



**NORTHWEST TERRITORIES
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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. Morin, 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. Roland. Good afternoon. Orders of the day. Item 2, Ministers' statements. Mr. Antoine.

ITEM 2: MINISTERS' STATEMENTS

Minister's Statement 40-13(7): Discontinuing The Internal Competition Process

HON. JIM ANTOINE:

Thank you, Mr. Speaker. Mr. Speaker, I would like to announce that Cabinet has decided to discontinue the internal competition process.

--Applause

In March 1998, the government approved a no layoff policy to support stability in the public service. Downsizing was still required as a result of division of the Northwest Territories. The internal competition process was put in place in August 1998 to create mobility for GNWT employees so that layoffs would not be required as a result of this downsizing.

A review of the internal competition process has been completed. It is clear that a continuation of this process will not provide any additional benefit in terms of eliminating positions affected by division. Therefore, the government will discontinue the internal competition process effective April 26, 1999.

Mr. Speaker, I would like to take this opportunity to express my continued confidence in the skills and abilities of GNWT employees. Returning to open competitions will allow us to recruit the best people

from within our own ranks and from the labour force outside the public service. Mahsi, Mr. Speaker.

--Applause

MR. SPEAKER:

Thank you. Ministers' statements. Mr. Steen.

Minister's Statement 41-13(7): Report on Public Works and Services Staff Performance

HON. VINCE STEEN:

Thank you, Mr. Speaker. Mr. Speaker, last week, Members of this House asked several questions concerning a review being done into the processes followed by employees of the Department of Public Works and Services. I made a commitment at that time to consider making this report available to Members once it became available.

Mr. Speaker, the focus of this review was the manner in which PWS employees performed their duties in relation to the lease of office space in Fort Resolution, the renewal of the lease for the Lahm Ridge Tower, and in the preparation of ministerial briefings. In summary, Mr. Speaker, Mr. McLennan has concluded in his report that PWS employees substantially complied with the processes and policies of the Government of the Northwest Territories in the conduct of their duties. Mr. Speaker, I will be tabling this document at the appropriate time today. Thank you, Mr. Speaker.

--Applause

MR. SPEAKER:

Thank you, Ministers' statements. Mr. Miltenberger.

Minister's Statement 42-13(7): Aurora College Jewellery and Metalwork Program

HON. MICHAEL MILTENBERGER:

Thank you, Mr. Speaker. Mr. Speaker, I would like to take this opportunity to highlight a successful program that is helping northerners combine artistic and business training. The Jewellery and Metalwork Program is a partnership between Aurora College, Nunavut Arctic College and the Dogrib Community Services Board. It has been operating out of a classroom in the Chief Jimmy Bruneau School and is staffed by experienced instructors and professional jewellers.

Ten students from Rae-Edzo have taken part in the program since January. They have learned design, small business operations and metalsmithing techniques for silver, brass and copper jewellery. Mr. Speaker, one of the many important aspects of this program is the opportunity it provides these young people to eventually participate in the secondary diamond industry. Aurora College is currently working with the department to identify funding through Labour Market Initiatives to continue this program in the fall. The next session would focus on lapidary and faceting skills. It is hoped that indicator stones from kimberlite pipes could be cut, polished and incorporated into the students' work.

Mr. Speaker, I would like to invite all Members and the public to support this program by attending the students show later today. They will be exhibiting their work between 3:00 pm and 8:00 p.m. at the Aurora College campus here in Yellowknife. Thank you, Mr. Speaker.

--Applause

MR. SPEAKER:

Ministers' statements. Item 3, Members'

Page 274

statements. Mr. Krutko.

ITEM 3: MEMBERS' STATEMENTS

Member's Statement 113-13(7): Reductions to NWT Development Corporation Programs

MR. KRUTKO:

Thank you, Mr. Speaker. Regarding the Budget Address, it stated that there will be no cuts to the existing programs in the Northwest Territories. Mr. Speaker, I do have some concerns regarding the cuts that are taking place in the government and, especially in the area of the NWT Development Corporation. In particular, Mr. Speaker, my concerns are in regard to two particular projects which are in my riding, the Fort McPherson Tent and Canvas Shop and the Aklavik - Tuktoyaktuk Fur Limited project. Mr. Speaker, these two projects are critical to the economic well-being of those two communities. It not only brings pride to those individuals working there, but it also gives them a feel for being respected for work that they do.

Mr. Speaker, I think it is essential that this government not only look at how it can improve our economies but also try to expand these economies. In both cases in Aklavik and Fort McPherson, the work-force is getting older, we have to spend more money on training new people and bringing them into that particular sector. Also, Mr Speaker, in meeting with the managers of the Fort McPherson Canvas Shop and the Aklavik Fur Shop, that one of the big concerns that they have is their involvement in what goes on within the Business Development Corporation and how they are monitoring these two projects.

Mr. Speaker, there are a lot of concerns raised about their involvement in what is happening in this particular department. At no time in the last three years, there has been no effort made by this department or the Minister of this portfolio to make an attempt to go into these two fine businesses that we have in place in Fort McPherson and Aklavik to see exactly who is making these canvas bags and the fur hats and see the pride of those people that do work on these specific projects. Mr. Speaker, the concern I have is that there is talk about revising or restructuring this particular corporation or organization and I feel this may threaten the jobs of these people in my riding. Thank you, Mr. Speaker.

--Applause

MR. SPEAKER:

Members' statements. Mr. Rabesca.

Member's Statement 114-13(7): Recognition of Successful Bid by Dechi Laot'l Holdings Limited

MR. RABESCA:

Thank you, Mr. Speaker. Today Mr. Speaker, I rise to congratulate the community of Wekweti and their newly formed company Dechi Laot'l Holdings Limited for the successful bid that was award recently to build the Wekweti fire hall. This newly formed company was able to successfully compete against six other contractors. The total contract price for the completion of the Wekweti fire hall came in at \$470,137 and the interesting thing about this contract is the fact that the Dechi Laot'l Holdings Limited won it. This is very good news for the community of Wekweti as it will give a number of residents in the community employment and also will provide a boost in the local economy. I again would like to

congratulate the community and its company for a job well done. Thank you, Mr. Speaker.

MR. SPEAKER:

Thank you. Members' statements. Mr. Ootes.

Member's Statement 115-13(7): Transfer of Federal Positions to NWT

MR. OOTES:

Thank you, Mr. Speaker. I see a lot of similarities, Mr. Speaker, between our government and the federal government. Both do studies, consultations and produce reports and produce only meagre meat and potatoes. My comments today though, will be in regard to the federal government, Mr. Speaker. Two years ago we considered a motion that I put forward before the House and passed it that we have a comprehensive list developed of federal positions that are dedicated to policy and development in the Northwest Territories of positions located in the south and these positions be repositioned here in the North. There are hundreds of positions all across Canada better placed here in the Northwest Territories and the Nunavut areas. No longer should important decisions be left to those in southern Canada who do not have to live with the consequences of their decisions and their actions.

In response to our motion, Mr. Speaker, DIAND hired a consulting firm to assess potential transfers. A report was issued in July of 1998 and it confirmed that there is solid rationale of a transfer of federal positions. In December, we were informed by the Deputy Premier that of the three federal government departments with significant staff dedicated to the north, such as DIAND, Environment and Fisheries and Oceans, it is likely that only staff from the Northern Affairs program of DIAND would be considered. Now the Northern Affairs Program has 135 positions, but only 80 to 90 might be classified as solely dedicated to work in the north. Last fall the federal government signed a devolution protocol with the government of the Yukon and reached agreement to transfer a potential 20 NAP positions. Yet DIAND has been silent on the transfer with respect to the Northwest Territories. There are hundreds of jobs that should be located in the north. I say to the federal government, stop spending those thousands of dollars on studies and just get on with it and give us some meat and potatoes.

--Applause

MR. SPEAKER:

Thank you. Members' statements. Mr. Henry.

Member's Statement 116-13(7): Failure to Enact Highway Speed Limit Increase

MR. HENRY:

Thank you, Mr. Speaker. Mr. Speaker, sometimes I get the impression that as a Legislature we are regulated by the bureaucracy, instead of the other way around. The reason I make a sarcastic remark like that is that I remain convinced that the Department of Transportation is dragging its feet in implementing legislation duly passed in this Legislature. I refer, Mr. Speaker, to Bill 19, An Act to Amend the Public Highways Act and the Motor Vehicles Act, which was passed in this House last December. The bill removed the speed restrictions contained in these acts and allows the Commissioner and hence the Minister of Transportation to set the speed limits higher than the current restriction of 90 kilometres an hour.

Page 275

Mr. Speaker, all Members of this House including the Minister of Transportation of the day, our Premier, Mr. Antoine, supported this bill. It has been four months, Mr. Speaker, more than adequate time in my opinion, to enact the legislation duly passed in this House to raise the speed limits on portions of our highways that are comparable with those in southern jurisdictions.

It seems to me, Mr. Speaker, that increases to the speed limits are being stalled and all that is required to make a decision is the necessary political direction.

The fact that certain sections of the highway are inundated with buffalo is no reason to not increase the speed limits on the entire highway system. Mr. Speaker, under the Motor Vehicles Act, people have a responsibility to drive to road conditions. They are warned by signs that there are buffalo on the road and that they should drive accordingly. I wonder, Mr. Speaker, how this impacts the speed limits. Later on today, Mr. Speaker, I will be asking the Premier of the Northwest Territories questions on this particular issue. Thank you, Mr. Speaker.

--Applause

MR. SPEAKER:

Members' statements. Mr. Erasmus.

Member's Statement 117-13(7): Discontinuance of Internal Competition Process

MR. ERASMUS:

Thank you, Mr. Speaker. I rise today to speak about the hiring process and in response to the Premier's announcement today that Cabinet was going to discontinue the internal competition process. Mr. Speaker, I would like to congratulate Cabinet on responding to the concerns of some of the MLAs over here that have indicated that this internal competition process was an inconsistency in the policies of this government. I would like to thank the Cabinet for listening to our concerns. Obviously our staff are very valuable and we have to try to keep them on as much as we can throughout these trying times when jobs are discontinued. However, our policies have to be consistent. The problem here was that people had been laid-off and classified as priority hires and they could not apply on those internal competitions, and neither could affirmative action people if they were not working for the government. It is good to see that this has been done after our review to ensure that things are okay.

The other thing that still has to be done is the perception of the hiring process which does not seem to be fair at this time, the perception is, it is not fair. That is primarily because there is no independent body in the hiring process, only people from the department. We still need to work on that. Mr. Speaker, right now the process may be fair to people that are applying, but it does not appear to be fair. Putting independent people into the hiring process will help to solve that. We need to put people in there who do not have to fear losing their jobs if they do not hire the people that their superiors want hired. That is how you fix the perception. Thank you.

BApplause

MR. SPEAKER:

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

ITEM 4: RETURNS TO ORAL QUESTIONS

Return To Oral Question 22-13(7): GNWT Hiring Process

HON. JIM ANTOINE:

Thank you, Mr. Speaker. I have a return to oral question asked by Mr. Erasmus on March 23, 1999,

regarding the GNWT's hiring process. The internal hiring process was implemented on August 17, 1998, to assist the government in downsizing and redeployment of current staff in a non-lay-off environment. This process was open to indeterminate employees and employees who were on the layoff list. In accordance with our layoff procedures employees could choose a package which would give them priority hiring for up to one year.

Priority one candidates who were indeterminate employees, received priority on internal competitions. Priority one candidates who were not indeterminate employees were not given priority consideration until after the internal hiring process had been completed. If the internal hiring process was not successful, an open competition was held and all priority one candidates were given consideration. Earlier today, Mr. Speaker, I announced that Cabinet has approved discontinuing the internal competition process. After a review of this process was completed, it was determined that a continuation of the process would not likely result in further opportunities to eliminate positions affected by division. Mahsi, Mr. Speaker.

MR. SPEAKER:

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

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

HON. VINCE STEEN:

Thank you, Mr. Speaker. Mr. Speaker, I have a return to an oral question asked by Mrs. Groenewegen on April 20, 1999, in reference to the Lahm Ridge Review terms of reference which she requested be tabled in the House. The terms of reference for this review of Public Works and Services are included in the report that will be tabled today.

MR. SPEAKER:

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

ITEM 6: ORAL QUESTIONS

Question 99-13(7): Reductions to NWT Development Corporation Subsidiaries

MR. KRUTKO:

Thank you, Mr. Speaker. Mr. Speaker, my question concerns my statement referring to Minister Kakfwi in regard to the projects that I mentioned in Aklavik and Fort McPherson, where we have the canvas shop in McPherson and the fur shop in Aklavik. A concern I have, Mr. Speaker, is that there is talk about a review of this department. I would like some assurances from this Minister that there will not be any layoffs or basically downsizing of these two unique projects, in my riding. Without those we will have a bigger cost to this government relation to welfare costs, income support costs and people who are unemployed and do not feel that they are helping the economy of the Northwest Territories, but at this time they are. I would like to ask the Minister, can he give me some

Page 276

assurances that there will not be any drastic cuts to this program or layoffs in relation to the review?

MR. SPEAKER:

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

Return To Question 99-13(7): Reductions to NWT Development Corporation Subsidiaries

HON. STEPHEN KAKFWI:

Thank you, Mr. Speaker. It is our intent to continue to support the subsidiaries that are operating in the communities under the NWT Development Corporation because of division and a reduction in overall funding in the department. But, because of the termination of programs like the Northern Employment Strategy it has become necessary to review, for instance, the operation of the NWT Development Corporation where it is our intent to ensure that the subsidiaries operating in the communities shall continue and, we will reorganize to provide as much support as we can to make sure that they continue to be viable operations. Thank you.

MR. SPEAKER:

Oral questions. Supplementary, Mr. Krutko.

Supplementary To Question 99-13(7): Reductions to NWT Development Corporation Subsidiaries

MR. KRUTKO:

Thank you, Mr. Speaker. In regard to this review, what attempt has been made by the department or

the Minister's office to inform these two vibrant groups, the McPherson project and the fur project in Aklavik to make them aware of these changes that are happening within the department and their involvement regarding this review?

MR. SPEAKER:

Mr. Kakfwi.

Further Return To Question 99-13(7): Reductions to NWT Development Corporation Subsidiaries

HON. STEPHEN KAKFWI:

Mr. Speaker, we have asked the new President of the Development Corporation, Mr. Koe, to prepare, with the assistance of the board of the Development Corporation a new business plan with a reduced operating budget for this year. I believe the meetings between the deputy minister of my department and Mr. Koe, the new President of the Development Corporation, they have started as of today. They have begun to undertake work to review the operations of the Development Corporation and to see how it could perhaps improve on the way it operates.

Some of the questions that come up, Mr. Speaker, for instance, are the size of the headquarters operation and the amount of money allocated to Arctic Trading which is the marketing arm of the Development Corporation. With division the number of subsidiaries operating under the Development Corporation have been reduced dramatically. The quantity of products that could be marketed have also been reduced substantially because the Eastern Arctic is now choosing to set up their own independent operations and so it has become necessary to redo the business plan and review the operations of the Development Corporation. Thank you.

MR. SPEAKER:

Oral questions. Supplementary, Mr. Krutko.

Supplementary To Question 99-13(7): Reductions to NWT Development Corporation Subsidiaries

MR. KRUTKO:

Thank you, Mr. Speaker. One of the concerns I had from both managers in Aklavik and McPherson is that the interest that is shown from the department in regard to the Business Development Corporation, and also the Minister's office of making attempts to go in

to see for themselves exactly what these operations are made of and who these individuals are that are producing these products. I would like to ask the Minister if he can assure myself and the people in Aklavik and McPherson that he will make an attempt, along with Mr. Koe, to go into both of these communities and see for yourselves first-hand exactly what is being done in those communities, so you could get a feel for basically the pride that these people put into developing these products. Can the Minister give me that commitment?

MR. SPEAKER:

Mr. Kakfwi.

Further Return To Question 99-13(7): Reductions to NWT Development Corporation Subsidiaries

HON. STEPHEN KAKFWI:

Thank you, Mr. Speaker. I will be prepared to sit down with the Member of the Legislature to look at the earliest date that could be possible and convenient for all of us to pay a visit to Fort McPherson and Aklavik and perhaps Tuktoyaktuk to review the operations of those subsidiaries there. I am prepared to do that. Thank you.

MR. SPEAKER:

Oral questions. Final Supplementary, Mr. Krutko.

Supplementary To Question 99-13(7): Reductions to NWT Development Corporation Subsidiaries

MR. KRUTKO:

Thank you, Mr. Speaker. Regarding the question about marketing, it is one thing that seems to have been really lacking from those subsidiaries, that they were not involved in any marketing of products, or even involved in talking to the people that are in southern Canada who market these products and educating these people on exactly who the people are that do produce these products and where these communities are. Where is Tuktoyaktuk, where is Fort McPherson, where is Aklavik? I think as an educational tool it is important that they play a more hands-on involvement in anything that happens with marketing the products that they produce. Can the Minister also make some assurances that they will also consider looking at the involvement of these enterprises that this department holds so that they are involved in all aspects of producing these products?

MR. SPEAKER:

Mr. Kakfwi.

Further Return To Question 99-13(7): Reductions to NWT Development Corporation Subsidiaries

HON. STEPHEN KAKFWI:

Thank you, Mr. Speaker. There have been some initial discussions with Mr. Koe to look at the marketing arm of the Development Corporation and its Arctic Trading Company Ltd. to see whether it is the preferred and most convenient way of marketing the products that are developed through the subsidiaries, whether there is more local

Page 277

control and input necessary, or whether there is a blending of those two types of approaches to marketing that could be achieved. So, it is the intention of Mr. Koe to speak to the subsidiaries to discuss with them the future of Arctic Trading and the preferred approach to marketing in the future by the subsidiaries involved. Thank you.

MR. SPEAKER:

Oral questions. Mr. Ootes.

Question 100-13(7): Update on Northern Affairs Transfer Program

MR. OOTES:

Thank you, Mr. Speaker. I spoke earlier about the similarities between our government and the federal government in doing reports and studies. I just have some questions for Mr. Antoine, the Premier, in this regard. The point is, Mr. Speaker, that the federal government has been studying this issue for some time now and I referred to meat and potatoes, and I am not asking for gravy on it, I am just asking for a bit of meat and potatoes and I wonder if the Premier could tell us and update us as to what the Northern Affairs Program transfer situation is today?

MR. SPEAKER:

The Premier, Mr. Antoine.

Return To Question 100-13(7): Update on Northern Affairs Transfer Program

HON. JIM ANTOINE:

Thank you, Mr. Speaker. Mr. Speaker, the DIAND report on looking at the possibility of transferring positions in that federal department that deals specifically with issues in the Northwest Territories and development policies and so forth for us up here and making decisions on our behalf up here in terms of our natural resources that are located in Ottawa or Hull, Quebec. There are some positions there that we have requested the federal government, the department, to look at the possibilities of transferring these positions over here. We have been at this for some time now, over a couple of years that department had initiated a multi-phased study to look at it.

MR. SPEAKER:

Oral Questions. Supplementary, Mr. Ootes.

Supplementary To Question 100-13(7): Update on Northern Affairs Transfer Program

MR. OOTES:

Thank you, Mr. Speaker. DIAND did do a report and it was some 60 pages in size. I guess I am cynical from time to time, Mr. Miltenberger, because, in this case I am cynical. A report was done of 60 pages, and yet we hear rumours about another report having to be prepared, another report having to be studied, in order to get this transfer brought about. I would like to know if the Minister may be aware of whether further study is being done on this issue at this particular time?

MR. SPEAKER:

I would like to remind the Members about the rules on questions to the Ministers. A Member cannot ask a question that is not within reasonable knowledge of the Minister, I believe. I do not know whether or not the Premier would know what the federal Cabinet's decision is with regard to this. Again, when it makes reference to Cabinet, they are secret discussions there, too. Mr. Antoine, do you wish to respond?

Further Return To Question 100-13(7): Update on Northern Affairs Transfer Program

HON. JIM ANTOINE:

Thank you, Mr. Speaker. Mr. Speaker, my understanding of it is this study was supposed to be a three phase study and the report that I received is the report for the second phase. We are assuming there will be a third phase in the study, and it has taken

about three years. We are very disappointed that they have to study it so much to say no, and I think, I have always said, it is a political decision to move these positions. We will continue to pursue the federal Minister, like I said earlier, and we will see where this will take us. Thank you.

MR. SPEAKER:

Oral questions. Supplementary, Mr. Ootes.

Supplementary To Question 100-13(7): Update on Northern Affairs Transfer Program

MR. OOTES:

Thank you, Mr. Speaker. In our motion of two years ago, we also asked that an inventory be requested from the federal government. There are other departments beyond Northern Affairs, such as Fisheries and Oceans and the Department of Environment, which apparently have substantial individuals or positions dedicated to northern work. It would be nice to have that inventory. I wonder if the Minister could tell us if he can pursue the direction of that motion to get an inventory of federal positions in the other departments? Thank you.

MR. SPEAKER:

Thank you. Again, to remind the Members, you cannot ask a Minister a question that is beyond his responsibility. Mr. Antoine, do you wish to respond?

Further Return To Question 100-13(7): Update on Northern Affairs Transfer Program

HON. JIM ANTOINE:

Thank you, Mr. Speaker. Mr. Speaker, what I could say is that I agree with the honourable Member that people who work in the north with the federal government; in whichever department they are, and who are making the decisions in regard to the way things are going to affect us up here, should live in the north. The inventory the honourable Member is asking for, we have not received anything and I do not even know whether the inventory was requested from the department executive. I will check on that and I will inform the Member. Thank you.

Page 278

MR. SPEAKER:

Oral questions. Mr. Henry.

Question 101-13(7): Implementation of Increase in Speed Limit

MR. HENRY:

Thank you, Mr. Speaker. Mr. Speaker, my question is to the Premier of the Northwest Territories and has to do with my Member's statement today regarding increasing the speed limit on the portion of highway between the Alberta border and Rae-Edzo.

Mr. Speaker, I would refer to the Hansard of May 26, 1998. It was in a response, by the then Minister of Transportation, our present Premier, Mr. Antoine, and it was in response to questions I had asked about increasing the speed limit. The Minister of the day said, and I quote "The department's view has been that we should wait until the whole system is complete between Edzo and Yellowknife before we revisit that again, increasing the speed limit." I also note, in yesterday's Hansard, on a question to Mr. Steen, where I asked where these changes would be implemented. Mr. Steen noted, and I quote "the department is considering all aspects of the motion, including the effect of increasing the speed limit on the highway."

Mr. Speaker, I would remind the Premier that not only was there support for this initiative, we in this House passed legislation to that effect. My question to the Premier and it is not cynical, Mr. Speaker, my question to the Premier is, I want the Premier to tell me, and the people of the Northwest Territories, who is running this show? Is it the Legislature or the Department of Transportation? Thank you, Mr. Speaker

MR. SPEAKER:

Mr. Premier.

Return To Question 101-13(7): Implementation of Increase in Speed Limit

HON. JIM ANTOINE:

Thank you, Mr. Speaker. Mr. Speaker, the Government of the Northwest Territories takes the direction of the Legislative Assembly very seriously

--Applause

and in regard to the bureaucracy, they are there to give us the best advice that they could give us. Based on the advice, we will determine what to do,

but the ultimate decision rests with the Cabinet. Thank you.

MR. SPEAKER:

Oral questions. Supplementary, Mr. Henry.

Supplementary To Question 101-13(7): Implementation of Increase in Speed Limit

MR. HENRY:

Thank you Mr. Speaker. Mr. Speaker, when that legislation was introduced in the past, it was very clear that the increasing of the speed limit was on the portion of the highway between the border and Rae-Edzo. Mr. Speaker, it was worded in such a way to give the Minister of Transportation the prerogative to increase it as he saw fit, but it was clear that it was a request to have that speed limit increased between the border and Fort Rae. My question to the Minister is, will he direct the Minister of Transportation, sorry, Mr. Speaker, to the Premier, will he direct his Minister of Transportation and the Deputy Minister of Transportation, to bring back a plan to implement a speed increase to 100 kilometres per hour on the portion of the highway between the border and Fort Rae? Thank you, Mr. Speaker.

MR. SPEAKER:

Mr. Antoine.

Further Return To Question 101-13(7): Implementation of Increase in Speed Limit

HON. JIM ANTOINE:

Thank you, Mr. Speaker. Mr. Speaker, I prefer to work with the other Ministers in the Cabinet and not necessarily direct them to do certain things, as well as the direction of the Legislative Assembly. It is the prerogative of the Minister to work with his department. You have to realize that we are a new Cabinet, and this legislation was passed last fall in November or December, so I think the advice of the bureaucracy is that we should try to wait until things thaw out so that the road condition stabilizes as well as taking into consideration the safety factor.

However, I could commit that I will work with my Minister of Transportation and look at the new speed limit to those sections of the highway that have been reviewed by the department, the Highway 1 and Highway 3, Alberta border to the Rae-Edzo area. I will make a commitment that we will review it and

make a commitment to come forward within three weeks to you, to the rest of the Legislative Assembly, with a decision that will come along with looking at this section of the highway. Thank you.

MR. SPEAKER:

Oral questions. Mr. Erasmus.

Question 102-13(7): Structure of Arctic Trading Company

MR. ERASMUS:

Thank you, Mr. Speaker. Mr. Speaker, my questions are for the Minister of Resources, Wildlife and Economic Development. Just in a follow-up on Mr. Krutko's questions on the marketing of the goods from the subsidiaries of the Northwest Territories Development Corporation. I understand that Arctic Trading Company was created in order to do this. Could the Minister explain how the Arctic Trading Company worked up to this point? Thank you.

MR. SPEAKER:

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

Return To Question 102-13(7): Structure of Arctic Trading Company

HON. STEPHEN KAKFWI:

Thank you, Mr. Speaker. Previous to my assuming this portfolio, the subsidiaries under the Development Corporation had used products ranging from moccasins to dolls and carvings, through subsidiaries, most of which are located now in the territory of Nunavut. There was no concerted effort to market and no particular operation that did exclusive marketing. Since assuming the portfolio, we have seen the creation of Arctic Trading Company which, again, marketed mostly eastern Arctic products, and also set up certain outlets in southern Canada, namely, I believe, in Vancouver, Victoria, Calgary and Toronto, are the stores that the marketing arm set up and operated. With division happening the marketing arm, Arctic Trading, found itself as a million dollar operation with very little produce, in fact, left to market since the Eastern Arctic

Page 279

has insisted that they will set up their own operations and do not wish to use Arctic Trading any longer. That

is, in very general terms, what has been happening over the last three years. Thank you.

MR. SPEAKER:

Oral questions. Supplementary, Mr. Erasmus.

Supplementary To Question 102-13(7): Structure of Arctic Trading Company

MR. ERASMUS:

Thank you, Mr. Speaker. The Minister had indicated that the Arctic Trading Company had its funding reduced. Presumably that has resulted in some repercussions to the company. What kind of changes have been made to reflect the reduced funding? Thank you.

MR. SPEAKER:

Mr. Kakfwi.

Further Return To Question 102-13(7): Structure of Arctic Trading Company

HON. STEPHEN KAKFWI:

Mr. Speaker, because of the impact of division and because of concerns with the Auditor General that have been outstanding for some years, that we have been unable to resolve substantially, although the documents that we provided to the standing committee on the review of the Main Estimates were given the target of a lower \$4 million for the Development Corporation, we have in fact asked that in view of the impact of division, and the need to look at Arctic Trading and the size of headquarters to ask the Development Corporation to look at putting together a new work plan with a reduced allocation to the Development Corporation. Mr. Soloy, who was the President at that time, had undertaken to develop such a business plan. We had indicated to the standing committee at that time that was what we intended to do.

There is still no revised business plan prepared by the Development Corporation since the new President at this time is reviewing the operations and reviewing the concerns of the Auditor General and meeting with the Development Corporation subsidiaries to get a good understanding of the state of the Development Corporation before undertaking to meet the commitment that I have asked him to meet. Thank you.

MR. SPEAKER:

Oral questions. Supplementary, Mr. Erasmus.

Supplementary To Question 102-13(7): Structure of Arctic Trading Company

MR. ERASMUS:

Thank you, Mr. Speaker. I can appreciate that there is no business plan done yet, however, I imagine that people are still selling goods from these subsidiaries, as they are supposed to be doing. If your budget has been cut in half, or in one quarter, or one tenth or whatever, you usually reduce. So what I want to know is, how has the Arctic Trading Company reduced or downsized or whatever you want to call it in order to react to the reduction in its funding? Thank you.

MR. SPEAKER:

Mr. Kakfwi.

Further Return To Question 102-13(7): Structure of Arctic Trading Company

HON. STEPHEN KAKFWI:

Thank you, Mr. Speaker. As I have said earlier, because of division the amount of product that the Arctic Trading Company is expected to market has been reduced substantially. There is very little product from the eastern Arctic, very few subsidiaries that are, in fact, being serviced by the Development Corporation since division. Therefore it is difficult to rationalize continuing to fund the Development Corporation, specifically the headquarters and the Arctic Trading Company at the level that we were funding it previous to division. That was the reason I had asked if the Development Corporation President could prepare a new business plan to meet the reduction in overall funding of the operations of the Development Corporation. It was not intended to reduce the funding we give to the subsidiaries or to the level of subsidies that we provide to the community operations that we have. I think that should be clear.

Members are also aware that with the sunsetting of the Northern Employment Strategy, we are short of funding for operations like the Community Futures and there is a demand by communities and regions to set up loan operations as we have, and we need to free up funding in other areas in order to meet this demand as well. The intent is to recognize that the

Development Corporation is no longer of the size that it was previous to division and, with the impact of division, it is my expectation that we can reduce the level of funding to the Development Corporation without impacting negatively the viability and ongoing operations of those businesses that we have set up in the communities. In fact, we will do what we can to enhance those through the reduction and reallocation of resources. Thank you.

MR. SPEAKER:

Oral questions. Supplementary, Mr. Erasmus.

Supplementary To Question 102-13(7): Structure of Arctic Trading Company

MR. ERASMUS:

Thank you, Mr. Speaker. I would like to thank the Minister for the reassurances that he is not going to be cutting money to the subsidiaries. However, I did not say one word or ask any questions or make any comments about the subsidiaries or the money going to the subsidiaries. The Minister has cut the funding to the Arctic Trading Company. How have they reduced their costs? Have they shut down some stores? Have they laid off all of their employees? That is all I want to know.

MR. SPEAKER:

Mr. Kakfwi.

Further Return To Question 102-13(7): Structure of Arctic Trading Company

HON. STEPHEN KAKFWI:

Thank you, Mr. Speaker. Mr. Speaker, the Development Corporation has not submitted a revised business plan or prepared one that could be reviewed by myself at this time. That is underway. We have indicated to them that the level of funding that we give them will be reduced and the challenge to the Development Corporation President is to try to meet that target. What specifically they are doing, I am not certain exactly what has been done to date but I believe that an outlet that had been set up by Mr. Soloy, for instance, in BC outside of Vancouver, is closing or has been closed and we are also looking at closing an outlet in Calgary. Both of these

locations have been losing money and have been a drain on the resources of the Development Corporation. I would require more information before I can give other specific measures that may have been undertaken at this time. Thank you.

MR. SPEAKER:

Oral questions. Mr. Morin.

Question 103-13(7): Closure of Southern Outlets of Arctic Canada Trading Company

MR. MORIN:

Thank you, Mr. Speaker, I sit here and listen with the greatest of interest to the Minister of RWED, and his responses to my colleague, Mr. Krutko of the MacKenzie Delta and Mr. Erasmus, of Yellowknife North. The Arctic Canada Trading Company and the Development Corporation in general, just so I get a clear picture, Mr. Speaker, of what is really happening. The Development Corporation is revising a business plan, that is what the Minister said. The Development Corporation is reviewing its operation with Arctic Canada Trading Company, but prior to the review being finalized, prior to the business plan being finalized they are starting to shut down their operations in southern Canada. They shut down an operation in the Vancouver area, he mentioned. They shut down an operation in Calgary, he mentioned, so are they shutting down stores, Mr. Speaker, prior to the finish of a revised business plan or an actual business plan or action plan. Thank you.

MR. SPEAKER:

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

Return To Question 103-13(7): Closure of Southern Outlets of Arctic Canada Trading Company

HON. STEPHEN KAKFWI:

Thank you, Mr. Speaker. Mr. Speaker, these decisions were made because of things like timelines and the need to renew leases, so whether or not there was a review in the reduction of funding, I believe that it was the view of the staff and the people in charge of the Development Corporation that, following Mr. Soloy leaving that we could no longer rationalize and continue to operate these outlets in southern Canada and that business decisions had to be made and they were made. These did not impact on the northern communities. These were outlets that were set up in

southern cities to make money and to sell our products in southern outlets and they were not doing that very well. Thank you.

MR. SPEAKER:

Oral questions. Supplementary, Mr. Morin.

Supplementary To Question 103-13(7): Closure of Southern Outlets of Arctic Canada Trading Company

MR. MORIN:

Thank you, Mr. Speaker. I thank the Minister for that answer. My supplementary is for the same Minister. It is not actually that the Minister's department is reviewing the operations. They have already actioned these things. They have already done things. So it cannot be said that they are waiting for a review, because action has been taken. They have decided to shut down two southern stores. I do not know, Mr. Speaker, if the community businesses depend on southern products they produce or not. Does that work into the equation and how are they going to sell the products? Usually you do not go on a boat trip and burn the boat from underneath you. You need to get there. If there is no plan in place, to replace the stores they shut down in southern Canada, how are they going to market the products in the Northwest Territories and when will that plan be ready?

Also, Mr. Speaker, I guess I am concerned with the Minister and his response to the Members and bringing private citizens' names into the Assembly because none of us do that because of respect for those people. I am sure there was a ruling before on that. So possibly the Minister could refrain from that as well, Mr. Speaker.

MR. SPEAKER:

The Member for Tu Nedhe can rise on a point of order if he has a problem or if his privilege has been denied. Mr. Morin.

Point of Order

MR. MORIN:

Thank you, Mr. Speaker. I rise on a point of order. The Minister of RWED raised an individual or a private citizen's name in the Assembly. That individual has no way of defending himself or reputing or anything else in this House. Mr. Speaker, I know you have made a ruling on that before and it just concerns me when individuals, whether they are

employees or not, private citizens' names are used in the Assembly by a Minister of this government. Thank you.

MR. SPEAKER:

I will make my ruling on your point once I review the Hansard. Thank you. Mr. Kakfwi, I heard two questions.

Further Return To Question 103-13(7): Closure of Southern Outlets of Arctic Canada Trading Company

HON. STEPHEN KAKFWI:

Thank you, Mr. Speaker. Mr. Speaker, I only recall one. It is in regard to how will we market the products that are produced in our communities and when will the business plan be ready to reflect that. I would say that Arctic Trading can continue if the President and the board believe it is the best way to market.

The challenge, as I said, is for the new President and the board to prepare a business plan that will allow them to continue operating a headquarters and Arctic Trading, if they wish, or some sort of a marketing agency to continue to operate the subsidiaries with the approved subsidies that have been extended. This business plan is being developed, it is underway and will include some indication and will be prepared after discussions with the various community subsidiaries that the Development Corporation has as how they, the communities, wish marketing to be done. Whether it is exclusively through Arctic Trading, if not, what other options do they wish to look at, or do they want to do their own marketing exclusively. That is going to be an item of discussion, I believe, that Mr. Koe is going to have, the new president of the NWT Development Corporation, will have with the existing subsidiaries. Thank you.

MR. SPEAKER:

Oral questions. Supplementary, Mr. Morin.

Supplementary To Question 103-13(7): Closure of Southern Outlets of Arctic Canada Trading Company

MR. MORIN:

Thank you, Mr. Speaker. The Minister stated earlier in response to a question that these plans and these

shutting down of stores was developed by the NWT Development Corporation through the Arctic Trading Store. The plans were developed but I also know, Mr. Speaker, that there is a Board of Directors of the NWT Development Corporation. Is this shutdown and this restructure initiated through the board at all or does the board play any role at all in these types of decisions, or is it all directed directly out of the Minister's office and through his deputy minister? Thank you.

MR. SPEAKER:

Mr. Kakfwi.

Further Return To Question 103-13(7): Closure of Southern Outlets of Arctic Canada Trading Company

HON. STEPHEN KAKFWI:

Mr. Speaker, I will take the question as notice because I think it is important to avoid quibbling about exactly who did what to whom at what time that I prepare a written response to that. There are certain specific dates...

MR. SPEAKER:

The question is taken as notice. So noted. Mr. Morin.
Point of Privilege

MR. MORIN:

Point of privilege. Sorry, Mr. Speaker. Myself, as a Member of the Legislative Assembly for Tu Nedhe, take my questioning of Ministers very seriously, and I take that privilege to be a serious privilege, and I do not take it as quibbling. I am sure Mr. Krutko does not take it as quibbling, or Mr. Erasmus, when we ask this Minister questions. I would appreciate it very much if he does not try to swipe it away as such, like he just finished stating. Our questions as Members in this Legislative Assembly to Ministers in this Legislative Assembly are serious business. We are representing our constituents. It is on the order paper, question period, not quibbling period. If he does not like the questions he does not have to answer them, but we have the right to ask the questions. Thank you.

MR. SPEAKER:

Again, to ask the Members if they can respond without upsetting Members on either side of the House when they respond to questions or are asking questions. There is no point of privilege. The

Member is not stopped from carrying out his duty. Perhaps just the language that is being used in this Chamber has upset the Member, but there was no point of privilege. Oral questions. Mrs. Groenewegen.

Question 104-13(7): Med-Emerg Report Implementation

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. Mr. Speaker, recently in the House we have been speaking quite frequently about the cost and usefulness of studies, strategies, review, et cetera. Not so long ago the Department of Health and Social Services commissioned a report called the Med-Emerg Report, at a reported cost of \$750,000. My questions today are for the Minister of Health and Social Services. Did that report serve as a useful document to the operations of the department, and could he tell us if it enhanced the delivery of health and social services to the people of the Northwest Territories? Thank you, Mr. Speaker.

MR. SPEAKER:

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

Return To Question 104-13(7): Med-Emerg Report Implementation

HON. FLOYD ROLAND:

Thank you, Mr. Speaker. Mr. Speaker, as we know the Med-Emerg Report did receive a lot of debate in this Assembly. It was commissioned by the previous Minister, now moved on to Nunavut. The Med-Emerg Report itself was delivered to the department and is being used in a number of areas in the health care system, but it is early in the process to gauge if there is an actual end effect from the report. I know, for example, in confirming with the Member for Mackenzie Delta that the Department of Health and Social Services will go out and do a ministerial forum on western health care. Parts of the Med-Emerg Report will be used in setting up that process. We believe that all the work that has been done on behalf of this government through the Med-Emerg, we will be able to take some positive aspects of that and move forward with other initiatives. Thank you, Mr. Speaker.

MR. SPEAKER:

Oral questions. Supplementary, Mrs. Groenewegen.

Supplementary To Question 104-13(7): Med-Emerg Report Implementation

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. Mr. Speaker, my honourable colleagues in this House have suggested it is being, in fact, used and used as a doorstop, but the Minister assures us that that is not the case. I do recall debate in this House on the Med-Emerg Report but, in fact, I think the majority of the debate was on the cost of the report as opposed to the contents of the report. Mr. Speaker, were any of the recommendations contained in the Med-Emerg Report implemented to date? Thank you, Mr. Speaker.

MR. SPEAKER:

Mr. Roland.

HON. FLOYD ROLAND:

Thank you, Mr. Speaker. While conferring with my colleagues here on the Med-Emerg Report I failed to catch the last part of the Member's question. I apologize for that, but can she repeat that, please.

MR. SPEAKER:

Mrs. Groenewegen.

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. I will leave out my preamble. Were any of the recommendations of the Med-Emerg Report implemented to date? Thank you, Mr. Speaker.

MR. SPEAKER:

Mr. Roland.

Further Return To Question 104-13(7): Med-Emerg Report Implementation

HON. FLOYD ROLAND:

Thank you, Mr. Speaker, and I apologize for that. I could not give the Member a specific example of what part of the Med-Emerg Report was or is being used to date in the health care system. I would have to get back to the Member with that, but I do know that part of the Med-Emerg Report was dealing with the P3 issue to a certain degree of alternate financing within health care and the facilities we use, so I know there

were a number of areas that have been included. As I stated earlier, in the ministerial forum that I will be

Page 282

sending out here over the spring, summer and hopefully coming to a conclusion in early fall, will include some of the information we received through the Med-Emerg Report. Thank you, Mr. Speaker.

MR. SPEAKER:

Oral questions. Supplementary, Mrs. Groenewegen.

Supplementary To Question 104-13(7): Med-Emerg Report Implementation

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. The Med-Emerg Report, I understand, was an exercise in collecting and compiling a very comprehensive overview of health care services in the Northwest Territories. Could the Minister please tell us what the different slant or the different purpose is of the ministerial forum which now he is going to commission to go out and collect information as well? Could he identify for us why this would be different than the information solicited by the Med-Emerg Report? Thank you.

MR. SPEAKER:

Mr. Roland.

Further Return To Question 104-13(7): Med-Emerg Report Implementation

HON. FLOYD ROLAND:

Thank you, Mr. Speaker. Mr. Speaker, the ministerial forum that we are proposing to send out will be focused on the people and how they feel the system is being used, but it will have a focus to it. As I said earlier, we will be taking some of the information from existing work that has been done on the other strategies and combining that and getting response from the people of the Northwest Territories.

The Med-Emerg Report itself, was more of an internal process with some consultants and the professional end of it and had some input from the health boards. This one is going to go further out into the public and get some response back as well as sharing information on the concerns we have as the Department of Health and Social Services in sustainability and where we are going with our system

as we know it, and trying to get some concrete answers as to what the future holds and preparing future Assemblies for the direction they will go with in Health and Social Services. Thank you, Mr. Speaker.

MR. SPEAKER:

Oral questions. Supplementary, Mrs. Groenewegen.

Supplementary To Question 104-13(7): Med-Emerg Report Implementation

MRS. GROENEWEGEN:

Thank you, Mr. Speaker. Mr. Speaker, how soon could the Minister anticipate and would he consider tabling in this House prior to the commencement of the ministerial forum on health and Social Services, the anticipated cost and also the terms of reference of this particular forum. Thank you, Mr. Speaker.

MR. SPEAKER:

Thank you. Mr. Roland. Two questions.

Further Return To Question 104-13(7): Med-Emerg Report Implementation

HON. FLOYD ROLAND:

Thank you, Mr. Speaker. The ministerial forum, right now the terms of reference I have been working on those with the department and we are close to bringing those to the attention of the Members. I am planning, before the end of the recess of the session, that I will have a letter out to Members requesting a name from them as well, letters and calls will be going out to organizations within the territory for possible representatives to be named to this forum. As I said earlier, hopefully from that this process will be a much more public process and will be set up in an atmosphere where we are trying to get some concrete feedback on the system and how we operate. Thank you, Mr. Speaker.

MR. SPEAKER:

Oral questions. Mr. Krutko.

Question 105-13(7): Reimbursement of Costs of Division

MR. KRUTKO:

Thank you, Mr. Speaker. Mr. Speaker, I have some real concerns regarding the statement made by the

Minister of Finance in the committee of the whole. It is to do with the incremental cost that was occurred by this government for division, especially the amount of money that was incurred by this government, and the Western Territory for the cost of division. Mr. Speaker, I was under the assumption by the previous Minister of Finance, that do not worry, everything is okay, the federal government will pick up the tab.

--Applause

But, yet, Mr. Speaker, we find ourselves today without money for education or health. We are short of money and we are stuck holding the bag for the cost of division. I would like to ask the Minister of Finance exactly why were we caught with the cost of division in the Western Territory?

--Applause

MR. SPEAKER:

The Minister of Finance, Mr. Dent.

Return To Question 105-13(7): Reimbursement of Costs of Division

HON. CHARLES DENT:

Thank you, Mr. Speaker. Mr. Speaker, I comment as to why the federal government has refused to live up to, what we believe was their obligation to pay for the incremental costs of division, but I do know that they have been approached many times. We had initially been led to believe that there would be some support for all additional costs this government incurred, but, unfortunately, we have been unable to convince the federal government to follow through and provide that level of support. Thank you.

MR. SPEAKER:

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

Supplementary To Question 105-13(7):
Reimbursement of Costs of Division

MR. KRUTKO:

Thank you, Mr. Speaker. Mr. Speaker, I believe as Members on this side of the House we were misled by the previous Minister of Finance to agreeing, from the western perspective that we will be able to retrieve these costs, and the basic costs we were talking about were in the millions of dollars

Page 283

because of the amount of money we spent on training people. In regard to the Western Territory, the cost of moving people from the Yellowknife headquarters office to the Iqaluit office and also to the regional centres in the east. Can the Minister tell me exactly what the cost is that this government incurred, basically the cost for us to assist in division and the cost to this government at this time? Thank you.

MR. SPEAKER:

Mr. Dent.

Further Return To Question 105-13(7):
Reimbursement of Costs of Division

HON. CHARLES DENT:

Thank you, Mr. Speaker. As I said yesterday in committee of the whole, I have been informed soft costs were not tracked for the last while because it became very clear that the federal government was absolutely refusing to pay those costs. I would like to make it clear that it is not millions of dollars, what we are talking about is staff time. Particularly time for the deputy ministers and other senior staff to assist in setting up policies and procedures and getting the process of division done. Thank you, Mr. Speaker.

MR. SPEAKER:

Oral questions. Supplementary, Mr. Krutko.

Supplementary To Question 105-13(7):
Reimbursement of Costs of Division

MR. KRUTKO:

Thank you, Mr. Speaker. I find it interesting that the Minister referenced that they knew for some time that this decision was made by Ottawa, yet as Members in this House, we were never told that that decision was made by the people in Ottawa that we will not be recouping our money for the incremental costs of government. When did this government know that decision was made by Ottawa?

MR. SPEAKER:

Mr. Dent.

Further Return To Question 105-13(7):
Reimbursement of Costs of Division

HON. CHARLES DENT:

Thank you, Mr. Speaker. Mr. Speaker, I cannot answer that question. I do not know when the government actually knew. I think the presentations were made to the federal government on a continuing basis right up until the point of the division of the territories requesting their consideration for these incremental funds. I remember hearing the previous Minister being questioned in the House, and his response being that the federal government had not yet agreed to fund the amounts on a specific dollar basis. The federal government have said no on several occasions and I believe that was reported to the House previously, but I would have to check with the department and previous Hansards to see whether or not that was the case.

MR. SPEAKER:

Oral questions. Final supplementary, Mr. Krutko.

Supplementary To Question 105-13(7):
Reimbursement of Costs of Division

MR. KRUTKO:

Thank you, Mr. Speaker. Mr. Speaker, I for one, do not believe we should just give up on this endeavour of trying to recoup those costs from the federal government, or even from the Nunavut government in the east. This cost was procured by that government and I believe we should continue the effort to try and retrieve those cost. For us to say let us not worry about it and we will try to gain it through another route, it may be a long time before we can gain it through the other route. I would like to ask the Minister, will he continue to lobby his federal counterparts in Ottawa and also the Minister of Finance in the federal government and also our Prime Minister to see exactly why were we stuck with those costs which we were made to understand that we would not be incurring those costs in this government?

MR. SPEAKER:

Mr. Dent.

Further Return To Question 105-13(7):
Reimbursement of Costs of Division

HON. CHARLES DENT:

Thank you, Mr. Speaker. I will be pleased to follow up with the department to see if we can advance the

case one more time. I will endeavour to do that fairly quickly. Thank you, Mr. Speaker.

MR. SPEAKER:

Thank you. We have 25 seconds left. Oral questions. Mr. Ootes.

Question 106-13(7): Reimbursement of Costs of Division

MR. OOTES:

Thank you, Mr. Speaker. I would like to follow up on Mr. Krutko's point. Yesterday I questioned the Minister and while, at the time, I thought that he was correct. You have to identify the battles you want to fight but, I started thinking later on, Mr. Speaker, and the reality is I think that I was under the impression as well that we were going to recover that money. We discussed that many times and I think it is a sorrowful state of affairs when we have to sit here, a sad state of affairs, that we have to sit here and today say, oh well, unfortunately we did not get our money. Nunavut has been treated very well by the federal government

--Applause

and I think we should be treated very well. To suggest that we just give up on that, I thought about this last night, and I think that is shameful for us to sit here and say, no, no, we should pass on. So my question, Mr. Speaker, for the Minister of Finance is, could he find out for us if the Western Coalition that worked with, I believe, the Minister of Finance, was informed that we would not be pursuing this funding back to the territorial government? Thank you, Mr. Speaker.

MR. SPEAKER:

The Minister of Finance, Mr. Dent.

Return To Question 106-13(7): Reimbursement of Costs of Division

HON. CHARLES DENT:

Thank you, Mr. Speaker. Mr. Speaker, there seems to be some misinformation here. I did not say that we ever quit pursuing the money. I said that the federal government did not quit saying no. Maybe I should say that a little more loudly. We kept trying to get the money, the federal government kept saying no. Now

you can keep on asking, and keep hearing no if you want. I suggested yesterday that we

Page 284

probably heard no enough times to suspect that there was not going to be a change in the answer. Thank you, Mr. Speaker.

MR. SPEAKER:

Question period is over. Item 7, written questions. Item 8, returns to written questions. Item 9, replies to opening address. Item 10, replies to Budget Address. Item 11, petitions. Item 12, reports of standing and special committees. Item 13, reports of committees on the review of bills. Item 14, tabling of documents. Mr. Steen.

ITEM 14: TABLING OF DOCUMENTS

Tabled Document 31-13(7): Report to Minister, Public Works and Services, April 15, 1999

HON. VINCE STEEN:

Thank you, Mr. Speaker. Mr. Speaker, I wish to table the following document entitled, Report to the Minister of Public Works and Services, April 15, 1999. It is regarding issues raised in the Report of the Conflict of Interest Commissioner. Thank you, Mr. Speaker.

MR. SPEAKER:

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. Before us today, we have Bill 17, Appropriation Act, 1999-2000, and committee report 1-13(7). What is the wish of the committee? Mr. Erasmus.

MR. ERASMUS:

Thank you, Madam Chairperson. Madam Chairperson, we would like to begin with the

Department of Finance and then follow with the Department of Municipal and Community Affairs.

CHAIRPERSON (Mrs. Groenewegen):

Does the committee agree?

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. we will commence after a ten minute break. Thank you.

--Break

CHAIRPERSON (Mrs. Groenewegen):

I will now call the committee back to order. We are on the Department of Finance and I would like to ask the Minister responsible, Honourable Charles Dent, if he would please provide the committee with opening comments on his departmental estimates. Mr. Dent.

HON. CHARLES DENT:

Thank you, Madam Chairperson. Madam Chairperson, I am pleased to introduce the Main Estimates of the Department of Finance for the fiscal year 1999-2000.

CHAIRPERSON (Mrs. Groenewegen):

One moment, Mr. Dent. Mr. Krutko.

MR. KRUTKO:

Point of order, Madam Chairperson. I do not recognize a quorum.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Krutko. In fact, a lack of quorum is not a point of order, but you have drawn my attention to the fact that we do lack a quorum so I will ring the bells again until we have achieved a quorum in the House.

Thank you, Mr. Dent. I apologize for that interruption. Would you please continue?

HON. CHARLES DENT:

Thank you, Madam Chairperson. I am pleased once again to introduce the Main Estimates of the

Department of Finance for the fiscal year 1999-2000. For 1999-2000, the Department of Finance is requesting a total expenditure budget of \$7.113 million or 20 percent less than in 1998-99. This expenditure budget is accompanied by a revenue budget of \$630.133 million. The Department of Finance provides advice to Cabinet and the Financial Management Board and serves the government in five principal areas.

In 1998-1999, the department focused on strategies to make sure the government has the resources necessary to deliver quality programs and services. The Formula Financing Agreement for the NWT was signed last October. This agreement provides a secure funding source for the Northwest Territories. In addition, the NWT Child Benefit Program and the Risk Capital Investment Tax Credit Program were developed to help achieve northern priorities. The department has managed to negotiate insurance coverage for government assets, which, barring another major loss, will run through to March, 2000. The department will be taking action in all divisions, aimed at maximizing revenues and increasing the efficiency and effectiveness of department operations while becoming more responsive to client needs.

The goals of the Department of Finance for 1999-2000 are clearly focused on the government's priorities of increasing employment for northerners, providing a better future for our

Page 285

youth and creating a fair, representative and responsive government in the NWT. In this regard, the department's efforts over the next year will be emphasized in three key areas. First, it is critical that the fiscal regime of the NWT be able to support a stable political environment and a strong economy. Within the context of western governance and aboriginal self-government, we will work to make sure the NWT has the resources necessary to deliver quality programs and services to the public. It is vital to make sure that northerners receive a greater share of the fiscal benefits arising from the development of northern resources.

An integrated tax regime which encourages economic growth and development will continue to be important. As well, Madam Chairperson, the department will be working with other government departments on proactive measures to prevent fire losses. This ensures that the government is able to maintain affordable insurance coverage.

The Department of Finance will also continue its efforts to become more responsive to client needs. The department is working with local governments and taxpayers to improve communication and to streamline regulatory procedures. Madam Chairperson, I would now be pleased to respond to any questions the committee may have.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Dent. With the overview by the standing committee I have Mr. Ootes.

MR. OOTES:

Thank you, Madam Chairperson. I would like to give the report on the review of the 1999-2002 business plans and the 1999-2002 Main Estimates for the Standing Committee on Resource Management and Infrastructure and it is the report on the Department of Finance.

The Department of Finance and its Minister have the mandate for obtaining the necessary financial resources required to implement the Government of the Northwest Territories policies and programs, negotiating major financial arrangements with the federal government, regulating the insurance industry and controlling the sale of alcohol products in the Northwest Territories.

The Standing Committee on Resource Management and Infrastructure reviewed the Department of Finances business plan on November 20, 1998. Committee Members noted that the Department's business plan reflected federal funding changes that arose from the creation of two new territories. Importantly, variances in projected revenues and expenditures continue to be affected by national and global economic malaise, as metal commodity prices remain depressed. The Northwest Territories economy is resource driven. As such, until commodity prices recover, tax revenues affected by this downward cycle will most likely decline.

The committee reviewed the department's draft 1999-2000 Main Estimates on March 24, 1999. Total proposed 1999-2000 operations and maintenance expenditures declined by \$88,000 or 1.22 percent from the business plan projections. Total operations and maintenance revenues also declined slightly by \$97,000 or 0.02 percent for projected net revenues of \$630.056 million. The Department of Finance administers the grant from Canada, territorial taxes and other revenues and accounts for over 85 percent

of the total estimated 1999-2000 revenues of the territorial government.

Committee Members during their review of the draft 1999-2002 Main Estimates were concerned about the future of the gold mines, the economic potential of the diamond industry and the impact of the eventual loss of Nunavut business on the west. Committee Members agree that unless significant sources of revenue are produced or innovative or more efficient management of existing resources is developed, the government's ability to maintain and deliver programs and services may be severely compromised.

Insurance premiums. During the review of the business plan, committee Members expressed concern about rising insurance premiums and the very significant increases in the government's deductible, now \$2 million. As a result, the committee recommended that the government examine options for increased fire prevention education programs in schools and initiatives to increase public awareness. The committee further recommended the adoption of on-site security personnel and the study of other alternatives to prevent and reduce losses due to fire and criminal activity.

In accordance with the committee's recommendations, the government has established an interdepartmental Facilities Risk Committee, chaired by the Department of Finance. The objective of the committee is to identify and implement practical loss prevention strategies (such as on-site security personnel) and procedures to protect government assets from loss at a reasonable cost.

Alternative Sources of Revenue. During the review of the department's draft Main Estimates, the committee noted that the government would no longer be bound by the Deficit Elimination Act after the 1998-1999 fiscal year. The government by its own projections is expected to be in a significant deficit situation in the next (2000-2001) fiscal year. Without the infusion of the accumulated surplus, the government would have been in a deficit situation for the 1999-2000 fiscal year.

Further, as commodity prices such as oil and gold continue to decline, taxation revenues from mining concerns may be severely compromised or eliminated altogether. Committee Members concluded that unless innovative means of income are found quickly, the government's ability to deliver and provide programs at satisfactory levels may no longer be possible. The committee recommends that timely

efforts be made to identify and evaluate alternative sources of revenue.

Page 286

Nunavut Service Contracts. Committee Members noted during both reviews that revenue from services performed for the Nunavut government represents a significant portion of the government's overall income. This income may be an important contribution to the government's current level of program and service delivery. The committee would like to receive a summary of Nunavut contracts to date and their respective contract values.

Madam Chairperson, that completes the report of the Standing Committee on Resource Management and Infrastructure on the Department of Finance.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Ootes. At this time, I will ask the Minister if he would like to bring in witnesses.

HON. CHARLES DENT:

Thank you, Madam Chairperson, yes, please.

CHAIRPERSON (Mrs. Groenewegen):

Is the committee agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRPERSON (Mrs. Groenewegen):

Agreed, thank you. Sergeant-at-Arms, I would ask you to please bring in the witnesses. Thank you, Mr. Dent, for the record, would you please introduce your witnesses.

HON. CHARLES DENT:

Thank you, Madam Chairperson. On my right is the deputy minister of the department, Margaret Melhorn, on my right, the director of Finance and Administration, Mr. Bill Setchell.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Dent. Mr. Ootes.

Committee Motion 1-13(7): Identification and Evaluations of Alternative Sources of Revenue

MR. OOTES:

Thank you, Madam Chairperson. During the report on the Department of Finance, I made reference to committee recommendations and at this time, for the record, I would like to move a motion. I move that this committee recommends that timely efforts be made to identify and evaluate alternative sources of revenue.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Ootes. The motion is in order. To the motion. Question has been called. All those in favour? All those opposed? The motion is carried. General comments on the Main Estimates of the Department of Finance? Mr. Krutko.

MR. KRUTKO:

Thank you, Madam Chairperson. I believe that we do have to make an effort to look at other jurisdictions in Canada and also see what other alternatives we have for generating revenues. I believe the only option we have in the north in regard to the funding sources we do get is limited to the taxes we do collect, but also that the revenues we receive from Ottawa are not sufficient at this time. I feel it is essential that we consider looking at other alternatives. I believe the previous Minister of Finance was looking at the possibility of revenues from the diamond industry and also looking at the whole area of generating revenues from the secondary industries that come from that industry. I think it is critical that we seriously make the attempt to find new sources of revenues. I think for ourselves we have to be open-minded and look where other jurisdictions across Canada and the other provinces have had to try and find unique ways of generating revenues. I would like to ask the Minister exactly what has Mr. Martin done to consider those other alternatives in other jurisdictions in Canada and, has he met with other provinces or Ministers of Finance from different jurisdictions to see exactly what other options are out there and what they are?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Krutko. Mr. Dent.

HON. CHARLES DENT:

Thank you, Madam Chairperson. I have not as yet had the occasion to meet with Ministers of Finance in other jurisdictions since my appointment to this position. However, I know that our officials have maintained good contacts and have met with officials from other jurisdictions over the years. There is an

ongoing review by the department and they have brought initial items for consideration to me in terms of different ways that we might raise revenues. As I pointed out in the budget speech, the one that holds the most potential for the most dollars in the shortest time is tied to our natural resources. Thank you, Madam Chairperson.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Dent. Mr. Krutko.

MR. KRUTKO:

Thank you, Madam Chairperson. One of the concerns I have is in regard to this government interfering or benefiting certain aspects of the economy, either it is the diamond industry or developing infrastructure on behalf of developers and also using public funds to give one group over another an upper hand when it comes to developing their industry. I am talking about the different diamond sectors that have come forth. There are a lot of public funds being spent in the different areas, especially for developing those different industries up here.

We also have to realize we are here to deliver programs and services. Yes, it is great to put money into stimulating the economy, but we also have to realize that it does not benefit all residents of the Northwest Territories and in some aspects it gives the upper hand to one business entrepreneur over another. I think we have to ensure that we do not find ourselves in a conflict situation where we are supporting one portion of the sector, but not supporting all the sectors involved in those different industries. I would like to ask the Minister, what is the department doing to ensure that there are guidelines in place that we do not find ourselves in a conflict situation by catering to one sector of the economy over another?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Krutko. Mr. Dent.

HON. CHARLES DENT:

Thank you, Madam Chairperson. This government always finds itself in a situation where it has to try to ensure that there is a balance in how it provides services to its citizens. There is a respect for the regional needs and I believe those regional needs are reflected in its overall budget.

This government has seen an opportunity in this field to try to develop a market that would not otherwise exist in the north. Obviously, whether it is in logging, mining, or any kind of primary activity in the territories, the more value-added jobs we can bring to the territories, the more our whole economy benefits from the primary activity.

This government is supportive of seeing sawmills in areas where there are trees. We do not want to see the trees shipped south to sawmills. We saw an opportunity with diamonds to pursue the secondary diamond industry and we have done that. I believe there is a balance whereby programs and services on the economic side are not diminished in other regions. Madam Chairperson, the Member is right, we have to make sure we are aware of those regional concerns and balance our responses to economic opportunities.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Dent. Mr. Krutko.

MR. KRUTKO:

Thank you, Madam Chairperson. I believe that this government is taking a risk. Any business is a risky business to be involved in. I think any business that this government gets involved in, at the end of the day, we do not want to find ourselves in regard to investing a whole bunch of money in any company and finding that we are losing money because of a bad investment. I would like to expand on that point that we also have to realize that we do not have the so called economic programs and services we had in the past. We do not have a federal economic program that we can depend on for entrepreneurs in the smaller communities and also the economic development grants we had in the past under federal programs. Because of that, I do not think we can concentrate all our efforts or all the resources in one sector. You have to look at the Western Territory as a group of communities and also, an area that covers large jurisdictions. We cannot just concentrate the resources and the opportunities in one particular riding or geographical area. We have to look at the Western Territory as a whole.

The concern I have is because we do not have those federal programs we depended on in the past in regard to economic development programs, EDA and other programs we had from the federal government

and without those programs, I think we are going to find ourselves in a really bad economic situation. We will have to consider that we have to treat everybody fairly regardless of what jurisdiction they reside in and economic sector we are talking about: oil, gas, minerals, forestry, or tourism.

From what I have seen so far, especially looking at the budget, it seems like we are still putting too much emphasis in the diamond industry, it is a multi-billion dollar industry in the world, yet we are just basically a minute spectrum in regard to that industry. I think they have survived for hundreds of years and I do not think they need the assistance of this government to get them involved in it. I believe that they want bad enough to get involved in that industry, there are hundreds of thousands of companies and corporations that specialize in diamonds, are willing to set themselves up without any money from this government. We have to keep that in mind. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Krutko. Mr. Dent.

HON. CHARLES DENT:

Thank you, Madam Chairperson. I have no doubt that the companies mining diamonds will do so if it is economically viable. None of them have ever come to this government and asked for assistance; however, there will not be a secondary diamond industry in the Northwest Territories unless this government is prepared to support it. No company is prepared to come here and set up without some kind of assistance. Every single company so far has looked for some assistance, particularly on the training side.

It is also important to point out that in terms of economic dollars or if you will, dollars that are spent on economic development in the Northwest Territories, a very small part of our overall budget goes to the secondary diamond industry. We are talking a few hundred thousand dollars a year in comparison to the millions of dollars that are spent territories-wide in economic development. It is not something that has cost this government a great deal of money. The biggest expenditure to date has been commitments on the training side which are typically for training on-the-job subsidies. What that means is that the employers are paying for a good part of the training, the Department of Education, Culture, and

Employment subsidizes a portion of the training.
Thank you, Madam Chairperson.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Dent. Mr. Erasmus.

MR. ERASMUS:

Thank you, Madam Chairperson. For the last little while, we have been hearing that we are going to be needing a different source of funds because the revenues we are going to receive from the federal government will not be sufficient. One of the ways for doing that has been identified as getting more dollars through the extraction of our resources in the Northwest Territories, primarily non-renewable resources. Madam Chairperson, this has been projected as being a partnership with the aboriginal governments. I do not know if this has been meant as a way to put pressure on the aboriginal governments so they will have to or people will put pressure on them to come to some type of an agreement or if this was done inadvertently. However, it seems to me that there is some pressure being put on the aboriginal governments to come to an agreement on some type of a Northern Accord, as it was called before when negotiations were underway to bring control of northern resources to the north.

Madam Chairperson, I noticed that in the Minister's opening comments, he had indicated that they matched, that the department of financing agreement provides a secure funding source for the Northwest Territories. I know there were some problems in the Formula Financing Agreement in the past where we lost money when certain things happen. Could the Minister indicate what those problems were and have they been eliminated in this new Formula Financing Agreement?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Erasmus. Mr. Dent.

HON. CHARLES DENT:

Thank you, Madam Chairperson. Madam Chairperson, in the previous Formula Financing Agreement, one of the biggest problems was what was known as the perversity factor. In this Formula Financing Agreement

it has, to a large extent, been eliminated. We now slightly benefit from finding our own new sources of revenue, where in the past we were penalized for it. If the Member is referring to the significant budget reductions that we have received in the past, the federal Minister of Finance announced in parliament that he was going to freeze our contributions for one year followed by a 5 percent reduction. His timing was such that at the time, there was a new Formula Financing Agreement being negotiated and the federal government imposed that on the new agreement. The freeze was the first year of the new Formula Financing Agreement and the reduction was in the second year of the Formula Financing Agreement. Those two reductions were accomplished because the five year agreement in place previously was concluded. For the next five years the funding is secure.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Dent. Mr. Erasmus.

MR. ERASMUS:

Madam Chairperson, the funding is secure, yes we will be getting money every year. I guess you could say that it is secure. If I understand correctly, our funding is going down. Is that correct? If it is, why?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Erasmus. Mr. Dent.

HON. CHARLES DENT:

Thank you, Madam Chairperson. Madam Chairperson, we expect that the funding will likely remain almost exactly the same for the next few years as a result of our population growing at a lesser rate than that of Canada.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Dent. Mr. Erasmus.

MR. ERASMUS:

Thank you, Madam Chairperson. Madam Chairperson, in the course of our research, a couple of years ago when the government operations committee recommended the Aurora Fund and the Tax Credit Investment Program, we also noted that in the Atlantic provinces some of those provinces actively seek out large companies and encourage them to move their base to their particular province by

providing tax incentives and various incentives. I was wondering if this department has contemplated this and if not, could they look into it? Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Erasmus. Mr. Dent.

HON. CHARLES DENT:

Thank you, Madam Chairperson. Madam Chairperson, I would suggest that the staff of the Department of Finance is not the best suited to be pursuing economic initiatives. I would respectfully suggest that this may be something Members should propose to the Department of Resources, Wildlife and Economic Development. The Department of Finance would certainly be prepared to assist through the Bureau of Statistics or through the provision of financial information to the economic development marketing arm of RWED if that would be of assistance. We do not really have people who are skilled in the area of seeking out companies and encouraging them to move to the Northwest Territories.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Dent. Mr. Erasmus.

MR. ERASMUS:

Madam Chairperson, I understand that taxes are under the regime of this ministry. What I would like to know is, would the Minister be prepared to provide tax incentives and that type of thing say for major companies moving their headquarters up here? Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Erasmus. Mr. Dent.

HON. CHARLES DENT:

Thank you, Madam Chairperson. Madam Chairperson, as I mentioned in my opening comments we have recently brought forward the Risk Capital Investment Tax Credit. This kind of incentive encourages investment and business in the north. The incentive the Member refers to would certainly be a similar type of program that could be considered in conjunction with the department of Resources, Wildlife and Economic Development.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Mr. Erasmus.

MR. ERASMUS:

Thank you, Madam Chairperson. Madam Chairperson, as we know, this year's budget for 1999-2000 will not leave us in a deficit, as what is projected so far because we are using our surplus to offset those costs. What is the projection for the following year, 2000-2001? Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Erasmus. Mr. Dent.

HON. CHARLES DENT:

Madam Chairperson. I cannot answer that question right now. The fiscal frame work falls under the mandate of FMBS. The Department of Finance concentrates on the revenue side. We are projecting very similar revenues for next year in the area of \$708 million. I could venture to say given the fact we are running a \$34 million deficit this year, we should expect an amount in excess of that next year, likely something over \$40 million.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Dent. Mr. Ootes.

MR. OOTES:

Thank you, Madam Chairperson. Madam Chairperson, in previous years, I believe we had substantial expenditures in the area of forced growth. I do not have the exact figures, but I do believe, certainly in one year, in the neighbourhood of \$18 to \$20 million. My question for the Minister is, has he an indication of how much the forced growth was in this particular budget?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Ootes. Mr. Dent.

HON. CHARLES DENT:

Thank you, Madam Chairperson. Madam Chairperson, the expenditure side of the budget is what FMB looks after. I had the experts with me yesterday to answer that question. I am afraid it is not an area covered by the Department of Finance. I do not have the figures available, Madam Chairperson.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Dent. Mr. Ootes.

MR. OOTES:

Thank you, Madam Chairperson. Madam Chairperson, I do know that it is fairly substantial. The percentage may not be large, but then when we are dealing with 1 or 2 percent forced growth area, on this particular budget, for example, a 1 percent forced growth would be \$7.5 million. If it is 2 percent, you can naturally double that. It is substantial money that we are into. I guess my question relates to the Formula Financing Agreement when it was formulated. If we have to live with a static figure other than some population change, then in five years time we potentially could be out a lot of money. Is not the problem of our deficit projection part of the formula financing that was agreed to?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Ootes. Mr. Dent.

HON. CHARLES DENT:

Thank you, Madam Chairperson. Madam Chairperson, the formula is a very complicated and strange animal, I guess I should say. It has its up sides and its down sides. Two years ago we benefited to the tune of \$80 million from a population adjustment because of the 1996 census. That has allowed us to have a surplus going into this fiscal year.

While population is one factor that plays in the formula, the federal government has always insisted that it must also be tied to provincial and local spending across Canada. That too could make a significant difference on how the formula performs for us. While it would be nice to be able to say to the federal government, give us the money we need to do our operations, they have required us to follow this formula. They feel it helps make sure that our funding requirements stay within their ability, while reflecting changes in population and changes in spending across Canada and therefore, should be able to deal with our changing needs in the north as well.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Dent. Mr. Ootes.

MR. OOTES:

Thank you, Madam Chairperson. Madam Chairperson, I am sitting here today saying we are projecting a substantial deficit for the next two or three years and unless we cut programs, knowing the force growth factor that this government has traditionally gone through, was that a factor negotiated into the formula financing? I do not believe it was from what the Minister says. My understanding is that the amount that we were allocated is static for a five year period other than population growth and the performance of provinces. It bothers me that we did not take that into account.

The Minister next year is going to be faced with a tremendous difficulty of balancing the books, whoever the Minister may be. I appreciate we cannot probably readdress with the federal Minister of Finance or can we? Maybe that is a question, can we re-address this as an area that is an oversight? Is there a possibility for us to say, look the forced growth situation in the north is extreme, we have tremendous difficulties after all. It is not hard to tabulate a list and we went through them, Mr. Henry made reference to them yesterday, the highest birth rates, the highest smokers, the highest health problems, the highest this and that so, could it not be addressed from that perspective, that we have extreme problems here in the north and in order to address them, we have to have an adjustment for the forced growth area. Is that a possibility to present?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Ootes. Mr. Dent.

HON. CHARLES DENT:

Thank you, Madam Chairperson. I would say there is absolutely no opportunity to open up the Formula Financing Agreement in the area of adequacy. It is important to remember that adequacy was something that was brought up by all the parties at the table. There was Nunavut, the Northwest Territories, the Western Coalition and NTI, all at the table. Everybody brought up the issue of adequacy. The federal government did, in fact, cough up an extra \$95 million between the two territories to cover the incremental costs of division, but have held firm on the issue of adequacy. In terms of forced growth, forced growth is not accepted as an argument outside of the formula because it typically relates to population growth. As your population grows, your funding requirements grow to provide services. The federal government's argument is that the formula does, in fact, deal with forced growth. Unfortunately we believe it does not.

If our population only grows at the same rate as Canada's then our formula does not perform very well. Even though our school population may only be growing at half a percent a year, that is not reflected. Even though our population is not increasing significantly, the formula does not reflect the increased demand on health and social services. The Member is right, there are pressures from forced growth but in federal eyes that is supposed to be handled through the population factor in the formula.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Dent. Mr. Ootes.

MR. OOTES:

Thank you, Madam Chairperson. The formula, I believe, works on a basis where at one time had a perverse factor. Today, I believe it is one on one. Am I correct on that or perhaps the Minister could tell us how it works now?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Ootes. Mr. Dent.

HON. CHARLES DENT:

Thank you, Madam Chairperson. No, in fact, we managed to keep some of our increases in taxes now, rather than it being a straight dollar trade. For every extra dollar we raise we get to keep \$.20.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Dent. Further general comments on the Department of Finance? Mr. Henry.

MR. HENRY:

Thank you, Madam Chairperson. I have some questions surrounding the Department of Finance and the government's support of some of the diamond cutting and polishing facilities, ventures that entrepreneurs are setting up. Could the Minister tell us the number of businesses that are presently receiving financial guarantees from this government? Thank you, Madam Chairperson.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Henry. Mr. Dent.

HON. CHARLES DENT:

Thank you, Madam Chairperson.

Page 290

Again, this was an item that should have been raised yesterday when I had FMBS officials with me as the Secretariat is responsible for this issue. To the best of my knowledge, at this time, there has been only one guarantee concluded and in place under the auspices of this government.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Dent. Mr. Henry.

MR. HENRY:

Thank you, Madam Chairperson. I would apologize for bringing that up under the wrong area. I sincerely believed it was the Department of Finance that guaranteed it. If I could be allowed the prerogative of one additional question. I would be interested in knowing what margin requirements are on those guarantees, or can the business access all the guarantees? What margins are on them in inventory or receivables? Thank you, Madam Chairperson.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Henry. Mr. Dent.

HON. CHARLES DENT:

Thank you, Madam Chairperson. I cannot answer the question in detail, but I do know the amount of guarantee is tied to various factors, including the amount of rough that companies are purchasing.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Dent. Mr. Henry.

MR. HENRY:

Thank you, Madam Chairperson. Yes, I can appreciate the Minister may not have that information at hand, but could he commit to getting that information to Members? Thank you, Madam Chairperson.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Henry. Mr. Dent.

HON. CHARLES DENT:

I will endeavour to make what information I can available to Members.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Dent. Further general comments. Before we move on to the detail we are going to take a very brief break.

--Break

CHAIRMAN (Mr. Henry):

The committee will come back to order. Mrs. Groenewegen, you have a question of the Minister?

MRS. GROENEWEGEN:

Thank you, Mr. Chairman. The Minister has indicated that his department is responsible in the area of taxation and the last couple of years, if not longer, the department has heard requests for consideration of an alteration in the gas tax for off-road vehicles and, at one time the department was working on getting precedence or prototypes or samples of the kind of rebate regime that they have in other provinces, but to date we have never heard anything about this. I would like to know where that is at in the department, because it has been outstanding for quite sometime. It was a request that was going to be investigated and reported back and I do not believe we have heard anything. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Henry):

Thank you, Mrs. Groenewegen. Mr. Dent.

HON. CHARLES DENT:

Thank you, Mr. Chairman. I am advised that because of the expected volume, this program would be extremely expensive to administer through a tax program. It would be far more economic to administer an assistance program to fishers, trappers or farmers, if that were the will of this government. To administer such a program through a gas tax would be very expensive.

CHAIRMAN (Mr. Henry):

Thank you, Mr. Dent. Mrs. Groenewegen.

MRS. GROENEWEGEN:

I guess it would be actually a gas tax rebate. Was there ever any briefing paper or, I want to say report, any conclusions identified and recorded on behalf of the department that we could use to pursue this

further with, for example, the department of economic development and tourism?

CHAIRMAN (Mr. Henry):

Thank you, Mrs Groenewegen. Mr. Dent.

HON. CHARLES DENT:

Thank you, Mr. Chairman. There is no formal report, but what I can offer the Member is to have a briefing note or a letter prepared with the information from the analysis that was performed by the department.

CHAIRMAN (Mr. Henry):

Thank you, Mr. Dent. Mrs. Groenewegen, further questions?

MRS. GROENEWEGEN:

Thank you, Mr. Chairman. Mr. Chairman, back in October of 1995, prior to this Legislative Assembly, the 13th Assembly commencing, there was considerable consultation which took place with the public on the issue of eliminating the deficit and the report was to the Minister of Finance at the time. I believe that it may have been worked on substantially by the former Deputy Minister of Finance and I have copies of this report here, and some of the areas that the public was consulted on were options that the GNWT should follow to raise additional revenues just to name one subtitle here. I am wondering, is this kind of information available to the department, do they ever peruse this type of thing and on the basis of some of the consultation and reports that have been done in the past? Do you ever try to compile options or gain information from such things as this that we probably spent a lot of time and effort on in the past? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko):

Thank you, Mrs. Groenewegen. Mr. Minister.

HON. CHARLES DENT:

Thank you, Mr. Chairman. The department does review tax options and other revenue initiatives on an annual basis and bring forward items for discussion with the Minister.

CHAIRMAN (Mr. Krutko):

General comments. Mrs. Groenewegen.

MRS. GROENEWEGEN:

Thank you, Mr. Chairman. Mr. Chairman, we hear the Minister of Finance refer to the shortage of revenues and the limited revenue generating opportunities for this government and we do hear reference to increasing the tax

Page 291

window and we never hear numbers attached to that. We just hear it referred to in rather vague generalities. I was wondering if the Minister could elaborate for us a little bit as to what kind of significance in terms of dollars does he think such negotiations could produce? It is just something we hear about in very general terms. I wonder if you could be more specific.

CHAIRMAN (Mr. Krutko):

Thank you, Mrs. Groenewegen. Mr. Minister.

HON. CHARLES DENT:

Thank you, Mr. Chairman. It is difficult to say what the magnitude of the numbers would be. If we were to take ownership of \$100 million in new revenues, we would currently benefit to the tune of \$20 million. We would certainly like to see that tax window increase to \$40 million, \$50 million or, even \$60 million. However, I am not sure if, we will ever be able to convince the federal government that it should be at those levels. If we achieve that through resource royalties or something tied to resources, we will have to discuss with aboriginal governments how it is shared. The number is very, very difficult to project at this point. Right now, the bottom line is \$20 million for every \$100 million in new revenues. I would certainly like to see that increased and that would be our goal, but it is tough to say what we might see without having had an opportunity to pitch the case to the federal government along with our partners.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Minister. General comments. Mrs. Groenewegen.

MRS. GROENEWEGEN:

Is the Minister indicating that this increase in the tax window has never been pitched to the federal Minister of Finance in the past.

CHAIRMAN (Mr. Krutko):

Thank you, Mrs. Groenewegen. Mr. Minister.

HON. CHARLES DENT:

Mr. Chairman, I have no doubt that Mr. Todd tried to convince Mr. Martin we should have a tax window of 40 percent, but he received no agreement from Mr. Martin. The initiative still has to be followed up in much more detail with us demonstrating to the federal government how, by increasing the tax window and by having owners share control and ownership of the resources, that we will find a way to increase the size of the whole fiscal pie enough that both Canada and the Northwest Territories can benefit.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Minister. General comments. Mrs. Groenewegen.

MRS. GROENEWEGEN:

So 40 percent going from 20 percent to 40 percent was what was previously bandied about. I suppose with preliminary or exploratory discussions with the federal finance Minister, so would that still be a reasonable goal?

CHAIRMAN (Mr. Krutko):

Thank you, Mrs. Groenewegen. Mr. Minister.

HON. CHARLES DENT:

Mr. Chairman I venture to say that after Ottawa reads Hansard and my comments today, we may be lucky to get 30 percent. I hate to try to negotiate publicly, as it would weaken our chance to move this along.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Minister. General comments. Mrs. Groenewegen.

MRS. GROENEWEGEN:

Thank you, Mr. Chairman. Well, hopefully they will not read Hansard for today, but I just did not have a clear picture in my mind when we talk about this tax window, I did not have a clear mind of the kinds of dollars that could be anticipated if we were successful in arriving at some kind of arrangement and agreement here in the north and with Canada at some time in the future. So that is helpful and I appreciate the Minister's information. Thank you.

CHAIRMAN (Mr. Krutko):

Thank you, Mrs. Groenewegen. Mr. Minister.

HON. CHARLES DENT:

I take that as a comment.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Minister. General comments. What is the wish of the committee? Detail. We are on page 3-9 the directorate to be summary operations and maintenance \$1.049 million. Page 3-9, we are dealing with the Department of Finance, activity summary directorate, operations and maintenance, \$1.049 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Page 3-11, treasurer, operations and maintenance, \$4.801 million. Agreed.

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Page 3-15, fiscal policy, operations and maintenance, \$697,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Bureau of Statistics, operations and maintenance, \$566,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Information item, active positions. Any questions on that item? No?

Details and works performed on behalf of others, total department, \$2.369 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Page 3-20, Liquor Commission revolving fund. It is an information item. Any questions on that? Another information item is page 3-21, Liquor Commission revolving fund, active positions. Information item. No questions on that. Turn back to the program summary, which is on page 3-7, Department of Finance, program summary, operations and maintenance, \$7.113 million. Mrs. Groenewegen.

MRS. GROENEWEGEN:

No, sorry I was just passing a page there.

CHAIRMAN (Mr. Krutko):

We will do that again. Department of Finance, program summary, operations and maintenance, \$7.113 million. Agreed?

Page 292

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Thank you. The next item in the Main Estimates will be dealing with the Department of Municipal and Community Affairs. Mr. Steen, do you have some opening comments?

MR. STEEN:

Thank you, Mr. Chairman. Good afternoon, Mr. Chairman and committee Members. I am pleased to present the 1999-2000 Main Estimates for the Department of Municipal and Community Affairs. budget of \$60 million.

During the past year, the department has developed a strategic plan to guide our efforts over a longer period of time. We did that from a western perspective and considered overall GNWT goals, an environmental scan and critical issues. This planning exercise helped us to identify goals, establish our needs for human and financial resources, and state our anticipated results. We have also organized several Building Communities Conferences in western regions to listen to community leaders and discuss their ideas about community development.

Mr. Chairman, for the next fiscal year, the department is proposing a budget of \$60 million. One way of looking at our budget is that about 75 percent of the total goes directly to community governments and organizations in the form of operating assistance and capital project funding.

Five communities receive their funding through Block Funding Agreements. This ensures that these communities take full responsibility for their planning and results. We hope to conclude a Block Funding Agreement with Norman Wells, estimated to be worth about \$675,000 this year.

Mr. Chairman, the department has developed in partnership with other GNWT departments, a Building Communities Initiative. Building Communities, is focused on increasing community capacity so that communities can manage increased responsibilities as a result of empowerment.

The Building Communities Initiative supports communities in their planning, monitoring and reporting. The anticipated result of this effort is more self-reliant and self-sufficient communities. As part of the Building Community Initiative, we are supporting a School of Community Government with Aurora College and Education, Culture and Employment. The school will establish occupational standards for community government positions and identify the skill development needed for community employees. The school will bring together the training resources and programs of many different GNWT departments, federal agencies and aboriginal organizations. After completing their training, community workers will have accredited recognition of their program. This effort is expected to result in a more qualified and competent community government labour force.

Mr. Chairman, MACA has completed much of its preparations for Year 2000 planning. We are working with FMBS to ensure that computer information systems are ready. An older information system used in assessment services is being replaced with a compliant system. We are coordinating the Year 2000 activities for the Territorial Emergency Response Committee. We are providing support to the NWT Association of Municipalities to help community governments prepare their computer systems for the Year 2000.

MACA is working with the NWT Association of Municipalities on the Municipal Finance Review. Consultations to review the options proposed for improving the financial relationship between

community governments and this government will soon be underway. MACA also completed the municipal legislation review and presented that information to the Assembly as an information item. We will start the process of proposing legislative changes this year.

This year, we will also strengthen community fire protection services, by providing \$ 400,000 dollars of additional funding to communities and by allocating an additional \$300,000 to firefighter training. MACA works in partnership with community leaders and fire service associations to plan and implement these services.

Mr. Chairman, MACA will assist the Nunavut government by providing land administration services to the Department of Community Government, Housing and Transportation. The contract is for one year. It will be worth about \$200,000, and includes a training component for Nunavut employees.

Mr. Chairman, I am pleased to report that MACA has made progress in its affirmative action efforts. At the present time, one third of the department's senior managers are aboriginal employees. In the Fort Smith region, 70 percent of the employees are aboriginal. I think that we have demonstrated that we can attract and retain qualified aboriginal employees and managers. This year we will develop a Human Resource Plan to guide our training and recruitment activities.

In closing, Mr. Chairman, MACA has made strides to manage change. I think that we are on the right track. That concludes my opening remarks. Mr. Chairman, I would be happy to answer questions from the Members. Thank you.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Minister. The report from the committee, Mr. Henry.

MR. HENRY:

Thank you, Mr. Chairman. Mr. Chairman, the Department of Municipal and Community Affairs assists community residents to organize and manage representative, responsible and accountable community government. The department is a service support provider. During the Standing Committee on Resource Management and Infrastructure review of the business plans on November 26, 1998, and the draft Main Estimates on March 20, 1999, committee

Members noted the importance of specific socio-economic factors that have affected the overall direction and management of the Department. These socio-economic factors are expected to continue exerting pressures on the department's ability to deliver adequate levels of programs and services. Ongoing factors include a high birth rate, urbanization, increased expectations arising from urbanization, political uncertainty, increasing unemployment and low education levels. This may lead to increasing demands on infrastructure and existing programs and delivery.

In their review of the department's draft Main Estimates, committee Members concluded that unless the department receives significant infusions of revenue or initiates innovative and cost-effective ways of doing business, the department's ability to deliver satisfactory levels of programs and services may become increasingly difficult. The department projected

Page 293

decreases in Emergency Services (\$515,000) and Community Development (\$751,000) from the business plan. However, these decreases are more than offset by projected funding necessary for the establishment of a School of Community Government, chaired and administered by the department, \$931,000.

During the review of the business plan, committee Members discussed the shortage of qualified staff in smaller communities. This shortage contributes to an inability to deliver an acceptable level of programs and services. In the draft Main Estimates, the department proposed the establishment of a School of Community Government to rectify the continuing shortage of qualified community staff. However, committee Members noted that staff should be qualified for their positions prior to their hire.

The committee acknowledges that training of additional personnel to aid understaffed communities is required. But this training effort may be better developed, coordinated and implemented through the Department of Education, Culture and Employment, and Aurora College. The department's training proposal in its current form may not result in value for money. The committee has always expressed concern whether the department can continue to manage and deliver a consistent and acceptable level of services and programs to its clientele at existing and proposed funding levels. Committee Members

noted that proportionately more funding is allocated towards social programs such as income support, when the best form of social assistance is a job.

During the review of the draft Main Estimates, committee Members reiterated their unease that \$400 million is required over the next 20 years to merely maintain current facilities as they are. Committee Members further added that this optimistic estimation by the department is exclusive of any consideration for ongoing expenditure pressures. The committee requested a briefing on capital requirements for the department and other departments prioritized by need, and a briefing on the formula used by the department to identify and categorize priority projects.

The department informed committee Members that the Response Committee is chaired by MACA, and also comprises the RCMP, Canadian Armed Forces, NWTPC, NWTAM and Industry Canada. With the advent of larger facilities and increased infrastructure in more communities, committee Members note that existing firefighting capacity in many communities might no longer be able to effectively meet the increased requirements. Furthermore, committee Members are concerned that Year 2000 compliance may not be fully implemented with a comfortable time allowance for unexpected developments. The committee is especially concerned about the Y2K compliance of computer and other technical infrastructure in the smaller communities where qualified technical personnel are either limited or unavailable.

The committee commended the department for the reporting methodology used in its business plan organizational charts. The methodology includes names and positions within each tier and section of the charts. The committee recommends that the department's organizational charts reporting methodology be made the standard for all other government departments and agencies in future business plans and appropriate documentation.

Committee Members noted during business plan discussions that the current allocations of water per capita in most communities might not be adequate for average use. The Minister replied that, at that time, she will be meeting with the mayors in early December, and will be discussing this concern among others and will report back to the committee. Mr. Chairman, I would note that this report was prepared when the Minister of MACA was Ms. Thompson, so that was why it referred to she.

The deputy minister reported during the Main Estimates review that the current water delivery and allocation criteria adheres to national standards of water use and that current standards for trucked water on a per capita basis in the communities exceed standards set for Yellowknife.

As the result of visiting Tuktoyaktuk in the fall of last year, committee Members became aware, first-hand, of the shoreline erosion problem in the community. Committee Members were concerned that the current operations and maintenance funding only provides a temporary solution to the problem. A more permanent solution such as a breakwater should be seriously considered and implemented as soon as possible. The review of the business plan afforded the opportunity for committee Members to discuss the shoreline erosion problem with the department. The committee looks forward to receiving further funding and project information from the department detailing funding for an effective solution to the shoreline erosion problem in Tuktoyaktuk. Mr. Chairman, for greater clarity, I would be moving a motion, with your concurrence. Thank you.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Henry. To your motion.

Committee Motion 2-13(7): Recommendation to Standardize MACA Organization Charts on GNWT Wide Basis

MR. HENRY:

Mr. Chairman, I move that this committee recommends that the department's organizational charts reporting methodology be made the standard for all other government departments and agencies in future business plans and appropriate documentation. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Henry. I will just allow the motion to be circulated. The motion is in order. To the motion. Question has been called. All those in favour? All those against? Abstentions? The motion is carried unanimously. At this time I would like to ask the Minister if he would like to call his witnesses.

HON. VINCE STEEN:

Yes, Mr. Chairman.

CHAIRMAN (Mr. Krutko):

Does the committee agree?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Can I ask the Sergeant-at-Arms to escort the witnesses in? Mr. Minister, can you introduce your witnesses?

Page 294

HON. VINCE STEEN:

Thank you, Mr. Chairman. To my right is Mr. Vern Christensen, Assistant Deputy Minister, and to my left is the Deputy Minister, Mr. Robert McLeod.

CHAIRMAN (Mr. Krutko):

Welcome. General comments. Mr. Henry.

MR. HENRY:

Thank you, Mr. Chairman. It is more of a question than a comment. If the Minister could give the committee an update on the department's work with the various communities in regard to the Y2K problem since it was addressed in committee and Main Estimates, if there is an update on how that is coming along. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Henry. Mr. Minister.

HON. VINCE STEEN:

Thank you, Mr. Chairman. Mr. Chairman, I will ask Mr. McLeod to answer that.

CHAIRMAN (Mr. Krutko):

Mr. McLeod.

MR. MCLEOD:

Thank you, Mr. Chairman. The department, as indicated in our opening comments, has been working on the Y2K issue for some time. We have responsibilities through the Territorial Emergency Committee, but specifically with regard to communities we have been working very closely with the NWT Association of Municipalities and we have provided funding to cost share a position. That

person has been travelling to the communities and has been working with the municipal governments to review their preparations for Y2K and also to identify the shortcomings and what they should be doing to prepare adequately for the Y2K situation. Thank you.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. McLeod. Mr. Henry.

MR. HENRY:

Thank you, Mr. Chairman. What responsibility does the department incur to ensure that the communities do not have problems on January 1st? I know the Power Corporation is quite confident that the power will be maintained on that date, but is there any responsibility by the department for the small communities? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Henry. Mr. McLeod.

MR. MCLEOD:

Thank you. The main area that we are focusing on is to ensure that the communities are aware of the Y2K issue. We are also making sure that they have the programming and tools so that they can check their computer systems to satisfy themselves that the equipment that they have is Y2K compliant, as well as the software that is involved. We are mainly concerned with the financial information, and so on, at the municipal government level. We also have information that we make available to them so that they can properly plan and prepare themselves for the Y2K issue. As well, with our responsibilities for Emergency Measures, emergency planning, we want to ensure that the communities, at the community level, are prepared through their Emergency Measures Plans to address any eventuality. Thank you.

CHAIRMAN (Mr. Krutko):

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

MR. ERASMUS:

Thank you, Mr. Chairman. I am pleased to see the progression of the School of Community Government as there was a motion passed in this House for more training for the community people in order that they be better prepared, I suppose not only for community

people but for people in general, including people in the larger centres, so that the municipalities would be better prepared to take over. Municipalities, bands, Metis locals, whatever, would be better prepared to take over programs and services through the Community Empowerment Initiatives. I suppose, in another sense, also through the self-government negotiations. A lot of people had identified at the time that the communities needed more training and it was good to see that there was movement in this area.

I wanted to comment, however, on the comments in the Standing Committee on Resource Management and Infrastructure's report that staff should be qualified for the positions prior to their hire. I think that is a laudable goal; however, there are times when you cannot get qualified people and I think that is the problem that is being tried to address, to try to ensure that there are qualified people, and that you do not have to import other people from either the south or from the larger communities, so people can actually live in the community that they were raised in without having to move to a larger centre for work. There was another comment that this training effort may be better developed, co-ordinated and implemented through ECE and Aurora College. I do not think I can agree with that, Mr. Chairman. I can see collaborating with them but, from my experience, I think it would be better for the department to maintain the control of this and work with the college and the department and also with the aboriginal and municipal leadership, but I do not think they should just turn it over. I am saying this because I have seen what happens to some programs, sometimes courses are put together just by pulling other things from other courses and using existing staff for totally new courses which are beyond the realm of expertise of the current staff and because they are on staff, they have to be used.

I do not believe that it is a good way to go, to leave it in the hands of them. I think the department has to maintain control and work in conjunction with their partners. They have to ensure that the needs that are identified are properly addressed and that if there have to be new people brought in, then bring in new people. You cannot just use the same staff that the college has on hand now for the recreation programs or whatever. I would encourage the department to continue in their current mode and also to get the buy in from the aboriginal and municipal leadership.

The Y2K compliance, I am glad to see that we are all trying to make sure that things do not grind to a halt at the end of the year and that this department is also

working to ensure that we have existing firefighting capacities that are effective, the rest of that.

The current water allocation levels, Mr. Chairman, I seem to recall seeing some statistics awhile back which indicated that the communities of Detah and N'dilo were a little less than the rest of the territories. I cannot figure out why and I was wondering if perhaps if the department might have noted that and inquired as to why they were below. They were actually below the recommended level of water usage. I see here that the deputy minister reported that the current standards for

Page 295

trucked water on a per capita basis in the communities exceeded standards set for Yellowknife. Does that include the community of Detah and N'dilo? Thank you.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Erasmus. Mr. Minister.

HON. VINCE STEEN:

Thank you, Mr. Chairman. Mr. Chairman, I believe the honourable Member is referring to the School of Community Government when he is speaking towards training aspects. The department is planning to supply some training to existing municipal staff, more specifically the reason he was mentioning there where some of them have been on staff for many years, but because of the new responsibilities passed on to through the self-government process and the communities' political will to take on these responsibilities, there must be some training aspects supplied by someone for these staff in order for them to assist the communities to do their job.

I can ask the department to elaborate on that a little, but I believe that job orientation, it could be looked at as job orientation, for new staff, the training aspect would be that they familiarize themselves with the territorial political situations. It could be also to judge their abilities to supply their services to the community but it is the intent of the department to also supply and help the communities have guidelines or job descriptions for the specific different jobs. That way it would ensure that people that have the qualifications do receive some kind of recognition through diplomas or certificates that they have, in fact, completed the training aspects for the job they have been hired to do. Also, I will ask the department to respond to the

Member on the water allocations to the residents in his particular communities. For that, I will ask Mr. McLeod to elaborate on what I have said here.

CHAIRMAN (Mr. Krutko):

Mr. Minister. Mr. McLeod.

MR. MCLEOD:

Thank you, Mr. Chairman. With regard to the water situation, I think the question is emanating from the fact that in establishing guidelines for pipe and trucked water through the Northwest Territories, the department used the trucked water services in Yellowknife as the basis, as well as the piped water. In order to establish guidelines for the Northwest Territories, we did a study of the water that was being trucked and its utilization in Yellowknife. I should point out that the Canadian standards for water consumption is 65 litres per person per day. The survey that we undertook in the area around N'dilo, we established that the utilization rate for trucked water was 87 litres per person per day. The guideline that we used in determining the water subsidy was based on 90 litres per day. Similarly, for piped water, we again used Yellowknife as the guideline and on that basis it was determined that 225 litres per day per person was the standard that we should be using in terms of the subsidies that we provided in that area. Thank you.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. McLeod. General comments. Mr. Rabesca.

MR. RABESCA:

Thank you, Mr. Chairman. The Minister's statement on page four and five regarding the strength in the community fire protection service by \$400,000, additional funding of \$300,000 for firefighting training, I was wondering what type of training he is referring to because when firefighting training comes to mind, to me I always think of forest fire training or something like that. What capacity is the Minister referring to when that kind of money is allocated for firefighting training? Thank you.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Rabesca. Mr. Minister.

HON. VINCE STEEN:

Thank you, Mr. Chairman. I will direct that question to Mr. McLeod.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Minister. Mr. McLeod.

MR. MCLEOD:

Thank you, Mr. Chairman. The kind of training that we are looking at is specifically to train local people to become fire trainers, so it is a training-the-trainer type of training. What we are also developing is a training plant so that we can train the firefighters in the Northwest Territories to meet national standards and that they be fully qualified. Some of the areas that we are looking at is also, we are looking at live fire training facilities and the NWT fire chiefs are meeting in Hay River this week. That is one of the areas that we are looking at.

With regard to specifics, we have identified increases to what we call MOAP and SOAP, which is Municipal Operating Assistance Programs and Sub and Operating Assistance Programs where we are providing increased funding to those programs for training at the community level. Also, we are providing funding to develop a fire training plant for the Northwest Territories. As well, we are looking at some specialized training at the territorial level. Thank you.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. McLeod. General comments. Mr. Rabesca.

MR. RABESCA:

Thank you, Mr. Chairman. This additional \$100,000, what is it used for then if out of \$400,000 you said you use \$300,000 for training? The additional \$100,000, where does it go to?

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Rabesca. Mr. McLeod.

MR. MCLEOD:

Thank you, Mr. Chairman. It is distributed to the communities on the same basis as the Municipal Operating Assistance Program. So, in the calculations that are made, the training is included in the core funding that is given to the municipal governments.

CHAIRMAN (Mr. Krutko):

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

MR. OOTES:

Thank you, Mr. Chairman. I have some concerns about the ability for communities to continue to deliver the number of programs that we have put on to the communities through the community transfer process. I would just like to make reference to that and see what the Minister and his officials, how they may be able to address it. There are a lot of factors that are leading to pressures in communities. There is more demand for services to be done in communities, there is a demand for expansion of infrastructure and land development. There is more effort to let communities look after health education, housing and infrastructure and all of these factors,

Page 296

Mr. Chairman, impact upon the community to be able to deliver services very efficiently and that raises the question, naturally any community can deliver the services providing they get the funding because they can buy the support services in whatever fashion possible.

I am wondering if the Minister can speak about what the forecast is for the next several years in regard to the communities because basic infrastructure needs need to be continued, need to be met, the servicing of those, but my understanding is that there is some concern out there about whether all of the communities can continue to provide the kind of service that is being placed upon them.

CHAIRMAN (Mr. Krutko):

Thank you Mr. Ootes. Mr. Minister.

HON. VINCE STEEN:

Thank you, Mr. Chairman. Mr. Chairman, the Member is correct in that the department is taking on a lot more responsibilities and duties over the past few years and we have been passing those responsibilities and duties to the communities through self-government and community empowerment and there is no doubt there is a definite workload being passed onto the department and we are trying to handle the workload within the means that we have been supplied from the government. We do know that there is definitely a growing need for more

infrastructure in the communities and also there is a need, a definite need that at some point in time all this infrastructure that we have is getting outdated and is going to have to be replaced. There is a definite figure attached to it and the government is going to have to in some way meet this requirement. However, I am going to ask Mr. McLeod if he can be more specific as to what exactly these needs are that we forecast.

CHAIRMAN (Mr. Krutko):

Thank you Mr. Minister. Mr. McLeod.

MR. MCLEOD:

Thank you, Mr. Chairman. The best way to explain it is that historically the capital budgets for the department were in the neighbourhood of about \$40 - \$50 million and they have been decreasing and, after division, the capital budget for the department is about \$12 million on an annual basis. When you look at the needs identified at the community level and you look at the infrastructure most of which was constructed some time ago, the needs of the communities are estimated at about \$20 million a year and our capital budgets are set at about \$12 million. So every year we have to keep pushing projects back and we refer to it as a wave and every time the capital budgets are reduced, we keep pushing the needs further back and the needs keep increasing on an annual basis. So that is the nature of the problem that we are addressing and as the needs increase, and as the resources decrease, we have to find more creative ways of trying to address the problems and, we are starting to look at alternative financing and delivery systems to see if there are alternatives to fund a lot of these kinds of projects. Thank you.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. McLeod. Mr. Ootes.

MR. OOTES:

Thank you, Mr. Chairman. I wonder if the Minister can tell us if they have the department looking at an inventory of infrastructure projected along with forecast of lifespan so that the department or we may be able to analyze it and may be able to prioritize essential needs?

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Ootes. Mr. Minister.

HON. VINCE STEEN:

Thank you, Mr. Chairman. I will ask Mr. McLeod to answer that.

CHAIRMAN (Mr. Henry):

Thank you, Mr. Minister. Mr. McLeod.

MR. MCLEOD:

Thank you, Mr. Chairman. What we have been doing is looking at the standards and criteria developed by the department and the Minister referred to municipal finance review and so we are using that initiative to help us try to determine the priorities when it comes to capital. For example, we have reviewed the standards and criteria and we are trying to determine what is a basic requirement and what is nice to have and also how to compare the needs between communities. For example, if a community has an arena and another community does not have a water or sewer system, how do you determine the priorities? That is what we are using the municipal finance review to look at the standards and criteria we have developed for capital programs, and also, to look at what are the basic requirements that every community should have in terms of capital facilities. Thank you.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. McLeod. General comments. What is the wish of the Committee? Detail? We are dealing with the Department of Municipal and Community Affairs. Page 4-9, Corporate affairs. Budget summary, Corporate affairs, operations and maintenance, \$1.934 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Directorate, operations and maintenance, \$825,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Emergency services, page 4-13, operations and maintenance, \$1.119 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Emergency services, grants and contributions. Total contributions, \$575,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Emergency services, details of capital, other equipment, headquarters region total, headquarters region, \$50,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Total other equipment, \$50,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Total capital, \$50,000. Agreed?

SOME HON. MEMBERS:

Agreed.

Page 297

CHAIRMAN (Mr. Krutko):

Page 4-19, Community governance and financial services, operations and maintenance, \$863,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Page 4-23, Community operations, operations and maintenance, \$9.889 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Page 4-25, Community operations, details of capital, contributions, headquarters region, total headquarters region, \$1.305 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Fort Smith region. Total Fort Smith region, \$4.064 million. Mrs. Groenewegen:

MRS. GROENEWEGEN:

Thank you, Mr. Chairman. I have a question on the section here on the Fort Smith region. I know it has been explained before but one more time, just for the record. I was curious why under block funding Fort Smith at \$1.5 million, Fort Smith at \$550,000 and Hay River block funding at a lowly \$308,000.

CHAIRMAN (Mr. Krutko):

Thank you, Mrs. Groenewegen. Mr. Minister.

HON. VINCE STEEN:

Thank you, Mr. Chairman, Mr. Chairman I refer that to Mr. McLeod.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Minister. Mr. McLeod.

MR. MCLEOD:

Thank you, Mr. Chairman. The way the block funding agreements were negotiated, the needs were identified on a twenty-year basis and the capital requirements for a period of time and I think, in this case, it was initially for a five year period. The funding that was available over that period of time was identified, then it was costed out over an annual basis over the five year period. It was based on the projected capital projects which were going to be done in that period of time and so if you look at, you mentioned Fort Smith and Fort Simpson and Hay River. Well, in that five year period Fort Smith had a recreational centre that was constructed so their rates were higher. Fort Simpson had some projects that included a sewage recovery system that entered into the equation and Hay River had projects which

averaged out to about \$300,000 a year in terms of the block funding agreement, so when we negotiate these contracts, we look at the needs over an extended period of time and then we negotiate it.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. McLeod.

MRS. GROENEWEGEN:

Thank you, Mr. Chairman. When did that five year period begin?

CHAIRMAN (Mr. Krutko):

Mr. Christensen.

MR. CHRISTENSEN:

Thank you, Mr. Chairman. The period of the block funding agreement was for a three year fiscal period and these agreements have just been extended for one year so they will be expiring at the end of this coming fiscal year. In the coming year we are going to be renegotiating these agreements and the basis for renewal will be one of things which we will be studying right now with the major municipalities to see if there is a new way to, or a different or simpler way, of calculating the amounts that each community should receive. But as Mr. McLeod had indicated, the previous agreement had been calculated based on what had been the forecast capital requirements over the three year period for each of the communities that have block funding agreements.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Christensen. Just a reminder to the Members, it is hard to hear individuals making a presentation so, please keep the chitter-chatter down and respect other people when they are making presentations. Mrs. Groenewegen.

MRS. GROENEWEGEN:

Thank you, Mr. Chairman. I was hoping that Mr. Christensen would tell me that three year period had started prior to my term in office but it looks like it was right before that three years and now extended for one further year. So, can this be reconciled when we get to page 4-42 where it has block funding for Fort Smith, Hay River, Inuvik and Fort Simpson at \$2.4 million. Then perhaps we can get further explanation when we come to that point as to how that block funding works as well.

CHAIRMAN (Mr. Krutko):

Thank you, Mrs. Groenewegen. Mr. Christensen.

MR. CHRISTENSEN:

Thank you, Mr. Chairman. Do you want that explanation now or..

CHAIRMAN (Mr. Krutko):

If it will help maybe you can explain it now.

MR. CHRISTENSEN:

The amount shown for block funding on page 4-42 is related to the operations and maintenance component of the block funding agreements. Within the budget we have amounts that are shown for the capital portion of the block funding agreement and the portion shown for the operations and maintenance portion of the block funding agreement, so of the amounts shown for block funding agreements on page 4-42, there would be operations and maintenance block funding shown for Fort Smith, Hay River, Fort Simpson and Inuvik and if you are interested in the numbers I can just read them off. Fort Smith is \$593,000, Hay River is \$623,000, Fort Simpson is \$870,000 and Inuvik is \$546,000. The capital portions would be added to that for the total amount of the block funding agreement for each community.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Christensen. Committee operations, Fort Smith region. Total Fort Smith region, \$4.064 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Community operations, detailed capital, Inuvik region. Total Inuvik region, \$3.267 million. Agreed?

SOME HON. MEMBERS:

Agreed.

Page 298

CHAIRMAN (Mr. Krutko):

Total contributions, \$8.636 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Infrastructure, headquarters region. Total headquarters region, \$644,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Fort Smith region. Total Fort Smith region, \$865,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Inuvik region. Total Inuvik region, \$1.5 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Mr. Henry.

MR. HENRY:

Mr. Chairman, is there a duplication here, because the first one you read out in 4-28 is total Inuvik region for community operations and then there is another community operations, total Inuvik region, \$3.009 million, the one you just read out? Could we have an explanation of that please?

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Henry. Mr. Minister, can you explain? Mr. McLeod.

MR. MCLEOD:

Thank you, Mr. Chairman. I believe the second part relates to infrastructure and the first part relates to capital itself. So, I think one part refers to the headquarters and the other part is contributions. So, I think that is the difference in the two totals.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. McLeod. Mr. Henry.

MR. HENRY:

Thank you, Mr. Chairman. When I look at my books here, it says details of capital continued on page 4-28 and I see total contributions for Inuvik region of \$8.636 million and when I look at page 4-29 at the top, it still says details of capital and total infrastructure Inuvik region, \$3.009 million. Is it a misprint here, or should one be capital and one operations?

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Henry. I believe, Mr. Henry, we dealt with the contributions on page 4-25 and 4-26, 4-27, halfway down the page on page 4-28, we are dealing with infrastructure and that is why we are dealing with another different item than the contributions. Mr. Minister.

HON. VINCE STEEN:

Thank you, Mr. Chairman. Perhaps Mr. Christensen could explain the differences.

CHAIRMAN (Mr. Krutko):

Mr. Christensen.

MR. CHRISTENSEN:

The difference is that the amounts shown under total contributions are on page 4-28 where it says total Inuvik region, \$3.267 million, that relates to funding that is provided as a contribution to community governments for capital projects. Whereas the total on page 4-29, which says, total Inuvik, \$1.5 million, refers to capital projects in the Inuvik region, but projects which are carried out under the direct project management control of the government and it is the way they have divided up the projects between projects that are voted as contributions, such as funding we can give directly to community governments and projects that we retain within government to carry out directly.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Christensen. We were dealing with community operations, detailed capital, infrastructure, total Inuvik region, \$1.500 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Total Infrastructure, \$3.009 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Land and buildings, Headquarters Region, \$30,000.
Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Fort Smith region. Total Fort Smith region, \$389,000.
Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Inuvik region, total Inuvik region, \$99,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Total Land and buildings, \$518,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Total capital, \$12.163. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Community operations, grants and contributions.
Grants, \$1.921 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. Under the senior citizen and disabled property tax, there was a motion passed last year in the House here that this government should do everything it could to ensure that municipalities did not place a maximum on the taxes that were forgiven for seniors because senior citizens are primarily on a fixed budget. I would like to know what steps have been taken to ensure that communities do not place a ceiling on the taxes that are forgiven. Thank you.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Erasmus. Mr. Minister.

HON. VINCE STEEN:

Thank you, Mr. Chairman. Perhaps I will ask Mr. McLeod to respond to that.

Page 299

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Steen. Mr. McLeod.

MR. MCLEOD:

Thank you, Madam Chairperson. With regards to the senior citizens' tax relief, generally the way it works is there are two different systems or means of addressing it. One is through the GTA, as we call it, or the general taxation area, and there is also the municipal taxation area, which generally is the six tax-based municipalities. With regards to the property tax relief, generally, if you are a senior you can receive tax relief up to a certain percentage. I think part of the problem that I think you are referring to is where the GTA or the general taxation area have been providing relief to senior citizens, whether or not both of the partners were senior citizens.

There was a concern expressed by the municipal taxation authorities that there was a benefit that was available to senior citizens in the general taxation area, but not in the municipal taxation area. The department has reviewed the situation and it is prepared to recommend changes to the Senior

Citizens and Disabled Persons Tax Relief Act so that tax relief would go to senior citizens and it would not be based on the co-ownership of the property. If you are a senior citizen then you would be entitled to tax relief. For example, if you were a senior citizen and your spouse was not, you would be entitled to receive 50 percent tax relief. That is the approach that we have been recommending and we will be looking to initiate these changes hopefully for the year 2000-2001. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. McLeod. Mr. Erasmus.

MR. ERASMUS:

Thank you, Madam Chairperson. I believe that was half of our motion or it may have been a separate motion. The one I am talking about is municipalities where there is municipal taxation and they place a cap on the amount of money that they will forgive and particularly in Yellowknife. Senior citizens, if their house is valued beyond a certain level, I am not sure how much it is, they might only receive \$1,000 and after that, the taxes over that, then that senior citizen has to pay his own taxes. I think that senior citizens, for the most part, are on fixed incomes. They may still have a big house, it still may be worth lots, but that does not mean that they have an unlimited amount of money coming in so that they can pay for those taxes beyond the cap that the City of Yellowknife has put on it.

We had passed a motion here. I believe that everybody in the House or everybody on this side anyways, voted against it. Some of those guys were over here then too. I believe we all voted for it. What I would like to know is what steps has the department taken to try and ensure that communities such as Yellowknife do not place a cap on the taxes? The GNWT does not, but yet the City is doing that to citizens who we are trying to keep in the north and who we are trying to keep in their own homes. If people cannot afford to pay their taxes, they are going to sell their house and move into social housing which is free. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Erasmus. Mr. Steen.

HON. VINCE STEEN:

Thank you, Madam Chairperson. I will refer the question to the Deputy Minister.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Steen. Mr. McLeod.

MR. MCLEOD:

Thank you, Madam Chairperson. My understanding is that the rebate that is provided is tied into the amount of funding that the department provides to the municipality and in order to eliminate the cap there would have to be more funding provided from the department to the municipalities. That is my understanding of the way the tax rebate or relief for senior citizens works.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. McLeod. Mr. Erasmus.

MR. ERASMUS:

Madam Chairperson, I believe the way it works is that if the GNWT gives \$500 for tax rebate, the city of Yellowknife will also provide \$500. It is a matching thing. That is the way it was last year anyway, unless it has changed. It is not tied to the amount of money that we provide, they simply put a cap on it saying that once your house is taxed at a certain level, we will not give you any more rebate. That is the way it was explained to us when we passed that motion.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Erasmus. Mr. McLeod.

MR. MCLEOD:

Thank you, Madam Chairperson. I guess up to a certain point, once the money runs out, then, it has been my understanding that that is their rationale behind the cap on it. We would be prepared to get more detailed information and provide it to the Member if he wishes. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. McLeod. Mr. Erasmus.

MR. ERASMUS:

Thank you, Madam Chairperson. Can we get an indication of this amount of money that is being provided then? How is that amount established? This \$155,000 right here.

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Are you finished, Mr. Erasmus? Mr. Erasmus.

MR. ERASMUS:

Thank you. Is the information that we are receiving, does mean that this \$155,000 that is in here or what does that mean? I did not think it was tied to this in any way. It was simply that the GNWT did not place a cap on the amount of money that could be forgiven. They would match whatever the municipality forgave and in the instance of the city of Yellowknife, I think it is \$1,000 or something like that.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Erasmus. Mr. Christensen.

MR. CHRISTENSEN:

Thank you, Madam Chairperson. I guess I will elaborate a little bit to say that within the department we have not really pursued that option very far at all. The philosophy behind the original program was for the department to respond by providing assistance to seniors and disabled persons to a rebate on their property taxes, but it was to take the policy lead of the municipal government itself as opposed to say that we would share it 50/50 up to the total bill, to avoid, I suppose, the situation where we might fund 100 percent and the

Page 300

municipality may only fund 80 percent. That was the basis for the way the program was designed was to take the lead from the municipal government and how it set its local policy on property tax assistance for that group. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Christensen. Mr. Erasmus.

MR. ERASMUS:

Thank you, Madam Chairperson. Sorry, I had a note here that I forgot to mention. If I recall correctly, what we had recommended was that the department try to convince the city and other municipalities that they should use a means test so that all senior citizens are not cut off after a certain point. Some people may be able to afford to pay their taxes but others might be just barely getting by because they might only be on Canada Pension which a lot of them are only getting \$700 or \$800 a month or something like that. Can we

find out if there was anything that was done to try to see if a means test could be put into place for people once they reach a certain level?

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Erasmus. Mr. McLeod.

MR. MCLEOD:

Thank you, Madam Chairperson. My understanding is our predecessor may have raised this with the City administration but we are prepared to review it and to determine how we could work it on that basis, and to bring it forward to the City who has always taken the lead in determining the level of tax relief for senior citizens. We would be prepared to raise this matter with the suggestion that they apply a means test to the tax relief that is provided to senior citizens if that is the direction we are given here. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. McLeod. I have on my list Mr. Krutko and Mr. Henry. Mr. Krutko.

MR. KRUTKO:

Thank you, Madam Chairperson. Just following up on Mr. Erasmus' questions, I believe this issue came up a couple of years ago. We were trying to find a way to streamline the whole tax system because it is very cumbersome for a lot of the elders to try to understand why they keep getting these tax notices and exactly what they are for. I do not think a lot of them understand that there is the rebate system. One of the things we are suggesting if we could co-ordinate it with their pensions, that automatically they will not have to pay property taxes because of them receiving their pensions. Automatically, the government would know that these are elders and these people do not have to file for this exemption every year. I would like to ask the department what they have done to consider revising this system?

CHAIRPERSON (Mrs. Groenewegen):

Thank you. Mr. Steen.

HON. VINCE STEEN:

Thank you, Madam Chairperson. Madam Chairperson, what the department could do is research the intent of the motion that was passed last year in this House and the comments from the Members at that time, as well as, we would take into

consideration the comments and the suggestions made by the Members today and try to come up with some solution to the problem. However, in response to Mr. Krutko's question, I direct the question to Mr. McLeod.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Minister Steen. Mr. McLeod.

MR. MCLEOD:

Thank you, Madam Chairperson. We are quite prepared to work with our colleagues under the social envelope where we work with the various departments such as Health and Social Services and Education, and so on, to try to ensure that we tie all of these programs together so that we minimize the amount of hassles that we have for senior citizens, so that we can try to ensure that our programs that we deliver are in the best interests of the senior citizens. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. McLeod. Mr. Henry.

MR. HENRY:

Thank you, Madam Chairperson. When I look at the NWT Association of Municipalities, I see the same levels of funding proposed in the 1999-2000 Main Estimates as has been in the previous year. Is there an explanation for why the same amount of funding would be given to the organization? Thank you, Madam Chairperson.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. Henry. Mr. McLeod.

MR. MCLEOD:

Thank you, Madam Chairperson. The amount of funding remains the same because my understanding is that we have not adjusted the amounts. This is an amount that only goes to the NWTAM in the west and we also assist the association through other means of funding, through extraordinary funding and also the association does undertake its own fundraising in various respects. We work closely with the association and we have not seen the need to increase the amount. As you are aware, the association over this past April 1st has split into two associations, into the NWT Association of

Municipalities and the Nunavut Association of Municipalities. Thank you.

CHAIRPERSON (Mrs. Groenewegen):

Thank you, Mr. McLeod. Mr. Henry.

MR. HENRY:

Thank you, Madam Chairperson. Thank you for the information that the association is splitting into two bodies. Again, it just begs the question, if this government has funded the NWT Association of Municipalities \$131,000 last year for a complete Northwest Territories as it was prior to April 1st, why are we funding the same amount of money for a much smaller area? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Henry. Mr. Minister.

HON. VINCE STEEN:

Thank you, Mr. Chairman. I will direct the question to Mr. McLeod.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Minister. Mr. McLeod.

MR. MCLEOD:

Thank you, Mr. Chairman. I believe the reason is exactly the same as these numbers have been adjusted to reflect only the west so the previous year's figures have been adjusted and been restated so the Nunavut components have already been taken out. For that reason, it reads the same. Thank you.

Page 301

CHAIRMAN (Mr. Krutko):

Thank you, Mr. McLeod. Mr. Henry.

MR. HENRY:

Thank you, Mr. Chairman. Can the Minister give me the actual figures that the Association of Municipalities were funded by the Government of the Northwest Territories for the 1998-1999 fiscal year?

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Henry. Mr. Minister.

HON. VINCE STEEN:

Thank you, Mr. Chairman. We do not have the information on hand here, but we could have the figure for the Member.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Minister. Mr. Henry.

MR. HENRY:

Thank you, Mr. Chairman and I thank the Minister for his acknowledgement that he will provide that additional information, but for the present time, then, can the Minister confirm that the Association of Municipalities got more than \$131,000 last year from the Government of the Northwest Territories for the last fiscal year. Thank you.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Henry. Mr. Minister.

HON. VINCE STEEN:

Thank you, Mr. Chairman. Mr. Chairman, I believe the figure that has been used, as the deputy minister referred, is in fact the western portion of the total cost and this is confirmed. The following page 4-33 on the bottom states that the figures just reflect the western part of the total department's figure from the previous years. We can get the figure for the Member at a later date, but I believe that is the western portion of the NWTAM contribution.

CHAIRMAN (Mr. Krutko):

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

MR. HENRY:

Thank you, Mr. Chairman. That provides a little better clarity. The figures that are presented here are adjustments to last year's figures, the proportionate amount that was spent in the western portion. That is certainly a lot clearer now. I take it that all of the amounts on 4-32, the same principle would apply. Thank you, Mr. Chair.

CHAIRMAN (Mr. Krutko):

Mr. Henry, could you go through the chair, please, with your comments. Mr. Minister.

HON. VINCE STEEN:

Thank you, Mr. Chairman. I believe that is correct but I will ask Mr. McLeod to confirm that.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Minister. Mr. McLeod.

MR. MCLEOD:

Thank you, Mr. Chairman. That is correct and that is the way the Main Estimates are written. It seems to jump back and forth. In this case I think that the note on the bottom of page 4-33 clarifies that it is only applicable to the Western Territories. Thank you.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. McLeod. Grants and contributions, grants, \$1.921 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Page 4-33. Grants and contributions, contributions, \$4.94 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Total grants and contributions, \$6.861 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Page 4-36. Community development, operations and maintenance, \$1.514 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Page 4-38. Community development, grants and contributions. Total contributions, \$37,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Page 4-40. Regional operations, operations and maintenance, \$30.728 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Regional operations, grants and contributions. Grants, \$1.558 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Carry over to page 4-44. Total, \$24.48 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Total grants and contributions, \$26.038 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

School of Community Government, operations and maintenance, \$931,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Information item, active positions. Any questions? Details of work performed on behalf of others. Total department, \$344,000. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Page 4-7. Program summary, operations and maintenance, \$47.803 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Capital, \$12.213 million. Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

Total expenditures, \$60.016 million.

Page 302

Agreed?

SOME HON. MEMBERS:

Agreed.

CHAIRMAN (Mr. Krutko):

I would like to thank the Minister and his witnesses for their presentation.

--Applause

CHAIRMAN (Mr. Krutko):

What is the wish of the committee? Mr. Erasmus.

MR. ERASMUS:

Thank you, Mr. Chairman. I move that we report progress.

CHAIRMAN (Mr. Krutko):

Thank you, Mr. Erasmus. The motion is in order. The motion is not debatable. Question has been called. All those in favour? All those opposed? The motion is carried. I will now rise to report progress.

MR. SPEAKER:

The House will come back to order. Good evening. 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 with two motions being adopted. Mr. Speaker, I move that the report of the committee of the whole be concurred with.

MR. SPEAKER:

Thank you. Seconded by Mr. Henry. The motion is in order. To the motion. Question has been called. All those in favour? All those opposed? The motion is carried. I was going to make a ruling on the point of order raised by the Member from Tu Nedhe but with him not being available, I will do it tomorrow. 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, meetings for tomorrow morning. At 9:00 a.m., Government Operations Committee.

Orders of the day for Friday, April 23, 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
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 Friday, April 23, 1999, at 10:00 a.m.

--ADJOURNMENT