



# **NORTHWEST TERRITORIES LEGISLATIVE ASSEMBLY**

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**17<sup>th</sup> Assembly**

## **HANSARD**

**Tuesday, June 2, 2015**

Pages 6331 – 6390

**The Honourable Jackie Jacobson, Speaker**

# Legislative Assembly of the Northwest Territories

## Members of the Legislative Assembly

### Speaker

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(Nunakput)

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(Great Slave)

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*Minister responsible for*

*Persons with Disabilities*

*Minister responsible for Seniors*

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*NWT Housing Corporation*

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*Government House Leader*

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**Mr. Alfred Moses**

(Inuvik Boot Lake)

**Mr. Michael Nadli**

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*Minister of Justice*

*Minister of Industry, Tourism*

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*Minister responsible for the*

*Public Utilities Board*

**Mr. Norman Yakeleya**

(Sahtu)

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**YELLOWKNIFE, NORTHWEST TERRITORIES****Tuesday, June 2, 2015****Members Present**

Hon. Glen Abernethy, Hon. Tom Beaulieu, Ms. Bisaro, Mr. Blake, Mr. Bouchard, Mr. Bromley, Mr. Dolynny, Mrs. Groenewegen, Mr. Hawkins, Hon. Jackie Jacobson, Hon. Jackson Lafferty, Hon. Bob McLeod, Hon. Robert McLeod, Mr. Menicoche, Hon. Michael Miltenberger, Mr. Moses, Mr. Nadli, Hon. David Ramsay, Mr. Yakeleya

The House met at 1:30 p.m.

**Prayer**

---Prayer

**SPEAKER (Hon. Jackie Jacobson):** Good afternoon, colleagues. Before we begin, I'd like to welcome back to the House and to the table the Honourable Anthony W. J. Whitford.

---Applause

Item 2, Ministers' statements. Honourable Minister of Transportation, Mr. Beaulieu.

**Ministers' Statements**

MINISTER'S STATEMENT 209-17(5):  
CANADA TRANSPORTATION ACT REVIEW

**HON. TOM BEAULIEU:** Mr. Speaker, I rise today to welcome members of a federally appointed arm's-length panel undertaking a statutory review of the Canada Transportation Act. They are visiting the Northwest Territories this week to gather feedback from Northerners into new federal transportation policy and program development.

The panel will conduct a comprehensive examination of how the act operates as it relates to the economic regulation of transportation.

Mr. Speaker, this is a valuable and unique opportunity for Northerners to provide our perspective on how the transportation system can be leveraged to support economic growth with nation-building projects, such as the Mackenzie Valley Highway to Norman Wells, or an all-weather road into the Slave Geological Province or the Ticho region.

The review is also an opportunity to examine the role of transportation in supporting sustainable economic development in the Northwest Territories.

Unfortunately, the lack of infrastructure is creating obstacles to exploration and development in remote areas. The challenges are most acute in regions where residents, businesses and industry depend on air or barge transportation to receive essential goods and services.

Mr. Speaker, officials with the Department of Transportation have been working in partnership with the NWT Chamber of Commerce to coordinate a round table discussion in Yellowknife this afternoon with the review panel.

The round table involves approximately 35 representatives of the NWT transportation sector such as industry representatives, users, experts and others who represent a broad range of perspectives and experience on northern transportation.

The discussion will examine how changes to federal policy and programs can help to resolve current and emerging transportation challenges in the NWT.

Mr. Speaker, review panel members will be visiting Hay River tomorrow where they will meet with representatives such as NTCL, Coast Guard and the Great Slave Harbour Authority. These meetings will provide panel members with first-hand information on areas of concern that involve the federal government, such as dredging the Port of Hay River and critical sections of the Mackenzie River to accommodate fully loaded tugs and barges, fishing boats and the Coast Guard fleet.

Mr. Speaker, the Department of Transportation's involvement in the federal review of the Canada Transportation Act aligns with the 17<sup>th</sup> Assembly's goal of realizing a diversified economy for Northerners by making strategic investments in infrastructure. Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. Beaulieu. Honourable Minister of Municipal and Community Affairs, Mr. McLeod.

MINISTER'S STATEMENT 210-17(5):  
CANADIAN TIRE PARTNERSHIP

**HON. ROBERT MCLEOD:** Mr. Speaker, as many Members will have seen earlier today in the Great Hall, the Department of Municipal and Community Affairs and Canadian Tire Corporation announced a new partnership to support physical activity and sport opportunities for NWT children and youth.

Canadian Tire Corporation has committed to providing up to \$225,000 over three years for equipment, training and capacity building to support MACA's After School Physical Activity Program.

As Members may recall, this program supports local programs that get school-aged children and youth more physically active in every NWT school.

On behalf of the Government of the Northwest Territories, I want to thank and recognize Canadian Tire for their generous donation and for their commitment to assist in improving opportunities for our children and youth.

I also want to recognize all schools in the Northwest Territories and the NWT Teachers' Association, which represents teaching staff, for their support. Most of our programs are run in schools or have volunteer teacher support. We simply could not offer these opportunities without you.

Mr. Speaker, sadly, up to 85 percent of NWT youth are not physically active enough to gain any significant health benefit. This is slightly better than the Canadian average, but very disappointing when it means that nearly nine out of every 10 youth are at risk.

In these times of tight financial resources, it is incredibly important for government to join forces with the corporate sector and others to help make a difference. Canadian Tire has led by example. In future, I hope we can encourage others to join the cause.

In closing, Mr. Speaker, I want to thank Landon French, vice-president of community relations, for traveling to Yellowknife to help me make the announcement. Together we can make a difference. Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. Speaker. Honourable Minister of Justice, Mr. Ramsay.

MINISTER'S STATEMENT 211-17(5):  
EXPANSION OF COURT PROGRAMS  
AND SERVICES

**HON. DAVID RAMSAY:** Mr. Speaker, in cooperation with the judiciary, the Department of Justice has been supporting specialized courts in Yellowknife since 2011. Specialized courts and their programs provide offenders with an opportunity to take responsibility for their actions and get the support that they need to lead healthier lives for themselves and their families.

Today I want to advise Members that in April the Domestic Violence Treatment Option Court was expanded to Hay River. The DVTO Court, as it is known, is now available for offenders from Hay River, Enterprise and the K'atlodeeche First Nation.

I would like to take this opportunity to express my thanks to the judiciary for leading the way in the expansion of DVTO Court to the South Slave. As a result, the department is now able to extend related services to these communities, in collaboration with the RCMP and Health and Social Services.

Like the DVTO Court in Yellowknife, offenders must accept responsibility for their actions and be willing to participate in the eight-module PARTNER program to learn how to change their behaviour. Each person remains under court supervision and will return for sentencing by the DVTO judge at the end of the program.

Mr. Speaker, we must take every opportunity possible to reduce the violence that is so destructive to our families and the personal well-being of individuals. The DVTO Court in Hay River, and the PARTNER program that supports it, work with low-risk offenders to break the cycle of domestic violence. We hope to see very positive results.

I would like to advise Members that we have also very recently expanded our Parenting After Separation workshop delivery to communities outside Yellowknife. This program assists parents before they ever make it as far as the court system. People whose marriage is breaking down can often be confused, frustrated or angry. This is frequently compounded when children are involved. The free workshop we have been offering parents for some time helps them make positive transitions through separation or divorce. Difficult issues are discussed and assistance offered for constructive resolutions. This assistance makes this difficult process easier for parents and their children.

On May 28<sup>th</sup> the first Parenting After Separation workshop was offered in Behchoko, and in Hay River on May 29<sup>th</sup>. More workshops will be scheduled to meet local interest and demand. The department also has plans to begin offering this workshop in Fort Smith, Inuvik and Norman Wells in the fall of 2015.

Mr. Speaker, the department has taken the time to make sure that these programs are effectively meeting the needs of offenders and families. We are pleased that we now have the experience, in addition to the support of the judiciary and other partners, to serve more communities. We support this Assembly's vision of strong, independent people who are safe and secure in their communities. We will continue to provide programming as effectively and efficiently as possible, ensuring that everything is in place for successful outcomes. Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. Ramsay. Honourable Minister of Education, Culture and Employment, Mr. Lafferty.

MINISTER'S STATEMENT 212-17(5):  
ONLINE CHILD CARE INSPECTION REPORTS

**HON. JACKSON LAFFERTY:** Mr. Speaker, ensuring the care and safety of children and providing accessible programs and services to families across the Northwest Territories is a top

priority of the Government of the Northwest Territories.

The Department of Education, Culture and Employment identified the need to do a full review of the current licensing system for daycare centres, family day homes and Aboriginal Head Start programs to ensure compliance with legislation as part of Action 6 of the Right from the Start Early Childhood Framework and Action Plan. ECE is responsible for licensing these programs under the NWT Child Day Care Act and Standards and Regulations. As a result of the review, the department has made licensing reports of child care centres available to the public.

Information from licensing inspections completed after April 1, 2015, will now be posted to ECE's website in a searchable format. This will encourage child care programs' continued compliance with the Child Day Care Standards Regulations and give parents and caregivers peace of mind. The department is always looking to improve the systems in place, and these enhancements will increase transparency and provide parents with valuable information to make informed choices about their child care options.

Mr. Speaker, only six other jurisdictions in Canada provide online child care inspection summaries, putting the NWT among the lead. These improvements are part of the ongoing work by the departments of Health and Social Services and Education, Culture and Employment on the Right from the Start Early Childhood Development Framework and Action Plan.

Enhancing the quality of licenced early childhood education and care programs contributes to the GNWT's ongoing efforts to streamline and improve access for families with young children, providing them with the programs and services they need to see their children grow and thrive. Mahsi, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. Lafferty. Honourable Minister of Finance, Mr. Miltenberger.

#### MINISTER'S STATEMENT 213-17(5): CITIZENS FIRST SURVEY RESULTS

**HON. MICHAEL MILTENBERGER:** Mr. Speaker, every budget session, I have provided this House with an update on the progress being made under the Service Innovation Strategy. Today I want to tell you about a tool we have to measure how satisfied northern residents are with government service delivery.

The national Citizens First survey measures how satisfied Northwest Territories residents are with the Government of the Northwest Territories services they receive over the phone, in person and online. Since the survey began in 1998, it has gained international attention and recognition and

remains the "gold standard" in research on public sector service delivery.

The GNWT participated, for the first time, in 2014 in Citizens First 7, the seventh in this series of studies.

These surveys explore various aspects of a changing service environment, tracking perceptions of service quality and performance for a wide range of services offered by municipal, provincial/territorial and federal governments.

Alberta, British Columbia, Manitoba, Nova Scotia, the Yukon and Quebec have all participated in the survey. A combined telephone and mail/mail-to-online approach was used. Where appropriate, comparisons are provided to the overall national results and "Best Provincial/Territorial" results, which represent the highest score by participating individual province or territory. Four hundred three people were surveyed in the NWT.

The GNWT participated not only to establish a baseline for measuring progress but also to understand more about what our residents expect from government and what makes for the most satisfying service experience regardless of what channel Northerners access government services. The term "channel" refers to how you access the service. It can be online, in person, or on the telephone.

This first survey provided us with some very interesting information. The office of the chief information officer has been making presentations and sharing the results of the report and recommendations for improvement with all of the government departments.

What did we find out?

- The NWT's service reputation score is the highest in Canada with a score of 66. The NWT's score is higher than the national average and has the highest score of the participating provinces and territories. Your reputation score is indicative of the public perception of your services. I hope this is not just beginner's luck.
- We also found out that NWT residents felt this government was responsive to the needs of a diverse population, whether it be visible minorities or people with a disability.
- The NWT's client satisfaction score, where NWT residents are asked to rate a recent experience with a territorial government service, saw the GNWT receiving scores on par with the highest score among the eight provinces/territories participating in the survey.

We will not let those good scores go to our heads. We recognize there is room for improvement. An article in the May 8<sup>th</sup> Yellowknifer, entitled "Calls to the GNWT go to the Birds," Mr. Walt Humphries points out how both he and Ms. Cece McCauley

have found it difficult to find the information they needed from the GNWT.

Similar to the issues of the two Northern News Services columnists, the survey revealed the "findability" of information on our websites requires improvement, as does our telephone wait times. We also found out that we have challenges in solving problems, correcting errors and dealing with complaints, especially when a resident has to use more than two channels to solve their problem, or tell their story to multiple people.

In addition to providing some very valuable baseline information, the survey also summarized some priorities for improving services, like customer service.

The office of the chief information officer will offer service training for employees in June for front-line service providers and in October for certified service managers. The training will help employees and their managers become accredited in service delivery. It also aligns with the Service Innovation Strategy objective to improve government service delivery, and as departments look at putting more services online, they can look to these survey results for baseline information on where to focus their efforts.

This was just a brief overview of the Citizen First survey. I encourage everyone to read it in its entirety. It can be found on the Department of Finance website and I will table the survey results later today at the appropriate time.

We are pleased that we received positive results from our first survey and good feedback from residents about where we can improve. I want to thank all the residents who took part in the survey, because your feedback is very important to us. I also want to encourage everyone to take part in the next survey, if you are asked, because we are listening. Finally, I want to take the time to commend all of our public servants on the front line, and their managers, for always keeping our "Citizens First" in mind every day. Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. Miltenberger. Item 3, Members' statements. Member for Frame Lake, Ms. Bisaro.

### Members' Statements

#### MEMBER'S STATEMENT ON HORIZONTAL HYDRAULIC FRACTURING RISKS

**MS. BISARO:** Thank you, Mr. Speaker. Any mining operation is fraught with risk, financial risk for the company, environmental risk for the residents, social risk for communities and so on. Any company starting a development must weigh the

risks to benefits to determine if they should proceed with their development.

Development of oil and gas operations is not dissimilar. There are many of the same inherent risks; but when extracting unconventional oil and gas, the risks are greatly increased. That may not be a big deal for a multinational company with deep financial pockets, but it is a big deal for the people living around the extraction site.

Extracting unconventional oil requires fracturing, horizontal fracturing for it to be economical. That process impacts land, water, wildlife, fish and, ultimately, people's health.

The science around fracking can be argued to a certain extent. It's not totally clear if the process is good or bad, but it is clear that horizontal fracturing has impacts and that those impacts are negative. Yet just what those impacts are and how widespread they are, are unknown.

Fracking in the North is even more risky due to us having ground with permafrost. What studies are there to illustrate the impacts of horizontal fracking on lands with permafrost? None, I believe. If fracking occurs here, the NWT will be the guinea pig. Do we really want that, or would we rather have some data to confirm the effects before we start fracking?

It's possible that fracking can be done without serious damage to our environment and our residents, but to date, the government has not proven that. Not to Members of the House and not to residents. As a result, we have the call from many directions of the NWT to not start fracking just yet.

As I said last week, a conversation on fracking has not been held and it must be held. The Minister might be surprised to find that after proper research and review, consultation and conversations, that NWT residents support fracking. I fervently hope they do not support horizontal fracking, but potentially vertical fracking.

I again urge the Minister of Industry, Tourism and Investment to start a territory-wide consultation and review process on the merits of fracking. This is too important an issue to be decided only by Cabinet. All residents deserve to be heard. Will the government let that happen? Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Ms. Bisaro. Member for Nahendeh, Mr. Menicoche.

#### MEMBER'S STATEMENT ON HORIZONTAL FRACTURING FILING REGULATIONS

**MR. MENICOCHÉ:** Mahsi cho, Mr. Speaker. It is clear that the people of the Northwest Territories have a lot to say when it comes to fracking,



especially horizontal fracturing. That was true at the public engagement session on the proposed regulations in Fort Simpson and it continues to be true today. The people of my riding are eager for education, understanding and consultation. They have questions about safety, health, water security and fracking itself. I also know that the Dehcho First Nations and the Liidlii Kue First Nations have passed resolutions against fracking in their traditional lands. I support both the Dehcho and the Liidlii Kue in their resolutions, which I will table in the House later today.

Many of the monitoring and research programs that the government describes deal with the Sahtu region. I don't doubt that these programs are important, but potential effects may also be felt outside that region. Fracking is already being done in northern BC and the Liard Basin, and our portion is being studied as well. But what about baseline data and monitoring there?

At the Fort Simpson session, I was concerned about the time given to people to understand and respond to our technical regulations. Today I am pleased that the government has extended the public engagement period by 60 days, to the end of August, but I must be clear, the government must be seen to be doing more to engage the people.

I also have questions about how the regulations deal with baseline studying and monitoring. It seems that industry will be responsible for much of this work. Is self-monitoring in such a competitive industry a wise approach? Will there be some kind of oversight? We must be prepared to enforce our own rules. Because the two sessions in my riding, one in Fort Liard and one in Nahanni Butte, were rescheduled – they'll happen next week on the 9<sup>th</sup> and 10<sup>th</sup> of June – I encourage all of my constituents to share their views. As the public engagement process continues, I'll continue to be a full participant as a Member of this Legislative Assembly. Mahsi, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. Menicoche. Member for Hay River North, Mr. Bouchard.

#### MEMBER'S STATEMENT ON HYDRAULIC FRACTURING REGULATORY REGIME

**MR. BOUCHARD:** Thank you, Mr. Speaker. I too would like to speak about hydraulic fracturing, fracking, as it's called by most people. I'm a member of the Economic Development and Infrastructure committee and we've been working to learn more about this over the last two or three years.

Hydraulic fracturing has been approved in the Northwest Territories in the past by the federal government and the National Energy Board. April 1<sup>st</sup> last year, we took over control of our lands and

resources. We are now in control. We need to control how the regulations of this industry and this particular process are being done in the Northwest Territories. We need to have a Northwest Territories approach to this. We need to make sure that the regulations in this area are the strongest in the world, Mr. Speaker. I think nobody in the world is more interested in the land and resources than the Northwest Territories people. We've heard that in most of the discussions on regulations.

This is not development at any cost. We need to look at how we can make these regulations northern and make sure that they're being implemented, that they're being controlled, that we are making sure that we are not affecting the land and the resources in the Northwest Territories.

We are not the only jurisdiction looking at this. We know our neighbours in the Yukon have been looking at it for the past two years and have spent a lot of money. They're still undecided. Mr. Woods, yesterday, from Australia, indicated that they had done the Hawke Report and indicated that they didn't have any indication on what they were going to do.

We're still looking at this process, but we need to set up the regulations. We can't deny that there's a potential opportunity here for people, an opportunity for jobs. We need to look at the revenue that can be generated. We have lots of pressures. We have lots of expenses that are going up in our health, education, housing, and all our programs are demanding more and more. We need to look at how we can do this northern, make sure the regulations are enforced, but we need to take it nice and slow. We need to lengthen out the process. This government can't rush through it. We have some time. There is a natural moratorium. Industry has indicated that they're not doing anything, so we need to look at this sooner than later. Thank you very much.

**MR. SPEAKER:** Thank you, Mr. Bouchard. Member for Range Lake, Mr. Dolyunny.

#### MEMBER'S STATEMENT ON BALANCED APPROACH TO HYDRAULIC FRACTURING

**MR. DOLYNNY:** Thank you, Mr. Speaker. It's hard not to get caught up in the emotional drama when the word "fracking" is discussed. Ultimately, the well has been poisoned long ago by both extreme views of ideology and science.

We cannot afford to walk away from our economic duties as newfound stewards of the land, and we cannot ignore the economic potential from responsible resource development our territory has to offer. Yes, we can all agree there are risks, as all large-scale human activities have them, which is why we must subject ourselves to the highest

degree of environmental integrity to the objective of efficient, smart and transparent resource development.

As a Member of this House, I have a fiduciary duty and obligation to all Northerners to protect our land, water and resources from unwarranted and adverse effects, yet I am equally bound to support the extraordinary value creation this economic NWT sphere can provide in basic necessities for its people.

As a member of the Standing Committee on Social Programs, I have witnessed first-hand our social umbrella expand to greater deficits without any economic balance. Consequently, in order to achieve this balance in society, we need to look at opportunities in investment and growth within a diversified, environmentally sound economy. Therefore, we must continue and support this comprehensive public engagement that is occurring within our government's regulatory authority and support any form of so-called bans or moratoriums goes directly against the premise of gathering this important knowledge.

This is a very complex issue with polarizing views, and in the end there are no winners, only survivors of moral opinion. Thank you.

**MR. SPEAKER:** Thank you, Mr. Dolynny. Member for Sahtu, Mr. Yakeleya.

#### MEMBER'S STATEMENT ON RESPONSIBLE ENERGY EXPLORATION AND DEVELOPMENT

**MR. YAKELEYA:** Thank you, Mr. Speaker. We all want a cleaner, safer, healthier environment. "Why," you ask. Well, if you were to come out and walk on the Canol Trail with me, you'll know why, or travel along the Mackenzie River, you'll know why, or fish on Great Slave Lake or the Great Bear, you'll know why.

We can strike a balance. We have responsible exploration for energy. We are searching for economic freedom, unshackling the chains of dependency from the federal government. Days are gone of the oil companies that drill them, fill them, spill them and bill them. Responsible exploration for energy has been a never-ending process of revolving, just like the operations for mining for diamonds in Yellowknife. Thousands of trucks pass through your front yard each winter, and yet it is okay to drain five lakes and talk about the amount of water used in the fracking operation.

People are responsible and are looking for responsible exploration for energy in the Sahtu or in the Deh Cho or in the Beaufort-Delta. The Northwest Territories is looking for its own energy source. It is learning about the possibilities of becoming energy independent, self-reliant and efficient. Imagine, we can do this, striking the

balance. NWT's energy policy for the 21<sup>st</sup> century is a possibility.

Responsible exploration for energy is the cutting edge of making us a nation of independence, rather than making us a nation of dependency. Dependency is on handouts. Who wants to be living on handouts?

We look at every way to stretch our energy dollars, at our gas pump stations, to heating our homes, to buying our airline tickets. These things cost money, and money is energy.

Mr. Speaker, I seek unanimous consent to conclude my statement.

---Unanimous consent granted

**MR. YAKELEYA:** Oil companies are always looking for new fuel solutions and so are we – new supplies, maximizing efficiency with advanced technology to make the exploration for energy a science and an art.

While we are still putting our rules in place for responsible exploration for energy with the goal of solving our energy problem, they must continue to work together and allow the agreed upon process to finish without any tainting or interference or trying to derail our energy policies.

The sky is not falling. Thank you.

**MR. SPEAKER:** Thank you, Mr. Yakeleya. Member for Inuvik Boot Lake, Mr. Moses.

#### MEMBER'S STATEMENT ON INUVIK HYDRAULIC FRACTURING PUBLIC ENGAGEMENT

**MR. MOSES:** Thank you, Mr. Speaker. As you can tell, we're having a little bit of a theme day here on hydraulic fracturing. I applaud the department in doing their due diligence and going out and doing the public engagement throughout the Northwest Territories.

On April 9<sup>th</sup> I had the opportunity to attend this fracking meeting in Inuvik. We had over 30 participants, so obviously it was a big concern. It was one of the biggest public meetings that I have attended. A lot of passion was spoken by members and leadership, not only from Inuvik but we had leadership from Tsiigehtchic, Fort McPherson, Aklavik and Tuktoyaktuk. So, everybody from the Beaufort-Delta region was there expressing their views, expressing their concerns.

We are told that these public hearings are to help us guide these regulations as we are moving forward. We heard a lot of good discussions about the shale potential in the Inuvialuit, the Gwich'in and the Sahtu regions. As you can tell, all of the regions are also going through some economic hard times. So, obviously, there was some great opportunity to look at the economic prosperities in

those three communities as well as the Liard Basin, among other areas throughout the Northwest Territories where hydraulic fracturing can also help increase the economy and increase jobs for the people. As I mentioned, in those areas the economy is very slow.

We also heard about strengthening the regulations that we, as a government, have inherited through these public forums, and I think that is some of the process as we are moving forward.

We also talked a little bit about if we do proceed, we can strengthen the regulations, but more importantly, through the public engagement process we are educating the residents of the Northwest Territories on hydraulic fracturing. I know there are a lot of misconceptions out there. There are a lot of facts out there and we want to make sure that we can make our decisions based on facts.

At the meeting there were a lot of concerns that were brought up from our leadership, from concerned citizens who attended, things such as seismic testing, the disclosure of chemicals, which has been brought up in this House before from some Members, especially some of those chemicals that are patented by some of these companies. Obviously, with the Beaufort-Delta there was a big concern with the water flow and possible chemicals, should there be a possible spill, and the wastewater. With that, we don't even have wastewater disposal sites.

I seek unanimous consent to conclude my statement.

---Unanimous consent granted

**MR. MOSES:** There was also concern of monitoring, and as I also mentioned, the wastewater disposal sites that we have in the Northwest Territories, do we even have any, which got me thinking about our transboundary water agreements that we have with Alberta and BC. If Alberta and BC are doing hydraulic fracturing and they're lowering their water levels, can that have an impact here in the Northwest Territories? Last summer we just witnessed the lowest water levels on record here in the Northwest Territories. If we do go ahead and proceed with hydraulic fracturing, how much of that water is going to be used up, and how is it going to affect the communities down the Mackenzie River?

I just wanted to mention that the department did propose new regulations and four new requirements to meet northern priorities. I won't get into the detail of them, but one big concern was with the hydraulic fracturing: Why is the government moving forward with regulations when we don't have all groups and Aboriginal groups on board? That really caught my attention.

I will be asking questions to the Minister of ITI later on at these public engagements.

**MR. SPEAKER:** Thank you, Mr. Moses. The Member for Weledeh, Mr. Bromley.

#### MEMBER'S STATEMENT ON RENEWABLE ENERGY ALTERNATIVES

**MR. BROMLEY:** Thank you, Mr. Speaker. When asked what his secret to success was, Wayne Gretzky replied that most players go for where the puck is while he goes for where the puck is going to be. I know our Premier and ITI Minister are hockey players, and they're good ones. If we want to be stars like the Great One, we need to recognize that oil and gas may be where the puck is at currently, but renewable energy is where the puck will be by the time we get there. Let's apply this insight to the NWT economic development energy strategy and listen to the goal buzzer shriek with joy.

It's obvious that the days of the world's reliance on fossil fuels for energy and our economic foundation are numbered. We can continue chasing this elusive puck at great cost, and ultimately in vain, or we can jump to environmentally clean, locally derived and job-rich energy systems and sustainable economic models based on our knowledge of where the economic opportunities are shifting to.

Instead of asking what costly subsidies and complex but ultimately ineffective regulations are required to get one last gasp boom and bust cycle out of fossil fuel exploitation, let's capitalize on the real opportunities that renewable energy development enables. Let's shift from fossil fuel addiction – I know it's hard – and climate destroying, water poisoning, forest flattening, rock fracturing and community stressing petrochemical exploitation to the earth replenishing, job creating, wealth distributing and community supporting development of wind, solar, biomass and small hydro energy sources.

Let's connect the dots. Alberta is burning up and closing tar sands operations. The West Coast is parched with record drought. Texas went from a record drought to floodwaters rising eight metres in 24 hours. One thousand people died last week in India of heat stress. Six hundred twenty square kilometres of our forest burned in May under record drought conditions. Science shows that human civilization is now at risk from dangerous climate change as it comes with two degrees warming. Clearly, it is happening right now with a one degree change. Eighty percent of known reserves must stay in the ground, according to science, to avoid dangerous climate change and impacts on human civilization. The question of fracking is moot.

I seek unanimous consent to conclude my statement.

---Unanimous consent granted

**MR. BROMLEY:** Abandoning already stranded fossil fuels and quickly positioning ourselves to take advantage of renewable opportunities is the obvious and compulsory answer. We have the chance to be there to meet the renewable energy puck and slap it into the net. Will we hear the crowd roar? We can if we so choose on behalf of our people and our land. I certainly hope we do. Mahsi.

**MR. SPEAKER:** Thank you, Mr. Bromley. The Member for Mackenzie Delta, Mr. Blake.

#### MEMBER'S STATEMENT ON PUBLIC ENGAGEMENT ON HYDRAULIC FRACTURING REGULATIONS

**MR. BLAKE:** Thank you, Mr. Speaker. Many of my constituents are very concerned with our government moving forward with regulations to allow horizontal hydraulic fracturing. My constituents are thinking of the future. They are concerned that we may pollute our lakes and rivers. Many of my constituents live a traditional way of life and harvest wildlife and fish from the land.

Many of my constituents are also thinking of our future generations. They also want their children and grandchildren to have the same opportunities we have today to live off the land. Mr. Speaker, we need to do a better job to consult our constituents and have workshops on horizontal hydraulic fracturing. I'd also like to quote one of my constituents: "Our land, water and wildlife are priceless."

As we move forward with our regulations, I believe we need to extend the time frame. I know we're looking at the fall, but I think we need to take more time. We need to ensure that our residents are comfortable with this government moving forward with hydraulic fracturing. Thank you.

**MR. SPEAKER:** Thank you, Mr. Blake. The Member for Yellowknife Centre, Mr. Hawkins.

#### MEMBER'S STATEMENT ON GOVERNMENT PERSPECTIVE ON HYDRAULIC FRACTURING ACTIVITIES

**MR. HAWKINS:** Thank you, Mr. Speaker. Before we begin I'm going to say it has become crystal clear in the work that we do here that hydraulic fracturing certainly has become the most important ideological question of our time. True leadership is the willingness to put the question sometimes to the people, rather than trying to say, "Here I'm a leader and I make all the decisions in isolation."

Knowing that, the government is still trying to understand and balance its role as land and resources regulator. We're starting to see the ITI Minister take on some of these responsibilities for regulating oil and gas and mineral projects, but at

times you see him almost like with a two-headed job. Of course, the Minister only has one head, at least that I can see, and you can see the Minister certainly has a tough job promoting the industry one day, but then, of course, trying to give the final word of the application in a most fair and appreciated manner.

So, what is it really? I know the rules, of course. They're spelled out so the Minister can only do so much so far and he has sworn he has delegated the authority, which we've seen on paper, but sometimes it causes you to wonder. Of course, now we have the review of the regulations of the hydraulic fracturing in process. The question really, in my opinion here is starting to weigh, is where is the public's good being weighed in on this question? Of course, we're reviewing the regulations before we have the good will or certainly the permission and support of the public to this particular fracking.

As well, at the same time, I have to paint a face on it that Minister Ramsay I'm not sure is as open-minded as he likes to try to tell the public he is with his public comments that he has made in the media that fracking is needed for economic growth and we believe, he says, "it can be done in a safe and secure manner." So I'm not really sure, with that type of perspective and those types of words from the Minister, why he even bothers wasting his time with the public at that point. I mean, we all know we're being driven to a further resolve.

If I go a little further, in an e-mail the Friday before, it says, "Resources in this area will require hydraulic fracturing to extract them." So again, what we've got here is a situation with the Minister saying one thing and we're putting the board sort of in between the old proverbial rock and a hard place. We've got the applicant that one day may or may not come forward with an application to frack. The board is supposed to be independent in how to do these things, and we've got the Minister's opinion saying, "Its safe and we have to do these things." We all know boards don't want to upset their Minister, even though they are independent.

I should at this time request unanimous consent to conclude my statement. Thank you.

----Unanimous consent denied

**MR. SPEAKER:** Thank you. The Member for Deh Cho, Mr. Nadli.

#### MEMBER'S STATEMENT ON PROTECTION OF WATER SYSTEM IN DEVELOPMENT ACTIVITIES

**MR. NADLI:** Mahsi, Mr. Speaker. We have commonly heard that the GNWT is in a balancing act, weighing both conservation and industrial development with a zeal to create an economy for

jobs and business opportunities in the overall growth of the NWT.

Industrial economic development, when we say that we're presuming that we're underdeveloped, that the system that we have, particularly the environmental regime that we have in place, could be said to be archaic, and our recent efforts have been made to try to update the whole system that we have through the devolution exercise. Similarly, we have a very socially challenged labour pool of people who are afflicted with minimum grade levels and alcohol and drug abuse. Our people are highly dependent on the government for assistance and subsidies.

When we say conservation, we want to keep certain areas of the environment as pristine as we can for future generations. That means having no development in certain areas.

In October 2011, the point was raised on whether the GNWT was considering following other jurisdictions in Canada by establishing a moratorium on fracking. Right now the current effort is to develop regulations to allow fracking. The Northwest Territories could be said to have a strong traditional economy, hunting, fishing and trapping. Our people gain pride in terms of being independent, to supplement their income, to put food on their table.

I wanted to reference a film that I saw as a youngster, and that movie was called "A Paddle to the Sea." It's about a small carving of a person in a canoe paddling the great lakes and rivers that we have in Canada. What it illustrated to me is that those rivers that we see float by our communities are sourced from mountains and ice that floats down to the river systems and that eventually comes to our communities and our homes. The rivers and creeks and lakes that we have are part of the watershed systems that we have in place in the NWT, and efforts are being made to ensure that we have a very vigilant system in place to ensure that there is a level of monitoring and assessment in place to ensure that disasters don't happen.

Mr. Speaker, I seek unanimous consent to conclude my Member's statement. Mahsi.

---Unanimous consent granted

**MR. NADLI:** Our colleagues in the Yukon have noted the need for further research on the permafrost degradation relative to the climate change we're seeing, including the warming trends that we're seeing all over the world, including in the NWT.

Climate change is causing a trend of drought in certain areas of the world and North America, especially in the southern part of North America, and we're experiencing a shortage of quality water. Water is becoming a precious and valued commodity. We need to ensure that we have a

rigorous environmental assessment in place to ensure that we protect the water system that we have and enjoy here in the NWT.

I support the need for consultation with the public to determine whether hydraulic fracturing should be allowed or not. There is a need for further development in the regulations that we see that have been out in the public for some time. This matter requires a full consensus of all people in the NWT, and this is a very important matter that we need to ensure that everybody has input into this matter. Mahsi.

**MR. SPEAKER:** Thank you, Mr. Nadli. Member for Hay River South, Mrs. Groenewegen.

#### MEMBER'S STATEMENT ON MINISTERIAL PERFORMANCE ON THE ENERGY STRATEGY

**MRS. GROENEWEGEN:** Thank you, Mr. Speaker. I rise today not to speak on the theme day today of hydraulic fracturing that has been very eloquently and adequately covered by my colleagues. I stand today on a matter that I consider very, very serious. I have said in the past, when we have considered leadership debates, that I am not a proponent of midterm reviews. If I have something to say, I will stand up and say it at the appropriate time. Today I'm going to do that. I am going to make commentary of one of my colleagues who sits in the Cabinet, a colleague who, like myself, is serving in his fifth term in this Legislature.

The level and degree of disrespect and contempt for this side of the House recently has risen to an all new level. It wasn't until today, after we were departing the Caucus meeting, that it finally occurred to me what was going on. This is in relationship to a specific concern that we have had about developing an energy policy, a global energy policy for this government so that everybody would know where they fit into that plan.

This government, vis a vis this Minister, has refused to sit down and communicate with a private sector company that's been in the Northwest Territories for 60 years, to see what they might bring to that discussion in developing an energy plan. Not only has he refused to sit down with them, he has refused to sit down with us.

Point in case is this: We were going to have a discussion. We were going to have a briefing. One week before we had a briefing, the government made a major decision which is now water under the bridge. It's a moot point. The night before we were going to have a briefing, this Cabinet released a press release and then comes the next day to this all-wonderful anticipated briefing with absolutely nothing to share. Now, add to that the fact that they are actually going to table their response to the

energy charrette in this House on Thursday. What a coincidence. The last day of session.

Now, if Members cannot see a pattern and trend here, I'm sorry. If I am the only one who is going to stand up and say this, I will still call a spade a spade. This is an affront and an insult to consensus government and the Members on this side of the House. I spoke to it briefly last week. I said it's a fail.

What also baffles me even more than that is how did Mr. Miltenberger convince all his Cabinet colleagues that this was an okay way to do business, because it certainly is not.

I'm sorry if I seem a little emotional about this, but I take great pride in consensus government and this institution, and I do get offended and I do get passionate and I get upset when it is confronted in the way that it has been most recently in this matter.

I seek unanimous consent to conclude my statement.

---Unanimous consent granted

**MRS. GROENEWEGEN:** We all know what the definition of a dictatorship is, so I invite you to stay tuned. I say that personal vendettas and agendas are going to come out. You are going to see them in the next six months. I cannot stop it. The only power that can stop it is this side of the House. I personally can't alone do anything about it, but I ask you to stay tuned.

When we were meeting in Caucus this morning, when we decided on our schedules and what we're going to do, I personally, with my own ears – and I do not make this up – heard Mr. Miltenberger talk about the fact that we are leaving here Thursday and not coming back until September 29<sup>th</sup>. These were the words: "Four months of no oversight." Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mrs. Groenewegen. Item 4, returns to oral questions. Item 5, recognition of visitors in the gallery. Mr. McLeod.

### Recognition of Visitors in the Gallery

**HON. ROBERT MCLEOD:** Thank you, Mr. Speaker. I would like to recognize and welcome to the gallery and to the House some representatives we have from Canadian Tire Corporation who took part in the announcement today. We are appreciative of the support that they have shown. We have Mr. Landon French, who is the vice-president of community relations for Canadian Tire Corporation and the executive director of Jump Start. We have Pierina De Carolis and Kim Desrochers, both from Canadian Tire Corporation. Welcome to the House.

We also have with them three hardworking members of MACA who put a lot of these programs into place and we appreciate the work that you do. Mr. Tom Williams, deputy minister; Ian Legaree, who is also up there and we have Damon Crossman, who is also up there. Thank you very much for all the work that you do.

**MR. SPEAKER:** Thank you, Mr. McLeod. Mr. Ramsay.

**HON. DAVID RAMSAY:** Thank you, Mr. Speaker. It's a great pleasure to welcome some more students to the House today to see our proceedings. We have a Grade 6 class from St. Joseph school. I would just like to recognize all of them today, if I could. They are accompanied by Jennifer Genge, their teacher; and Mr. Stephen Richardson, classroom assistant. Matthew Baggs, Gabe Beard, Aaradhana Bhattarai, Claire Cooper, Quinn Critch, Red Dela Prez, Jaida Dowe, Vincent Embodo, Ashlin Gauchier, Caelem Grandjambe, Brandon Koe, Vy Luu, Carleigh Luxon – she is not there – Gairon Mason, Jace Menton, Laurelle Pittman, Cassandra Rawless, Kevin Santos, Jeremy Snow, Aron Taylor, Lydia Taylor, Gabby Uy and Mya Wrigley. She is not there.

One other person who is up there that I want to recognize is my CA, Ms. Wendy Morgan. Welcome to the House.

While I've got the floor, I want to thank Canadian Tire and Canadian Tire Corporation for all the good work that you're doing up here in the Northwest Territories. Thanks for visiting us.

**MR. SPEAKER:** Thank you, Mr. Ramsay. Ms. Bisaro.

**MS. BISARO:** Thank you, Mr. Speaker. It's my pleasure today to recognize one of our hardworking Pages who resides in my riding of Frame Lake. Caleb Cleary has been working for us for the two weeks, I think, and will be continuing on, I think, for the rest of the week. Thank you to all the Pages, and particularly to Caleb, for the work that they do.

**MR. SPEAKER:** Thank you, Ms. Bisaro. Mr. Yakeleya.

**MR. YAKELEYA:** Thank you, Mr. Speaker. I want to recognize two constituents. One, Marie Speakman. She was originally from Deline and now she's living here. I would also like to recognize Sheila Karkagie from Tulita.

**MR. SPEAKER:** Thank you, Mr. Yakeleya. Mr. Bromley.

**MR. BROMLEY:** Thank you, Mr. Speaker. Always a great pleasure to welcome constituent Tony Whitford, honorary table officer extraordinaire and brings a special energy to the House, as I think we all agree. Great to see you, Tony.

I would also like to recognize a few people in the gallery who were participating in a demonstration

outside the House today passing messages on to the House. My colleague has already mentioned Sheila Karkagie. Also, Keira Kolson and Marie Speakman, I believe, was in there, as well, and there may well be others in the House that were part of that. I appreciated hearing from the people.

**MR. SPEAKER:** Thank you, Mr. Bromley. Mr. Nadli.

**MR. NADLI:** Thank you, Mr. Speaker. I would like to take this opportunity to recognize two Pages from my constituency. First of all, Trinity Cayen who is in the House. Trinity is 15 years old. She is in Grade 8. Her interests are math and English. Her hobbies include basketball, reading and writing. Also, at the same time, she loves going camping with her family and cookouts with family. Also, Nick Smallgeese, who is from the Chief Sunrise School. He is 14 years old and in Grade 9. His interests include math and doing volunteer work at the store. His hobbies include archery, soccer and camping with the school. I'd like to recognize also their chaperone, April Martel.

**MR. SPEAKER:** Thank you, Mr. Nadli. I'd like to welcome everybody here in the public gallery. Thank you for taking an interest in our proceedings.

Item 6, acknowledgements. Item 7, oral questions. Mr. Menicoche.

### Oral Questions

#### QUESTION 854-17(5): HYDRAULIC FRACTURING BASELINE STUDIES

**MR. MENICOCHÉ:** Thank you very much, Mr. Speaker. I just want to follow up with some questions on when I spoke on horizontal fracturing. I'd like to ask the Minister of ITI, just with regard to studies related to hydraulic fracturing taking place in the Liard Basin, are there any baseline studies being done there, or have been done?

**MR. SPEAKER:** Thank you, Mr. Menicoche. The Minister of Industry, Tourism and Investment, Mr. Ramsay.

**HON. DAVID RAMSAY:** Thank you, Mr. Speaker. Of course, the Department of Industry, Tourism and Investment and through my role as regulator of the industry, we are not involved in the baseline studies that would have been done in the Liard Basin. I know there has been some work there. I will get the Member that level of detail, and I suppose I'd have to go to another department to get that information.

**MR. MENICOCHÉ:** Certainly, I spoke in my Member's statement about how the Fort Liard public engagement session was deferred and it's planned for next week. I'd just like to ask the Minister how his department is letting the

communities know about the upcoming engagement sessions.

**HON. DAVID RAMSAY:** I believe it has been well advertised, public announcements and posters around the community. I can get, again, detail for the Member on what has happened to let the public know. It was unfortunate two communities in the Member's riding, we were unable to get in there initially because of weather, but those meetings are scheduled, as the Member mentioned, for next week.

**MR. MENICOCHÉ:** Certainly, these are very small communities but it's important to advertise about subjects of this importance. I'd just like to ask the Minister, as well, what additional engagement measures will the department take over for the extended engagement period as they're looking at extending it until August? Thank you.

**HON. DAVID RAMSAY:** We still have a portion of the process to get through, more communities to have meetings in. What we will do, and I have committed in the House last week, was to extend the period and the process until the end of August. We will take a look. I know Members are asking for more educational opportunities for communities. We will take everything we've heard into consideration and make a concerted effort to address the concerns we've heard and, again, carry the process out until the end of August and further if need be. Thank you.

**MR. SPEAKER:** Thank you, Mr. Ramsay. Final, short supplementary, Mr. Menicoche.

**MR. MENICOCHÉ:** Thank you very much, Mr. Speaker. In the information sessions there was talk about a Section 35 consultation, which means consulting with Aboriginal organizations. This summer finds us with our annual assemblies. What are the plans for the Section 35 consultations with Aboriginal organizations? Mahsi.

**HON. DAVID RAMSAY:** The public engagement sessions are, of course, public engagement. The consultation with Aboriginal governments has started. I've written letters to the Aboriginal governments around the Northwest Territories. That is in the works, that consultation period. The added time to the end of August will give us an opportunity to get to gatherings and other commitments around the territory where gatherings are taking place. We will have folks attend assemblies and provide information and talk to people about the process and how we're moving this effort forward.

**MR. SPEAKER:** Thank you, Mr. Ramsay. The Member for Sahtu, Mr. Yakeleya.

QUESTION 855-17(5):  
RESPONSIBLE ENERGY EXPLORATION  
AND DEVELOPMENT

**MR. YAKELEYA:** Thank you, Mr. Speaker. In my Member's statement, I talked about responsible exploration for energy. The Sahtu needs to understand the impacts and the consequences on our land, water and wildlife from the responsible exploration for energy.

I want to ask the Minister of ITI, what is this government doing to know the potential impacts and consequences? What studies have been done in our region?

**MR. SPEAKER:** Thank you, Mr. Yakeleya. Minister of Industry, Tourism and Investment, Mr. Ramsay.

**HON. DAVID RAMSAY:** Thank you, Mr. Speaker. Every application that is received is scrutinized by arm's-length regulatory boards here in the Northwest Territories that hear directly from the public and make decisions and set regulations for every single project based on the specifics of each proposal.

Through ENR there has been work done on water and there are other efforts in place. Of course, the proponents in the Sahtu have done a lot of work on baseline information gathering themselves. So when an application comes forward, that information is in it so the public can understand what the application is and the impacts it may have. Thank you.

**MR. YAKELEYA:** The Minister talked about studies and information. I want to ask the Minister, what credible information on the impacts on this exploring for energy using hydraulic fracking to the health, environment and water that we are doing in the Sahtu. Do we have effective enforcement?

**HON. DAVID RAMSAY:** We are moving forward with draft regulations. We have had only a year, or just over a year. Our government wanted to devolve and evolve. This is part of the evolution. As we move forward, we can take a look at other jurisdictions, how they've regulated the industry, how they've been successful and not ruling out one technique. You look at BC, Alberta, Saskatchewan, they've done this in a safe and responsible manner. It is about striking a balance, and we believe that we can manage our own affairs here in the Northwest Territories so that we can protect the environment and we can provide jobs and opportunities for people. I know some Members, in their Members' statements, talked about the future. The future includes jobs and opportunities for businesses and people here in the Northwest Territories as well as protecting the environment. Thank you.

**MR. YAKELEYA:** Can the Minister speak about the public infrastructure plan that will and is addressing the issue, such as transportation of

wastewater disposals once the operations have begun in areas where we are doing horizontal hydraulic fracking?

**HON. DAVID RAMSAY:** You just have to look around the Northwest Territories and a lot of the infrastructure that we have in place here today is a direct result of resource development, whether it's mining or hydro, in the case of the Taltson, or mining.

We are looking at an opportunity in the central Mackenzie Valley. One of the knocks against the Territories is lack of infrastructure. Members are talking about environmental concerns, and the Member is asking about wastewater. It would make much, much more sense if we had an all-weather road down the Mackenzie Valley. That's something that's been a priority of the government for some time. In the case of developing a resource and developing an industry in the central Mackenzie Valley, an all-weather road is a big part of that puzzle. Thank you.

**MR. SPEAKER:** Thank you, Mr. Ramsay. Final, short supplementary, Mr. Yakeleya.

**MR. YAKELEYA:** Thank you, Mr. Speaker. Last year at the Sahtu Secretariat Incorporated AGM, the motion that was tabled and talked about called for a joint committee with the GNWT to consider the risks and benefits of hydraulic fracking in the settlement area.

I want to ask the Minister, has the Minister's department ever responded to that motion, where they would sit down with the Sahtu Secretariat and look at the issue of hydraulic fracking in their region and come together to understand as to how they're going to proceed with this?

**HON. DAVID RAMSAY:** I'm not aware at the official's level if that has happened. I can make a commitment to the Member, if I can sit down with the leadership myself, I'd be happy to do that, to discuss just that. Thank you.

**MR. SPEAKER:** Thank you, Mr. Ramsay. Member for Weledeh, Mr. Bromley.

QUESTION 856-17(5):  
MORATORIUM ON HORIZONTAL  
HYDRAULIC FRACTURING

**MR. BROMLEY:** Thank you, Mr. Speaker. I also would like to follow up my Member's statement with questions for the Minister of ITI.

If it was not apparent to the Minister before today that there is a significant public concern surrounding fracking in the NWT, it should be clear now, and the public wants input on the question of whether to fracture or not, and that the drafting of fracking regulations is premature. It puts the cart before the horse.



Will the Minister now declare a moratorium on horizontal hydraulic fracturing in the Northwest Territories until a comprehensive public review of the practice is conducted, letting the people of the NWT become knowledgeable about this controversial practice and indicate their acceptance of the risks involved, or not? Mahsi.

**MR. SPEAKER:** Thank you, Mr. Bromley. Minister of Industry, Tourism and Investment, Mr. Ramsay.

**HON. DAVID RAMSAY:** Thank you, Mr. Speaker. As I mentioned last week, we are going to take more time with the process that we have underway.

Again, every application is scrutinized by arm's-length regulatory boards that hear directly from the public and make decisions and set requirements for every single project based on the specifics of each proposal, recognized best practices, current science and public views. Ruling out one particular technique is like telling a doctor they can only ever use general anesthetic for a procedure, when local anesthetic or even an aspirin might be more appropriate. It is more responsible to use the best approach for each job and make sure we, as a government, have created the best rules to manage that, and that is what we are trying to do here. Thank you.

**MR. BROMLEY:** I take it that's a no to the moratorium. We all know that the people called for a halt to economic analysis of the last application, yet the government approved it, despite having the power to call for that environmental review.

Of more than 400 peer reviewed publications on the impacts of shale gas development, 75 percent of which we published in 2013, 96 percent indicate adverse health outcomes, 92 percent indicate elevated air pollution and 73 percent warn of water pollution because of fracking. Tight oil fracking starts after that, so the research is behind, but it's coming out completely in parallel with this. Yet the Minister continues to assert that despite evidence worldwide to the contrary, we in the NWT will be able to beat the odds and do it safely.

On what basis does the Minister feel that he alone is right and the scientists of the world are wrong?

**HON. DAVID RAMSAY:** Again, Northerners have the ability to provide input into the assessment of every application at many stages of the process that we have in place here in the NWT, through intervening in the process, through submitting comments on the public record, to making comments at public hearings.

I have every confidence in our NWT regulatory system. Thank you.

**MR. BROMLEY:** I would just remind the Minister that the NWT has been blanketed with motions and resolutions from every Aboriginal government across the Nahendeh part of the NWT, requesting

just that, a moratorium, a ban, or a comprehensive review.

As I was saying, the science is clear. The oil under the ground in the NWT must stay there, according to science, if human civilization is to continue as we know it. Renewable energy options are environmentally and economically attractive, virtually limitless and promise provision of more clean and affordable energy than we need.

Will the Minister commit to removing perverse subsidies and misguided support to fossil fuel extraction and shift them to building renewable energy systems that serve people, communities and our living earth? Mahsi.

**HON. DAVID RAMSAY:** I respect the Member and I respect his point of view, but when we got together after the 17<sup>th</sup> Legislative Assembly was elected in 2011, we came together, we formed a vision, we came up with our goals, and I'll list them off here: a strong independent North built on partnerships; an environment that will sustain present and future generations; healthy, educated people free from poverty; a diversified economy that provides all communities and regions with opportunities and choices; sustainable, vibrant communities; and effective and efficient government.

Mr. Speaker, we have a region of the Northwest Territories that has high unemployment levels, people looking for work, looking for opportunities. We need to balance protecting the environment and creating the right economic conditions where people can have jobs, we can graduate children from high school who will have a future and will have a job. Thank you.

**MR. SPEAKER:** Thank you, Mr. Ramsay. Final, short supplementary, Mr. Bromley.

**MR. BROMLEY:** Thank you, Mr. Speaker. I also support our goals and vision totally. We are now talking about the interpretation of those. I would note that clearly, for a million dollars of investment, the jobs are there for renewable energy far and beyond, half an order of magnitude beyond oil and gas.

We are fortunate in having alternatives to fossil fuel extraction and its form of tremendous renewable energy options in every community. The technology is here now and getting better by the day. The United States is planning a complete switch to renewable energy in the next 30 years.

My question: What aggressive policies is the Minister pursuing for recommendation to the 18<sup>th</sup> Assembly for this required shift from destructive energy policies to ones that give us hopefulness for the future? This is not an optional thing, unless the Minister knows something I don't. I am listening to the scientists. Mahsi.

**HON. DAVID RAMSAY:** We are doing both. That work is underway for the transition to the 18<sup>th</sup> Legislative Assembly. But our priorities, when we talk about our goals, the priorities that stem from those goals are increasing employment opportunities where they are needed most. In a region like the Sahtu, that is where we need the economic opportunities the most. Thank you.

**MR. SPEAKER:** Thank you, Mr. Ramsay. Colleagues, before we go on today, I would like to draw your attention to the gallery, to His Worship Mayor of Niagara Falls, Mr. Jim Diodati and his daughter, Olivia, who is visiting us here today from Niagara Falls. Welcome to the House.

Also, Norman's CA, who is assisting him, Ms. Natasha Pryznyk.

Member for Inuvik Boot Lake, Mr. Moses.

QUESTION 857-17(5):  
HYDRAULIC FRACTURING  
WATER MONITORING

**MR. MOSES:** Thank you, Mr. Speaker. I will continue on with my Member's statement here, but I will ask questions to the Minister of ENR, mainly around some of the monitoring and some of the public disclosure of how we are regulating our wastewater.

I know that our government just signed a transboundary water agreement with Alberta just recently. I know we have one with BC and the Yukon as well. As I mentioned earlier in my Member's statement, last year we had on record one of our lowest water levels throughout the Northwest Territories, and this year you heard some of that in Great Slave Lake as well as you are probably going to see it again on the Mackenzie River.

I want to ask the Minister or ENR, during our transboundary water agreements, were the water levels and monitoring of water levels an issue? As I mentioned, Alberta and BC both do hydraulic fracturing, and whether the amount of water they are using for hydraulic fracturing was discussed in these transboundary water agreements? It eventually might affect our water levels here in the Northwest Territories. Thank you.

**MR. SPEAKER:** Thank you, Mr. Moses. Minister of Environment and Natural Resources, Mr. Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Speaker. The transboundary water agreement with Alberta definitely looked at quantity issues. We are blessed with significant flows into the Northwest Territories and on through into the Mackenzie and into the Arctic Ocean.

The amount of water coming in the Slave River has been negotiated at about 1.9 percent of the water is

available for extraction between Alberta and the Northwest Territories. The other basically 98 percent stays in the river to feed the river and aquatic ecosystems and the Mackenzie Basin to make sure it stays healthy. It gives you a sense of the volume of the water that is going north. That 1.9 percent represents five times what Alberta's most aggressive development needs were calculated to be. They looked at everything they had on their schedule and they multiplied that amount by five times. So there is an enormous cushion there in terms of the overall flows.

However, the issue of concern is quality, as well, and monitoring. It looks at not only flows but quality issues. We have built in requirements for quality, sharing information with Alberta, with the Northwest Territories, with the federal government what we are measuring for. We have spent millions of dollars within the Northwest Territories for community-based water monitoring, as well, up and down the Mackenzie River, to make sure that we work with communities so that they can have a certain degree of comfort that the water they are drinking is coming down to them is in prime, pristine condition as possible. Thank you.

**MR. MOSES:** I thank the Minister for the update on some of the information around the transboundary water agreement. What the Minister did say was the flow from Alberta down to the Northwest Territories, and that becomes a concern, as well, in terms of monitoring. It becomes a concern with wastewater and also becomes a concern with some of the fracking chemicals that might, if possible, if there's a chance that it does get leaked into the water system and then comes down here.

I want to ask the Minister, in one of our areas where we talked about the four new regulations that we got with fracking, one of them is public disclosure. I want to ask the Minister in terms of the public disclosure of fracking chemicals, what percentage of chemicals do companies have to publically disclose to Alberta but also to the Northwest Territories? Thank you.

**HON. MICHAEL MILTENBERGER:** They are encouraged to disclose them all. What the discussion is, as we have heard around the table, is that they need to have the best practices possible. The issue of moving away from voluntary disclosure to mandatory full disclosure so that it is clear that we have the best practices, that is one of the things that we're discussing and we've been talking about that industry knows is coming. In more and more jurisdictions in the United States, it is becoming a given, as well, that it's not optional anymore. That issue is a very important one and it has been flagged by the government as we looked at these changes. Thank you.

**MR. MOSES:** The Minister mentioned the voluntary disclosure practice that is currently being

used, and I am sure it is being used worldwide in terms of what companies have to disclose in their fracking ingredients when they're doing the practice. He also mentioned it's on the radar for the government to make it mandatory. It has been a concern heard in Inuvik at the public engagement session.

Can I ask the Minister, is there a timeline or does the government intend to make the voluntary disclosure practice mandatory so that we know all chemicals that are going into the fracking ingredients?

**HON. MICHAEL MILTENBERGER:** The goal with devolution was devolve and evolve, knowing that we're going to have to look at amendments to various pieces of legislation and change things to better suit the requirements of the Northwest Territories. That issue is on the table for discussion, as the Minister of ITI has laid out, and we're very well aware of the strong trends to mandatory reporting, and that is going to be a clear, I believe, expectation from Northerners as we talk about proceeding.

**MR. SPEAKER:** Thank you, Mr. Miltenberger. Final, short supplementary, Mr. Moses.

**MR. MOSES:** Thank you, Mr. Speaker. I mentioned in my Member's statement the shale potential in the Inuvialuit, Gwich'in, the Sahtu region, and the Liard Basin. Should hydraulic fracturing get the green light and go ahead? Does the government foresee or has created or are they currently in existence of wastewater disposal sites, and if so, how many?

**HON. MICHAEL MILTENBERGER:** There is work being done on waste disposal, wastewater. The long-term goal is to manage it very effectively, treat it, if possible, and reclaim it, if possible, in the Northwest Territories. Those regulations and practices are also being reviewed. Right now every project in the past would have their own separate wastewater disposal requirements. There is an economic economy that I know has already been discussed and talked about in the Sahtu about if we're going to do this in a coordinated way, having a state-of-the-art facility like that in Norman Wells as development occurs, again, to make sure that we can do the best job possible.

Right now there is no active fracking or drilling going on in the Sahtu to the ones that are there, and I don't have the number at my fingertips, are relatively small and there are no new ones on the horizon because there is no activity currently in the Sahtu.

**MR. SPEAKER:** Thank you, Mr. Miltenberger. Ms. Bisaro.

QUESTION 858-17(5):  
OPPORTUNITIES ARISING FROM  
BORROWING LIMIT INCREASE

**MS. BISARO:** Thank you, Mr. Speaker. I am going to move away from fracking for a little bit today, and I have some questions for the Minister of Finance. I would like to ask the Minister some questions about a statement he made last week about our borrowing limit. The Minister, in his statement, made two comments about what this new borrowing limit, this increase of \$500 million will do for us. He said it would give us "increased flexibility to invest," and "in consultation with Members of the Legislative Assembly."

To date, we haven't heard from the Minister, as Regular Members. We haven't heard any questions to us about how we think we might maybe invest this brand new \$500 million.

I'd like to ask the Minister, what plans does he have for consultation with Regular Members about how we will use the increase in our borrowing limit?

**MR. SPEAKER:** Thank you, Ms. Bisaro. The Minister of Finance, Mr. Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Speaker. The discussion about the borrowing limit, the opportunities presented by that borrowing limit, the responsibilities that go with that opportunity are there to be discussed. The most imminent part of our financial cycle that is now coming due, of course, is the capital planning process. That has been underway for some months. The main estimates, the capital estimates will be released and we'll be sharing them with committee based on all the work that we've done over the winter and spring. There is going to be the initiation of the business planning process that comes forward through its normal cycle, knowing that we're going to have a cycle that is out of sync because of the extended date for the election. There will be discussions there. There is going to be a fiscal update as part of the transition plan. We've indicated that there is going to be a requirement to keep expenditures and revenues in sync, and our expenditures are increasing faster than our revenues and that we're going to have to do the things necessary to make sure that we bring those two key variables in line. That is going to take place.

All of this to say that that process is going to capture what financial decisions have to be made and will be made. This government, our job is to get the levers and the tools for the subsequent Assemblies to have as much flexibility as possible. We would be happy to meet with committee about this issue, but there are no active plans of any kind other than those processes when it comes to looking at how we are going to manage our fiscal planning on a go-forward basis. How we're going to do it to get us through the rest of this Assembly is

laid out, as is the transition plan, and the 18<sup>th</sup> Assembly will pick up the reins at that juncture. Thank you.

**MS. BISARO:** To the Minister: I think the statement that there are no active plans simply reinforces Mrs. Groenewegen's statement from earlier today.

Regular Members have had no exchanges, no meetings with the Minister, and he admitted to that, but we are now two days away from the end of this session, and we will then have four months when Members do not meet. Cabinet will meet quite regularly, as I am sure they do during the summer, so there is some concern on the part of Members on this side of the House that we won't have an opportunity for input, looking at a budget. A capital budget, once it is done, is far different from having input on the front end.

In the Minister's statement last week he also stated, "We have begun planning on potential projects." My second question to the Minister would be to explain to me what he means by "they have begun planning on potential projects."

**HON. MICHAEL MILTENBERGER:** I would submit to this House and to the Member that there has been a full and normal capital planning process that the Members have been involved in and the fruits of those labours will come forward as a proposed capital plan for the last session at the end of September.

When we made the case to the federal government about the need for an increased borrowing limit, we clearly targeted it for those infrastructure investments that have the ability to promote and help create the conditions for economic development. In order to substantiate that case, we made some very specific recommendations. We suggested and we indicated that we believe there is an opportunity, and we know there is an opportunity to convert, for example, the winter road north to MacKay Lake to the mines to an all-weather road. We indicated and we have submitted a proposal that committee is fully aware of, to extend the Mackenzie Highway from Wrigley to Norman Wells. We've put in a project proposal for projects of national significance. That one has been in the works for some time. We have indicated at our last energy charrette that we know that there are generation issues, especially in Yellowknife and in the thermal communities. We have indicated that we think, as a government, we should be prepared to invest significant money in the appropriate projects to advance and get people off diesel and to make cost of living more affordable in especially the thermal communities and to address some of the pressing generation needs in Yellowknife.

Those are some specific examples. There are not only examples, there has been work done. It's going to be to get the groundwork done to start the

planning, and that is the way, and committee is fully aware of all those proposed projects. We needed to get the groundwork done and we needed to be able to convince the federal government that our thinking was clear on why we needed that borrowing limit increase.

**MS. BISARO:** Thanks to the Minister for that fulsome response. I am somewhat dismayed. The Minister says that we are fully aware. Yes, I would say we may be fully aware of some of them through the media. I'm not sure that we've had full disclosure from Cabinet on some of those suggestions. Certainly we're aware that there are projects that are in the works and we've been advised of those.

One of the other statements that the Minister made last week was "...infrastructure that will support the responsible development of the NWT and its economy." When I read that, it said to me that we're certainly narrowing the scope of the projects that we could deal with. The Minister mentioned quite a number of projects that go towards development and go towards the economy, but I was very dismayed and I have not heard much talk about this, certainly from any of Cabinet in the last number of months. I was dismayed not to hear anything about hydro.

Can the Minister tell me whether or not there are any plans, since I haven't seen them, any plans to use some of this extra borrowing limit for development of our hydro to help address our cost of living of power? Thank you.

**HON. MICHAEL MILTENBERGER:** I'll just restate that we have, over the last 18 months probably, two years, we've been before committee on a number of occasions as our thinking has evolved on the projects, the borrowing limit, what projects we're identifying to justify and to get the borrowing limit. If there's a need for further meetings, we'd of course be happy to have that. When we talk about a significant investment in generation capacity in Yellowknife specifically, one of the things that are there is they hydro expansion, both potentially to the Bluefish as well as there is additional capacity in the Lac La Martre River, in the Snare system. We know that there's additional capacity in the Taltson system.

The issue right now with that is that the only place we can dispose of that surplus would be to sell it south and use the money in the North, but we do have those types of projects on the list as well. It's going to be a question of priorities and affordability.

The borrowing limit is not free money. This is money we have to pay back. So we have to be very, very careful and measure how we exercise the decision-making here. Thank you.

**MR. SPEAKER:** Thank you, Mr. Miltenberger. Final, short supplementary, Ms. Bisaro.

**MS. BISARO:** Thanks, Mr. Speaker. Thanks again to the Minister. I guess I agree with the Minister this is not free money and we have to be careful how we borrow it and what we do with it.

So, I guess I would like to know from the Minister if there is a list of things that they are contemplating that may or may not be in the capital budget, will the Minister commit to providing that list to Regular Members so we can have some comment on that list back to Cabinet before a capital budget is determined? Thank you.

**HON. MICHAEL MILTENBERGER:** I can put in writing the projects that I've mentioned, but I can tell you in this House, unequivocally, with no hesitation, that the capital plan that is coming forward is the last capital plan of this 17<sup>th</sup> Legislative Assembly that we have negotiated. The increase for borrowing limits to allow us to do things, we're currently sorting out the potential amendments to the definition of borrowing. It may give us other flexibility, but there is and are no plans, other than what is in the current capital plan and the work that I just laid out to the Member about how, what projects we identify as things that we believe that the government should focus on to put that borrowing limit increase into play. But there has been no time, no process, no debate, no authorization to engage in any kind of major infrastructure. The only capital plan that's going to hit the table is the one that has been in the works now as part of our regular cycle. Thank you.

**MR. SPEAKER:** Thank you, Mr. Miltenberger. The Member for Yellowknife Centre, Mr. Hawkins.

QUESTION 859-17(5):  
ENFORCEMENT OF RULES IN  
TERRITORIAL PARKS

**MR. HAWKINS:** Thank you, Mr. Speaker. I have questions for the Minister of ITI and, believe it or not it's actually not on hydraulic fracturing because, well, I think the answers themselves are self-explanatory, but it actually is more on another area of his portfolio, which is about parks and camping and whatnot.

I've been contacted by people who have actually visited the Fred Henne Park and they've complained about the fact that a lack of enforcement is present in the park. So when we're trying to encourage tourism, when we're trying to encourage people to spend good quality time with their families, but at the same time we're having parties party way past midnight, 1:30 and later, and they have no one to contact to complain about the drinking and the rowdy and noisy profanity that's happening next door.

How do people encourage their children, through family-orientated organizations, while they have a fire burning that's defying the city and territorial ban

on fires when they have no one to call? Who is taking care of the parks? Who is ensuring our campers are safe and who is ensuring that people are following the rules? At this point it appears no one is, and the campers don't even know who to call. They called the Yellowknife Fire Department and nothing happened. What is the Minister doing? Because I know he was one of those guys who drove around in those park trucks. Let's see what he remembers and let's see what he's going to do. Thank you.

**MR. SPEAKER:** Thank you, Mr. Hawkins. Mr. Ramsay.

**HON. DAVID RAMSAY:** Thank you, Mr. Speaker. It is true; I spent some years as a park officer in the North Slave region. A lot of my time was spent at Fred Henne Park during those years. If the Member has a specific incident that he wants to bring to our attention, I'd be more than happy to address that specific incident. We have had increased park officer presence at Fred Henne Park. I'm surprised to hear of the Member's complaint. Like I said, we haven't gotten a formal complaint from the Member. We don't have specifics on who was involved, what time it was, what day it was and things like that that are very important for us to have an opportunity to look into it. Thank you.

**MR. HAWKINS:** All great answers, but not to the question I asked. Let's focus in on who is working the grounds in the park. Who can they contact?

We have families going out there spending darn good money and we're trying to encourage them to get out there and enjoy these treasures that we proclaim are important to us. But when people are rowdy next door – I've got an e-mail that's after 1:30 – they have a full load of kids that are ages five and six years old, we have families trying to deal with these parties next door and risking their own personal safety, but no one to call and no patrols.

So let's find out who is on patrol. Is anyone on patrol? Is there anywhere that they can call for help? We can't have good family people trying to deal with rowdy campers. I mean, we are just subjecting them to serious risk. Thank you.

**HON. DAVID RAMSAY:** To the best of my knowledge, the gatehouse at Fred Henne Park is manned 24 hours a day. If there are issues in the park that campers feel unsafe or they feel something is going on that shouldn't be happening, I would encourage them to get in touch with the gatehouse attendant who is in radio contact with park officers. Perhaps park officers aren't in the park at the immediate moment, but they certainly could respond to any complaints in a timely way.

Again, I will get some further information from the Member. We will find out what time of day this was, what day it was, who was working and what the

circumstances were, and we'll get a fulsome response for the Member. Thank you.

**MR. HAWKINS:** Mr. Speaker, telling them to go to the gatehouse, leave their kids, whatever the case may be, is about the worst answer, well, I shouldn't say it's the worst. It's the second worst answer. Nothing would have been the worst answer, obviously.

Do we have park officers out there doing their job to make sure the people we're trying to encourage to enjoy park time with their families, do we have them on staff? Do we have them on duty? What a great opportunity to hire more summer students because, frankly, we have no one doing the job if they're not out there. So, do we have park officers working in the evening to ensure those folks are safe?

**HON. DAVID RAMSAY:** I think the Member is taking a lot of liberties with the good, hardworking park officers that we have here in the Northwest Territories, specifically in the North Slave region. As I mentioned to him earlier, get us the specifics, let us look into it. Yes, there are park officers working in the parks, I don't have the particulars of when this happened, but I will get an answer for the Member.

Just to throw out accusations without any detail, that's not doing anybody any favours. Again, I did that job for seven years. It's a hard job, and I want to thank all the park officers that we have out there keeping our parks safe. Thank you.

**MR. SPEAKER:** Thank you, Mr. Ramsay. Final, short supplementary, Mr. Hawkins.

**MR. HAWKINS:** Thank you, Mr. Speaker. I'm sorry, but the Minister talked about years of doing the job, but I remember him and Minister Abernethy driving around in a brown truck saying that the firewood was empty and they called somebody. I'm not sure how tough those guys really worked. If it was a blue truck – I'm colour blind, my wife says – it doesn't matter. The fact is I want the Minister to guarantee today in this House, if he has got a little political courage on this one, he'll guarantee that we'll have park officers patrolling those parks in the evening and certainly making sure that contact information is available for folks who go out there, bring their families, rent park spaces, enjoy the park that we're supposed to be trying to encourage them to do and yet we want to make sure at the same time that they're safe.

So I want him to be very clear that if we don't have them working 24 hours a day, we will get park officers, we'll hire more summer students if need be. It's about delivering a safe and happy environment. That's what it's about. Will he commit to that? Thank you.

**HON. DAVID RAMSAY:** We don't have park officers working 24 hours a day, but what we do have is a concentration on the weekend when the

parks are the busiest, on Friday evening and Saturday evening. I know park officers work well into the wee hours of the morning. They stay longer. They work overtime if need be, especially on busy weekends.

Again, I encourage the Member to get me the particulars of the incident he's talking about and we will get him an answer on that. Thank you.

**MR. SPEAKER:** Thank you, Mr. Ramsay. Member for Deh Cho, Mr. Nadli.

QUESTION 860-17(5):  
MORATORIUM ON  
HYDRAULIC FRACTURING

**MR. NADLI:** Thank you, Mr. Speaker. I wanted to pose a couple of questions to the Minister of ITI. My first question is: Will the Minister support the idea of establishing a moratorium on disallowing hydraulic fracturing in the NWT? Mahsi. Yes or no.

**MR. SPEAKER:** Thank you, Mr. Nadli. Minister of Industry, Tourism and Investment, Mr. Ramsay.

**HON. DAVID RAMSAY:** Thank you, Mr. Speaker. We inherited a system from the National Energy Board of Canada. We are moving forward with draft regulations of our own that take into consideration the views and needs of Northerners, specifically air quality, water quality and management, and disclosure. We are moving forward with that process. Thank you.

**MR. NADLI:** I wanted to ask the Minister if he could update the House in terms of the process of developing the regulations. At what point would this House see the final end product of these regulations coming to this House for public input at some point? Mahsi.

**HON. DAVID RAMSAY:** We've got some more community meetings to take place. We've got the process to try to wrap up. But given us some more time, we made an announcement last week that we are going to take until the end of August with the process. If we need further time, we're going to take that time. We're going to ensure we get that right. We're going to talk to people. We're going to try and get as much education out there on what we're trying to do, where we're trying to go. There's going to be opportunity for Members through the Standing Committee on Economic Development and Infrastructure. We'll get their feedback. We'll be back in front of them, I would suggest sometime in September. We have another sitting of the Legislative Assembly the last week of September, the first week of October. We'll be back. We're not going anywhere. We're going to ensure that we get this right. Thank you.

**MR. NADLI:** Other jurisdictions in Canada have established a resolute position in terms of allowing a moratorium against hydraulic fracturing. What makes the NWT different, that we're not going to

follow suit in establishing a moratorium for the NWT? Mahsi.

**HON. DAVID RAMSAY:** I guess you could flip that over and say there are jurisdictions in this country that do allow the process. Alberta, Saskatchewan, British Columbia, even the Yukon recently made a decision to allow fracking in the Yukon Territory, in a small portion of the territory.

We want to be a have territory. We want to have jobs. We want to have a diversified economy. We need jobs in regions that currently have high unemployment rates.

We can manage this resource. We're in the risk-management business. Nothing happens without some risk, but you have to weigh the benefits with those risks, and we believe we can do that. We believe we can manage it. Thank you.

**MR. SPEAKER:** Thank you, Mr. Ramsay. Final, short supplementary, Mr. Nadli.

**MR. NADLI:** Thank you, Mr. Speaker. Once again, if the Minister could tell the House whether, as the Minister, he supports the idea of a moratorium. Yes or no. Mahsi.

**HON. DAVID RAMSAY:** I certainly support a balanced approach to this, and that's where I'm at. I believe we can have a balanced approach. I said this before in the House and I'll say it again today. We're not going to be in the energy business unless we're in the business of protecting the environment, and we need to be in both of those. Thank you.

**MR. SPEAKER:** Thank you, Mr. Ramsay. Member for Hay River North, Mr. Bouchard.

QUESTION 861-17(5):  
PUBLIC CONSULTATIONS ON  
HYDRAULIC FRACTURING

**MR. BOUCHARD:** Thank you, Mr. Speaker. In follow-up to my Member's statement on fracking, as well I have questions for the Minister of ITI. The first question today is, I know the Minister has indicated they're continuing to do some consultation with the public. Has the department changed any of its presentation? Have they started to include more information on actual hydraulic fracturing and what it does, what it is? Because that's been one of the questions we've been getting from people and the concerns of if we're getting the information out to people. Not just the regulations, but are we now presenting that to the public? Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. Bouchard. Mr. Ramsay.

**HON. DAVID RAMSAY:** Thank you, Mr. Speaker. Yes, later today I'm going to table some information, and a lot of this information we do hand out at public meetings. We have included folks from ENR and there have been people attend meetings

from Lands. They need to be there to help us answer any questions the public might have. A lot of this is an educational opportunity for the government to let people know about the technique, how it works, what the risks are and what the potential benefits are through these draft regulations.

These draft regulations, again, address areas of concern for Northerners, air quality and water quality management, and disclosure. We are going to do our best to ensure that we get this right so that the technique can be regulated here in the Northwest Territories to the best of our ability. Thank you.

**MR. BOUCHARD:** I know they can't go to all the communities, so I am wondering if the department is looking at another step in this process of consultation on hydraulic fracturing.

Is the department looking at any kind of conference or fracking charrette that we can have members who are interested to participate throughout the Northwest Territories come to a common area to have that discussion? Thank you.

**HON. DAVID RAMSAY:** Again, the process is playing itself out. We still have some communities that we need to get in and have our meetings. But at the end of that process, we are going to look at other opportunities to work with communities and educate people. I know that Member Yakeleya and I talked about a possible elders summit on hydraulic fracturing in the Sahtu. That is something that I think we could take a look at potentially having sometime. If there are opportunities to get into communities to help educate the public on hydraulic fracturing, we need to take that opportunity. We have some time here. Again, we need to ensure that we get this right.

**MR. BOUCHARD:** My next question is the Minister was talking about the commitment of August. I am just wondering if the Minister will actually extend that to the next session period in September/October to make sure that the Regular Members have the opportunity over the summer to talk to their constituents and give that feedback in the September sitting. Thank you, Mr. Speaker.

**HON. DAVID RAMSAY:** With the added time, we are going to have the opportunity to get to assemblies so Members can get back to their constituencies to talk to people. We will come back here in August.

Again, if we need some more time, we are sitting again at the end of September, first week of October. We will have to get back in front of the Standing Committee on Economic Development and Infrastructure and Regular Members who want to attend that meeting. I would be happy to get that feedback, let the Regular Members know how the process went, what we heard and what the next

steps are going to be. All of this is going to happen in due course. Thank you.

**MR. SPEAKER:** Thank you, Mr. Ramsay. Final, short supplementary, Mr. Bouchard.

**MR. BOUCHARD:** Thank you, Mr. Speaker. I am just wondering if the Minister could look into some of the opportunities that we could get some feedback from the general public. Maybe have a third party do a polling of some of the communities where they are not going in for public consultation to get some feedback. You know, whether you support fracking, if you require more information on it, just to get an indication of where the general public sits on those two topics. Thank you.

**HON. DAVID RAMSAY:** We hadn't contemplated doing any polling. We are going to move forward with the plan that we have. If we need to make adjustments to that plan, we will do that. Thank you.

**MR. SPEAKER:** Thank you, Mr. Ramsay. Member for Mackenzie Delta, Mr. Blake.

QUESTION 862-17(5):  
PUBLIC ENGAGEMENT ON  
HYDRAULIC FRACTURING REGULATIONS

**MR. BLAKE:** Thank you, Mr. Speaker. As a follow-up to my Member's statement, as well, I would like to ask the Minister, will the department open up the requests from communities to have the Department of ITI travel to the communities on the regulations for horizontal hydraulic fracturing? Thank you.

**MR. SPEAKER:** Thank you, Mr. Blake. Minister for Industry, Tourism and Investment, Mr. Ramsay.

**HON. DAVID RAMSAY:** Thank you, Mr. Speaker. We've had some communities that we have had public engagement sessions in. If the Member has a community that we haven't been in that he believes would benefit from us going to the community to talk about the draft regulations, we could entertain a letter from the community and take things from there. Like I said, we have some more time and if we get requests from communities, we will take that into consideration. Thank you.

**MR. BLAKE:** Out of all eight communities in the Beaufort-Delta region, they only travelled to Inuvik, so I welcome and invite the Minister to all three of my communities if that's possible. Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. Blake. That was more just a comment but, Mr. Ramsay.

**HON. DAVID RAMSAY:** Thank you, Mr. Speaker. I understand the Member's concern. Again, if the leadership in those communities and the Member feel strongly that they would like to see us in those communities, whether we can get to all three or not, we will try our best. Thank you, Mr. Speaker.

**MR. BLAKE:** As I mentioned, hydraulic fracturing is very new to this territory. I would like to ask the Minister, is the department open to having workshops in our communities on horizontal hydraulic fracturing as well? Thank you, Mr. Speaker.

**HON. DAVID RAMSAY:** We've had a number of workshops in the Sahtu, in the riding where we have seen activity. Whether we would move workshops outside of the Sahtu remains to be seen. But again, I think, given the fact that we do have this world-class opportunity in the central Mackenzie Valley, looking at opportunities to get into communities to discuss hydraulic fracturing could be very beneficial. Thank you.

**MR. SPEAKER:** Thank you, Mr. Ramsay. Final, short supplementary, Mr. Blake.

**MR. BLAKE:** Thank you, Mr. Speaker. A number of years back there was a big concern on caribou in the Northwest Territories and the department at the time, I believe it was ENR, held a caribou summit.

I would like to ask the Minister, will the Minister hold a hydraulic fracturing summit here in the capital and invite all the communities? Thank you, Mr. Speaker.

**HON. DAVID RAMSAY:** We are going one step further than that. We are getting out across the Northwest Territories. We are meeting with people in their home communities and we will continue to do that. As I mentioned to the Member, if there are communities that want to see us show up on their doorstep to talk about these draft regulations, that is something we will consider. Thank you.

**MR. SPEAKER:** Thank you, Mr. Ramsay. Member for Weledeh, Mr. Bromley.

QUESTION 863-17(5):  
SCIENTIFIC CONCLUSIONS ON  
CLIMATE CHANGE

**MR. BROMLEY:** Thank you, Mr. Speaker. My questions today are for Mr. Ramsay, Minister Ramsay of ITI.

I would like to first ask if the Minister's department agrees with the science on climate change. Mahsi.

**MR. SPEAKER:** Thank you, Mr. Bromley. Minister of Industry, Tourism and Investment, Mr. Ramsay.

**HON. DAVID RAMSAY:** Thank you, Mr. Speaker. I would have to see the science the Member talks about. Thank you.

**MR. BROMLEY:** It's of great concern if the Minister hasn't seen the science on climate change. I think everybody in the world should see it, but probably not nearly as much as this Minister should.

Would the Minister commit to becoming intimately familiar with the scientific conclusions on climate change? Mahsi.



**HON. DAVID RAMSAY:** Having spent four years with MLA Bromley in the committee of EDI during the life of the last government, I did learn a lot about climate change. I want to thank him for that. If he was more specific about one publication or another, I am familiar with the science on climate change. But if he is specific about one piece of work or another, then I may be able to comment on that. As far as a blanket statement, I am not sure what the Member is getting at. Thank you.

**MR. BROMLEY:** Does the Minister of the department and the public support the permanent toxification or pollution of billions of litres of fresh water annually taken from our surface water in the NWT, polluted and stored forever, hopefully, safely underground? Mahsi.

**HON. DAVID RAMSAY:** Again, the Member is asking me some pretty leading questions and I take that question as notice. Thank you.

**MR. SPEAKER:** Thank you, Mr. Ramsay. Mr. Yakeleya.

QUESTION 864-17(5):  
WATER SAFETY AND  
HYDRAULIC FRACTURING

**MR. YAKELEYA:** Thank you, Mr. Speaker. I want to ask the Minister of ITI, we need to look at this issue of fracking in the Northwest Territories. A lot of the questions we need to face are to face the unknowns but, more importantly, address the fears of the unknowns and have a respectful discussion.

About the water and the chemicals, there are comments out there as to the issue of the use of water and chemicals, and it's pretty frightening when you look at them. Since the 1920s, Imperial Oil has been drilling. The Sahtu Land and Water Board renewed the Esso licence that is drawing millions, if not billions, over a 10-year period. Husky's well application, if you look at the Esso amount of water that they're going to be taking out, half of it going to the oil plant operation and half will go back into the Mackenzie River. Husky's application is 0.1 percent of Imperial's request.

I want to know from the Minister, has he seen any other alterations in the water around the Deh Cho including Fort Liard and to the Cameron Hills? Could the Minister direct me to which question that he can answer on these two points?

**MR. SPEAKER:** Thank you, Mr. Yakeleya. Mr. Ramsay.

**HON. DAVID RAMSAY:** If the question is directly related to water, it would be best answered by the Minister of Environment and Natural Resources.

**MR. SPEAKER:** Thank you, Mr. Ramsay. Mr. Yakeleya.

**MR. YAKELEYA:** Could I direct my questions to the Minister of ENR?

**MR. SPEAKER:** Thank you, Mr. Ramsay. The Minister of Environment and Natural Resources, Mr. Minister.

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Speaker. Now I have to beg the indulgence of the House to restate the question so I can get it clearly. I was doing some other things.

**MR. SPEAKER:** Thank you, Mr. Miltenberger. Mr. Yakeleya, you're going to have to restate your question for the proper Minister. You started off with ITI and then you switched over to ENR. You're only allowed one question per Minister. Now, the guy who can do that is the Premier, so we'll go from there.

**MR. YAKELEYA:** I do apologize, Mr. Speaker. I want to ask the Minister of ITI, in his discussions with his colleagues from ENR, has the Minister seen any type of alterations in the water use in other areas where there has been hydraulic fracking in the Cameron Hills and around the Fort Liard area?

**MR. SPEAKER:** Thank you, Mr. Yakeleya. The Minister of Industry, Tourism and Investment, Mr. Ramsay.

**HON. DAVID RAMSAY:** Not that I am aware of.

**MR. YAKELEYA:** I want to ask the Minister of ITI, in regard to the hydraulic fracking that had been happening in the Fort Liard area under the Lone Pine Resources and also in the '70s around the Cameron Hills area, has the Minister, in his discussions with his colleagues, seen any type of disturbance with the land around the areas that had been hydraulically fracked?

**HON. DAVID RAMSAY:** Again, not that I am aware of, but that is a pretty specific question. We can get that level of detail for the Member.

**MR. SPEAKER:** Thank you, Mr. Ramsay. Final, short supplementary, Mr. Yakeleya.

**MR. YAKELEYA:** Thank you, Mr. Speaker. We have been fracking in the Northwest Territories. There is vertical fracking and horizontal fracking. There has been fracking in the Cameron Hills in the '70s and we've been fracking in the Lone Pine Resources in Fort Liard. Imperial Oil actually has been doing some fracking under a different name.

I want to know from the Minister, through all these different fracks throughout the years, has the Minister, with his colleagues, seen any type of environmental issues that are raised by the anti-fracking groups?

**HON. DAVID RAMSAY:** Again, not that I am aware of. We have been seeing hydraulic fracturing for decades now, specifically in western Canada where there have been hundreds of thousands of wells drilled without incident, and it has happened here in the Northwest Territories without incident.

**MR. SPEAKER:** Thank you, Mr. Ramsay. The time for oral questions has expired.

Colleagues, before we go on today, I'd like to wish one of my table officers a happy birthday, Ms. Gail Bennett. Happy Birthday to Gail. I won't let you know her age, but it's a very special one.

Item 8, written questions. Item 9, returns to written questions. Item 10, replies to opening address. Item 11, petitions. Mr. Bromley.

### Petitions

#### PETITION 5-17(5): FRACKING MORATORIUM PENDING COMPREHENSIVE REGIONAL REVIEW

**MR. BROMLEY:** Thank you, Mr. Speaker. I would like to present a petition dealing with the matter of a fracking moratorium pending a comprehensive regional review.

The petition contains 1,142 signatures of Northwest Territories residents and the petitioners request that the Government of the Northwest Territories put a moratorium on horizontal hydraulic fracturing until a comprehensive, transparent and public review of the cumulative environmental, social and economic risks and benefits of the process is completed under Part 5.1 of the Mackenzie Valley Resource Management Act and the NWT public clearly indicates whether the risks and benefits are acceptable or not and that the Government of the Northwest Territories shift economic development away from the exploitation of fossil fuels and towards economic diversification based on renewable energy and conservation.

**MR. SPEAKER:** Thank you, Mr. Bromley. Item 12, reports of standing and special committees. Mr. Dolyunny.

### Reports of Standing and Special Committees

#### COMMITTEE REPORT 16-17(5): REPORT ON THE REVIEW OF THE 2013-2014 PUBLIC ACCOUNTS

**MR. DOLYNNY:** Thank you, Mr. Speaker. Your Standing Committee on Government Operations is pleased to provide its Report on the Review of the 2013-2014 Public Accounts and commends it to the House.

#### Executive Summary

The Standing Committee on Government Operations is pleased to present its third and final report on its review of the public accounts during the term of the 17th Legislative Assembly. The review of the 2013-2014 Public Accounts of the Northwest Territories took place in two parts this year:

1. On January 22 and 23, 2015, the standing committee examined the public accounts of the GNWT, with the assistance of staff from the Office of the Auditor General of Canada and the Office of the Comptroller General in the GNWT's Department of Finance.
2. On February 12, 2015, with the assistance of staff from NT Hydro, the standing committee reviewed the consolidated financial statements of the Northwest Territories Hydro Corporation (NT Hydro) and its subsidiary companies, the Northwest Territories Power Corporation (NTPC) and the Northwest Territories Energy Corporation (03) Limited [NT Energy Corp. (03) Ltd.].

The standing committee thanks officials from the offices of the Auditor General of Canada, the Comptroller General in the GNWT's Department of Finance and NT Hydro Corporation for appearing before the committee.

The standing committee wishes to acknowledge the dramatic improvement made by the Department of Finance and all GNWT departments, boards and agencies in the timely completion of the public accounts.

The practice of reviewing the public accounts fell out of favour with previous Assemblies owing, in part, to the late completion of the public accounts. The GNWT has improved the timeliness of completion of the public accounts to the point where it may not be practically feasible to complete the public accounts any earlier than they are now being done.

The standing committee encourages continued improvement for those public agencies still struggling to complete their public accounts on time and encourages the GNWT, as a whole, to keep up the good work in the years to come.

#### 2013-2014 Recommendations

As a result of this year's review of the 2013-2014 Public Accounts, the Standing Committee on Government Operations makes the following recommendations to the Government of the Northwest Territories:

1. The Standing Committee on Government Operations again recommends that the Minister of Finance provide the committee with the interim public accounts by August 31<sup>st</sup>, in time for committee review of the government's business plans.
2. The Standing Committee on Government Operations again recommends that the Department of Finance continue to work with the Auditor General of Canada and GNWT departments, boards and agencies to complete the interim and final public accounts at the

earliest possible date each year and in time for their respective statutory reporting deadlines.

3. The Standing Committee on Government Operations again recommends that, as part of the standard reporting process, the comptroller general include a list of public agencies in the consolidated public accounts that did not meet the deadline for completion of their audits.
4. The Standing Committee on Government Operations again recommends that the Government of the Northwest Territories continue to provide updated timetables or schedules for the environmental assessment of all known potentially contaminated sites for which the GNWT is responsible, to be included annually in the public accounts.
5. The Standing Committee on Government Operations recommends that, to enhance transparency, the Government of the Northwest Territories improve the quality-of-reporting in the public accounts, including providing a detailed explanation of how the government met the requirements of its Fiscal Responsibility Policy for the year in question.
6. The Standing Committee on Government Operations recommends that, in the interests of transparency and accountability, the Department of Finance share the findings and recommendations of the Internal Audit Bureau with the committee in confidence, particularly where the Government of the Northwest Territories relies on those findings and recommendations as substantiation for actions taken.
7. The Standing Committee on Government Operations recommends that the Department of Finance require all public agencies to include a management discussion analysis in their year-end reports.
8. The Standing Committee on Government Operations recommends that the Government of the Northwest Territories provide a response to this report within 120 days.

Mr. Speaker, that concludes the executive summary of Committee Report 16-17(5). Your Standing Committee on Government Operations is pleased to provide its report in its entirety on the review of the 2013-2014 Public Accounts and commends it to the House.

**MOTION THAT COMMITTEE REPORT 16-17(5)  
BE DEEMED AS READ AND PRINTED IN  
HANSARD IN ITS ENTIRETY,  
CARRIED**

Now therefore I move, seconded by the honourable Member for Frame Lake, that Committee Report 16-17(5), Report of the Standing Committee on Government Operations on the Review of the

2013-2014 Public Accounts, be deemed as read and printed in Hansard in its entirety. Thank you.

**MR. SPEAKER:** Thank you, Mr. Dolynny. Motion is on the floor. Motion is in order.

**SOME HON. MEMBERS:** Question.

**MR. SPEAKER:** Question has been called. Motion is carried

---Carried

Committee Report 16-17(5), Standing Committee on Government Operations Report Review of the 2013-2014 Public Accounts, is deemed as read and will be printed in Hansard in its entirety.

## **Introduction**

### **About the Public Accounts**

The Government of the Northwest Territories (GNWT) provides an annual report to legislators and the public detailing how it has managed public money for a given fiscal year. These consolidated financial statements, also known as the public accounts, are prepared in accordance with Canadian Public Sector Accounting Standards and applicable sections of the Northwest Territories Act (Canada) and the territorial Financial Administration Act and its regulations. The public accounts constitute one important way that the territorial government accounts to its residents for the decisions it makes.

The Office of the Comptroller General, a branch of the Government of the Northwest Territories' Department of Finance, is responsible for preparation of the public accounts.

The public accounts are presented in four sections and provide an accounting of the full nature and extent of the financial affairs and resources for which the government is accountable.

Section I outlines the financial position (ie. Consolidated Statement of Financial Position; Consolidated Statement of Change in Net Debt) of the government reporting entity as at March 31, and the results of operations and its cash flows (ie. Consolidated Statement of Operations and Accumulated Surplus; Consolidated Statement of Cash Flows) for the fiscal year ended on March 31. This section also includes additional important information in the form of Notes to Consolidated Financial Statements (referred to in this report as "notes to the financial statements") and an unaudited narrative of key financial indicators affecting the GNWT's finances.

The government reporting entity, established under the financial accounting standards of the Public Sector Accounting Board of Canada, includes core GNWT departments and a number of public agencies and organizations controlled by the territorial government, such as territorial Crown corporations, regional health authorities and

education boards, local housing organizations and other public agencies, such as Aurora College and the Northwest Territories Human Rights Commission. A list of the organizations included in the government reporting entity is included under Note 1 to the consolidated financial statements and is also included in this report under the part on timeliness of the public accounts.

Section II presents the non-consolidated, unaudited financial statements for GNWT departments, the Legislative Assembly, and statutory offices. This section shows the operating results of core government departments alone, separate from the territorial Crown corporations, boards and agencies included in the consolidated financial statements. Also included in this section are notes to the non-consolidated financial statements.

Section III contains the financial statements of other entities and revolving and special purpose funds.

Section IV contains the financial statements of education boards and health and social services authorities.

#### **Role of the Auditor**

The Auditor General of Canada audits the GNWT's consolidated financial statements on an annual basis. The Auditor General also annually audits the public accounts of some of the GNWT's larger public agencies, such as the NT Hydro Corporation, the Northwest Territories Power Corporation, the NWT Housing Corporation, Aurora College and the Northwest Territories Business Development and Investment Corporation.

Smaller public agencies, such as regional health authorities and education boards, are audited by independent auditors, upon whose work the Auditor General relies in carrying out its audit of the GNWT's consolidated financial statements.

The objective of the auditor is to provide an independent opinion on whether:

- the consolidated financial statements are presented fairly, in accordance with Canadian Public Sector Accounting Standards;
- the accounting principles in Public Sector Accounting Standards have been applied on a consistent basis;
- proper books of account have been maintained and the consolidated financial statements are in agreement therewith; and
- transactions coming to the notice of the auditor have, in all significant respects, been in accordance with specified authorities.

To achieve these objectives, the auditor undertakes a risk-based audit approach that focuses on significant risks of material misstatement and non-compliance with significant authorities. Materiality is an important concept in auditing, related to the

importance or significance of an amount, transaction, or discrepancy. It is up to the auditor to determine, based on professional judgment, what errors in the public accounts are material.

For each department, board or agency whose books are audited, the independent auditor prepares an audit report that addresses each of the audit objectives. These reports are included in the public accounts along with the financial statements for each entity.

#### **Role of the Legislative Assembly**

The Legislative Assembly of the Northwest Territories' Standing Committee on Government Operations (SCOGO or "the committee") has a mandate to review and report on the public accounts, to ensure that the GNWT's fiscal management practices and issues are publicly examined and that government accountability is scrutinized.

In the course of its review, The committee makes recommendations to the government intended to improve financial management practices and reporting. The committee looks forward to receiving the government's response to this review.

#### **Review of the GNWT Public Accounts for 2013-2014**

##### **Introduction**

This is the Standing Committee on Government Operations' third and final report on its review of the public accounts during the term of the 17<sup>th</sup> Legislative Assembly. The review of the 2013-2014 Public Accounts of the Northwest Territories took place in two parts this year:

1. On January 22 and 23, 2015, the standing committee examined the public accounts of the GNWT, with the assistance of staff from the offices of the Auditor General of Canada and the Comptroller General in the GNWT's Department of Finance.
2. On February 12, 2015, with the assistance of staff from NT Hydro, the standing committee reviewed the consolidated financial statements of the Northwest Territories Hydro Corporation (NT Hydro) and its subsidiary companies, the Northwest Territories Power Corporation (NTPC) and the Northwest Territories Energy Corporation (03) Limited [NT Energy Corp. (03) Ltd.].

##### **Acknowledgements**

The standing committee wishes to thank the following officials for their travel to and appearances before the standing committee, which greatly contributed to the completion of another successful review:

Office of the Auditor General of Canada:

- Mr. Terry DeJong, Assistant Auditor General (Ottawa)
- Mr. Guy LeGras, Principal (Edmonton)

Office of the Comptroller General, GNWT  
Department of Finance (Yellowknife):

- Mr. Bill Merklinger, Comptroller General
- Ms. Louise Lavoie, Assistant Comptroller General

Northwest Territories Hydro Corporation (Hay River):

- Mr. Emmanuel DaRosa, President and CEO
- Ms. Judith Goucher, Chief Financial Officer

The Standing Committee on Government Operations is pleased to present this report on its review.

### Timeliness of the Public Accounts

The Financial Administration Act Section 74 states that unless the Legislative Assembly otherwise fixes a date, the public accounts for the fiscal year must be tabled on or before December 31<sup>st</sup> following the end of the fiscal year or, if the Legislative Assembly is not then in session, not later than 15 days after the commencement of the next session of the Legislative Assembly.

Standing committee reviews of the public accounts did not take place during the 15<sup>th</sup> and 16<sup>th</sup> Legislative Assemblies. This was largely because the public accounts were not being completed in a timely manner in accordance with statutory requirements. This delay impeded past standing committee reviews and contributed to the discontinuation of the practice of reviewing the public accounts.

When the Standing Committee on Government Operations of the 17<sup>th</sup> Legislative Assembly reinstated the practice of annually reviewing the public accounts, which began with the 2011-12 Public Accounts, they gave detailed consideration to the factors which had impeded past standing committee reviews.

The committee found that a confluence of factors had contributed to delaying the government's completion of the public accounts. These included significant changes to Canadian Public Sector Accounting Standards, implementation of the government's new SAM (System for Accountability and Management) software, and delays by some public agencies in meeting their statutory reporting requirements.

Since the standing committee re-established the practice of reviewing the public accounts, the GNWT has shown dramatic improvement in completion times for the public accounts. The following list shows the deadlines and delivery dates for the interim and consolidated public

accounts over the past fiscal years of 2009-10, 2010-11, 2011-12, 2012-13 and 2013-14, respectively.

- Interim public accounts deadline for completion: 2009-10 – September 30, 2010; 2010-11 – September 30, 2011; 2011-12 – August 31, 2012; 2012-13 – August 31, 2013; 2013-14 – August 31, 2014
- Interim public accounts tabled: 2009-10 – November 3, 2010; 2010-11 – December 15, 2011; 2011-12 – October 18, 2012; 2012-13 – September 30, 2013; 2013-14 – August 29, 2014
- Consolidated public accounts deadline: 2009-10 – March 4, 2011; 2010-11 – February 17, 2012; 2011-12 – February 17, 2013; 2012-13 – February 20, 2014; 2013-14 – February 20, 2015
- Consolidated public accounts tabled: 2009-10 – May 10, 2011; 2010-11 – February 16, 2012; 2011-12 – February 18, 2013; 2012-13 – November 6, 2013; 2013-14 – October 23, 2014

Note: Section 51 of the Financial Administration Act requires completion of the Interim Public Accounts by September 30 following the end of the fiscal year and tabling at the earliest opportunity. The August 31 deadline was established at the request of the 17<sup>th</sup> Assembly SCOGO and, therefore, does not apply to previous years.

Members acknowledge this notable achievement and commend the comptroller general and his staff for their continued dedication to completion of the public accounts at the earliest possible date each year. The committee feels that, with the completion of the 2013-2014 Public Accounts, the Department of Finance has improved the timeliness of the public accounts to the point where it might not be feasible to complete these reports any earlier than they are now.

Therefore, the committee has chosen to repeat its recommendations in this area, with the intention of encouraging the Department of Finance to keep up the good work and to strive to meet these deadlines in future years.

### Recommendation 1

The Standing Committee on Government Operations again recommends that the Minister of Finance provide the committee with the interim public accounts by August 31<sup>st</sup>, in time for committee review of the government's business plans.

### Recommendation 2

The Standing Committee on Government Operations again recommends that the Department of Finance continue to work with the Auditor General of Canada and GNWT

departments, boards and agencies to complete the interim and final public accounts at the earliest possible date each year and in time for their respective statutory reporting deadlines.

Having said this, the committee notes again this year that there are particular agencies included within the government reporting entity that, for varying legitimate reasons, were unable to meet the submission deadline for their audited public accounts.

The committee acknowledges receipt from the Minister of Finance, on January 23, 2015, of a list of the public agencies included in the consolidated financial statements, showing the deadlines for completion of their individual financial statements and the actual dates these were completed. The committee has combined this list with the one received last year, to review progress over two years, and has attached the blended list to this report as Appendix A.

With respect to the individual agency deadlines, the committee observed marked improvement over the previous year. In 2012-13, three of the 25 agencies listed requested an extension to their deadlines and met those extended deadlines. An additional eight agencies neither met their individual deadlines nor requested an extension. Of those eight agencies, two were more than one month late submitting their financial statements, and two were more than three months late.

For 2013-2014, three agencies (Aurora College, the NWT Business Development and Investment Corporation [BDIC] and the NWT Housing Corporation) requested extensions to their deadlines. Of these, only the BDIC was successful in meeting its extended deadline. In addition to Aurora College and the NWT Housing Corporation, two other agencies did not meet their deadlines: the Beaufort-Delta Divisional Education Council and the South Slave Divisional Education Council. The financial statements for all four of the agencies that were late were completed within one month after the deadline.

The difficulty experienced by the NWT Housing Corporation in completing its financial statements on time is a source of ongoing concern for the committee. Despite this concern, the committee notes that the NWT Housing Corporation continues to make improvements to the timely submission of its financial statements. In 2012, its financial statements were signed off on November 9. In 2013 the sign-off date was October 23. For 2014, the NWT Housing Corporation's financial statements were completed by September 17.

With a deadline that falls at the end of June, there is room for even greater improvement. The committee therefore encourages the NWT Housing Corporation to continue to improve the timeliness of its reporting, with the goal of meeting its statutory

obligations. Should this prove impossible, the NWT Housing Corporation should seek approval for an extension to its deadline and provide the House with reasons for the delay.

The committee reiterates its view that the timeliness of reporting as required by law is an important part of government accountability. In the past, the committee has stressed the importance of appending the public agency deadline list to the public accounts, as part of the standard reporting process, so that it becomes part of the public record and offers further encouragement to public agencies to complete their financial statements on time.

In its response to last year's review, the Minister of Finance noted that:

"In January 2014, the GNWT reported to SCOGO on the timing of audit completions for all agencies that were consolidated within the 2012-13 Public Accounts. Going forward, the GNWT will include disclosure within the Public Accounts on any board or agency that fails to meet its reporting deadline."

The committee notes that the failure to include the public agency deadline list in the 2014 Public Accounts was an oversight on the part of the Department of Finance and is reassured by the commitment to include this information in the public accounts going forward. The committee's recommendation in this regard is repeated as a reminder of the importance of including this information in future public accounts.

### **Recommendation 3**

The Standing Committee on Government Operations again recommends that, as part of the standard reporting process, the comptroller general include a list of agencies in the consolidated public accounts that did not meet the deadline for completion of their audits.

### **Section 1: Consolidated Financial Statements and Government Indicators**

#### **Independent Auditor's Report: A Clean Opinion**

The standing committee reviewed the Independent Auditor's Report on the GNWT's consolidated financial statements, provided by the Auditor General of Canada, Mr. Michael Ferguson.

The Auditor General expressed the opinion that "the consolidated financial statements present fairly, in all material respects, the financial position of the GNWT as at March 31, 2014, and the results of its operations, changes in its net debt, and its cash flows for the year then ended, in accordance with Canadian Public Sector Accounting Standards." This indicates that the consolidated public accounts were free from material misstatements.

Again this year, Members were pleased to see that the Auditor General's opinion on the public accounts contained no qualifications and was, therefore, a clean opinion.

As required by the federal Northwest Territories Act, the Auditor General reported that Canadian Public Sector Accounting Standards were applied on a basis consistent with that of the previous fiscal year.

The Auditor General also expressed the opinion that proper books of account were kept by the GNWT in 2013-2014 and that the consolidated financial statements are in agreement with those books.

Finally, the Auditor General reported that, in all significant respects, the transactions that came to his attention during the course of the audit were carried out in accordance with the GNWT's powers under the Northwest Territories Act (Canada) and its regulations, and the Financial Administration Act (NWT) and its regulations and the specific operating authorities of the territorial government and its departments, boards and agencies, as detailed in Note 1 to the consolidated financial statements.

During the course of its review, the committee learned from the Auditor General that there were no new or revised accounting standards for the 2013-2014 fiscal year and was alerted to changes in Public Sector Accounting Standards that will be in effect for future years.

#### **Consolidated Statement of Financial Position**

The consolidated statement of financial position is the government's "balance sheet" as at March 31, 2014. The key figures describing the financial position of the GNWT are: financial assets, liabilities, net debt, non-financial assets, and the accumulated surplus.

#### **Financial Assets**

In 2013-2014 the GNWT's total financial assets increased by \$28.101 million (6.5 percent) to \$458.035 million from \$429.934 million in 2012-13. This compares with a 1.3 percent increase in total financial assets during the previous fiscal year:

- Cash and cash equivalents decreased by \$7.537 million (10.7 percent) to \$62.924 million from \$70.461 million in 2012-13.
- Portfolio investments increased by \$16.659 million (23.0 percent) to \$89.174 million from \$72.515 million. As indicated in Note 5 to the financial statements of the 2013-2014 Public Accounts, page 23, of this \$89.174 million, \$89.108 million was held in marketable securities with a market value of \$92.183 million. The remaining \$66,000 was held in miscellaneous investments.

- Monies owing from the Government of Canada increased by \$6.158 million (28.0 percent) to \$28,154 million from \$21.996 million.
- Accounts receivable increased by \$6.121 million (9.8 percent) to \$68.304 million from \$62.183 million.
- Loans receivable increased by \$877,000 (14.6 percent) to \$61.141 million from \$60,264 million. Details on loans receivable are provided in Note 9 to the financial statements of the 2013-2014 Public Accounts, page 26.
- Investment in the NWT Hydro Corporation increased by \$5.233 million (4.7 percent) to \$115.790 million from \$110.577 million.
- Charges were filed by the Workers' Safety and Compensation Commission against the corporation and two of its employees regarding an event that occurred in 2013 while clearing a transmission line near Fort Smith. Notes indicate that it is too early to determine whether costs may be incurred by the corporation as a result of these charges.

#### **Liabilities**

Liabilities are the government's debts and financial obligations. Total liabilities increased by \$53.915 million (7.0 percent) to \$821.915 million in 2013-2014 from \$768.0 million in 2012-13. This compares with a 13 percent decrease in liabilities during the previous fiscal year:

- Short term loans increased by \$39.947 million (38.1 percent) to \$144.909 million from \$104.962 million. According to Note 11 to the financial statements of the 2013-2014 Public Accounts, page 28, the interest paid on short-term loans in 2013-2014 was \$737,000.
- Accounts payable and accrued liabilities increased by \$43.117 (19.2 percent) to \$267.282 million from \$224.165 million. According to Note 12 to the financial statements of the 2013-2014 Public Accounts, page 28, accounts payable included \$1.831 million to the NWT Hydro Corporation and \$2,000 payable to the Workers' Safety and Compensation Commission (total equals \$1.833 million).
- Accrued liabilities include:
  - Trade: \$163.889 million
  - Other Liabilities: \$8.630 million
  - Employee and Payroll-related: \$64.952 million
  - Environmental Liabilities: \$27.327 million
  - Accrued Interest: \$651 million
  - Total: \$265.449 million

Note 21(a) to the financial statements on page 38 of the 2013-2014 Public Accounts provides details

on the liabilities associated with the remediation of contaminated sites for which the government is responsible. Since last year, the GNWT has identified an additional three sites requiring remediation, bringing the total to 129. The balance of the GNWT's share of the Giant Mine remediation is \$3.052 million (2013: \$3.162 million). The total owing to remediate sites for which costs are known is estimated at \$27.327 million (2013: \$23.183 million).

- Deferred revenue decreased by \$13.413 million (31 percent) to \$29.910 million from \$43.323 million. Per Note 13 to the financial statements of the 2013-2014 Public Accounts, page 29, deferred revenue mainly consists of funds received from Canada for the construction of airports, bridges and highways. The amount of \$29.910 million breaks down to: Ministry of Finance - \$5,802 million; Building Canada Plan - \$18,870 million; Inuvialuit Implementation Fund - \$100 million; and non-federal - \$5,138 million.
- The amount owing to the Government of Canada decreased by \$16.085 million (13.8 percent) to \$100.832 million from \$116.917 million. Per Note 14 to the financial statements of the 2013-2014 Public Accounts, page 29, payables owing to the Government of Canada include excess income tax advanced, advances for projects on behalf of Canada and miscellaneous payables. Note 14 shows the repayment schedule for excess income tax advanced.
- There was a decrease in the government's capital lease obligations which were down \$1.150 million (26.6 percent) to \$3.181 million from \$4.331 million. Further detail on these lease obligations and associated interest expenses is provided in Note 15 to the financial statements of the 2013-2014 Public Accounts, page 30.

#### **Net Debt**

Net debt represents the difference between the government's financial assets and its liabilities. The GNWT's net debt increased this year by \$25.814 million (7.6 percent) to \$363.880 million from \$338.066 million in 2012-13. This compares with a 26.2 percent decrease in net debt during the previous fiscal year.

Net debt is discussed in greater detail under the heading Consolidated Statement of Change in Net Debt.

#### **Non-financial Assets**

The value of the government's non-financial assets increased by \$110.380 million (5.4 percent) to \$2,149,418,000 (\$2.15 billion) from \$2,039,038,000 (\$2.04 billion) in 2012-13. This compares with a 26.7 percent increase in the value of non-financial assets during the previous fiscal year.

Non-financial assets are made up of inventories, prepaid expenses and tangible capital assets (land, buildings, equipment, leasehold improvements, computers and other things – such as roads, bridges, airstrips, water and sewer works, ferries and medical and mobile equipment) that are used to provide services to the public. Schedule A of the 2013-2014 Public Accounts, section 1, page 42 provides a summary of tangible capital assets.

#### **Accumulated Surplus or Deficit**

The government's accumulated surplus or deficit represents the net assets of the government, and is calculated as the difference between the government's non-financial assets and its net debt.

The GNWT's accumulated surplus increased by \$84.566 million (5.0 percent) to \$1,785,538,000 (\$1.786 billion) in 2013-2014 from \$1,700,972,000 (\$1.701 billion) in 2012-13. This compares with an increase of 47.7 percent during the previous fiscal year.

The accumulated surplus is discussed in greater detail under the heading Consolidated Statement of Operations and Accumulated Surplus.

#### **Consolidated Statement of Change in Net Debt**

In the Consolidated Statement of Change in Net Debt, those items affecting the net debt position of the government are detailed. The GNWT started 2013-2014 with a net debt of \$338.066 million. The net debt for 2013-2014 increased by \$25.814 million, ending the fiscal year at \$363.880 million. This is a 7.6 percent increase over the course of the fiscal year.

The items that had the greatest impact contributing to the increase in the net debt include an annual surplus, which came in at \$84.5 million, \$14.6 million lower than the budgeted \$99.1 million; and spending on the acquisition of tangible capital assets which exceeded the budget by \$90.9 million.

#### **Consolidated Statement of Operations and Accumulated Surplus**

The Statement of Operations and Accumulated Surplus indicates the surplus or deficit from operations for the year by reporting the income (revenues) the government has realized, the cost of services provided (expenses), and the difference between the two (annual surplus). The accumulated surplus is the ongoing tally of the operating surpluses and deficits over the years.

- The GNWT's total revenues for 2013-2014 decreased by \$16.370 million to \$1,776,065,000 (\$1.776 billion) from \$1,792,435,000 (\$1.792 billion) in the previous fiscal year. This 0.9 percent decrease compares with a total revenue increase of 16.7 percent during the previous fiscal year.
  - Generally speaking, the grant from Canada and transfer payments were up by 2.8



percent, while own-source revenues, including corporate and personal income taxes, were down by a total of 5.9 percent.

- Overall revenues exceeded budget by \$45.110 million, a variance of 2.6 percent.

Expenses for 2013-2014 increased by \$72.794 million to \$1,696,732,000 (\$1.697 billion) from \$1,623,938,000 (\$1.624 billion) in 2012-13. This increase of 4.5 percent compares with a 5.9 percent increase in expenses during the previous fiscal year.

- Expenses increased in all spending categories, including general government, which is comprised of Aboriginal Affairs and Intergovernmental Relations, Executive, Finance and Human Resources.
  - This year the environment and economic development portfolio had the smallest expenditure increase (0.6 percent) while the largest was in health, social services and housing (7.9 percent).
  - Overall expenses exceeded budget by \$58.343 million, a 3.6 percent variance.
- Despite the drop in revenues and increase in expenses, the GNWT still managed to finish 2013-2014 with an annual operating surplus of \$79.333 million, which is a decrease of \$89.164 million (52.9 percent) from the 2012-13 fiscal year end.
- Net investment income from the NWT Hydro Corporation was also down in 2013-2014, showing a 19.4 percent decrease from the previous year.

The GNWT finished 2013-2014 with a year-end accumulated surplus of \$1,700,972,000 (\$1.701 billion). This represents a 5 percent increase in the accumulated surplus from the start of the fiscal year to its end and compares with an 11.5 percent increase in the accumulated surplus from the start to the finish of 2012-2013.

#### **Consolidated Statement of Cash Flow**

The Consolidated Statement of Cash Flow reports the change in cash and cash equivalents in the year and how the government financed its activities and met its cash requirements. The Consolidated Statement of Cash Flow itemizes the cash used by the government during the fiscal year for operating, investing and capital transactions, and financing activities. The GNWT uses the indirect method for reporting this information. This method begins with the operating surplus/deficit and adds or deducts non-cash items.

- During the fiscal year, operating transactions provided the GNWT a net cash total of \$173.240 million, as compared with \$199.391 million in during the previous fiscal year.

- Investing transactions cost the GNWT a net total of \$16.114 million in 2013-2014. This is comparable to 2012-13, when the net total of cash used for investing transactions was \$18.752 million.
- Capital transactions (the acquisition and disposal of tangible capital assets), cost the GNWT \$203.414, as compared with \$141.729 million the previous year.
- Financing activities netted the GNWT cash in totalling \$38.751 million in 2013-2014, whereas they cost the GNWT \$36.224 million in 2012-13.
- The GNWT saw a net decrease in cash and cash equivalents in 2013-2014, in the amount of \$7.537 million, compared to a net increase of \$2.686 million in the previous year.
- The GNWT started the 2013-2014 fiscal year with cash and cash equivalents totalling \$70.461 million, compared to \$67.775 million at the start of 2012-13.
- When the net decrease/increase is added to the government's figures for cash and cash equivalents at the start of each fiscal year, the result totals \$62.924 million and \$70.461 million for the end of the fiscal years 2013-2014 and 2012-13 respectively. These are the figures reported under Financial Assets on the first line of the Consolidated Statement of Financial Position (page 11).

#### **Key Notes to the Financial Statements – Note 21: Environmental Liabilities**

Again this year the standing committee reviewed the contaminated sites for which the GNWT is responsible. The following information about environmental liabilities is reported in the key notes:

- The GNWT has identified 129 sites (2013 – 126) potentially requiring environmental remediation as at March 31, 2014. Where an estimate can be determined for remediation costs, a liability is recorded in accordance with Public Sector Accounting Standards in the year in which the remediation costs become known.
- Total known remediation costs for sites for which the GNWT is responsible equal \$27.327 million:
  - Giant Mine has been formally designated as contaminated under the Environmental Protection Act (NWT). The balance of the GNWT's share of the above-ground remediation is \$3.052 million.
  - Thirty-one active or decommissioned landfill sites lie outside of incorporated communities. Further analysis is required to assess the extent, if any, of the GNWT's liability.

- Of the 97 sites remaining, the majority have been investigated and are awaiting full environmental assessments. These include 15 airports-related sites, 18 sewage lagoons, 14 fuel tank sites and 10 highway sites. Known remediation costs for which the GNWT is responsible total \$24.275 million.

The committee acknowledges the receipt of information on the status of sites with known or potential contamination for which the GNWT is responsible and appreciates the opportunity to review this information during the annual review of the public accounts. The committee asks that Members continue to be provided with updated information at regular intervals.

#### **Recommendation 4**

The Standing Committee on Government Operations recommends that the Government of the Northwest Territories continue to provide updated timetables or schedules for the environmental assessment of all known potentially contaminated sites for which the GNWT is responsible, to be included annually in the public accounts.

#### **Government Indicators – Fiscal Responsibility Policy**

In last year's report the standing committee took the opportunity to address matters respecting the GNWT's Fiscal Responsibility Policy. This important policy is intended to govern fiscal management and borrowing, setting limits and restrictions on government when managing or borrowing fiscal resources. For example:

- To finance infrastructure investment in accordance with the policy, the government must fund a minimum of 50 percent of infrastructure expenditures from cash generated from operating surpluses and 50 percent maximum through short- or long-term debt.
- If debt servicing payments exceed 5 percent of total revenues, the government is required to generate additional operating surpluses in the following two years so that by the third year the debt servicing payments are brought back below the 5 percent threshold.
- The government is prohibited from borrowing to pay for day-to-day operating requirements.

When this policy was implemented, the Minister of Finance and chair of the Financial Management Board of the day indicated that the government will be held accountable to this policy by reporting on the debt management results of the government through the public accounts. With a view to increased public accountability, the committee asked that future public accounts include a detailed explanation, perhaps in the unaudited "government indicators" section, indicating how the government

performed for that fiscal year vis-à-vis the Fiscal Responsibility Policy.

The government responded positively to this request, noting that, "The GNWT will include additional information related to any borrowing activity undertaken under the Fiscal Responsibility Policy within the Public Accounts" [TD 94-17(5), page 5].

The Fiscal Responsibility Policy identifies performance criteria against which government borrowing will be measured. In previous years, the GNWT has noted these performance criteria under the Government Indicators heading in Section 1 of the Public Accounts. This year the GNWT has provided additional information on the performance of the GNWT's borrowing against these criteria:

- I. Ratio of government debt to revenue: A decreasing ratio is a positive indicator that the rate of increase in consolidated revenue is greater than the rate of increase in total government debt, excluding guaranteed debt. Objective: In relation to the provinces, the NWT shall be in the lowest 4. Outcome: The NWT was ranked third lowest among the provinces and territories from 2008-09 to 2012-13.
- II. Debt per capita ratio: A decreasing ratio is a positive indicator that the debt burden, on a per person basis is going down. Objective: In relation to the provinces, the NWT shall be in the lowest five. Outcome: The NWT was ranked fifth lowest among the provinces and territories from 2008-09 to 2012-13.
- III. Debt servicing (interest) costs as a percentage of revenue: A measure of the extent to which government revenues are being applied to debt charges, rather than to programs, services, or tax reduction. Objective: In relation to the provinces and territories, the NWT shall be in the lowest four. Outcome: In 2013 the NWT was ranked second lowest among the provinces and territories.
- IV. Debt servicing payments as a percentage of revenue: A measure of the extent to which government revenues are being applied to debt charges and debt repayment, rather than on programs, services, or tax reduction. Objective: From year to year, payments on government debt, excluding public agency debt service payments, shall not exceed 5 percent of revenue. Outcome: In 2014 the NWT was at 0.61 percent of revenues. In 2013 the NWT was at 0.3 percent of revenues.

- V. Debt servicing payments as a percentage of three-year moving GDP average: A measure of debt growth in relation to economic growth. Ideally, economic growth exceeds the growth rate of public debt. A decreasing ratio reflects consistent improvement in the government's financial position.

Objective: In relation to the provinces, the NWT shall be in the lowest four.

Outcome: In 2013, the NWT was ranked second lowest (based on GDP nominal dollars, since three-year moving GDP average is not yet available).

### **Improved Quality of Reporting Equals Transparency**

The standing committee was pleased that the 2013-2014 Public Accounts provide information, based on measurable data, which reflects the GNWT's performance with respect to the Fiscal Responsibility Policy. The committee notes the importance of making the information contained in the public accounts as clear as possible for interested readers with non-financial backgrounds. In the committee's view, a commitment to transparency is synonymous with a commitment to improve the quality of reporting, especially for a non-expert audience.

As it happens, the C.D. Howe Institute produced a study during the writing of this report, entitled "By the Numbers: The Fiscal Accountability of Canada's Senior Governments, 2015." This interesting study assesses the quality of financial information provided by Canada's federal, provincial and territorial governments with a view to improving the transparency of reporting. This study graded the quality of reporting in the Government of the Northwest Territories' public accounts at D-plus with the observation that "Although PSAB-consistent public accounts save the Northwest Territories from getting outright failing grades, its budgets would bewilder our idealized reader with multiple presentations of revenue and spending figures that no non-expert could possibly reconcile with the headline figures in their public accounts." From Colin Busby and William B.P. Robson, C.D. Howe Institute, *By the Numbers: The Fiscal Accountability of Canada's Senior Governments*, 2015, page. 9.

The standing committee is encouraged by the improvement made to the 2013-2014 Public Accounts through the inclusion of information related to the government's performance under the Fiscal Responsibility Policy. The committee would be interested in reviewing the data that is compiled with regard to the six performance measures identified previously and in the Fiscal Responsibility Policy, so that the GNWT's ranking against these measures is clearly presented and described. The committee encourages the government to review

the C.D. Howe study and to consider further ways to improve on its quality of reporting in the public accounts.

### **Recommendation 5**

The Standing Committee on Government Operations recommends that, to enhance transparency, the Government of the Northwest Territories improve the quality of reporting in the public accounts, including providing a detailed explanation of how the government met the requirements of its Fiscal Responsibility Policy for the year in question.

Transparency can be enhanced not only by the way in which information is presented but in the information chosen to be presented to an audience. In any discussion on the importance of transparency, the standing committee would be remiss if it did not again stress to the Minister of Finance the importance of sharing with the standing committee at least some of the findings and recommendations of the Internal Audit Bureau.

The committee appreciates why government needs to rely on the analysis and recommendations of the Internal Audit Bureau and that this work must be unfettered by political influence. Nonetheless, where the government relies on the findings of the Internal Audit Bureau to substantiate management decisions, the standing committee feels that the GNWT should be prepared to share these findings in confidence with the standing committee. This approach is consistent with the guiding principles of consensus government in the Northwest Territories.

### **Recommendation 6**

The Standing Committee on Government Operations recommends that, in the interests of transparency and accountability, the Department of Finance share the findings and recommendations of the Internal Audit Bureau with the committee in confidence, particularly where the Government of the Northwest Territories relies on those findings and recommendations as substantiation for actions taken.

### **Section II: Non-consolidated Financial Statements**

As previously indicated, Section II of the public accounts is comprised of the financial position and results of operations for GNWT departments, revolving funds and special purpose funds only. These are not audited. Some of the highlights from this section include:

#### **Statement of Financial Position**

- Financial assets increased 10.4 percent from \$222.570 million to \$245.676 million. The largest increases were in accounts receivable

(18.8 percent) and monies due from the Government of Canada (28.0 percent).

- Liabilities increased 6.1 percent from \$713.943 million to \$757.519 million. The largest increases were in accounts payable and accrued liabilities (18.2 percent) and short-term loans (38 percent). The standing committee was advised that the government needed to borrow short term to meet its cash flow requirements throughout much of 2013-2014.
- Net debt increased to \$511.843 million from \$491.373 million. The statement of Changes in Net Debt shows that net debt increased because spending on tangible capital assets more than doubled from the previous year to \$115.345 million from \$56.179 million, while the annual surplus for the year dropped \$68.959 million (42.3 percent).
- The accumulated surplus, which is the difference between non-financial assets and net debt, increased by \$94.012 million from \$1.232 billion to \$1.326 billion.

#### **Statement of Operations and Accumulated Surplus**

- The annual surplus was \$94.012 million, 16.5 percent lower than the forecast amount of \$112.599 million. This compares with an annual surplus of \$162.971 million in the previous fiscal year and represents 5.76 percent of the government's total 2013-2014 revenues of \$1.632 billion.
- Total revenues exceeded the budget by \$22.425 million (1.4 percent).
- Total expenses exceeded the budget by \$40.728 million (2.7 percent).

#### **Schedules**

Detailed results of operations are more fully disclosed in the supplementary schedules of these non-consolidated, unaudited financial statements. These schedules provide further details regarding the nature of revenues and expenses by department and include special warrants, interactivity transfers over \$250,000 and the write-off and forgiveness of debts and student loans.

#### **Section III: Supplementary Financial Statements – Other Entities**

Section III contains financial statements for those entities listed in the table of contents, including Aurora College, BDIC, NWT Housing and Hydro Corporations, revolving, special purpose and other funds, and a variety of government agencies.

- This year's public accounts contain financial statements for two entities not included in last year's public accounts: the NWT Human Rights Commission and the Arctic Energy Alliance.

- All entities that had independent audits of their financial statements received "clean" opinions, with the exception of the Environment Fund. As was the case in 2012-13, the Environment Fund had a qualified opinion:

- Environment Fund revenues derive from the Beverage Container Recycling Program and the Single-use Retail Bag Program. The auditor must rely on the revenue amounts reported on claims filed by distributors, processing centres and bottle depots.
- Because the auditor does not separately audit the revenue reports, this is the basis for the "qualified" opinion.

- The Territorial Court Judges Registered Pension Plan Fund received a clean audit opinion. It is worth noting, however, that the pension fund has a deficit of \$777,600 which has more than doubled from \$334,500 in 2012-13.
- The following entities included in the public accounts are not audited, either because audits are not required under their legislation or their financial statements were not sufficiently detailed to warrant an audit:

- The NWT Heritage Fund reported a balance of \$506,000 at the end of 2013-2014;
- The financial statement for the Fur Marketing Service Revolving Fund indicates that the authorized limit for the fund was increased to \$1.5 million, from \$900,000 in 2012-13;
- The Public Stores Revolving Fund reported a balance of \$143,400 at the end of 2013-2014.

#### **Section IV: Supplementary Financial Statements Boards**

- This section contains financial statements for the eight education boards and eight health and social services authorities.
- All of these boards have had independent audits done by a variety of accounting firms. Of these 16 boards, 13 had "qualified" opinions, explaining that because salaries/wages and benefits are calculated for the boards by the GNWT, they are not subject to complete audit verification. This was also the case with last year's public accounts.
- Again this year, the opinion on the Sahtu DEC's financial statement was additionally qualified on the basis that it was outside of the auditor's scope to audit the transactions and balances of an accountable advance, the balance of which was \$276,819 as at the June 30 fiscal year end (2013: \$429,903).

- As was also the case last year, the three agencies with clean audit opinions are: Yellowknife Catholic Schools, YK District No. 1 and the Hay River Health and Social Services Authority.

The standing committee paid particular attention to the financial statements for the Beaufort-Delta Health and Social Services Authority and the Yellowknife Health and Social Services Authority. At their discretion, these authorities each included a "Management Discussion Analysis" providing additional detail related to the management challenges facing these authorities. Members found that the analysis was both interesting and enlightening and provided useful insight into the operations of each board.

The standing committee would like to commend these boards for the additional effort put into their financial statements. The committee appreciates that some boards and entities face capacity challenges. Nonetheless, the committee recommends that the Department of Finance require all public agencies to include a management discussion analysis in their year-end reports.

#### **Recommendation 7**

The Standing Committee on Government Operations recommends that the Department of Finance require all public agencies to include a management discussion analysis in their year-end reports.

#### **NT Hydro and its Subsidiaries**

This year, for the first time, the standing committee exercised its authority to request the appearance of a public agency before the standing committee as part of its review of the 2013-2014 Public Accounts.

#### **Corporate Structure and Enabling Legislation**

##### **NT Hydro**

NT Hydro is a public agency, established in 2007 under the Northwest Territories Hydro Corporation Act. It is 100 percent owned by the Government of the Northwest Territories. NT Hydro is a holding company for both the primary regulated business of the Northwest Territories Power Corporation (NTPC) and the primary unregulated business of NT Energy. NT Hydro owns 100 percent of the Northwest Territories Power Corporation (NTPC). NT Hydro also owns the NWT Energy Corporation (03) Ltd. and Sahdae Energy Ltd. (SEL).

The corporate structure allows for the possibility that other regulated companies may exist as subsidiaries of NTPC and other non-regulated companies may exist as subsidiaries of NT Energy. Additionally, as the situation may warrant, the structure allows other regulated or non-regulated companies to be established under NT Hydro as sister companies to NTPC and NT Energy (03) Ltd.

##### **NTPC**

NTPC is a wholly-owned subsidiary of NT Hydro. It is also a public agency and was established as such under the Northwest Territories Power Corporation Act.

NTPC operates hydroelectric, diesel, natural gas and solar power generation facilities to provide utility services in the NWT. NTPC distributes electricity to end-use consumers in 26 of the 33 communities in the Northwest Territories. It also supplies wholesale electricity to distributing utilities which, in turn, retail to customers in Yellowknife and Hay River. NTPC's facilities include hydroelectric, diesel, and natural gas generation plants, transmission systems and a number of isolated electrical distribution systems. NTPC also owns and operates alternative energy assets used for the supply of residual heat, solar power and co-generation.

NTPC activities are regulated by the Northwest Territories Public Utilities Board (PUB).

NTPC has two wholly-owned subsidiaries, the NWT Energy Corporation Ltd. (NWTEC) and 5383 NWT Ltd., which is inactive.

##### **NWTEC**

Under the authority of the Northwest Territories Power Corporation Act, NWTEC financed the Dogrib Power Corporation in 1996 for the construction of the 4.3 MW Snare Cascades hydro facility. NWTEC is also responsible for the operation, management and 50 percent shared ownership of a residual heat project in Fort McPherson. The financial details of this joint-venture investment are contained in Note 26 (NT Hydro Annual Report 2014, page 52).

##### **NT Energy (03) Ltd. and Sahdae Energy Ltd. (SEL)**

In addition to NTPC, NT Hydro owns NWT Energy Corporation (03) Ltd. (NT Energy) and Sahdae Energy Ltd (SEL). Both of these subsidiaries are incorporated under the NWT Business Corporations Act. In its 2009-10 Annual Report, NT Hydro noted that the corporate structure of NT Energy and SEL "has been adopted to facilitate the development of hydro on an unregulated basis while protecting the GNWT's investment in the regulated activities of NTPC" (NT Hydro Annual Report 2009-10, page 2). SEL's mandate is to pursue a hydro development project on Great Bear River to provide power to the potential Mackenzie Valley gas pipeline. However, in its current annual report (2014), NT Hydro advises that "SEL was inactive in fiscal 2014 and there are no current plans for activity in that subsidiary" (NT Hydro Annual Report 2014, page 1).

In 2014 NT Energy (03) Ltd. signed an agreement with NTPC to provide transportation services for liquefied natural gas (LNG) to NTPC's Inuvik plant.

#### **Auditor General's Opinion on NT Hydro**

The consolidated financial statements for NT Hydro include the accounts for NT Hydro and its wholly-owned subsidiaries: NTPC, NTEC (03), SEL, as well as NTPC's wholly-owned subsidiaries NWTEC and 5383 NWT Ltd. The Auditor General's opinion on the public accounts contains no qualifications and is, therefore, considered a "clean" opinion.

"In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Northwest Territories Hydro Corporation as at 31 March 2014, and the results of its operations, and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles."

In reporting on other legal and regulatory requirements, the Auditor General offers the opinion:

- that Canadian generally accepted accounting principles have been applied on a basis consistent with that of the previous year;
- proper books of account have been kept by NT Hydro and its wholly-owned subsidiaries and that the consolidated financial statements are in agreement with these books; and
- that the transactions of NT Hydro and its wholly-owned subsidiaries that have come to the Auditor General's attention during the audit have been done in accordance with Part IX of the Financial Administration Act of the Northwest Territories and its regulations, the NWT Hydro Corporation Act and its regulations and the Public Utilities Act and the bylaws of NT Hydro and its wholly-owned subsidiaries.

In discussing the consolidated financial statements of NT Hydro and its subsidiaries with officials from the Auditor General's office and NT Hydro, the standing committee was interested to learn that NT Hydro was in the process of changing to Canadian Public Sector Accounting Standards and was working closely with the Office of the Auditor General on this initiative. The standing committee was also interested to learn, as a result of recent financial subsidies provided by the GNWT to the NWT Power Corporation, that the parent company, NT Hydro and the NWT Power Corporation, no longer meet the criteria for classification as a "government business enterprise" and will now be classified as an "other government organization." The change in accounting status means that NT Hydro will be fully consolidated in the GNWT's public accounts in 2014-2015.

## **Contents of NT Hydro's Consolidated Public Accounts**

### **Consolidated Balance Sheet**

#### **Assets**

NT Hydro's total assets are comprised of current assets (cash, accounts receivable, inventories and prepaid expenses); property, plant and equipment (net); and other non-current assets (regulatory assets; sinking fund investments; and intangible assets).

#### **Current assets:**

- NT Hydro's cash holdings dropped \$700,000 (34.7 percent) to \$1.315 million;
- Accounts receivable were down \$1.557 million (10.5 percent) to \$13.347 million in 2013-2014. An allowance for doubtful accounts is included in NT Hydro's accounts receivable for accounts over 90 days. The details of this are shown in Note 5 (NT Hydro Annual Report 2014, page 36).
- The value of inventories was up \$540,000 (9.8 percent) to \$6.051 million in 2013-2014. According to Note 6 (NT Hydro Annual Report 2014, page 36), inventories include fuel, materials, supplies and lubricants used by NTPC in the production of electricity. Materials, supplies and lubricants compose 95 percent of the value of inventories (ie. Total inventory value equals \$6.051 million [\$5.763 million in materials, supplies and lubricants; \$288,000 in fuel])
- Prepaid expenses were up \$462,000 (78.3 percent) from to \$1.052 million in 2013-2014.

#### **Property, plant and equipment, net:**

- The net book value of property, plant and equipment increased \$18.613 million (5.7 percent) to \$343.976 million in 2013-2014. As indicated in Note 7 (NT Hydro Annual Report 2014, page 37), property, plant and equipment values include the amortized values of electric power plants, transmission and distribution systems, warehouse, equipment, motor vehicles, general facilities and other utility assets, critical spare parts, construction in progress and engineering and other direct overhead expenses.

#### **Other non-current assets:**

- Regulatory assets increased \$3.734 million (19.2 percent) to \$23.228 million in 2013-2014. A note about regulatory assets and liabilities: As the only NT Hydro subsidiary undertaking activities that are regulated by the Public Utilities Board, NTPC's accounting policies differ from those of unregulated utilities. Regulatory assets represent future revenues associated with certain costs, incurred in the current or in

prior periods, which are expected to be recovered from customers in future periods through the rate-setting process. Regulatory liabilities represent future reductions or limitations of increases in revenues associated with amounts that are expected to be refunded to customers as a result of the rate-setting process. These liabilities reduce the future rate impact of disposal and remediation costs to customers.

- Sinking fund investments increased \$837,000 (14.7 percent) to \$6.513 million in 2013-2014. Sinking fund investments are held by a trustee for the redemption of long-term debt. Because the sinking funds exist to fund the payout of long-term debt, sinking fund income is treated as a reduction of finance charges and is reflected in interest expense.
- Intangible assets decreased \$143,000 (12.4 percent) to \$1.007 million in 2013-2014.

#### **Liabilities and Shareholder's Equity**

NT Hydro's total liabilities are made up of current liabilities (accounts payable and accrued liabilities, short-term debt, and current portion of long-term debt), long-term debt (long-term debt net of sinking fund investments, sinking fund investments presented as assets, net lease obligations, and LNG capital lease obligation), and other non-current liabilities (regulatory liabilities, asset retirement obligations, deferred government contributions, and employee future benefits).

#### **Current liabilities:**

NT Hydro's current liabilities increased by \$15.183 million (65.3 percent) from \$23.239 million in 2012-13 to \$38.422 million in 2013-2014.

- Accounts payable and accrued liabilities increased \$3.151 million (21 percent) to \$18.113 million in 2013-2014 from \$14.962 million in 2012-13.
- Short-term debt increased \$11.909 million (199.2 percent) to \$17.888 million in 2013-2014 from \$5.979 million in 2012-13.
- The current portion of long-term debt increased \$123,000 (5.4 percent) from \$2.298 million in 2012-13 to \$2.421 million in 2013-2014.

#### **Long-term debt:**

NT Hydro's long-term debt decreased slightly, by a fraction of 1 percent, from \$188.386 million in 2012-13 to \$188.263 million in 2013-2014.

- Long-term debt net of sinking fund investments decreased \$3.157 million (1.7 percent) to \$117.247 million in 2013-2014 from \$180.404 million in 2012-13.
- Sinking fund investments presented as assets increased \$837,000 (14.7 percent) to \$6.513

million in 2013-2014 from \$5.676 million in 2012-13.

- The net lease obligation increased \$347,000 (15 percent) from \$2.306 million in 2012-13 to \$2.653 million in 2013-2014. The net lease obligation is related to the loan made by NWTEC to the Dogrib Power Corporation to finance the construction of the Snare River hydroelectric plant. NTPC has an initial 65-year lease for the plant. Upon consolidation, the loan receivable held by NWTEC is offset by the value of NTPC's capital lease obligation. A detailed explanation of this figure is found at Note 12 (NT Hydro Annual Report 2014, page 39).
- The LNG capital lease obligation was recorded at \$1.85 million.

#### **Other non-current liabilities:**

NT Hydro's other non-current liabilities increased by \$1.493 million (2.8 percent) from \$52.521 million in 2012-13 to \$54.014 million in 2013-2014.

- Regulatory liabilities decreased \$1.668 million (4.6 percent) from \$36.262 million in 2012-13 to \$34.594 million in 2013-2014.
- Asset retirement obligations increased \$1.253 million (10.3 percent) from \$12.224 million in 2012-13 to \$13.477 million in 2013-2014. Asset retirement obligations include costs related to the disposal of generating plants on leased land, storage tank systems, and the associated piping for petroleum products in all communities served by NTPC. Asset retirement obligations also include the costs associated with remediation of environmental liabilities. NT Hydro estimates that it would cost \$20.727 million to clean up contamination at its 27 sites. The discounted present value of these obligations is \$7.972 million. NT Hydro estimates that over 75 percent of the contamination occurred when the Northern Canada Power Commission was controlled by the federal government. There is no provision recorded in NT Hydro's financial statements for a potential recovery from the federal government.
- Deferred government contributions increased by \$256,000 (9.6 percent) from \$2.678 million in 2012-13 to \$2.934 million in 2013-2014. Deferred government contributions include a capital contribution agreement with the GNWT for a photovoltaic preliminary design project in Colville Lake and funding from the Government of Canada for the same project through the ecoENERGY for Aboriginal and Northern Communities Program.
- Employee future benefits increased \$1.652 million (121.7 percent) from \$1.357 million in 2012-13 to \$3.009 million in 2013-2014.

**Shareholder's equity:**

Shareholder's equity in NT hydro increased by \$5.233 million (4.7 percent) from \$110.557 million in 2012-13 to \$115.79 million in 2013-2014. Shareholder's equity is reported as "investment" in the GNWT's public accounts.

**Consolidated Statement of Operations and Comprehensive Income**

In the Statement of Operations and Comprehensive Income, revenues minus expenses equal earnings from operations. Interest income is added to this figure to provide "earnings before interest expense." From this, interest expenses are subtracted, to provide the net income and comprehensive income.

**Revenues:**

NT Hydro's total revenues were up \$2.726 million (2.7 percent) from \$101.171 million in 2012-13 to \$103.897 million in 2013-2014.

- NT Hydro's revenues from the sale of power increased by \$4.658 million (5.4 percent) from \$86.947 million in 2012-13 to \$91.605 million in 2013-2014.
- GNWT power sales contributions – The GNWT provided \$15.6 million to NTPC in 2012-13. \$4 million paid down a receivable set up by NTPC as at March 31, 2012, to retire the balances in the territory-wide Rate Stabilization Fund. The remaining \$11.6 million is recorded as revenues in 2012-13. In the second year of the agreement (2013-2014), NTPC recorded \$9.4 million in revenues.
- Other revenues include such things as contract work, pole rental, connection fees and heat revenues.
- Other government contributions were up 19.6 percent and included a number of one-year contributions for things such as the recovery of costs related to the NWT Hydro Strategy, water monitoring activities, a combined heat and power feasibility study, implementing LNG in Inuvik, et cetera. These are detailed in Note 19 (NT Hydro Annual Report 2014, page 44).

**Expenses:**

NT Hydro's total expenses were up \$3.197 million (3.8 percent) from \$84.698 million in 2012-13 to \$87.895 million in 2013-2014.

- Expenses include things such as fuels and lubricants (down 1.4 percent), salaries and wages (up 4 percent), amortization (up 5.9 percent), and supplies and services (up 9.5 percent).
- The most notable increase was in travel and accommodation, which was up \$433,000 (22.2 percent) from \$1.953 million in 2012-13 to \$2.386 million in 2013-2014.

**Earnings from operations:**

The difference between revenues and expenses provides the earnings from operations. NT Hydro's earnings from operations dropped \$435,000 (2.6 percent) from \$16.473 million in 2012-13 to \$16.002 million in 2013-2014.

**Net income and comprehensive income:**

When interest income and expenses are factored into earnings from operations, this provides the figure for net income and comprehensive income. NT Hydro's net income and comprehensive income dropped by \$1.257 million (19.4 percent) to \$5.233 million in 2013-2014.

**Consolidated Statement of Cash Flow**

- Cash flows provided by operating activities were \$7.647 million (61.5 percent) higher at the end of 2014 than the year before.
- \$6.217 million (26.3 percent) more cash was used in investing activities in 2014 than the year before.
- Cash flows provided by financing activities decreased by \$2.777 million (23.5 percent) from 2012-13 to 2013-2014.
- There was a net decrease in cash of \$700,000 in 2014, as compared with a net increase of \$647,000 in 2013. This is a 34.7 percent decrease in cash at year end over the previous year.

**Conclusion**

The Standing Committee on Government Operations has a mandate to review the public accounts of the Government of the Northwest Territories. Members were grateful for the assistance provided by the Office of the Auditor General in support of this work. Members also appreciate the appearances before the standing committee and thoughtful answers to questions provided by staff from the Office of the Comptroller General in the Department of Finance and NT Hydro. The standing committee hopes to see the practice of undertaking a public review of the public accounts continued during the 18<sup>th</sup> Legislative Assembly, so that GNWT financial management practices and decisions continue to receive public scrutiny.

**Recommendation 8**

The Standing Committee on Government Operations recommends that the Government of the Northwest Territories provide a response to this report within 120 days.



MOTION TO RECEIVE  
COMMITTEE REPORT 16-17(5)  
AND MOVE INTO  
COMMITTEE OF THE WHOLE,  
CARRIED

**MR. DOLYNNY:** Mr. Speaker, I move that Committee Report 16-17(5) be received by the House and moved into Committee of the Whole for further consideration. Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you. Motion is on the floor. Motion is in order.

**SOME HON. MEMBERS:** Question.

**MR. SPEAKER:** Question has been called. Motion is carried.

---Carried

Committee Report 16-17(5) will be moved into committee for consideration later today. Thank you. Item 13, reports of committees on the review of bills. Mr. Moses.

**Reports of Committees  
on the Review of Bills**

BILL 44:  
AN ACT TO AMEND THE  
HOSPITAL INSURANCE AND HEALTH AND  
SOCIAL SERVICES ADMINISTRATION ACT

BILL 47:  
AN ACT TO AMEND THE  
CHILD AND FAMILY SERVICES ACT

**MR. MOSES:** Thank you, Mr. Speaker. I wish to report to the Assembly that the Standing Committee on Social Programs has reviewed Bill 44, An Act to Amend the Hospital Insurance and Health and Social Services Administration Act, and Bill 47, An Act to Amend the Child and Family Services Act, and wishes to report that Bills 44 and 47 as amended and reprinted are ready for consideration in Committee of the Whole. Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. Moses. Bills 44 and 47 as amended and reprinted are ready for consideration in Committee of the Whole. Mr. Moses.

**MR. MOSES:** Thank you, Mr. Speaker. I seek unanimous consent to waive Rule 75(5) to have Bill 44, An Act to Amend the Hospital Insurance and Health and Social Services Administration Act, and Bill 47, An Act to Amend the Child and Family Services Act, moved into Committee of the Whole for consideration later today. Thank you, Mr. Speaker.

---Unanimous consent granted

**MR. MOSES:** I seek unanimous consent to return to item number 12 on the Order Paper, reports of standing and special committees. Thank you.

---Unanimous consent granted

**Reports of Standing  
and Special Committees  
(Reversion)**

COMMITTEE REPORT 17-17(5):  
REPORT ON THE REVIEW OF BILL 44:  
AN ACT TO AMEND THE HOSPITAL INSURANCE  
AND HEALTH AND SOCIAL SERVICES  
ADMINISTRATION ACT

**MR. MOSES:** Thank you. The Standing Committee on Social Programs is pleased to provide its Report on the Review of Bill 44: An Act to Amend the Hospital Insurance and Health and Social Services Administration Act, and commends it to the House.

**Introduction**

Bill 44, An Act to Amend the Hospital Insurance and Health and Social Services Administration Act, will allow for the transformation of the health and social services system. It will require the Minister to establish a single strategic plan for the Northwest Territories and allow the Minister to establish an integrated territorial authority by amalgamating the regional health and social services authorities and Stanton Territorial Health Authority. The bill includes transitional provisions to bring the Hay River Health and Social Services Authority into the public service at a later date. It also includes provisions pertaining to critical incidents.

The committee congratulates the Minister for developing the bill. It is the product of sustained efforts by the Department of Health and Social Services and key stakeholders. In broad terms, system transformation is intended to address inefficiencies, correct inconsistencies in the management of financial and human resources, and create less fragmented experiences for patients and clients.

Bill 44 was referred to the committee on February 10, 2015. The public hearing with the Minister was held on April 20, 2015. The clause-by-clause review was held on June 1, 2015. During the clause-by-clause review, the committee passed nine motions to amend the bill, with the Minister's agreement. These amendments are discussed below.

In its review of Bill 44, the committee heard from many stakeholders, including the Northwest Territories Information and Privacy Commissioner; the Union of Northern Workers (UNW) under the affiliation of the Public Service Alliance of Canada (PSAC); UNW Local 21, which represents employees at the Hay River Health and Social

Services Authority, the Tlicho Community Services Agency, the K'atlodeeche First Nation, the Yellowknife Seniors' Society, the Canadian Association of Occupational Therapists, the Northwest Territories Human Rights Commission, and dozens of private residents who attended public meetings.

The committee held public meetings in Yellowknife, Ndilo, Hay River, K'atlodeeche First Nation (Hay River Reserve), Fort Simpson, Behchoko, Deline, Inuvik and Aklavik. Poor weather prevented the committee from flying to Fort Liard and Tuktoyaktuk as planned. During the two-week itinerary, Members also heard from residents about Bill 47, An Act to Amend the Child and Family Services Act.

While Bill 44 generated some negative commentary, the feedback was generally positive. Where serious concerns were raised, the committee typically sought to address them through amendments. The remainder of this report outlines these key concerns and associated amendments. The concluding section includes recommendations for additional courses of action.

Mr. Speaker, at this time I would like to turn the reading of the report over to my colleague Mr. Dolyunny.

**MR. SPEAKER:** Thank you, Mr. Moses. Mr. Dolyunny.

**MR. DOLYUNNY:** Thank you, Mr. Speaker, and thank you, Mr. Moses.

#### **Minister's Powers**

Bill 44 in its original form proposed to give substantial new powers to the Minister. The committee introduced two motions to amend the bill to narrow the Minister's powers. The first amendment will ensure that the Minister can only disregard this act or another enactment for reasons of public safety or to address a pressing gap in service delivery. The second amendment places a restriction on the provision under the regulation-making authority. The original provision would have authorized an exemption through regulations from "any provision of this act." However, the committee felt strongly that a subordinate form of legislation—a set of regulations—should not circumvent the wish of the Legislative Assembly as expressed in a statute. The Minister agreed to both of these motions at the clause-by-clause review.

#### **Transitional Provisions for Hay River Employees**

The Union of Northern Workers presented a convincing case that Bill 44 in its original form violates workers' rights to engage in collective bargaining. This right, the UNW argued, is enshrined under Section 2(d) of the Charter of Rights and Freedoms. The UNW specifically took

issue with the proposed subsection 17(2), which releases the government of any contractual obligations or liabilities pertaining to the Hay River Health and Social Services Authority except to the extent that it expressly agrees to assume them.

The committee agreed with the UNW's analysis on this matter, including its claim that three recent cases have significantly altered the Canadian landscape with respect to workers' rights to engage in collective bargaining. Each case hinges on Section 2(d) of the Charter and protects workers' rights to advance workplace goals through collective bargaining. The committee further agreed that Bill 44 in its original form would leave the government vulnerable to a legal challenge and subsequently sought to ensure that the entitlements of employees belonging to UNW Local 21 would be handled through a clearly legislated succession of those entitlements.

It is worth noting that, in the midst of the review, the committee asked the Minister if he would concur with an amendment to provide for mediation wherever the GNWT and Hay River employees were unable to reach agreement. The committee also asked about the status of negotiations between the GNWT and the union representing the Hay River employees and what assurance could be provided that Hay River employees will not lose seniority or pension benefits. Regrettably, there was no formal reply. In the absence of clear information, the committee prepared an amendment that would simultaneously align with the spirit of the bill and give peace of mind to Hay River employees. Specifically, this motion to amend Bill 44 ensures that the transitional provisions will not be brought into force until a contract negotiated through collective bargaining has come into force.

Other issues were raised by the UNW, including the matter of pension entitlements for employees transitioning from the Hay River Health and Social Services Authority to the GNWT. The committee concluded that this matter is outside the scope of the bill but is urging the government to give it careful consideration.

The UNW also expressed fear over the loss of regional positions, arguing that amalgamation will create economies of scale in procurement, records management and diagnostics, and may in turn create redundancies. The committee supports the UNW's request for assurance that the government will provide retraining for any affected employees.

#### **Critical Incidents**

The committee commends the Minister for introducing provisions pertaining to critical incidents. However, the committee noted a number of concerns. First, the committee sought to clarify who will be eligible to report a critical incident, and prepared a motion to amend which would allow any patient or client, or any relative of a patient or client,

or any staff member to report a critical incident. The motion was modeled on provisions in Manitoba's Regional Health Authorities Act. The Minister concurred with this motion at the clause-by-clause review.

Second, the committee prepared a motion to amend which would compel the Minister to conduct a critical-incident investigation based on a motion of the Legislative Assembly. The Minister also concurred with this motion.

Third, the committee inquired about the proposed Section 25.2 which does not expressly stipulate that a legal guardian or substitute decision-maker must be notified in the case of a critical incident. The committee subsequently determined that provisions in the Health Information Act will apply, establishing a clear protocol for the sharing of medical information pertaining to a child or a person with diminished mental capacities.

Fourth, the committee expressed concern about how critical-incident investigations will be handled and whether the results of investigations will be communicated in a culturally sensitive manner.

Fifth, the UNW noted that clause 9 of Bill 44 would impose a duty on employees to cooperate in any investigation and, further, that investigations could result in disciplinary action or discharge on account of employee misconduct. The UNW sought an amendment to provide for union representation for employees during any investigation, inspection or audit. The committee determined that collective agreements already provide adequate provisions and protections.

Sixth, the Information and Privacy Commissioner noted some privacy implications pertaining to critical-incident investigations, inspections and reporting. She recommended including a general provision stating that personal health information should be protected to the greatest extent possible. However, the committee concluded that the new Health Information Act will establish adequate safeguards pertaining to the use, collection and disclosure of information. In addition, Members noted that reports will have limited circulation.

#### **Privacy Concerns**

The Information and Privacy Commissioner raised several privacy concerns. First, a general concern was raised about the combined effect of the proposed amalgamation and the new Health Information Act. The Commissioner noted that these changes will significantly expand the "circle" within which personal health information can be shared without the patient's express consent. The Commissioner recommended that the Department of Health and Social Services undertake a privacy impact assessment for the proposed amalgamation. The committee agrees with this recommendation.

Second, the Commissioner's submission alerted the committee to a pair of provisions that would permit a board of management to close a meeting, or a portion of a meeting, if privacy issues warrant it. The Commissioner noted that any meeting should be closed to the public if personal health information is being discussed. Upon reviewing this concern, the Minister agreed and two motions to amend the bill were passed at the clause-by-clause review.

Third, the Commissioner noted that Bill 44 does include a duty to inform a patient if their personal health information is used in the course of an investigation, inspection or audit. The committee determined that the Health Information Act will place appropriate limits in such circumstances. While the use of information for an investigation, inspection or inquiry is a permitted use under the Health Information Act, there are limits and obligations placed on anyone who receives the information. Moreover, the disclosure of information must be recorded by the person disclosing it.

#### **Regional Considerations**

With respect to regional involvement in the new system, some concerns were raised. A handful of stakeholders indicated that regional influence may be unduly diminished under the new system. This viewpoint was also expressed by the public administrator of the Dehcho Health and Social Services Authority, who spoke on behalf of a number of Deh Cho residents.

As well, because Bill 44 is silent on the role envisioned for the Tlicho Community Services Agency under the new system, Members are seeking clarity about how this board of management, or any others which might come into existence as a result of self-government agreements, will be accommodated. For their part, the Tlicho Community Services Agency expects things to be business as usual under the new system, although in some areas they intend to seek greater autonomy from the GNWT. One example is housing. The GNWT does not currently permit the Tlicho Community Services Agency to guarantee its staff long-term security of tenure which has a negative impact on staff retention.

K'atlodeeche First Nation is looking for greater clarity with respect to how its unique interests will be represented under the new system. Similarly, Hay River employees seek clarity as to how their needs and interests will be represented on the Territorial Health and Social Services Authority in the absence of an agreement with the GNWT. Once again, the committee invited the Minister to reply to these queries but no reply was given.

#### **Recommended Actions**

The Standing Committee on Social Programs recommends the following courses of action:

- 1) that the Department of Health and Social Services conduct a privacy impact assessment pertaining to the proposed amalgamation and the new Health Information Act;
- 2) that the Government of the Northwest Territories move swiftly to complete negotiations for a new contract with UNW Local 21;
- 3) that the Department of Health and Social Services give careful consideration to the matter of pension entitlements for employees of UNW Local 21;
- 4) that the Department of Health and Social Services take reasonable steps to retrain employees if regional positions are lost or threatened as a result of system transformation;
- 5) that the Department of Health and Social Services ensure that inspections, investigations and reporting pertaining to critical incidents be conducted in careful adherence to privacy legislation;
- 6) that the Department of Health and Social Services ensure that critical incident investigations, and the communication of their results, get handled in a culturally-sensitive manner;
- 7) that the Department of Health and Social Services establish rules in the regulations around the taking of samples for the purposes of an investigation;
- 8) that the Department of Health and Social Services ensure that clear terms of reference are in place for each regional council;
- 9) that the Minister of Health and Social Services ensure that the chairs of regional councils have a sound base of experience in the delivery of health and social services;
- 10) that the Department of Health and Social Services give due care to information shared between the Territorial Health and Social Services Authority and charitable foundations; and
- 11) that the Department of Health and Social Services communicate effectively with stakeholders regarding its change-management plan.

### Recommendations

#### Recommendation 1

That the Government of the Northwest Territories provide a comprehensive response to this report within 120 days.

Mr. Speaker, I now turn the report over to Mr. Moses.

**MR. SPEAKER:** Thank you, Mr. Yakeleya. Mr. Moses.

**MR. MOSES:** Thank you, Mr. Speaker.

### Conclusion

The Standing Committee on Social Programs thanks all stakeholders who provided written submissions on Bill 44 or attended public meetings.

The committee advises that it supports Bill 44 as amended and reprinted and presents it for consideration to Committee of the Whole.

**MOTION TO RECEIVE  
COMMITTEE REPORT 17-17(5)  
AND MOVE INTO  
COMMITTEE OF THE WHOLE,  
CARRIED**

That concludes the presentation of our report. Therefore, I move, seconded by the honourable Member for Range Lake, that Committee Report 17-17(5), Report on the Review of Bill 44: An Act to Amend the Hospital Insurance and Health and Social Services Administration Act be received by the Assembly and moved into Committee of the Whole for further discussion.

**MR. SPEAKER:** Thank you, Mr. Moses. The motion is in order. To the motion.

**SOME HON. MEMBERS:** Question.

**MR. SPEAKER:** Question has been called. The motion is carried.

---Carried

Committee Report 17-17(5) is received and moved into Committee of the Whole.

Mr. Moses.

**MR. MOSES:** Mr. Speaker, I seek unanimous consent to waive Rule 100(4) to have Committee Report 17-17(5), Standing Committee on Social Programs Report on the Review of Bill 44: An Act to Amend the Hospital Insurance and Health and Social Services Administration Act moved into Committee of the Whole for consideration later today.

---Unanimous consent granted

**MR. SPEAKER:** Item 14, tabling of documents. Mr. Miltenberger.

### Tabling of Documents

TABLED DOCUMENT 253-17(5):  
CITIZENS FIRST 7 – INSTITUTE FOR  
CITIZEN-CENTERED SERVICE,  
DECEMBER 2014

**HON. MICHAEL MILTENBERGER:** Mr. Speaker, I wish to table the following document, entitled "Citizens First 7 - Institute for Citizen-Centered Service, December 2014."

**MR. SPEAKER:** Thank you, Mr. Miltenberger. Mr. Ramsay.

TABLED DOCUMENT 254-17(5):  
OFFICE OF THE REGULATOR OF  
OIL AND GAS OPERATIONS  
ANNUAL REPORT 2014-2015

TABLED DOCUMENT 255-17(5):  
HYDRAULIC FRACTURING  
PUBLIC INFORMATION

**HON. DAVID RAMSAY:** Thank you, Mr. Speaker. I wish to table the following two documents, entitled "Office of the Regulator of Oil and Gas Operations Annual Report 2014-2015" and "Hydraulic Fracturing Public Information."

**MR. SPEAKER:** Thank you, Mr. Ramsay. Mr. Menicoche.

TABLED DOCUMENT 256-17(5):  
LIIDLII KUE FIRST NATION BAND COUNCIL  
RESOLUTION ON HYDRAULIC FRACTURING

TABLED DOCUMENT 257-17(5):  
DEHCHO FIRST NATIONS RESOLUTION ON  
TOTAL BAN ON HYDRAULIC FRACTURING

**MR. MENICOCHÉ:** Thank you very much, Mr. Speaker. I have two documents to table. The first is the Liidlii Kue First Nation November 12, 2013, band council resolution calling for a moratorium on hydraulic fracking in Liidlii Kue traditional territory. As well, I've got the resolution number two from Dehcho First Nations calling for a ban on hydraulic fracturing in the Dehcho First Nation traditional territory.

**MR. SPEAKER:** Thank you, Mr. Menicoche. Item 15, notices of motion. Mr. Bromley.

### Notices of Motion

MOTION 44-17(5):  
COMPREHENSIVE PUBLIC REVIEW  
OF HORIZONTAL HYDRAULIC FRACTURING

**MR. BROMLEY:** Thank you, Mr. Speaker. I give notice that on Thursday, June 4, 2015, I will move the following motion: Now therefore I move, seconded by the honourable Member for Mackenzie Delta, that the government immediately establish a moratorium on horizontal hydraulic fracturing activity for at least two years, or until the completion of a comprehensive, transparent and public review of the cumulative environmental, social and economic risks and benefits of the process.

**MR. SPEAKER:** Thank you, Mr. Bromley. Mr. Hawkins.

MOTION 45-17(5):  
PLEBISCITE ON HYDRAULIC FRACTURING  
IN THE NORTHWEST TERRITORIES

**MR. HAWKINS:** Thank you, Mr. Speaker. I give notice that on Thursday, June 4, 2015, I will move the following motion: Now therefore I move, seconded by the honourable Member for Weledeh, that this Legislative Assembly recommends to the Commissioner that a plebiscite be held in the Northwest Territories on Monday, November 23, 2015, with the following question: "Should hydraulic fracturing be permitted in the Northwest Territories??"

**MR. SPEAKER:** Thank you, Mr. Hawkins. Mr. Bouchard.

MOTION 46-17(5):  
APPOINTMENT OF MEMBERS TO THE  
NWT HONOURS ADVISORY COUNCIL

**MR. BOUCHARD:** I give notice that on Thursday, June 4, 2015, I will move the following motion: Now therefore I move, seconded by the honourable Member for Kam Lake, that the following persons be recommended to the Commissioner of the Northwest Territories for appointment to the NWT Honours Advisory Council, effective immediately for a term of three years:

Ms. Grace Blake of Tsiigehtchic;  
Ms. Sabrina Broadhead of Hay River;  
Mr. Paul Delorey of Hay River;  
Mr. Danny Gaudet of Deline; and  
Ms. Anne Peters of Yellowknife.

**MR. SPEAKER:** Thank you, Mr. Bouchard. Mr. Yakeleya.

MOTION 47-17(5):  
EXTENDED ADJOURNMENT OF THE HOUSE  
TO SEPTEMBER 29, 2015

**MR. YAKELEYA:** Mr. Speaker, I give notice that on Thursday, June 4, 2015, I will move the following motion: I move, seconded by the honourable Member for Thebacha, that, notwithstanding Rule 4, when this House adjourns on Thursday, June 4, 2015, it shall be adjourned until Tuesday, September 29, 2015;

And further, that any time prior to September 29, 2015, if the Speaker is satisfied, after consultation with the Executive Council and Members of the Legislative Assembly, that the public interest requires that the House should meet at an earlier time during the adjournment, the Speaker may give notice and thereupon the House shall meet at the time stated in such notice and shall transact its business as it has been duly adjourned to that time.

**MR. SPEAKER:** Thank you, Mr. Yakeleya. Item 16, notices of motion for first reading of bills. Item

17, motions. Item 18, first reading of bills. Mr. Ramsay.

### First Reading of Bills

BILL 56:  
MISCELLANEOUS STATUTE LAW  
AMENDMENT ACT 2015

**HON. DAVID RAMSAY:** Mr. Speaker, I move, seconded by the honourable Member for Monfwi, that Bill 56, Miscellaneous Statute Law Amendment Act 2015, be read for the first time.

**MR. SPEAKER:** Thank you, Mr. Ramsay. The motion is in order. To the motion.

**SOME HON. MEMBERS:** Question.

**MR. SPEAKER:** Question has been called. The motion is carried.

---Carried

Bill 56 has had first reading. Item 19, second reading of bills. Mr. Abernethy.

### Second Reading of Bills

BILL 55:  
MENTAL HEALTH ACT

**HON. GLEN ABERNETHY:** Thank you, Mr. Speaker. I move, seconded by the honourable Member for Thebacha, that Bill 55, Mental Health Act, be read for the second time.

This bill replaces the Mental Health Act. It modernizes mental health legislation and includes an approach to promote the care and treatment of patients in communities where appropriate. It provides for the establishment of a review board to hear, in a timely manner, applications by patients, persons acting on behalf of patients, medical practitioners and other persons. A consequential amendment is made to the Property Assessment and Taxation Act.

**MR. SPEAKER:** Thank you, Mr. Abernethy. To the principle of the bill. Mr. Moses.

**MR. MOSES:** Thank you, Mr. Speaker. I would just like to thank the Minister for bringing the bill forward, the Mental Health Act. As he knows, the Mental Health Act hasn't had any significant changes to it since 1985. Throughout my term as an MLA, a lot of our issues that we see and deal with, and as chair of the Committee on Social Programs, a lot of issues that we deal with, whether it's in justice, education, health, housing, and it could go on and on, all comes down to an underlying fact and that deals with mental health.

I know that residents of the Northwest Territories will be very happy to hear that this government, the 17<sup>th</sup> Legislative Assembly Members all agreed to ensure that that bill needed to be updated and

modernized so that people don't slip through the cracks anymore. Along with this bill what needs to be done is that we've got to start providing the programs and the services that our people need so that they can get the help that they deserve so that they can be part of society.

I just wanted to make a quick comment on this, and I know that, as we're going through the second reading of the bill, the Standing Committee on Social Programs will be looking forward to receiving a lot of comments and feedback from our stakeholders, from residents of the Northwest Territories, but also looking at engaging our public in our public consultations as we go to the communities and also hearing from our residents across the North and even getting input from organizations across Canada. Personally I know that I've been a big advocate on the mental health aspect and I'm glad to see where we are today and I know committee is going to work hard to try to push this bill through and I know we've got one more sitting and hopefully we'll get it done during the 17<sup>th</sup> Legislative Assembly. Thank you, Mr. Speaker.

**MR. SPEAKER:** Mr. Moses, to the principle of the bill. Ms. Bisaro.

**MS. BISARO:** Thank you, Mr. Speaker. I want to add a few comments to those and my thoughts are very similar to those of my colleague. This bill has been overdue for a very long time and I want to commend the Minister and the staff of his department for getting it done in short order. They've been working very hard to get this brought forward for this particular sitting.

There are many of our residents who are affected by mental health. There are many of our residents who don't get the treatment they need because the current Mental Health Act is outdated and it will be totally replaced by this new act. I'm looking forward to examining the act as committee goes through their work and examines the bill, hears from residents about what is good with the bill, what is bad with the bill, and I'm looking forward very much to updating a very outdated act and seeing that our residents are going to be able to be treated far better than they are now, those that have mental health issues. So, thanks to the Minister and thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Ms. Bisaro. To the principle of the bill. Mr. Abernethy.

**HON. GLEN ABERNETHY:** Thank you, Mr. Speaker. I appreciate the Members' comments. The Members are correct; our current Mental Health Act came into force in 1985 and there has been no significant amendment since. This bill will completely replace the old Mental Health Act.

Mr. Speaker, there are gaps in our current mental health system and residents are falling through the

cracks. It's clear that change is urgently needed and the time is now. This legislation will fill those gaps and modernize the current mental health framework. The bill streamlines the current assessment and admissions process and also removes some of the paperwork and administration burdens posed by the current act which is going to be appreciated by members but also the staff.

To protect the rights of patients and those acting on their behalf, the bill includes modern and comprehensive rights for patients and their substitute decision-makers.

It will establish a review board and panels to hear concerns from patients, families and medical practitioners. The review board will also automatically review the certificates of long-term patients to ensure that appropriate treatment care is being provided.

Perhaps one of the most significant aspects of Bill 55 is the provision of the assisted community treatment. Assisted community treatment will allow involuntary patients to receive mental health treatment, care and supervision while living in a community and will be customized to meet the specific treatment needs of patients. This is recognized as best practice and helps ensure appropriate support is provided to mental health patients in the community.

Mr. Speaker, I appreciate the support from Regular Members who have pushed hard and long for the development of this bill and I look forward to hearing the committee's recommendations to help us make this bill even stronger in the best interest of residents throughout the Northwest Territories. So I am looking forward to having continued discussion with committee, and let's get this bill right. Thank you, Mr. Speaker.

**MR. SPEAKER:** Thank you, Mr. Abernethy. To the principle of the bill.

**SOME HON. MEMBERS:** Question.

**MR. SPEAKER:** Question has been called. Bill 55 has had a second reading and is referred to a standing committee.

---Carried

Item 20, consideration in Committee of the Whole of bills and other matters: Tabled Document 248-17(5), Supplementary Estimates (Operations Expenditures), No. 1, 2015-2016; Bill 37, Financial Administration Act; Committee Report 15-17(5), Report on the Review of Bill 37: Financial Administration Act; Bill 44, An Act to Amend the Hospital Insurance and Health and Social Services Administration Act; Bill 47, An Act to Amend the Child and Family Services Act; and Committee Report 17-17(5), Standing Committee on Government Operations Report on the Review of

Public Accounts, with Mrs. Groenewegen in the Chair.

### Consideration in Committee of the Whole of Bills and Other Matters

**CHAIRPERSON (Mrs. Groenewegen):** I'd like to call Committee of the Whole to order. What is the wish of the committee today? Ms. Bisaro.

**MS. BISARO:** Thank you Madam Chair. We would like to start with Tabled Document 248-17(5), the supplementary estimates document and then I think in this order: Bill 37, Committee Report 15-17(5), Bill 44, Committee Report 16-17(5), Bill 47 and Committee Report 17-17(5), time permitting. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Ms. Bisaro. Is committee agreed?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Agreed. Thank you. We'll commence with that after a brief break.

---SHORT RECESS

**CHAIRPERSON (Mrs. Groenewegen):** I'd like to call Committee of the Whole to order. When we adjourned yesterday we were working on Tabled Document 248-17(5), Supplementary Estimates (Operations Expenditures), No. 1, 2015-2016. At this time I would like to ask the Minister if he would like to return to the table with his witnesses.

**HON. MICHAEL MILTENBERGER:** Yes, Madam Chair.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Miltenberger. Committee agreed?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you. I will ask the Sergeant-at-Arms to escort the Minister's witnesses to the table.

For the record again today, would you please introduce your witnesses.

**HON. MICHAEL MILTENBERGER:** Thank you, Madam Chair. I have with me Mike Aumond, deputy minister of Finance; and Mr. Sandy Kalgutkar, deputy secretary to the FMB. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Minister Miltenberger. The page we left off on yesterday in your document is page 7, Executive, operations, directorate, not previously authorized, \$575,000. Mr. Moses.

**MR. MOSES:** Thank you, Madam Chair. I didn't get a chance to ask all my questions and just the dialogue gets you kind of wanting to ask a few more questions in terms of where we are going with these five positions that have been in more of the discussion from yesterday.

I would like to ask the Minister, if these five positions are approved, as I mentioned yesterday, under the key findings there were a lot of issues in terms of management. There were discussions around policy as well as some of the directives that fall under these two groups. I wonder, if these five positions are approved, will that open up more free time for the other communications staff to pick up the work and start working on these directives, those 15 key findings and address some of the issues surrounding those. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Moses. Mr. Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Madam Chair. What will be happening is that, as the review pointed out, we will have an undersized communications staff for the amount of work that there is. We have taken over about \$65 million worth of new programs and services in the land, water and resource development area, so there is going to be some restructuring, reorganizing done, better coordination they are going to have to pick up and do as we up our game in relation to all our post-devo activities. We also know we have to do the adjustments that were recommended. This is going to give us some more capacity, allow us to better coordinate and redo the structure so that they are, in fact, more effective. Thank you.

**MR. MOSES:** Just another quick question for clarity. These five positions we are looking at locating them, has there been any discussion or any work being done to look at putting these five positions out into the regional centres? We have TeleHealth. We have the fibre optic one coming down. There are better ways of communicating. If we are looking at making communication based on a lot of these new responsibilities that we have, why can't we do that in the regions and get our regional residents more updated and educated and aware of what our responsibilities are, rather than having to do it through headquarters? Thank you, Madam Chair.

**HON. MICHAEL MILTENBERGER:** One of the biggest needs was assessed to be the need for better coordination and resources, some resources at the executive level, the headquarters level to help coordinate better and more effectively the current system as well as all the programs and services that we have taken on since post-devolution. There are folks in the regions as well. But the overall need is for government to do a better overall job of coordinating and managing the communication requirements, and we are in, fundamentally, the communicating business. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Minister Miltenberger. Next on the list I have Ms. Bisaro.

COMMITTEE MOTION 119-17(5):  
DELETE \$516,000 FROM DIRECTORATE  
ACTIVITY, DEPARTMENT OF EXECUTIVE,  
DEFEATED

**MS. BISARO:** Thank you, Madam Chair. I have a motion. I would like to move that \$516,000 be deleted from the activity "directorate" under the Department of Executive, operations expenditures, not previously authorized, on page 7, for the provision of funding for costs associated with the communications functional review. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Ms. Bisaro. I am just going to give a moment now for the Pages to pass the motion out so that everyone has a copy of it in front of them before we vote.

We are just going to proceed here. We just have to wait one moment for the motion to be distributed.

Thank you. The motion is in order. To the motion. Ms. Bisaro.

**MS. BISARO:** Thank you, Madam Chair. I will just make a few brief remarks. I think there were a lot of remarks yesterday as we discussed this page and these expenditures. Members have a lot of concerns, one of which is that this should have come through with the budget that we passed not even two months ago. Maybe it was more than two months. We have yet to see a plan for how the government is going to reshape our communications complement of staff. Those are just two things and I think that, as Members, we feel that this is something that should have been funded through the regular appropriations process, not a supplementary appropriation. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Ms. Bisaro. To the motion. Mr. Dolyunny.

**MR. DOLYNNY:** Thank you, Madam Chair. Unfortunately, I didn't have a chance to speak to this motion the other day as I was sitting in your capacity, so this is my first time to address this and I appreciate the ability to do so under the motion here.

Without repeating what has been said in the House, this expenditure, really, I don't believe it was well thought out, even though everything that was presented to committee here was under the guise or umbrella of something that was supposed to be well thought out and it didn't occur.

From a managerial point of view, I look at this as a manager and I look at what is the ask here. The ask here is to add five new positions to an already existing base of 27 to deal with our communications. All the while, I guess the rationalization for that was because we are now undertaking, as we were told – and I heard two different numbers yesterday – anywhere from 63 to 65 million dollars more of so-called work.



It doesn't take much rocket science to equate the increase in capacity in dealing with the amount of workload. We are being asked right now to approve the capacity building of almost 19 percent increase in a department which is only really increasing its workload by about 3.5 percent with this so-called new money or new devolution money and new way of doing business.

If one was looking at this as a manager, one would have to be suspect as to whether or not this would even pass the nose of the board of directors.

Madam Chair, we are that board of directors and, by de facto, we are the oversight here, the so-called natural ombudsmen, and I think we are enacting that power as ombudsmen to say, "This will not fly." Unless the department has a better way of proving its need to increase this area by 19 percent of personnel, the argument that they have before committee is just not that satisfactory. For that reason, I definitely will be supporting this motion.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Dolynny. To the motion. Mr. Menicoche.

**MR. MENICOCHÉ:** Thank you very much, Madam Chair. Much of our discussion over this item and these communications positions is about due process. Myself, I do feel that this could have been better addressed in the business plan and not at this late stage, so I certainly will be supporting this motion for deletion of this item under consideration.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Menicoche. To the motion. Premier McLeod.

**HON. BOB MCLEOD:** Thank you, Madam Chair, for the opportunity to make a few comments. First of all, with regard to the question of due process, we mentioned it yesterday that committee was offered briefings on three occasions but chose not to take advantage of them. The last letter that we sent was December 18<sup>th</sup>. There was no response from committee as to the feedback and the response to the previous correspondence.

Communications in the public sector is about ensuring that citizens have access to their government. It means providing them with information they need to access programs and services and to benefit from the work government does. Communications is also about providing services to each of your constituents. Effective and strategic communications will deliver the right information to our communities in timely and relevant ways. Public sector communications is also about getting clear, accessible authorities' information to residents during emergencies, and an organized, strategic approach to the use of social media is one example of how these positions will bring effectiveness to the role of GNWT communicators.

You may recall when we had a blackout around New Year's. There was a lot of criticism that we didn't use more social media. We want to bring our communications efforts up to modern realities. Also, last year's fire season is a perfect example of how social media could work for us. Twitter and Facebook played an important role in notifying residents instantly, and this can and should become the standard practice of other departments, other issues, other information.

As a government, we are still in the dark ages when it comes to the use of social media. We did not have the resources to standardize and manage this well, as was pointed out in the after action reviews that recently came out. Using radio, television and newspapers to build awareness about important services is important. Reaching out to citizens through online surveys to hear their thoughts on new policies and programs or regulations will help us immensely. Ensuring that our tourism and economic opportunities are shared nationally and internationally will benefit from these additional resources. Helping citizens understand the regulatory system in the Northwest Territories and opportunities for participation is important. We also have about 20 GSOs in the communities that we use to pass information on to their clientele, and these additional resources would improve those services in those areas.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Premier McLeod. To the motion. Mr. Hawkins.

**MR. HAWKINS:** Thank you, Madam Chair, for recognizing me. I appreciate the opportunity to speak on this.

Just because they didn't follow the normal process doesn't make it any less important, and I think that's an important fact. It doesn't make it any less important or any less necessary. I think the Premier spoke about some of the issue. He didn't say any of my issues. I have problems with communications, and I will give them to his list so he can add them.

I personally think communications needs to be better coordinated. It's my opinion that we should have a communications secretariat in some way that actually works directly with the Premier's office in a manner that disseminates out. We create a chain where we work with newer communications folks, work with more experienced ones, a little bit of a network there that all tie together. That way everyone is working from the same page and they understand what departments are doing and even that feeds up better to the Cabinet table. I would prefer a system that works more integrated than the one we have now. Is this the right approach? Well, maybe one can look at this as the thin tip of the wedge that we're trying to start, the smallest piece, and hopefully it will expand beyond that.

I think we don't demand accountability of our communications people in the same way that we do

out of our politicians. We have to have a system that can meet those demands when we put the pressure on them to communicate better, as we've seen in the past. We have high expectations here, and how do we do that when they're all in these little pockets all over the place beating to their own drums or coordinating in their own methods but, as I said earlier, not integrated.

I'm not sure. Well, frankly, I really don't care that they came late to the table with their request. To me it doesn't make it less important.

The last point I'll say is in this modern age, I'm not sure all the communications positions need to be in Yellowknife. I say that because some of them are new. I think maybe it would make sense that the coordination of them might be where the masses are, obviously. But in this modern day with the way people communicate it's not the same as in the old days whereas they all had to be at the same table, face to face, pressing flesh directly with each other. In this modern day you could have a communications expert in every single region rather than nestled ever so comfortably in every single department. That's not to say I'm suggesting any one of our communications people don't do any good work. That's not what I'm saying. It's just, we need to look at, sort of, how we organize them, as well, and I would certainly hope that that would be part of the longer term goal, because there could be some great opportunities here to find regional positions out of some of these, out of all of these positions. I'm not speaking to these three and these two which are obviously five positions, but I'm also speaking about the whole suite of communication positions of probably about 20 or more.

I won't vote for the motion. I do appreciate my colleagues' perspectives, but at this time I simply just don't share it.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Hawkins. To the motion.

**SOME HON. MEMBERS:** Question.

**CHAIRPERSON (Mrs. Groenewegen):** Question is being called. The motion is defeated.

---Defeated

I will read this page again. Executive, operations expenditures, directorate, not previously authorized, \$575,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Ministers' offices, not previously authorized, \$335,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Total department, not previously authorized, \$910,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Turning to page 8, then. Finance, operations expenditure summary, budget, treasury and debt management, not previously authorized, \$1,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Deputy minister's office, not previously authorized, \$743,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Office of the comptroller general, not previously authorized, \$20,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Total department, not previously authorized, \$764,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Health and Social Services, operations expenditure summary, administrative and support services, not previously authorized, \$36,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Ambulatory care services, not previously authorized, \$1,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Community health programs, not previously authorized, \$215,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Ms. Bisaro.

**MS. BISARO:** Thank you, Madam Chair. I wanted to ask a question here about the transfer from the Department of Education, Culture and Employment of the Child and Family Resource Program to the Health and Social Services Healthy Family Program. It's not clear here why the transfer either is necessary or why it's happening, if I could get an explanation, please. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Ms. Bisaro. Mr. Kalgutkar.

**MR. KALGUTKAR:** Thank you, Madam Chair. The \$150,000 was originally part of ECE's \$1.25 million approved for Early Childhood Development work. The Child and Family Resource Program, which is a component of that initiative, the departments were working together and determined that that funding would be better spent and better leveraged under the Department of Health and Social Services Healthy Family Program initiative and that's why the transfer is taking place. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Kalgutkar. Ms. Bisaro.

**MS. BISARO:** Thanks, Madam Chair, and thanks to Mr. Kalgutkar. It doesn't explain to me, though, why this program is being moved. Does it mean that there is no longer a Child and Family Resource Program? I need to understand if it's only partially being moved, if the program still exists within ECE, or if the whole program now is defunct and it's become part of the Healthy Family Program. If that's the case, have the goals of the Healthy Family Program changed with the addition of the Child and Family Resource Program? Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Ms. Bisaro. Minister Abernethy.

**HON. GLEN ABERNETHY:** Thank you, Madam Chair. This is about the departments working together for the common good, trying to improve services for youth. This isn't an elimination of the entire program in Education, Culture and Employment but it is a recognition that by working together we're able to support a Healthy Family Program in the Beaufort-Delta, in Tuk in particular, and this is our way of working together to float some money. We're also partnering with the community and with the Inuvialuit to make this happen. This isn't an elimination in any way of the education program. This is us working together to provide a Healthy Family Program with partners in the Beaufort-Delta, Tuk in particular.

**MS. BISARO:** Thanks to Minister Abernethy. I'm still not totally clear. So, am I correct in saying that the Child and Family Resource Program has been reduced in the amount of funding they will get and that the Healthy Family Program has been increased in the amount of money they get, that the criteria for both programs will remain the same? Thank you.

**HON. GLEN ABERNETHY:** The program within Education, Culture and Employment continues to exist. There were some similarities in the program and in working with the Inuvialuit in Tuk, there was a recognition that by all of us pooling together and working together with the Inuvialuit, we can provide the different components of the program in Tuk. So, it's a tailored approach to meet specific community needs, but it doesn't mean that the education program doesn't exist and isn't being provided elsewhere. It also doesn't mean that the healthy family programs being supported by Health and Social Services are changing elsewhere. However, if we're approached by communities and they have some creative solutions on how we can work together to get maximum benefit for our dollars and incorporate involvement from different communities, we're certainly open to that opportunity, as we were in this case.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Minister Abernethy. I'm going to call that item again now. Health and Social Services, operations

expenditures, community health programs, not previously authorized, \$215,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Agreed. Thank you. Community social programs, not previously authorized, \$31,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Diagnostic and therapeutic services, not previously authorized, \$5,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Nursing inpatient services, not previously authorized, \$16,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Agreed. Thank you. Turning then to page 10 for the continuation, Health and Social Services, operations expenditures, supplementary health programs, not previously authorized, negative \$7,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Total department, not previously authorized, \$297,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Agreed. Thank you. On to page 11, Human Resources, operations expenditures, directorate, not previously authorized, \$1,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Labour relations, not previously authorized, \$1,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Management and recruitment services, not previously authorized, negative \$5,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Regional operations, not previously authorized, \$9,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Agreed. Thank you. Total department, not previously authorized \$6,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Agreed. Thank you. Moving on to Industry, Tourism and Investment, operations expenditures, corporate management, not previously authorized, \$5,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Economic diversification and business support, not previously authorized, \$427,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Minerals and petroleum resources, not previously authorized, \$981,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Tourism and parks, not previously authorized, \$2,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** The total department, not previously authorized, \$1.415 million.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Agreed. Thank you. For the Department of Justice, operations expenditures, community justice and policing, not previously authorized, \$318,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Agreed. Thank you. Corrections, not previously authorized, negative \$108,000

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Court services, not previously authorized, \$7,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Legal aid services, not previously authorized, \$3,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Services to government, not previously authorized, \$108,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Agreed. Thank you. Services to public, not previously authorized, \$1,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Total Department of Justice, not previously authorized, \$329,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Agreed. Thank you. Land, operations expenditures, informatics, not previously authorized, \$432,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Operations, not previously authorized, \$79,000

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Planning and coordination, not previously authorized, \$200,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Total Department of Lands, total department, not previously authorized, \$711,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Agreed. Thank you. Moving on to page 15, Municipal and Community Affairs, operations expenditures, regional operations, not previously authorized, \$18,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** School of Community Government, not previously authorized, \$5,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Total Department of Municipal and Community Affairs, not previously authorized, \$23,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Agreed. Thank you. Public Works and Services, operations expenditures, asset management, not previously authorized, negative \$198,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Directorate, not previously authorized, negative \$3,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Energy, not previously authorized, negative \$1,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Total Department of Public Works and Services, not previously authorized, negative \$202,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you. And our final page, number 17, Transportation, operations expenditures, airports, not previously authorized, \$4.646 million. Ms. Bisaro.

**MS. BISARO:** Thank you Madam Chair. I have a question here around the funding to repair surface depression on runway 10-28 at the Yellowknife Airport. It's \$3 million. Quite often we get funding from the federal government from Transport Canada in order to assist with repairs and extension and so on of our runways. I would like to know whether or not there's any federal funding that will offset this expenditure of the \$3 million. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Ms. Bisaro. Mr. Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Madam Chair. Not at this point in time. The Department of Transportation, I understand, is

going to put in an application, but at this point this is all GNWT money. Thank you.

**MS. BISARO:** So, just to clarify, we're putting in an application, so we may get some money back from the feds but we obviously won't know that for a while. Is that correct?

**HON. MICHAEL MILTENBERGER:** Yes, Madam Chair, that is correct.

**MS. BISARO:** That's all I have on airports. I do have a question on highways. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Alright. Thank you. So, Transportation, operations expenditures, airports, not previously authorized, \$4.646 million. Mr. Bromley.

**MR. BROMLEY:** Thank you, Madam Chair. I did want to follow up there. So, the \$3 million is for the Yellowknife Airport and the \$1.6 million for Inuvik Airport runway repair are both carried over, so these are issues that have been ongoing. Can I just find out if these are loss of permafrost-type things that are going on?

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Bromley. Mr. Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Madam Chair. Yellowknife runway was not a carry-over, and yes, there are still some unresolved issues in Inuvik. Some of them are related to permafrost, possible underground streams and such. Thank you.

**MR. BROMLEY:** Thanks for that correction. So the Yellowknife Airport isn't a new situation. Is that also, do we know, a permafrost thing? It sounds like it is a bigger deal than the Inuvik one. Thank you.

**HON. MICHAEL MILTENBERGER:** It is not a permafrost issue. There have been some depressions identified in one of the areas that the runway happens to be, so they are trying to sort that out. But I understand it is not a permafrost-related issue. Thank you.

**MR. BROMLEY:** Thank you for that. Just on the Inuvik one, I thought we had repaired that last summer. Did it reopen up in the same area, or is this another area of the airstrip? Is this directly related to the first one? Does it make it a larger issue? I just have to get some context on that. Thank you.

**HON. MICHAEL MILTENBERGER:** The funding is carried over to deal with the same issue in the same area. It just hasn't been fully completed. Thank you.

**MR. BROMLEY:** So, the new one that we read about in the paper was a real thing in the same spot. The temporary repairs weren't sufficient. Is that what I'm hearing? Thank you.

**HON. MICHAEL MILTENBERGER:** That is correct, Madam Chair.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Miltenberger. Mr. Bromley anything further?

Expenditures, airports, not previously authorized, \$4.646 million. Agreed?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you. Corporate services, not previously authorized, \$3,000. Agreed?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Highways, not previously authorized, \$67,000. Ms. Bisaro.

**MS. BISARO:** Thanks, Madam Chair. I have a question with regards to the \$57,000 funding for costs associated with monitoring activity on Highway No. 3. I understand that this is federal funding and the background information provided suggests that the Department of Transportation is reviewing a draft report of previous testing on this section of the highway.

Could I get a bit of an update on what this \$57,000 is going to be used for? It seems a fair bit of money just to monitor, and if there is a report being reviewed, that suggests to me that the work is already completed. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Ms. Bisaro. Minister Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Madam Chair. There is a portion of the highway that had to have appropriate monitoring equipment put in, monitored over specific periods of time, the data collated and they had to do their assessment, with the end result or the goal being to hopefully come up with some potential solutions for that part of the highway.

As it's noted in here, this money is offset by federal contribution. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Miltenberger. Ms. Bisaro.

**MS. BISARO:** Thanks, Madam Chair, and thanks to the Minister. I appreciate the fact that it is federal money, but just because it is federal money it doesn't mean that we should spend it on something that isn't really necessary.

So, if we have a report already, what is it that we are monitoring? Can I get an explanation of the work? Was the report done on a period of work that is now completed and we are doing further work that is being measured and monitored? It's not clear to me why we are still continuing to spend money when a report has been done. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Ms. Bisaro. Mr. Aumond.

**MR. AUMOND:** Thank you, Madam Chair. The Department of Transportation is trying to do some different construction techniques to protect the road

and to protect the permafrost underneath the road. What it is, is trying to test those techniques and analyze whether or not they are appropriate or not for a larger application on that stretch of highway. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Aumond. Ms. Bisaro.

**MS. BISARO:** Thank you, Madam Chair. I was just going to say that's all. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Alright. Thank you. Mr. Bromley.

**MR. BROMLEY:** Just a quick follow-up there. How long is this monitoring supposed to go on? Is this sort of an interim report, I gather, from what I've heard so far, and when will we see the final results on the testing of these new road construction techniques to protect permafrost? Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Bromley. Mr. Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Madam Chair. There were test sections, four of them, laid out 2012 and there is a monitoring program until 2015, to September 2015. They will document all that work and pull it all together at that point. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you. Transportation, operations expenditures, highways, not previously authorized, \$67,000. Agreed?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Marine, not previously authorized, \$1,000. Agreed?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Road licensing and safety, not previously authorized, \$4,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Total Department of Transportation, not previously authorized, \$4.721 million. Agreed?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you. Does the committee agree that we have concluded consideration of Tabled Document 248-17(5)?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you. Ms. Bisaro.

COMMITTEE MOTION 120-17(5):  
CONCURRENCE OF TABLED DOCUMENT  
248-17(5), SUPPLEMENTARY ESTIMATES  
(OPERATIONS EXPENDITURES),  
NO. 1, 2015-2016,  
CARRIED

**MS. BISARO:** Thank you, Madam Chair. I move that consideration of Tabled Document 248-17(5), Supplementary Estimates (Operations Expenditures), No. 1, 2015-2016, be now concluded and that Tabled Document 248-17(5) be reported and recommended as ready for further consideration in formal session through the form of an appropriation bill. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** The motion is being distributed. Thank you. The motion is in order. To the motion.

**SOME HON. MEMBERS:** Question.

**CHAIRPERSON (Mrs. Groenewegen):** Question is being called. The motion is carried.

---Carried

I would like to thank Mr. Aumond and Mr. Kalgutkar for their attendance here today, and I would ask the Sergeant-at-Arms to escort them from the Chamber.

**CHAIRMAN (Mr. Bouchard):** Thank you, committee. We will resume. Committee has agreed to look at Bill 37, Financial Administration Act. I will ask the Minister responsible for the bill if he has introductions to make. Minister Miltenberger.

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Chair. I am here to present Bill 37, Financial Administration Act.

The modernization of the Financial Administration Act has been a long-term initiative as there has been no major review of the act since 1987. The FAA is intended to provide a legislative framework for the effective and efficient stewardship of government resources and accountability requirements for the management and use of these resources. Bill 37 will establish a framework for improved accountability, transparency and fiscal responsibility in respect of public money and other money administered by government and public agencies.

I will be prepared to answer any questions that committee members may have.

**CHAIRMAN (Mr. Bouchard):** Thank you, Minister Miltenberger. I'll go to the chair of the Standing Committee on Government Operations and committee will consider the bill and opening comments. Mr. Dolyunny.

**MR. DOLYNNY:** Thank you, Mr. Chair. I am pleased to be here representing the Standing Committee on Government Operations. We would like to commend and thank the Minister and his

department and staff in collaboration as we prepared the report and, as well, the final, third reading we have coming up here, hopefully, later today.

The bill is a very complicated piece of legislation, and as we indicated in our report, we needed the expertise of a contractor. Again, we want to echo our thanks to Mr. Lew Voytilla who took a painstaking task to look at this line by line and help educate the committee on some of the rigors of the financial acumen and the public accounts and the public system of government operations. So for that, the committee is thankful.

Of course, committee members might have further questions here today, but on behalf of the committee we would like to thank and commend the government for a good piece of legislation.

**CHAIRMAN (Mr. Bouchard):** Thank you, Mr. Dolynny. Minister Miltenberger, do you have witnesses to bring into the House?

**HON. MICHAEL MILTENBERGER:** Yes, Mr. Chairman.

**CHAIRMAN (Mr. Bouchard):** Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Bouchard):** Sergeant-at-Arms, please escort the witnesses into the Chamber.

Minister Miltenberger, I'll get you to introduce your witnesses to the Chamber.

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Chairman. I have with me Mike Aumond, deputy minister; Jamie Koe, director of budgeting and evaluations; and Ms. Kelly McLaughlin, director of legislation.

**CHAIRMAN (Mr. Bouchard):** Thank you, Minister Miltenberger. Committee, I'll open up the floor to general comments on Bill 37. Ms. Bisaro.

**MS. BISARO:** Thank you, Mr. Chair. I want to make a few comments about the work that committee and Minister and staff did on this bill. As the Minister said in his remarks, it has been a long-term initiative. The amendments to this act were long overdue. This is a totally rewritten act and it is going to be quite beneficial.

The actual work to get a new act has been ongoing since 2005. I think that's when the first LP was proposed. It has gone back and forth over several Assemblies. I think we were successful in this Assembly, and with this particular piece of legislation, because there was a great deal of collaboration – and Mr. Dolynny referred to that already – but there was a great deal of collaboration between committee and Minister, between Finance staff and Ledge staff, and between the lawyers on the Finance side and the Law Clerk on the Legislative Assembly side. I think

that enabled us to make a number of amendments that have improved the bill.

There was a need for the committee... We did a lot of work initially on our own with our own staff and then felt that there were areas where we weren't all that certain of the ramifications of some of the suggested changes, so we engaged the services of a consultant. I think that was money well spent in that we got a number of recommendations from the consultant's report which certainly benefited the bill and made it a better bill in the end.

I just want to mention a couple of things that I note as being important in the bill and some changes that will take place as this new bill goes into effect. It is a goal of this particular bill for the government to exert greater control over public agencies. Not so much to tell them what to do but to make sure that they are accountable and that they are spending public money wisely. There was quite a bit of concern initially on the part of committee because we didn't really understand what the intent was. I think, after several conversations and the understanding of the intent, I certainly am comfortable, as a committee member, that public agencies are going to have to ensure that they're using the money correctly and wisely and that they are accountable and transparent, but they're not going to be hampered in the way that they go about their business for their organization.

I had a large concern with some of the tax revenues for education boards. There are only two or three that have their own tax revenues, and now I'm comfortable that with legislation, both the FAA and the Education Act, that the education boards that do produce their own revenue through taxation will be able to keep control of those funds.

There are a number of provisions of the Financial Administration Manual that have been moved from policy into legislation, and those are good moves. I think it's going to improve accountability and transparency all around.

There are two large pieces of policy which I want to highlight. They were necessary, and they're both quite prominent in this new bill, Bill 37. One is a Planning and Accountability Framework, which the Minister must produce, and a Fiscal Responsibility Policy, which the Minister must produce, and both of which through discussion and amendments there will be an opportunity for the Legislative Assembly and standing committees of the Assembly to provide input into those two policies whenever changes are contemplated and want to be brought forward.

Lastly, I am pleased that this act has reached this stage. It's going to bring the act in line with many of our current practices and procedures. I think we've been doing things from a financial perspective that we know are right but they haven't necessarily been recorded in legislation, and they will be as we go

forward now. We will have an updated act and we will have a modernized act, and I think in a couple of areas we are going to be at the leading edge, if not leading the country, in a few areas. Kudos to the Minister and staff for getting this done.

**CHAIRMAN (Mr. Bouchard):** Thank you, Ms. Bisaro. Next I have Mr. Dolynny.

**MR. DOLYNNY:** Thank you, Mr. Chair. Again, I want to echo the substantive work that went in behind this review of this act. I can assure the public that reviewing financial acumen in detail isn't exactly sometimes the most palatable work a legislator does but it is, indeed, one that looks after the public interest, especially the issue of looking after the public purse. So for that I believe due diligence was achieved and harmony at the end.

I want to spend just a little bit of time on one of the motions that was brought forth with the Minister and, of course, there was concurrence, but I'm a firm believer that we could have done better, we could have gone further, and for that I want to make sure that my views are enshrined today here with the department. That was clause 13. Now, to put that into context, clause 13 has to deal with the approving of the Fiscal Responsibility Policy, and with it we are pleased with the fact that there was concurrence from the Minister, "that any amendment to the policy, the board shall consult with the Legislative Assembly or a committee of the Legislative Assembly." For that I'm very pleased to see that happen. But I don't believe that's entirely the end of it. I think this is the beginning where government needs to look at its own internal, we call it big P policy, and look at the ability for it to be enshrined not in policy but in law. Many other jurisdictions in Canada have undertaken very similar patterns. In fact, we've seen places like New Brunswick, which has enacted financial or fiscal accountability law and have been very successful.

We know that the department has struggled. I know they are showing improvements, especially with their public accounts. But in terms of the public reporting aspect, the C.D. Howe Institute has recently given the government a D-plus rating in their reporting requirements, and I know that there was an exchange here in the House with the Minister and there was commitment to take a look at that and look at improvements. While I applaud the effort of the government to look at bettering our accounting questions, it does lend the question, why do we still see today a fundamental piece of our borrowing, a fundamental piece of how we debt management in a policy that not that many years ago was enshrined in a small pamphlet. In fact, it was in place in 2008, under the direction of the Honourable Floyd Roland, who at that time was chair of the GNWT Financial Management Board.

Again, with this policy, there are enshrined FAM sections, like section 1400, and these are

fundamentally the compass waypoints, the guiding waypoints for all the financial administration actions of the government. So this very small pamphlet which is basically, if you were to Google and go online and type in Fiscal Responsibility Policy, this is what you would see. Of course, this pamphlet is definitely out of date and it still makes references to section 300 of the FAM. However, up until this act, the concern the committee had was that the Finance Minister could unilaterally make changes that fundamentally affected the accounting acumen of the government without any consultation with Members of the House.

Now we have legislation that protects them and I want to echo that. But as I said earlier, if you want to enshrine the ability to have better fiscal transparency and better accountability, you have to look at these high level functionalities in their weight in law and not in a policy and definitely not in regulations, so that the public has the ability to reference it easily and, more importantly, that a full vetting process is before the House.

Now we have one component, here but I'm saying, Mr. Chair, I don't believe we have gone far enough. I'm hoping that with time and with changes of fiscal and public accounting standards' attitude, we can get to the same level as our provincial jurisdictions down south. So all the while what we're trying to do is to hold the government accountable for the actions it takes.

So with that, I again don't want to bequeath the fact that we don't have a good piece of legislation before the House, I'm just saying that we have further opportunities as we move forward and I'm hoping that at some point in the future the government, the department and the Minister and whoever the future Minister is, will take the liberty to investigate further actions on enshrining better policy, big P policy, in putting this in the proper legislative framework that I believe it's intended for and not to keep it in the form that it is today.

So, again, I want to thank my colleagues here from the Standing Committee on Government Operations for a timeless effort in getting us here today. I don't want to take away from the success story of this act and this bill, but it was very much important for me to bring this forward today to the House and to this Minister to share my final comments on this bill. Thank you, Mr. Chair.

**CHAIRMAN (Mr. Bouchard):** Thank you, Mr. Dolynny. Committee, we are on general comments on Bill 37. General comments. Committee's agreed no further general comments.

We'll proceed clause by clause on Bill 37. Does committee agree to consider clause by clause in groups of 20? Is that agreed?

**SOME HON. MEMBERS:** Agreed.



**CHAIRMAN (Mr. Bouchard):** We'll defer bill number and title under consideration of clauses. This bill has three schedules attached. We'll deal with the three schedules first. We'll go to page 98, Schedule A.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Bouchard):** Schedule B.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Bouchard):** Schedule C.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Bouchard):** Then, we'll consider the clauses. Turn to page 14. Clauses 1 to 20.

---Clauses 1 through 20 inclusive approved

**CHAIRMAN (Mr. Bouchard):** Clauses 21 to 40.

---Clauses 21 through 40 inclusive approved

**CHAIRMAN (Mr. Bouchard):** Clauses 41 to 60.

---Clauses 41 through 60 inclusive approved

**CHAIRMAN (Mr. Bouchard):** Clauses 61 to 80.

---Clauses 61 through 80 inclusive approved

**CHAIRMAN (Mr. Bouchard):** Clauses 81 to 100.

---Clauses 81 through 100 inclusive approved

**CHAIRMAN (Mr. Bouchard):** Clauses 101 to 120.

---Clauses 101 through 120 inclusive approved

**CHAIRMAN (Mr. Bouchard):** Clauses 121 to 140.

---Clauses 121 through 140 inclusive approved

**CHAIRMAN (Mr. Bouchard):** Clauses 141 to 160

---Clauses 141 through 160 inclusive approved

**CHAIRMAN (Mr. Bouchard):** Clauses 161 to 180.

---Clauses 161 through 180 inclusive approved

**CHAIRMAN (Mr. Bouchard):** Clauses 181 to 184.

---Clauses 181 through 184 inclusive approved

**CHAIRMAN (Mr. Bouchard):** General comments? Mr. Dolynny.

**MR. DOLYNNY:** Thank you, Mr. Chair. If possible, there were a number of general comments presented on the bill. I was hoping, Mr. Chair, through you, we'd be able to get a reply to those general comments from the Minister. Thank you.

**CHAIRMAN (Mr. Bouchard):** I'll go to the Minister to just maybe respond to those general comments if he wants. Sorry, we did skip that step.

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Chair. I'd like to thank the Members for their comments and, like the previous speakers, I want to acknowledge first the significant amount of work, time and effort that's been put in over the course of two Assemblies to get this bill to where it is today, before this House and approved. I acknowledge that, like everything we do, this is a very, very good piece of work.

There are things in here clearly, as Mr. Dolynny has identified, that in his opinion need to be carefully scrutinized in the coming years and that hopefully, as he has indicated, things will evolve to even better improve the current act that is now being approved in this House. Ms. Bisaro, as well, identified some of the concerns as well as the processes of how they were resolved and I'll make the same comment here that I made in other venues, that this document is a testament and would only have been possible with this type of government. The level of collaboration and cooperation between the government, the MLAs, staff on both sides, and both sides came up with a very fine piece of work and it's a credit to all involved. Thank you.

**CHAIRMAN (Mr. Bouchard):** Thank you, Minister Miltenberger. Committee, we've concluded clause by clause. To the bill as a whole?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Bouchard):** Does committee agree that Bill 37, Financial Administration Act, is now ready for third reading?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Bouchard):** Bill 37 is now deemed ready for third reading. Does committee agree that we've concluded consideration of Bill 37 and the Committee Report 15-17(5)?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Bouchard):** Thank you Minister. Thank you, witnesses. Sergeant-at-Arms, please escort the witnesses out of the Chamber.

Committee has agreed to consider Bill 44, An Act to Amend the Hospital Insurance and Health and Social Services Administration Act. I will go to the Minister responsible for the bill to introduce, if he has any introductory remarks. Mr. Abernethy.

**HON. GLEN ABERNETHY:** Thank you, Mr. Chair. I'm pleased to be here to discuss Bill 44, An Act to Amend the Hospital Insurance and Health and Social Services Administration Act.

I appreciate the questions and concerns raised by community members and health and social services providers during public meetings hosted by the Standing Committee on Social Programs throughout the Northwest Territories.

The primary purpose of Bill 44 is to allow for the transformation of the health and social services system so that it can work as one system. This will be achieved by amalgamating all the health and social services authorities into a single territorial authority. While our role is obviously to move towards a single territorial authority, I want employees of Hay River Health and Social Services to know and be assured that we have heard their concerns and that this bill will allow us to bring Hay River into the territorial authority at a later date. The

department clearly respects those providing health and social services to the public and we will not infringe on the rights of workers, or their bargaining agents.

The development of this bill has been the result of a significant time and effort by the department and contribution of the members of the Standing Committee on Social Programs and the public have helped to strengthen and clarify this bill to make it a better bill. If passed, this bill would be a great accomplishment for the 17<sup>th</sup> Legislative Assembly. Mr. Chair, I would be happy to answer any questions that Members may have.

**CHAIRMAN (Mr. Bouchard):** Thank you, Mr. Abernethy. I will go to the chair of the Standing Committee on Social Programs, the committee that considered the bill, for opening comments. Mr. Moses.

**MR. MOSES:** Thank you, Mr. Chair. On behalf of the Standing Committee on Social Programs, I know that we appreciated the work and the collaboration with the Minister, his department and staff on Bill 44 and we appreciate the Minister bringing this bill forward before the 17<sup>th</sup> Legislative Assembly. It was pretty good in terms of consultation. We did hit nine communities for stakeholders during the day and then had public reviews in the evenings. We do agree that it would help address some of the inefficiencies throughout our health authorities throughout the Northwest Territories. As we get into the report, we will have more general comments towards the bill. Thank you.

**CHAIRMAN (Mr. Bouchard):** Thank you, Mr. Moses. Minister, do you have witnesses to bring into the House?

**HON. GLEN ABERNETHY:** I do, Mr. Chair.

**CHAIRMAN (Mr. Bouchard):** Thank you, Mr. Abernethy. Sergeant-at-Arms, would you please escort the witnesses into the Chamber.

Thank you. Mr. Abernethy. Could I get you to please introduce your witnesses for the record?

**HON. GLEN ABERNETHY:** Thank you, Mr. Chair. On my right is Ms. Debbie DeLancey, deputy minister of Health and Social Services; on my left is Mr. Thomas Druyan, legislative counsel responsible for drafting this piece of legislation.

**CHAIRMAN (Mr. Bouchard):** Thank you, Mr. Abernethy. Committee, I will open the floor to general comments on Bill 44. Mr. Dolynny.

**MR. DOLYNNY:** Thank you, Mr. Chair. I would like to echo the words of our chairman, Mr. Moses. This was a very thought-out piece of legislation and I do want to applaud this and it is hard sometimes for Members to do this publically. I do want to applaud the hard work, I believe, this department has gone through on preparing the public, and I will say the

public in its large sense, on this piece of legislation coming forward.

It made the work of committee a lot easier. A lot of stakeholders from across the North who we talked to had a very good appreciation of what I would consider a very good understanding of what this meant, albeit I would have suggested in the future that we provided more of a visual representation of what this model will look like. I do encourage the department to maybe continue to burn that torch on really providing a visual representation of what this new model will entail, once it starts to unfold and come into line. Again, good work on behalf of the government and the department in preparing the committee for doing the due diligence that we have to do.

Without going into a lot of the detail, I know the committee has issued the report, the report has been tabled and we did go clause by clause and I think a lot of Members did speak to it. I just want to echo some of the key areas which I still believe need mentioning here. I know that the transitional provisions for Hay River employees did consume a lot of our attention, especially when we were in Hay River. A lot of the employees did show up. In fact, I didn't do the percentage but I believe around 95 percent of the room that came out, which was fairly substantive at the Ptarmigan Inn, were employees of the Hay River local. I think the key words that I got out of it as a Member, in consultation with the public, was they wanted some form of peace of mind.

I think what came out of a lot of comments was that they were looking for that peace of mind within the legislation that would enshrine the government, that they would go bargaining in good faith moving forward but, more importantly, that the pensions and seniority were to be kept whole. I want to echo that again. Again, I can't pre-empt what negotiations may look like in the years to come, but I am hoping that because it is now enshrined in Hansard, that this will indeed be the guiding weigh point for the department, for the negotiating teams, because I believe this act sets the prompts. The promise is now in law that we will be bargaining in good faith and that we will make sure that the public and the Hay River residents who are involved with the changes of the health authorities will be kept whole.

The other area is the area of critical incidents. I do applaud the Minister with agreeing with the committee's recommendation that the Assembly, through way of motion, was able to initiate a critical incident investigation through the department and through the Minister. We believe this is a foundational step and a foundational piece of better legislation which allows the political process to intervene in the event that families come forward and are looking for closure. I think we have actually

heeded to that call and I do commend the department for agreeing to that amendment.

The other area that I want to talk about is... Sorry, Mr. Chair, just one second here. My fault, I had a note and I am looking for it here.

For the sake of time, Mr. Chair, I hit the two highlights, so for that I will not consume any more of committee's time. Those are the two big ones that I had here. Thank you.

**CHAIRMAN (Mr. Bouchard):** Thank you, Mr. Dolynny. General comments. Ms. Bisaro.

**MS. BISARO:** Thank you, Mr. Chair. I have some comments that I made the other night but would like to repeat them. At the outset, I want to say that this bill, not quite as long time in coming as Bill 37 but this one has been a long time in the works. I want to commend the work of the Minister to get out and speak to regional health authorities, speaking to regional Aboriginal governments and explain the concept that he was trying to put through and make sure that people really understood the concept before we got to this point of looking at a bill. I think that groundwork went a long way to what we found when we did our consultations in the communities, and that was general acceptance and general positive remarks about this bill and that moving to one authority was going to be a good thing. I think that without that sort of legwork done prior to bringing this forward as a bill, we would have had a much more difficult time.

I want to echo Mr. Dolynny's comments about the concerns of the staff at the Hay River Health and Social Services Authority. It was very clear to us when we had our hearing in Hay River that they were extremely concerned about their jobs, about their positions, their seniority, their pensions, any and everything in and around their employment. They certainly felt that there was no security for them with this amalgamation. With the amendment that we brought forward from committee and that was concurred with by the Minister, I think that sense of comfort is now in the bill and I think those employees should be able to feel comforted that they are not going to be walked all over and they are not going to get left behind.

I wanted to mention, as well, the critical incidents section. I know there were several things which committee felt were important. One of them which Mr. Dolynny has mentioned and that was that an incident could be referred by motion of the Legislative Assembly, but in addition, we made a motion that expanded and sort of better described who could request a critical incident, so patients or relatives of patients, someone working at an authority. That was, as well, a positive change to the bill.

There were amendments to the Minister's powers. There were a couple of sections where the Minister

had powers that committee considered to be extremely broad and the Minister accepted amendments to change the bill a little bit, so the Minister still has a lot of power but he doesn't have power over everything and everyone and everywhere. We were a little concerned about that language.

As has been mentioned, there was, I think it was mentioned, but there was a great deal of collaboration in getting this bill to where it is today, as well, on the part of both sides, the Standing Committee on Social Programs but also the Minister and staff, also the legal representatives on both sides. A lot of work goes on behind the scenes to get motions to where they can be acceptable to both sides and then there is a lot of understanding and a lot of back and forth and it certainly makes for better legislation.

I hope that is something that is going to become a bit of a way of doing business in the future. I think it does give us better legislation in the end. It is perhaps, more work, but the objective, in my mind, is when a piece of legislation comes forward we want the best piece of legislation we can produce, and I think collaboration gives us a better one than if we don't.

A couple of comments I wanted to make from our hearings. I heard in a number of communities that there was concern that with the amalgamation of all health authorities into one that regional voices would not be heard. They spoke quite strongly to the effect that in order for their voice to be heard they needed to have someone representing them who understood the health system, who understood patients, who was not going to be on the board simply to be on the board, but was going to be there to be a good representative and to be a good voice for the community.

Lastly, there are concerns, my own concern. I'm not sure if it was all of committee, but I am unsure how certain regional authorities are going to remain as a management authority, the other ones are going to be advisory authorities or advisory boards. It's unclear to me, and I think the Minister needs to work on this through implementation. It's unclear to me how a management board will remain a management board when we have one territorial management board, and I think it's something that can be worked out. Mr. Dolynny referenced sort of how things are going to work and what the diagram is going to look like, and that's an example of what things are going to look like when implementation comes along. It just needs to be worked on and it needs to be clarified, and everybody needs to know what the future is going to hold.

That's what I had in terms of comments that I wanted to make, Mr. Chair. I just want to reiterate, again, that I think this is a good piece of work and I would like to express my thanks to people on all

sides and in all capacities for the work that was done on this bill. Thank you.

**CHAIRMAN (Mr. Dolynny):** Thank you, Ms. Bisaro. Continuing on general comments for Bill 44 I have the chair, Mr. Moses.

**MR. MOSES:** Thank you, Mr. Chair. I just want to express my appreciation for the work that was done. I think it was great that both the department and the community did reach out to a number of stakeholders, and we did get a lot of submissions coming in even before we went on our little road trip there. As I mentioned, we had nine communities and got a lot of really good feedback. I just wanted to mention there, as well, that I think this is the first time that a committee has taken two significant bills that are going to affect the way that we do our business in the Northwest Territories on the road simultaneously. What was great about it was if members of the public came out to talk about Bill 47, they learned about Bill 44 and they were able to give feedback on Bill 44 and vice versa. So when some members came out specifically for one thing they thought this was a great idea, but they made some comments that were concerning.

The first little area that I'd like to discuss is just in terms of the structure. I know that in some of our regional authorities that we do have public administrators, and I think what I heard most of all was the support for these regional advisory councils that are going to be able to provide supports to provide suggestions, comments at the regional level and that communities are going to start having a voice now at the regional level, which will eventually come to the territorial board of management, which would give impact into this territorial health plan that we're looking at creating through our chairs from the regions that sit on this board.

As Ms. Bisaro said, we did hear from a lot of the general public that said they need to have people that are on the ground, the front-line workers, the community advocates that know the issues, know the concerns. We need them on the board rather than just an NGO head person or somebody that's head of the Aboriginal government that can give concrete, quality information. I think the Minister possibly also heard that. A lot of people were really happy that in the bill with the regional advisory committees that the Minister would work with the communities in finding that person and suggesting it.

You heard already about the critical incidents, and what we thought was a great step forward and a very proactive step forward was the motion coming from the Legislative Assembly into looking at those investigations and that was great.

In terms of this bill, we heard a lot of really good feedback, and one thing, taking two types of bills, especially this one, you hear of the challenges, the

barriers and the other issues that come up in terms of the health system. For instance, when we were in Deline we talked about how we can address some health concerns, and people said, "Well, we can try to address them in Deline, but we don't have the services," and we heard that from a lot of the smaller communities. So, I think it brought up other areas of programs and services. Obviously, the human resources, the health professionals throughout the regions, the lack thereof and having one territorial health issue, I think, is going to address some of the human resources as well as the financial implications of how we move forward.

Just before I finish off here on general comments, I also just want to make a point that we did hear loud and clear from the Hay River Health and Social Services about all their concerns. I think it was a very good dialogue as one of our bigger community presentations from the community members. I think at the end of that we came out with a good conclusion that they needed that peace of mind and needed something in this bill that's going to address that moving forward. I think the discussions that committee had with the Minister and the back and forth in bringing the motions forward was great. I appreciate the department and their staff for addressing those nine motions that we brought forward and concurring with them. It shows, as has been stated in this House, how consensus government works when we're creating bills and making sure that we create the best bill possible.

Just before I finish off, I would like to thank some of the other Members who aren't on the Standing Committee on Social Programs who joined us at the public hearings, sat at the table with us and addressed some of the concerns that their constituents had and also helping us get the word out there to get people to these meetings.

So with that, I think we've got a good piece of legislation here. Thank you.

**CHAIRMAN (Mr. Dolynny):** Thank you, Mr. Moses. Continuing on with general comments I have Mr. Bouchard.

**MR. BOUCHARD:** Thank you, Mr. Chair. I just want to make a couple of quick comments. Obviously, this bill is very important to Hay River. Hay River is the anomaly in the process. Our employees are not GNWT employees and that became a big issue with this bill, and obviously I'd like to commend the Minister and his staff for getting us as much information there so that we give some comfort to those people, I guess. The question is still out there about how it's going to look when it's all said and done, but I think the department is committed to that process and committed to communicating with the staff at the Hay River Health Authority.

Obviously, some of them are still tandem on how it's going to work, how they will be affected for

leave. Even as of last week I ran into some people and they were still asking me questions on how they thought it was going to work. I said, "Well, I think the details have to be worked out still." But I know when it did get tense there for the first little while, the Minister provided me with a bunch of information that I could provide to the employees, to the union to reassure them that this is the process. We had a constituency meeting that basically got held up by all these concerned citizens. Obviously, we were able to give them the information.

So I think moving forward we obviously want to keep an eye on how this goes, and obviously the union and the employees will tell us how they feel about the new process once they become GNWT employees.

In general, I think some of the other issues that are out there, and I think people are in support of, is this new health authority will give areas like Hay River an ability to have more context by creating feedback, ways of communicating with the public. Right now we have just the public administrator, but I think through some of these councils and the regional representation we're going to be able to get some of that feedback from multiple users, and it's not just feedback to the public administrator. If you didn't know that public administrator or you didn't feel comfortable communicating with them, there are other avenues now with this authority. I think that has been something that Hay River has been asking for, so I think they are really supportive of that.

Those are just my general comments. I'd like to thank the committee that did all the work. Obviously, they travelled around with a couple of bills. I was able to help them out in Hay River to make sure everybody showed up, but that wasn't a tough sell with people being concerned about where they were. Again, the Minister came down for a separate meeting to talk to the employees right at the hospital, so I think most of their concerns have been alleviated for now until we start working out the details with their union and how all that stuff works out. The proof will be in the pudding on that, I guess, but we need this bill to move forward in order for that to happen.

**CHAIRMAN (Mr. Dolynny):** Thank you, Mr. Bouchard. General comments, Bill 44. Ms. Bisaro.

MOTION TO EXTEND SITTING HOURS,  
CARRIED

**MS. BISARO:** Thank you, Mr. Chair. I would like to make a motion. In accordance with Rule 50(a), I move that we continue to sit beyond our normal hour of daily adjournment to continue consideration of Bill 44, An Act to Amend the Hospital Insurance and Health and Social Services Administration Act.

**CHAIRMAN (Mr. Dolynny):** Thank you, Ms. Bisaro. Committee, we have a motion on the floor. The motion is in order and is not debatable. The motion is carried.

---Carried

Committee, general comments. We'll allow the Minister the opportunity to reply to general comments. Minister.

**HON. GLEN ABERNETHY:** Thank you, Mr. Chair. This is one of the aspects of consensus government that I really like. The department went out and did a bunch of work and did consultations around the Northwest Territories on how to improve the health and social services system with a focus on the client, and we drafted a bill based on all that consultation. Then the Members got a hold of the bill and they went back out and they did some consultation and they offered amendments and motions that actually, I believe, truly have made this a stronger and better bill. For instance, the Members have talked about the need to enhance the bill in areas around critical incidents and ministerial power, and I concurred with those motions because I believe they added strength to this bill and made it a better bill.

I know that there are still questions out there. We have put together a team consisting of staff, members, professionals from across the territory from all of the existing health and social services to help us do the implementation planning, and we have got commitment from all the authorities. There is some question about the one authority that will remain outside, the Tlicho, how are they going to be incorporated in. Ms. Bisaro asked, "How is it going to work when you have an advisory board and a management board?" With the Tlicho, we've been working closely with the leadership in the community and the leadership in the TCSA who have agreed that we will develop some administrative protocols that will allow us to work together in a seamless way to ensure that, although they may have a slightly separate legislative base, they can still work together and be part of this collaborative integrative team, with respect to the advisory boards.

The Members have heard the same thing that I have heard, that we want to make sure that we have the right people on these boards who can offer significant input, value and guidance moving forward so that our residents get the best health, best care, best future possible.

I had a recent meeting with Aboriginal governments and organizations across the Northwest Territories to talk about how we're going to set these up, and I heard exactly the same things. Get the right people, make sure they have some knowledge, make sure that they can bring value to those boards so that we can get real, meaningful, solid advice, and then those chairs, the chairs of those advisory boards,

as the Members know, will be the chairs or the members of the territorial board. Some people have said, as Ms. Bisaro pointed out, "We don't want to lose our regional voice." In this model, in fact, the regional voice, I think, will be stronger because the regions will have a voice at a territorial level to a degree that they've never had before and communities will have a voice at a regional level. It's really building from where our people are, really building from where the constituents are, where the residents are, where the patients are. This system really truly is focused on the patient and providing the best services that we can.

Every one of the Members has mentioned Hay River, and I believe there's a reason for that. As Mr. Bouchard pointed out, Hay River is a bit of an anomaly, and it has always been our intent to conclude a meaningful process of negotiation with the Public Service Alliance of Canada and the Union of Northern Workers with regard to the collective bargaining process for Hay River Health and Social Services Authority. When the committee came forward with a motion to add some wording to provide some clarity and certainty to our employees, our valuable front-line workers and the members of the Hay River authority, we agreed wholeheartedly. The motion really laid out what we're intending to do but provided a whole lot more clarity than we originally had in the bill, so I truly appreciate the advice that we got from committee to make that stronger.

In my mind, the motion added some certainty to this process, and it will enable this system transformation to proceed while negotiations are ongoing with the union and the employees of Hay River. Ultimately, what we want is one system. We would love to see Hay River come in, but we've got to negotiate a fair and reasonable deal. I believe that's what the employees want, I believe that's what the union wants, and I believe that is what we want, and working together with a focus on providing the best services we can with the focus on the client, I believe we can get there.

We're looking forward to doing that work. This isn't the end of the work. We have put together, as I indicated, a large team of professionals and front-line individuals and leaders from the authorities who are actively engaged in this fulsome transformation, and we will be coming to committee to provide updates as appropriate. I look forward to continuing to work with committee as we move forward with this important transformational change with a focus on, once again, the clients, our residents, our people, because we all want better health, we want a better future, we want the best care.

**CHAIRMAN (Mr. Dolynny):** Thank you, Minister Abernethy. Is committee prepared to do clause by clause?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Dolynny):** Thank you, committee. Does committee also agree that we can consider clauses in groups of 10?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Dolynny):** Thank you, committee. Committee, I ask that we'll defer Bill 44, An Act to Amend the Hospital Insurance and Health and Social Services Administration Act, until after consideration of the clauses. Committee, this bill also contains two schedules, so we will defer consideration of the clauses and we'll need to deal with the schedules first. Does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Dolynny):** Thank you, committee. Committee, if I can get you to turn to page 48 in the bill. We'll start with Schedule A. Schedule A, does committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Dolynny):** Schedule B.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Dolynny):** Now, I'd like to consider clauses. Moving forward, I ask you to turn to page 1 of the bill, and again, we're going to go in groups of 10. Clauses 1 to 10. Committee?

---Clauses 1 through 10 inclusive approved

**CHAIRMAN (Mr. Dolynny):** Clauses 11 to 20.

---Clauses 11 through 20 inclusive approved

**CHAIRMAN (Mr. Dolynny):** Clauses 21 to 30.

---Clauses 21 through 30 inclusive approved

**CHAIRMAN (Mr. Dolynny):** Clauses 31 to 33.

---Clauses 31 through 33 inclusive approved

**CHAIRMAN (Mr. Dolynny):** The bill as a whole.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Dolynny):** Does committee agree that Bill 44, An Act to Amend the Hospital Insurance and Health and Social Services Administration Act, is now ready for third reading?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Dolynny):** Bill 44 is now deemed ready for third reading. Does committee agree that concludes consideration of Bill 44?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Dolynny):** Thank you, committee. At this time I would like to thank our officials here today, Ms. DeLancey and Mr. Druyan, for joining us. Thank you very much. Sergeant-at-Arms, please escort the witnesses out of the House.

**MR. SPEAKER:** Item 21, report of Committee of the Whole, Mr. Dolynny.

### Report of Committee of the Whole

**MR. DOLYNNY:** Thank you, Mr. Speaker. Your committee has been considering Tabled Document 248-17(5), Supplementary Estimates (Operations Expenditures), No. 1, 2015-2016; Bill 37, Financial Administration Act; Committee Report 15-17(5), Report on the Review of Bill 37, Financial Administration Act; and Bill 44, An Act to Amend the Hospital Insurance and Health and Social Services Administration Act, and I would like to report progress with one motion being adopted, that Committee Report 15-17(5) is concluded, that Bills 37 and 44 are ready for third reading and that consideration of Tabled Document 248-17(5) is concluded and that the House concur in those estimates and that an appropriation bill to be based thereon be introduced without delay. Mr. Speaker, I move that the report of Committee of the Whole be concurred with. Thank you, Mr. Speaker.

**MR. SPEAKER:** Do I have a seconder? Mr. Menicoche. To the motion.

**SOME HON. MEMBERS:** Question.

**MR. SPEAKER:** The motion is carried.

---Carried

Item 22, third reading of bills. Madam Clerk, orders of the day.

### Orders of the Day

**COMMITTEE CLERK TRAINEE (Mrs. Mager):** Orders of the day for Wednesday, June 3, 2015, at 1:30 p.m.:

1. Prayer
2. Ministers' Statements
3. Members' Statements
4. Returns to Oral Questions
5. Recognition of Visitors in the Gallery
6. Acknowledgements
7. Oral Questions
8. Written Questions
9. Returns to Written Questions
10. Replies to Opening 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 48, An Act to Amend the Mental Health Act
- Bill 59, Estate Administration Law Amendment Act
- Bill 60, An Act to Amend the Motor Vehicles Act, No. 2
- Bill 61, An Act to Amend the Public Airports Act
- Bill 62, An Act to Amend the Coroners Act
- Bill 63, An Act to Amend the Victims of Crime Act
- Bill 64, An Act to Amend the Co-operative Associations Act
- Bill 65, An Act to Amend the Safety Act
- Bill 66, An Act to Amend the Legislative Assembly Retiring Allowances Act and the Supplementary Retiring Allowances Act

#### 19. Second Reading of Bills

- Bill 56, Miscellaneous Statute Law Amendment Act, 2015

#### 20. Consideration in Committee of the Whole of Bills and Other Matters

- Bill 47, An Act to Amend the Child and Family Services Act
- Committee Report 17-17(5), Standing Committee on Social Programs Report on the Review of Bill 44: An Act to Amend the Hospital Insurance and Health and Social Services Administration Act

#### 21. Report of Committee of the Whole

#### 22. Third Reading of Bills

- Bill 37, Financial Administration Act
- Bill 44, An Act to Amend the Hospital Insurance and Health and Social Services Administration Act

#### 23. Orders of the Day

**MR. SPEAKER:** Thank you, Madam Clerk. Accordingly, this House stands adjourned until Wednesday, June 3<sup>rd</sup>, at 1:30 p.m.

---ADJOURNMENT

The House adjourned at 6:03 p.m.

