminate positions for various reasons, whether it was for division, downsizing or whatever. When these people were laid off they were told that they would have first priority over the new jobs, in fact, they would have higher priority than affirmative action candidates whether or not they had affirmative action status. A little while ago we instituted another policy, a no layoff policy. To do this no layoff thing we have been holding internal competitions and the people who are supposed to be having priority status to get first crack at the jobs cannot even apply on those internal competitions. They cannot apply, yet when we laid them off we told they can have first crack at any job that comes up. Mr. Chairman, this is total inconsistency in our policies. Meanwhile, while we have this internal competition policy happening, the clock is ticking on the priority status employees. They only have this priority status for a certain length of time. The clock is ticking on them so they cannot apply on jobs and their priority status is slowly going away. What I would like to know is, will the Premier move, and move quickly, to resolve this so that

people who are priority status can apply on these internal competitions?

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Erasmus. Mr. Premier.

HON. JIM ANTOINE:

Thank you, Mr. Chairman. Mr. Chairman, I take the comments of the honourable Member very seriously. At the Cli Lake strategy meeting we talked at length about it and the action that we want to move quickly on is we are moving a change in doing away with the internal hiring policy towards Cabinet here in the next few days. Hopefully once we do that, that would alleviate some of the problems that the honourable Member is making reference to. At the same time this will allow for people who have skills outside the government system to have the opportunity, like everybody else, to compete on the positions that will be opening up throughout this government. Hopefully that will alleviate this problem and we are planning to move very quickly on that.

In the other concerns the honourable Member has in regard to the inconsistencies and the accountability and so forth, we are making strong emphasis that the onus is on the Ministers and the deputy ministers, that they have to comply with the policies that have been agreed upon here. Particularly, the Affirmative Action Policy that has to be applied the way it is intended to be. Perhaps there may be some situations in the past where the policies have not been complied to according to the way they are supposed to be, and we have to make sure that we do the policy the way that it is intended to be. There are other concerns the honourable Member had in terms of classification and so forth and there again, I think if we apply the policy according to the way it is supposed to be applied then we should be able to accommodate the concerns of the honourable Member. Thank you.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Premier. General comments? What is the wish of the committee? Line by line. Page 213, Executive, Commissioner's Office, operations and maintenance, \$171,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Total expenditures, \$171,000, page 213. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Page 217, Minister's offices, operations and maintenance, \$3.347 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Total expenditures, page 219, Minister's offices, grants and contributions. Grants, \$50,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Contributions, \$445,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Total grants and contributions, \$495,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Cabinet Secretariat, page 221, operations and maintenance, \$4.256 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Public Utilities Board, operations and maintenance, \$394,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Active positions, information item. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Back to page 211, Executive Offices, program summary, operations and maintenance, \$8.168 million. Agreed?

SOME HON. MEMBERS:

Agreed.

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CHAIRMAN (Mr. Krutko):

Total expenditures, \$8.168 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

That is the end of the Executive Offices so I would like to thank the Premier and his department colleagues. Thank you. Does the committee agree that we proceed with FMBS, the Financial Management Board? Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Mr. Dent, you have a statement, opening remarks.

HON. CHARLES DENT:

Thank you, Mr. Chairman. Yes, I have some opening comments. Mr. Chairman, I am pleased to have the opportunity to review with you the Financial Management Board Secretariat's 1999-2000 Main Estimates.

The Financial Management Board Secretariat is a central agency of the government. It is responsible for providing advice to the Financial Management Board on the efficient, effective, and economic use of the government's financial, human and information

technology resources. The Financial Management Board Secretariat provides this advice and service through five core business units:

- the directorate;
- labour relations and compensation services
- government accounting;
- audit bureau; and
- budgeting and evaluation

In reviewing the Estimates, Members will note the resource reductions from 1998-1999 to 1999-2000. These reflect the funding requirements of the Financial Management Board Secretariat to provide its programs and services to a reduced jurisdiction and a smaller government workforce. However, division of the Northwest Territories has not changed the Financial Management Board Secretariat's responsibility to provide the same core business functions it did prior to the creation of Nunavut. These core business functions include:

1. Providing advice and assistance related to compensation, job evaluation, benefits and maintaining the payroll and human resource information systems.
2. Providing external financial reporting for the GNWT, developing corporate accounting procedures and policies, paying power subsidies and maintaining the government's accounting system.
3. Providing an internal audit service.
4. Coordinating the government business planning and budgeting process and providing advisory services and assistance in the areas of budget management, program and evaluation and performance measurement.
5. Coordinating the government-wide informatics planning initiative.
6. Providing support for the community empowerment, self-government and claims implementation initiatives.
7. Managing the disposal of the remaining staff housing units.

In addition to its core business responsibilities, the Financial Management Board Secretariat continues to

aggressively implement a number of key government-wide initiatives, including:

1. Public/private partnerships.
2. The development and implementation of a new People Soft payroll and human resource management system.
3. The implementation of a framework for the division of the GNWT's assets and liabilities as at March 31, 1999.
4. The geographic reporting of expenditures at the western community level.

The Financial Management Board Secretariat has also developed an Internet web page that provides the public with regular updates on the status of these and other initiatives.

That concludes my opening remarks, Mr. Chairman. I am open to questions.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Minister. Are there any comments from the committee? Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. I would like to present the committee's report on the Financial Management Board Secretariat and the review of the 1999-2002 business plans. General comments first.

The Financial Management Board Secretariat and the Chairman of the Financial Management Board have the mandate for managing and controlling the financial, human and information resources of the government, and for providing information to the FMB and ensuring that the government's financial, human and information resources are managed in an effective, efficient and economical manner.

The Standing Committee on Resource Management and Infrastructure reviewed the FMBS business plan on November 20, 1998, and the draft 1999-2000 Main Estimates presented by FMBS on March 24, 1999. The Committee noted a \$71,000 or 0.38 percent decrease in total operations and maintenance expenditures. Projected decreases in operations and maintenance for the Directorate, Labour Relations & Compensation and Budgeting and Evaluation, were partly offset by minor increases in Government Accounting and the Audit Bureau. Operations and

maintenance revenues are projected to increase \$63,000 or 1.46 percent.

Throughout the committee's reviews, Members were primarily concerned with the incorporation of full cost recovery and a cost-plus factor in all service contracts with Nunavut, existing staff housing and potential spinoffs from Aurora Fund loan disbursements. Accountability and the efficient use of resources are an ongoing concern. As a result, the Aurora Fund issue remains at the forefront of committee concerns.

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Aurora Funds. During the reviews of the business plans and draft Main Estimates, the committee expressed its concern regarding the effectiveness of the Aurora immigrant investor funds in delivering direct economic benefits to the northern economy. Committee Members were also concerned that funding based on a balanced and an equitable approach must be directed towards all corporations alike.

The committee reiterates its request made during the business plan review for employment statistics that specifically identify jobs created as the direct result of capital transfers made to territorial companies from the Aurora Funds, and for the final list of Aurora Fund clients and respective loan amounts.

A similar information item was provided by FMBS to the committee for the preliminary set of monies disbursed by the Aurora Fund, and these requests were agreed to by the Minister during review of both business plans and Main Estimates.

Service Fees to Nunavut Government. The Nunavut government has contracted and is anticipated to contract additional services from the future NWT government in the short to medium term. The current rate or '>cost-plus' factor charged by the government to the federal government for a service performed is 6.5 percent.

During the business plan review, the committee recommended the incorporation of a '>cost-plus' factor (or a service fee) in all service agreements with the Nunavut Government. This would be in addition to full recovery costs of services and programs delivered. The committee requested a copy of the government-wide template for service and program delivery agreement for work done on behalf of the Nunavut government. Committee Members were pleased to find that the template incorporated full recovery costs

and a cost-plus factor as per the committee's recommendation.

Pay Equity. Committee Members continue to be concerned about the progress of the pay equity issue. Pay equity represents an unknown risk that may significantly affect the overall fiscal outlook for the Government of the Northwest Territories.

Informatics. Committee Members are concerned about year 2000 compliance for government-wide systems, and especially those systems that manage and operate essential services such as power and fire suppression. Further, committee Members pointed out that it may be incumbent upon the GNWT to ensure municipalities are Year 2000 compliant. Many municipalities may not have the qualified staff or resources to ensure timely compliance.

The department assured the committee that a government-wide review has been undertaken to ensure the government's computer systems are Year 2000 compliant.

Mr. Chairman, I would like to turn the report over to my colleague, Mr. Rabesca, to complete the report on the Financial Management Board Secretariat.

CHAIRMAN (Mr. Krutko):

Thank you Mr. Ootes. Mr. Rabesca.

MR. RABESCA:

Mr. Chairman. **Staff Housing.** During the review of both the business plans and the draft Main Estimates, committee Members expressed concern about the diminishing supply of government staff housing. Many transient and essential professionals require temporary and affordable housing. The unavailability of staff housing may be a deterrent to the recruitment and retention of essential personnel.

The committee and the department agree that the absence or limited availability of staff housing is not the only difficulty in the recruitment and retention of teachers and medical staff. Two other major factors include competing compensation packages in other jurisdictions and the current shortage of teachers and nurses nationwide.

The department provided the committee with an inventory of existing staff housing, including the location of each unit, its condition and occupancy status, as well as a timeline for their renovation, removal or sale. The department noted in the

inventory report that there are 100 staff housing units remaining in the Western Territory, and a portion will be transferred to their respective communities.

However, during the draft Main Estimates review, the committee was informed by the Minister that although the ownership of some staff housing has been transferred to their respective communities, the government remains responsible for their operations and maintenance costs. As a result, committee Members asked the Minister to provide summaries outlining the government's operations and maintenance costs for existing staff housing and the government's portion of the operations and maintenance costs for transferred staff housing.

Human Resource Management. Committee Members noted during the business plan review that there should be a coordinated and centralized human resource management initiative to ensure the cost-effective and accurate accounting and allocation of existing and projected positions.

The committee requested and received a personnel summary report describing each government position, its description, location, and whether it is filled or vacant, as well as comprehensive information about the People Soft Program that is currently being adopted for more effective human resource management within government. That is the report of the Financial Management Secretariat Board. Thank you.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Rabesca. Does the Minister want to call witnesses? Mr. Dent.

HON. CHARLES DENT:

Thank you, Mr. Chairman. Yes please.

CHAIRMAN (Mr. Krutko):

Does the committee agree?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Can the Sergeant-at-Arms escort the witnesses in? Would the Minister introduce the witnesses?

HON. CHARLES DENT:

Thank you, Mr. Chairman. On my right I have the Secretary of the Financial Management Board, Mr. Lew Voytilla.

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CHAIRMAN (Mr. Krutko):

Thank you, Mr. Minister. Welcome, Mr. Voytilla. General comments, Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. During the Reply to the Budget Address I had indicated that I was concerned about the lack of adequate housing for nurses and teaching staff. This is a very grave concern. If we cannot ensure staff that they are going to have some place to live, I do not think we can really blame anybody but ourselves if we cannot hang onto staff or if we have a hard time getting people to come up here and work in our schools or our nursing stations in the smaller communities. I would like to know if the Minister has, just prior to that, I know that when the sale of staff units has been contemplated we were told that wherever there were problems with people getting housing and that type of thing, this would be dealt with by this government. What I would like to know is how is this government dealing with the lack of staff housing for our teachers and nurses in the communities? Thank you.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Erasmus. Mr. Minister.

HON. CHARLES DENT:

Thank you, Mr. Chairman. Let me break the response to the question into two parts. First of all, in terms of nurses' housing, typically nurses' accommodations are dedicated units in a community and there has not really been a problem to date with accommodating nurses. On the teachers' side, the Secretariat works with the Divisional Education Council if a problem is identified in a community. On an overall basis we have taken a number of different approaches in some of the smallest communities where there is, typically, one housing unit that is occupied by the teacher. In five such communities, we have turned the housing unit over to the Divisional Education Council along with operations and maintenance funding so that the Education Council themselves can administer the housing that is available. We have embarked on discussions with communities, to further devolve directly to them. With

this devolution, we will include operations and maintenance funding so that communities will be able to set the rents outside of operations and maintenance funding and, perhaps, make some money on the housing while keeping rents at an attractive level. The bottom line, Mr. Chairman, is that as a Divisional Education Council identifies a particular problem, the Secretariat works with that council to try to deal with the situation on a one-on-one basis.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Minister. Mr. Erasmus.

MR. ERASMUS:

Mr. Chairman, is the Minister saying that we currently have no housing problems for nurses or for teachers in the western Northwest Territories?

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Erasmus. Mr. Minister.

HON. CHARLES DENT:

Thank you, Mr. Chairman. There are very few specific problems that have been brought to the Secretariat's attention. Where there has been a problem brought to the Secretariat's attention they have moved to deal quickly with the Divisional Education Council in attempting to resolve the situation.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Minister. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. I specifically remember indications that staff were ready to go on income support because they had to pay such high rent. Now, were these instances only in the eastern Arctic or were those some of the problems that have been solved? Thank you.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Erasmus. Mr. Minister.

HON. CHARLES DENT:

Thank you, Mr. Chairman. I am not that far away from the department that administered income support and I can say there were no teachers in the

north who qualified for income support. The problem is probably more closely related to the price and what teachers believe they should pay for accommodations. We use Yellowknife market rents as the basis for rents for accommodation in the communities and many people feel that is unreasonably high.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Minister. General comments. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Is the Minister saying that we are still using the current Yellowknife market rent rates in the smaller communities, because if we are doing that I think that is where the problem is. If you charge \$1,000 a month for a two-bedroom apartment and put that together with the high cost of food and the rest of living expenses in a smaller community because of having to fly your stuff in, and whatnot, and you have a really high cost of living. Could the Minister once again indicate how they are charging the rent for those units?

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Erasmus. Mr. Minister.

HON. CHARLES DENT:

Thank you, Mr. Chairman. Yes, we use Yellowknife market rents. It is important to remember that all government employees, teachers, and public works employees receive a northern allowance in order to compensate for the increased cost of living in remote and expensive communities. That can be anywhere from \$1,700 a year, in Yellowknife, to \$8,000 or \$9,000 a year in other communities. That increased cost is what we provide to all our employees whether they be teachers, nurses or public works employees, to recognize the different costs of living in different communities. We would be happy to provide Members with a listing of the northern allowance, by community, in the Northwest Territories, if that would be helpful to the Members of this committee.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Minister. That would be helpful. Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Does the Minister feel then that this extra amount that they receive makes the high cost of living in the communities adequate? Is the extra amount adequate to make living in the communities reasonable in relation to living in other areas when they are contemplating where they should go to work? Thank you.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Erasmus. Mr.

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Minister.

HON. CHARLES DENT:

Thank you, Mr. Chairman. The purpose of the allowance is, in fact, to achieve the goal the Member has asked about. It would be inappropriate for me to express an opinion about the adequacy of it given that it is something that is negotiated with our unions through the collective agreement process. It is something that we have come to an agreement with our unionized employees at the bargaining table.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Minister. General comments. Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. I would like to address some questions regarding the Aurora Funds, Mr. Chairman. Just to background it, to my understanding there were two Aurora Funds and each was identified as raising approximately \$30 million to \$35 million. I believe 75 or 80 percent of that would be invested into northern businesses. I have tried to get some questions answered on this previously but the committee itself had some questions. Related to job creation and so forth, how effective has the Aurora Fund really been? Perhaps I can start by asking the Minister several series of questions so that I get a picture of where we are at with the Aurora Fund. I guess my first question is, how much has each particular fund raised to date in total?

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Ootes. Mr. Minister, did you get that?

HON. CHARLES DENT:

Sorry, Mr. Chairman. I missed the end part of Mr. Ootes question.

CHAIRMAN (Mr. Krutko):

Could I have Mr. Ootes repeat his question?

MR. OOTES:

I would like to know how much each Aurora Fund has raised in total?

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Ootes. Mr. Minister.

HON. CHARLES DENT:

Thank you, Mr. Chairman. The Aurora Fund 1996 has raised \$19.5 million and Aurora II has raised \$22 million.

CHAIRMAN (Mr. Krutko):

Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. Could the Minister tell us how much has been invested in northern companies?

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Ootes. Mr. Minister.

HON. CHARLES DENT:

Total loans approved, Mr. Chairman, under Aurora 1996 are \$18,263,350 and under Aurora II, \$17.2 million.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Minister. Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. Could the Minister tell us how many companies in total have received funding?

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Ootes. Mr. Minister.

HON. CHARLES DENT:

Thank you, Mr. Chairman. There are approximately 12 as of March 31, 1999, that have received funds.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Minister. Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. Is that 12 separate companies or did one company receive more than one loan?

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Ootes. Mr. Minister.

HON. CHARLES DENT:

Thank you, Mr. Chairman. There is one company which has received more than one loan.

CHAIRMAN (Mr. Krutko):

Mr. Ootes.

MR. OOTES:

If I am to understand, therefore, there were really 11 companies that received 12 loans, if I interpret that correctly. Could the Minister tell us if there has been some tracking of employment created as a result of these loans?

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Ootes. Mr. Minister.

HON. CHARLES DENT:

Thank you, Mr. Chairman. That information is being sought now from the companies.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Minister. Mr. Ootes.

MR. OOTES:

Can we have an indication of when we may expect some answers on that?

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Ootes. Mr. Minister.

HON. CHARLES DENT:

Thank you, Mr. Chairman. Depending on how long this sitting lasts, I will endeavour to get that

information to Members before the end of the budget session.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Minister. Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. I appreciate the Minister's work on this to supply us with the information. Could the Minister tell us if he can provide the amounts given to each particular company? I believe that when the first batch of loans were announced the amount of the loans was associated and identified. The second batch that we were given I have been informed that we cannot receive the amount of the loans. I think it would be extremely helpful for all of us if we had the detail of how much each particular company was loaned. I know that there have been comments back to me that there is a certain amount of privacy involved with that but the way I look at this is we are dealing with, perhaps it is not government money in the clear sense of the word, but we are involved in ensuring that this is properly administered and properly allocated. I wonder if the Minister could look at this and if they cannot supply it, I would like to know some real reasons why we cannot get it.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Ootes. Mr. Minister.

HON. CHARLES DENT:

Thank you, Mr. Chairman. In fact we have to seek consent from the people who received the loans to disclose the amounts. For those companies who have signed such consent, I would be prepared to provide that information to Members fairly quickly. The Member asked why we should not

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make this sort of information public and I would say that what you have with an immigrant investor program are a number of people who, as a condition of immigration to Canada, are required to invest their money in businesses in Canada. As such they expect to be treated as any other investors in business. This means that typically they are not identified publicly as investors. The people who are borrowing the monies are doing so just like going to a bank.

Again, if we are in competition with the banks, which in fact the Aurora Fund is, unless you are offering

some advantage to companies why would they come and borrow money from you? When this program was started there was an expectation that bank rates would probably rise, and through the Aurora Fund we would be able to offer investors a preferred rate of interest which might attract people to use these monies in the north for businesses that could not otherwise get bank financing. In fact, as Members well know, interest rates have not increased in the past couple of years and in fact, the rates that the Aurora Fund offers its monies are very close to bank rates. There is not much of an advantage in a business coming to the Aurora Fund and asking for funds over that of going to the bank. Since there is no preference, there are companies that say why would I bother to borrow money from a fund which has obviously become a political target. That is the situation in which we find ourselves at present. As I said, Mr. Chairman, I would be quite happy to provide Members with a listing of the loans and the amounts for those companies, which have signed waivers.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Minister. Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. I do believe that the first announcements did contain the amounts with them so obviously something has changed since the first release of those who are holding loans. I do not think it necessarily in my mind would become a political issue if we knew the amounts from the companies side. After all, I look at it and say, well, how do we know, there may be 12 loans out there but does one company get \$10 million and another company, \$8 million, and the rest is divided up between the ten other companies, leaving maybe \$3 million. It is kind of an area of concern that I have.

I realize there is a Board of Directors for this to administer and so forth but it does relate to the question are these invested in businesses that have created employment? If we do not know the employment that has been created for all this, and that is obviously why we did it in the first place, we made an up-front investment of, I believe, something in the neighbourhood of \$1 million was bandied around that it cost to set all this up and to administer and so forth. Fair enough, but \$1 million could have bought us a lot of jobs too. I do not know whether it was that amount but whatever that amount was the object of the game, I think for us, should be are we creating employment? I cannot relate if I do not know

each particular company investment, the investment we have made in each company and what was the return of those companies.

Again, we could take a situation of the two companies, one with \$8 million and one with \$10 million, is it in the area of \$3 million divided over the ten companies that have created all the employment or is it the two companies that have created all the employment? We just do not know. I think to get a proper picture of this whole thing, we need to have detail and data.

CHAIRMAN (Mr. Krutko):

Thank you Mr. Ootes. Mr. Minister.

HON. CHARLES DENT:

Thank you, Mr. Chairman. As I have said, I am prepared to provide the information that the Members have requested for those companies that have supplied us with waivers. Some companies have expressed concern that information might be released without their permission. It is important to remember that there is no government money here. It is a bank. All of the seed money that the government had put in has come back from the proceeds. The fund pays for its own administration. This is private investors putting money in and it is being invested in northern businesses. If it is important for Members to know the details of who received the money, any investors who we have signed waivers is information I can make available.

I am trying to make the point that we will have difficulty placing all of the monies, simply because we do not offer any benefit over going to a bank. There is no improvement of the interest rate. The program itself has to be self-financing. The administration costs are coming back out, just like they would from a bank. It is a situation where these monies are available for investing in the north by companies that have good solid business plans. It is not going to risky companies. The underwriting company has insisted that there be solid blue chip business plans and that the funds are fairly well guaranteed. It is a difficult sell when you have no advantage over the banks and you then have to know that if you went to a bank no one would know how much you borrowed. However, if you utilize this fund there are going to be questions as to the amount that you received. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Minister. General comments. Mr. Henry.

MR. HENRY:

Thank you, Mr. Chairman. I have questions on the Aurora Fund also. It is more from a liability prospective. I believe, certainly the previous Minister has spoken and related to this government, that there is no further financial liability on this government in the event that the Aurora Fund at some time could sustain financial losses. My question to the Minister is, is he aware of any other Canadian jurisdictions who have initiated similar funds to the Aurora fund that have had to settle liability issues because of losses that the particular fund incurred, and there was perception that the particular governments were so close that there was a reasonable expectation on the investor that the money was secure? Could the Minister respond if he knows of any other Canadian jurisdictions that have had to incur financial liability because of similar funds that have sustained losses? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Henry. Mr. Minister.

HON. CHARLES DENT:

Thank you, Mr. Chairman. Mr. Chairman, federal regulations prohibit governments from guaranteeing the loans in these funds. To the best of our knowledge, there is no other jurisdiction that has contravened that federal regulation.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Minister. General comments. Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. I understand that this

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board is composed completely of government individuals on the Aurora Fund, and I wonder if the Minister could confirm that or expand on that?

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Ootes. Mr. Minister.

HON. CHARLES DENT:

Thank you, Mr. Chairman. Of the eight members on the board, there are five who are with the government, three are employees, two are Ministers, myself and Minister Kakfwi. The other three directors are southern appointments, all of whom have banking backgrounds. Thank you.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Minister. Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. Could the Minister tell us, is there a process by which one of the members or workers can declare a conflict of interest should that arise?

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Ootes. Mr. Minister.

HON. CHARLES DENT:

Thank you, Mr. Chairman. Yes it would be expected that if there was a conflict that somebody would declare that.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Minister. Mr. Ootes.

MR. OOTES:

I believe that Mr. Voytilla is the president or the Chairman of the Aurora Fund. Could the Minister tell us if anyone has ever declared a conflict?

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Ootes. Mr. Minister.

HON. CHARLES DENT:

Thank you, Mr. Chairman. I am advised by Mr. Voytilla that he does not recall anyone declaring a conflict of interest. I would like to expand a bit on my previous answer. The conflict rules are fairly stringent and are set out to comply with securities restrictions.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Minister. Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. To the best of the Minister's knowledge and the best of Mr. Voytilla's knowledge, no one on the board or their workers have ever declared a conflict?

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Ootes. Mr. Minister.

HON. CHARLES DENT:

Thank you, Mr. Chairman. I have already answered that question in the negative.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Minister. Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. Are minutes of the meetings kept, Mr. Chairman?

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Ootes. Mr. Minister.

HON. CHARLES DENT:

Yes, Mr. Chairman.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Minister. General comments. Mr. Erasmus.

MR. ERASMUS:

Mr. Chairman, I move that we report progress.

CHAIRMAN (Mr. Krutko):

There is a motion on the floor to report progress. The motion is in order. The motion is not debatable. All those in favour? All those opposed? The motion is carried. I will rise and report progress. I would like to thank the Minister and Mr. Voytilla.

MR. SPEAKER:

Good evening. The House will come back to order. We are on item 21, report of committee of the whole. Mr. Krutko.

ITEM 21: REPORT OF COMMITTEE OF THE WHOLE

MR. KRUTKO:

Thank you, Mr. Speaker. Mr. Speaker, your committee has been considering Bill 17, Appropriation Act, 1999-2000, and committee report 1-13(7) and would like to report progress. Mr. Speaker, I move that the report of the committee of the whole be concurred with.

MR. SPEAKER:

Thank you. Seconded by Mr. Roland. The motion is in order. To the motion. Question has been called. All those in favour? All those opposed? The motion is carried. Item 22, third reading of bills. Item 23, orders of the day. Mr. Clerk.

ITEM 23: ORDERS OF THE DAY

DEPUTY CLERK (Mr. Schauerte):

Mr. Speaker, there will be a meeting of the Standing Committee on Government Operations at 11:00 a.m.

Orders of the day for Wednesday, April 21, 1999:

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. Replies to Budget Address
11. Petitions
12. Reports of Standing and Special Committees
13. Reports of Committees on the Review of Bills
14. Tabling of Documents
15. Notices of Motion

16. Notices of Motion for First Reading of Bills
17. Motions
 - Motion 18-13(7)
18. First Reading of Bills
 - Bill 18, Loan Authorization Act, 1999-2000
19. Second Reading of Bills
20. Consideration in Committee of the Whole of Bills and Other Matters
 - Bill 17, Appropriation Act, 1999-2000
 - Committee Report 1-13(7)
21. Report of Committee of the Whole
22. Third Reading of Bills
23. Orders of the Day

MR. SPEAKER:

Thank you. This House stands adjourned to Wednesday, April 21, 1999 at 1:30 p.m.

--ADJOURNMENT