



**NORTHWEST TERRITORIES
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The Honourable Paul Delorey, Speaker

Legislative Assembly of the Northwest Territories

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**Yellowknife, Northwest Territories
Thursday, October 2, 2008**

Members Present

Mr. Abernethy, Mr. Beaulieu, Ms. Bisaro, Mr. Bromley, Hon. Paul Delorey, Mrs. Groenewegen, Mr. Hawkins, Mr. Jacobson, Mr. Krutko, Hon. Jackson Lafferty, Hon. Sandy Lee, Hon. Bob McLeod, Hon. Michael McLeod, Mr. McLeod, Hon. Michael Miltenberger, Mr. Ramsay, Hon. Floyd Roland.

The House met at 1:30 p.m.

Prayer

Prayer.

Speaker (Hon. Paul Delorey): Good afternoon, colleagues. Welcome back to the Chamber. Orders of the Day. Item 2, Ministers' statements. The honourable Minister of Finance, Mr. Miltenberger.

Ministers' Statements

MINISTER'S STATEMENT 81-16(2)
FISCAL UPDATE

Hon. Michael Miltenberger: Mr. Speaker, I would like to provide an update on the fiscal planning being undertaken by the Government of the Northwest Territories for the coming fiscal year.

The government's planning for the 2009–10 fiscal year began almost as soon as the review of the 2008 budget was completed. The 2008 budget outlined a fiscal strategy that included making significant reductions to our operating expenditure base — \$135 million over two years, with a portion reallocated to investment priorities over the next four years. Operating expenditure forced growth would be capped at 3 per cent per year, excluding compensation and benefits, and we would increase revenues by \$10 million starting in 2009–10.

The fiscal plan included in the budget identified spending reductions of \$33 million in 2008–09 and a further \$28 million in 2009–10. Further reductions would be identified through a variety of review processes. These measures were necessary to ensure the government avoids incurring operating deficits and instead achieves the operating surpluses we need to finance our infrastructure investments.

Nonetheless, to be effective no strategy can be cast in stone. A strategy is simply a plan to achieve a goal. We have reduced our target for expenditure reductions and increased our target for new revenues. This will bring our fiscal target to \$111 million in reductions and incremental revenues.

In this case our fiscal goal is clear: to put the Government of the Northwest Territories on a sound, long term fiscal footing that allows us to achieve our vision and goals largely within our own fiscal resources. We cannot continue to spend every dollar we bring in to do the same things we have always done but pay more every year to do it.

We want to be able to make the investments needed in programs and infrastructure that will make a difference in the lives of NWT residents. We want to be able to approach the federal government from a position of fiscal strength rather than need, and we want to be able to assure the residents and businesses of the Northwest Territories of our commitment to fiscal stability.

These objectives become increasingly important in light of the very uncertain economic conditions we are currently experiencing, both in financial markets and in the energy sector. The NWT economy is strong. However, we must ensure that we are able to respond to changes that may result from international and national events.

Mr. Speaker, budget making is about making choices, and we want to ensure that the choices included in the government's fiscal plans reflect the best advice, input and suggestions available. GNWT departments are currently preparing business plans for the coming fiscal year that will outline how our proposed actions and investments will further the achievement of the vision set out by this Assembly. We will be reviewing those plans with standing committees in November with a view to preparing the 2009–10 budget. We look forward to receiving input from Members on these plans.

Over the summer my Cabinet colleagues and I reviewed the fiscal strategy adopted last year, and we believe that some adjustments are needed to ensure that we stay on course. We have heard the concerns raised by MLAs and the public about the impacts of reductions on government services, on staff and on communities. We have heard the concerns from standing committees that we need to explore revenue options. We remain committed to the expenditure reductions already identified for 2009–10 and to finding ways to make government spending more efficient and effective, but we are also looking for alternatives to further large scale spending cuts.

This means looking at our revenues. We have set a target for raising a further \$30 million starting in 2010–11, bringing our total revenue targets to \$40 million.

Last month I began a consultation process to seek the views of NWT residents on how we can increase our revenues. We have laid out a wide range of revenue options for people to consider, and although it is not our intention to implement all of these options, we need to ensure we consider those that might best meet our needs.

Last week I attended a two day round table discussion at which representatives from all segments of the Northwest Territories provided their thoughts on how the government could achieve its fiscal objectives. The consultation is not meant to focus solely on tax increases. We want people to consider other ways to increase our revenue capacity; for example, through economic and population growth.

I would like to stress, however, that there are no easy ways to raise revenues from taxes. Each option will have some negative implications. We need to weigh those possible effects against those of further expenditure reductions. If it is not possible to identify some revenue measures that we can get general agreement on from residents and business, it will be necessary to revisit the expenditure side of our budget.

I encourage anyone with an interest in this issue to submit your comments to the Department of Finance by October 15. The results of the consultation will be shared with the public and discussed with the standing committee in November. Decisions on revenue measures will be announced in the budget in February.

Mr. Speaker, the 2008 budget spoke to the need to change the way we invest in infrastructure in order to get the maximum value for our capital dollars. This year will mark a significant change in the way we do our capital budgeting. The 2009–10 Capital Estimates will be presented for review by the Legislative Assembly during this session rather than in February with the Main Estimates. This earlier approach to capital planning will ideally allow contractors to fit our projects into their schedules, encouraging more bids and greater competition for GNWT projects. In addition, we continue to examine other ways to improve the GNWT's capital planning process.

Before I conclude, Mr. Speaker, I would like to share some excellent advice I received during last week's revenue round table regarding what a government should strive for in its fiscal planning.

First, the government must offer a vision for the future. This vision provides governments with guideposts that keep us on the road to long term success while we struggle with problems that may

sidetrack us temporarily. Yesterday the Premier reminded us of the vision set by this Assembly: strong individuals, families and communities sharing the benefits and responsibilities of a unified, environmentally sustainable and prosperous Northwest Territories.

Second, government must strive to provide value for money. Our goal should be to provide the best quality government services at the lowest cost to our citizens.

Third, the government should save revenues collected from taxation of non-renewable resources so that future generations may enjoy the same benefits that we do.

Fourth, government should avoid passing on to future generations the cost of providing goods and services enjoyed by the current generation. This means not running deficits.

This is timely advice. We must keep the long term horizon in view while we deal with the short term challenges. We have had a tendency in the GNWT to do fiscal planning within a fairly short horizon of three to four years. We should not limit ourselves to looking ahead only a few years. We need to take a longer term view to picture what our territory could look like and what steps we might need to get there. We need to think about where we want to be 15 to 20 years from now and what this means for the investments we make today. We must also ensure we don't mortgage our children's future in doing so.

Mr. Speaker: Thank you, Mr. Miltenberger. The honourable Minister of Education, Culture and Employment, Mr. Lafferty.

MINISTER'S STATEMENT 82-16(2) LITERACY IN THE NORTH

Hon. Jackson Lafferty: Mahsi, Mr. Speaker. This week is NWT Literacy Week. Earlier this week we celebrated some special northern contributions to literacy.

Mardy Voudrach of Tuktoyaktuk was awarded the 2008 Council of the Federation Literacy Award for the Northwest Territories. Ms. Voudrach was honoured for her success in learning and improving her education while dealing with a disability.

Hilary Gemmell of Fort Smith won the Ministerial Literacy Award for Educators for her service to the North through her work at Aurora College and abroad. She has worked very hard for adult literacy in the Northwest Territories. Even in retirement she continues to volunteer, teaching learners with disabilities.

The Hay River Literacy Society also was honoured with the Ministerial Literacy Award for Organizations. This group of volunteers hosts education events for all ages and sponsors literacy

programs in Hay River. They help make educational support available to all learners.

Mr. Speaker, the Department of Education, Culture and Employment's new Northwest Territories Literacy Strategy will soon be in place. During this time of rapid economic expansion education is of paramount importance, because many northern residents lack the basic skills to fill the jobs that are being created or to meet the entrance requirements for job specific training programs. Effective learning initiatives are crucial for the evolution of an equitable northern society where all residents are able to access new opportunities and benefit from the prosperity of our region.

In the 21st century the black and white concept of people either being literate or illiterate is somewhat outdated. In today's society literacy is a continuum of skill development, which includes reading a variety of printed materials, writing, numeracy, use of technology, oral communications, critical thinking and problem solving.

The NWT Literacy Strategy addresses the needs of northern residents of all ages in the various roles they play at home, in the workplace and also in the community.

The strategy sets out four major goals that will contribute toward NWT literacy development over the next ten years:

- increasing literacy levels of Northwest Territories residents of all ages;
- supporting literacy in the official languages of the Northwest Territories;
- promoting literacy partnerships;
- building community capacity to meet local literacy needs.

Included in the Literacy Strategy are objectives and actions that address the learning needs of young children and families, out of school youth, working age adults and seniors.

Now that the Literacy Strategy has been completed, the Department of Education, Culture and Employment is proceeding with implementation. An accountability framework is being developed so that we will be able to measure progress on the Literacy Strategy goals, objectives and actions. A multi-stakeholder Literacy Strategy advisory committee has been established to guide implementation of the Literacy Strategy. As well, a Literacy Strategy communications plan will be developed.

The new NWT Literacy Strategy is a key component in achieving the vision of strong individuals, families and communities sharing the benefits of a prosperous Northwest Territories that this Legislative Assembly laid out in Northerners Working Together. Northern residents without

adequate education skills experience challenges participating in the labour market, earning sufficient income, managing their own health and contributing to community development.

Through the new Literacy Strategy the Department of Education, Culture and Employment will address these learning challenges and work towards the fulfillment of our overall Government of the Northwest Territories vision of healthy, self-reliant people and also prosperous communities.

In addition to NWT Literacy Week, October is also the home of Canadian Library Month, a month dedicated to raising awareness of the role that libraries play in our lives. A library can be a haven for learners of all ages and literacy levels. Libraries can be a way to experience other worlds, cultures and opinions.

Our community libraries play a sometimes quiet but always important role in supporting literacy. In the Northwest Territories we are proud to offer excellent library services. The Government of the Northwest Territories supports Canadian Library Month by purchasing promotional materials for all of our public libraries. We would like to encourage everyone to recognize the role that public libraries play in their communities. Mahsi, Mr. Speaker.

Mr. Speaker: Thank you, Mr. Lafferty. Item 3, Members' statements. The honourable Member for Mackenzie Delta, Mr. Krutko.

Members' Statements

MEMBER'S STATEMENT ON HEALTH CARE CORE SERVICE REDUCTIONS

Mr. Krutko: Thank you, Mr. Speaker. Today I'd like to read out a fax that's distributed to all the communities in the Mackenzie Delta. It comes from Beaufort-Delta Health and Social Services.

"Re: Reduction of Core Services — Susie Husky Health Centre, Aklavik, NT.

"The Northwest Territories is experiencing a nursing shortage, along with the rest of Canada. This means that at times the Beaufort-Delta Health and Social Services Authority has to restrict the services we normally provide to our clients. Your community will be affected as follows.

"Essential services only:

"From Friday, August 29, 2008, at 0830 a.m. to Friday, August 29, 2008, at 1700 p.m. there will be no scheduled appointments or clinics.

"A nurse will be available for urgent cases and emergencies at (867) 978-2516, or you may contact the Inuvik Hospital emergency department at (867) 777-8161.

“Tele-Care NWT is a family health and support line which will help you decide what to do, such as how to: take care of yourself (example: health information); call your local nurse or social worker; every day — 24 hours a day — 7 days a week, call 1-888-255-1010.

“We regret the inconvenience and want to assure the community that the BDHSSA has been exploring every possible option to resolve this problem.”

Mr. Speaker, we get this letter distributed to our communities almost every month, but health care is an essential service. We're still having problems providing services to the communities in the Northwest Territories, especially in the region of the Beaufort-Delta.

This has been going on for quite some time. I think that as a government we have to find unique ways to deal with these challenges that we face. We have to find ways to get around the collective bargaining agreement, to allow for nurses who want to go into the communities, who have admitted they're willing to go into the communities, but because of union issues we're having challenges.

Mr. Speaker, at the appropriate time I will be asking the Minister of Health and Social Services in regard to this urgent matter.

Mr. Speaker: Thank you, Mr. Krutko. The honourable Member for Weledeh, Mr. Bromley.

MEMBER'S STATEMENT ON NET METERING SERVICES

Mr. Bromley: Thank you, Mr. Speaker. There are myriad ways we can build our local economies, provide opportunities for jobs in our communities and reduce environmental impacts of energy generation. One effective way is to provide for net metering. This is the chance for residents to generate their own power from renewable energy and to be connected to the power grid so they can contribute power when they have excess and draw power when they need it.

This issue has been before the Public Utilities Board for several years, and the Power Corporation has been asked to provide the option for this service. I believe some connection standards are being set. Yet today, when a Weledeh constituent stands prepared to fund a residential solar system to be tied to the grid and the Department of Environment and Natural Resources is prepared to support the project through existing incentives, our utilities are unprepared to respond. There is currently a policy void, a lack of net metering capability and no method of purchasing excess power.

Many northern residents like my constituent wish to be more self-sufficient and environmentally

responsible through generation of renewable energy and contributing to the power grid. Last year 17 per cent of Yellowknife's power requirements were met through diesel generation, an amount probably greater than any of our diesel powered communities. No wonder NTPC is back at the trough, as my old friend Johnny Dennison used to say, seeking to raise electricity rates. Diesel is expensive and environmentally costly as well. Depending on it leaves us vulnerable to the vagaries of global markets.

Mr. Speaker, there are literally millions of residential solar systems around the world, including Canada, where net metering is simply business as usual. In fact, ATCO, the parent company of one of our utility firms, Northland, provides net metering service in some of their regions of operation. This is not a new science. This is off the shelf technology that residents have been requesting for many years.

Building capacity to meet increasing power demands in communities is expensive, yet here is an opportunity where residents themselves are willing to cover the upfront capital costs for long term reductions in overall costs. It's a win-win situation.

Mr. Speaker, several specifics have been identified here. Northerners have waited patiently on this issue without results. Given today's economic and environmental circumstances, this is not acceptable. Rather than slogging through the typical experience where utilities set up hurdles to net metering, like expensive systems, let's get everyone to the table, define a reason....

Mr. Speaker: Mr. Bromley, the time for your Member's statement has expired. The honourable Member for Great Slave, Mr. Abernethy.

MEMBER'S STATEMENT ON PROPOSED REVENUE OPTIONS

Mr. Abernethy: Thank you, Mr. Speaker. Yesterday there were a number of Members' statements and oral questions on revenue options identified by the Minister of Finance in September. Before I get into details, I want to acknowledge, first, that I know that the list of potential taxes proposed by Cabinet is not official. They are simply discussion points to help encourage us, Cabinet and the public to identify real and acceptable options to revenue generation.

What I don't understand is why the Finance Minister would put forward options that clearly have negative ramifications, options that radically increase the cost of living for all Northerners, thus resulting in a mass exodus, or a potential mass exodus, from the Northwest Territories. These are options that most people, including many of the MLAs on this side of the House, will be unable to

support. Why cause the unnecessary panic and frustration?

A territorial sales tax: it's clearly a horrible idea. A hotel room tax: this doesn't make any sense. Most of the hotel rooms in the NWT are being used by people from the NWT, and we would simply be recirculating money as opposed to bringing in new money. An airport departure tax: there is some merit to this, considering the number of non-resident workers who fly in and out of the NWT. Unfortunately, it also penalizes those of us who choose to live here. It is already expensive enough to travel out of the NWT. We simply can't make it tougher.

The solutions to our financial difficulties should not focus on increasing taxes on our residents. Rather, they should be focused on finding ways to increase our population and ensure that we as Northerners get benefits from all the resource extraction that is current in the NWT. Has the Minister of Finance met with the diamond mines to ensure that they are meeting their obligations under the socio-economic agreements with respect to northern employment? Let's reduce the number of fly in/fly out workers. Has Cabinet pursued the completion of legislation that will make it easier for local businesses to recruit international and foreign workers, workers who will move to and live in the Northwest Territories?

What progress has Cabinet made on getting the federal government to increase our northern tax credits? The rate for zone A has not increased in over 20 years. It's time for an increase that will decrease the cost of living for all Northerners.

A resource tax: I keep hearing that we can't get this done, that it can't happen. Why not? It would be in the best interest of the people of the NWT and would bring in needed dollars from our northern resources. I keep hearing references to all the good things the government is doing to reduce the cost of living: \$140 million in subsidies to help lower our cost of living. The problem is that these subsidies don't help reduce the cost of living. Rather, they simply provide northern residents who are struggling with an ability to pay for the basic needs: housing, food and heat....

Mr. Speaker: Mr. Abernethy, your time for Members' statements has expired.

Mr. Abernethy: I seek unanimous consent to conclude my statement.

Unanimous consent granted.

Mr. Abernethy: There's not much left, Mr. Speaker; thank you. Has Cabinet pursued opportunities that actually reduce the cost of living in the NWT? If so, what are their options?

Mr. Speaker, during the last session the Members on this side of the House asked government to

increase revenue in order to avoid cutting programs and laying off employees. Unfortunately, many of the revenue options introduced in September are not acceptable and should not be pursued.

Later today I'll be asking the appropriate Ministers some specific questions on revenue options for the Government of the Northwest Territories.

Mr. Speaker: Thank you, Mr. Abernethy. The honourable Member for Kam Lake, Mr. Ramsay.

MEMBER'S STATEMENT ON INITIATIVES TO ADDRESS THE HIGH COST OF LIVING

Mr. Ramsay: Thank you, Mr. Speaker. I want to use my Member's statement today to continue to talk about the cost of living here in the Northwest Territories. Yesterday I spoke about how offside the government is with their proposed tax initiatives and how by even discussing increasing the cost of living they are scaring residents and potential residents away.

Last winter I heard from many residents who were having a difficult time paying their home heating fuel bills, and now this winter it is going to be 25 per cent more than last winter. I really am worried that coupled with the proposed 19 per cent rate increase for power, residents are going to be buried by utility bills this winter.

In regard to home heating fuel and gasoline I'm very curious as to what role the government can play in protecting the consumer from what I would view as gouging at the pump and at the fuel truck. When world oil prices fall, residents here in Yellowknife watch enviously as prices of gas at the pump fall by 12 to 15 cents per litre in southern Canada. Here, for some reason, they stay at levels that just do not seem to make sense to me or to residents. Why are residents here subjected to over-inflated prices? And I do not buy the argument that fuel is stored here and that the supplier paid a certain price for it and now has to sell it at the higher price. If that were true, why is it that when world oil prices rise, the price at the pump rises the next day?

Again, who is protecting the consumer, and is there gouging going on? Watching fuel prices this past year would certainly lead me to believe that gouging is taking place. Why do retailers all sell at the exact same price? Isn't that called price fixing, Mr. Speaker? We live in a climate where heating our homes is life and death. For starters, the Government of the Northwest Territories should be demanding that the federal government immediately take the 5 per cent GST off of home heating fuel. This would at least provide a little bit of relief for our residents this coming winter.

Mr. Speaker, even though there is a 9.1 cents per litre tax on diesel fuel, there was a period late last

winter when diesel fuel, which is essentially the same as home heating fuel, was less per litre at the pump. Residents would have saved money by filling up their diesel vehicle at Circle K and siphoning it into their home fuel tank, saving them some money. These types of scenarios should never be allowed to exist. Someone should be watching the prices and protecting the consumer.

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

Unanimous consent granted.

Mr. Ramsay: Thank you, Mr. Speaker. The federal Competition Bureau should be consulted, and I'd like to see an investigation conducted here in the Northwest Territories market communities. Does it really cost 30 cents a litre to transport fuel from Edmonton? The scary thing for residents here in the North Slave region is that we're building a \$170 million bridge that we don't need with money we don't have, only to charge tolls and make goods like fuel more expensive for residents here in the North Slave. Mahsi.

Mr. Speaker: Thank you, Mr. Ramsay. The honourable Member for Inuvik Twin Lakes, Mr. McLeod.

MEMBER'S STATEMENT ON STUDENT FINANCIAL ASSISTANCE REMOVAL POLICY

Mr. McLeod: Thank you, Mr. Speaker. Every year the Government of the Northwest Territories, through EC&E, helps many students through university. During the course of the four years at university the students, as we all know, have a habit of gathering a lot of belongings. We pay their way to and from school. They come back after they're done university, and they provide return of service.

However, Mr. Speaker, there is a gap, as we do not assist them in shipping their items back home. Many of them would like to bring their items back home after four years of gathering them. They are put in a position where they have to either sell or ship the items home at their own cost.

I bring this issue forward after hearing the story of a student who'd just completed four years of university and was coming back up North to work. She wanted to bring all her furnishings back home, yet after making some inquiries was told that she couldn't. They looked into it, and they decided, "Yes, we will assist you," but by then it was too late. She had sold most of her belongings. A couple of more students may be finished this year. They have similar concerns, and I've heard from them.

Mr. Speaker, we bring a lot of new people in from down South to work up North, and we pay for shipping everything they have up here. Then when

they finish here — sometimes it's not very long — we pay to ship their items back to wherever it is they're from. The students are Northerners: northern born, northern raised for the most part. They're going to spend their entire career working in the North because it's their home, and sometimes I think we send them the wrong message. In our attempt to attract and recruit so many new hires from down South, I think we unintentionally overlook or take our own for granted.

Mr. Speaker, it's a matter of a slight policy change. If we as an Assembly, or the department itself, have the authority to make that policy change, then I think that is something that should be done without question. If it's something that they've overlooked, I think they should deal with it so we do not have to have students who spend four years at university having to worry about what they're going to do with everything they've gathered over the course of four years.

I'll have questions for the Minister of EC&E at the appropriate time.

Mr. Speaker: Thank you, Mr. McLeod. The honourable Member for Yellowknife Centre, Mr. Hawkins.

MEMBER'S STATEMENT ON PROPOSED REVENUE OPTIONS VERSUS EXPENDITURE REDUCTIONS

Mr. Hawkins: Thank you, Mr. Speaker. As I said yesterday, the problem with this government is it has a spending problem, not a revenue problem, and it continues to be obvious more so even today. I only wish there were a program like the Tree of Peace to send the Finance Minister to, to make sure he understands that, but we don't.

So it's about time this government realizes that you could lower the cost of living in government and do business better at the same time without raising taxes. We need someone over there on that Cabinet side of this building to understand that we don't need new taxes.

Again, Mr. Speaker, we need imagination to solve this problem. This problem we face is no different from what I would normally call kitchen table economics. When money is tight in my house, we ask the question: what are we are spending it on? We take a look at the realities we live under, and we say: well, we can't afford that; we'll have to work around that. But this government does not take into account its spending choices and would rather consider laying off the public service and raising taxes than looking at itself.

The reality is here. This government has enjoyed the Dijon mustard lifestyle far too long, and it should start shopping at the Co-op, because that is just as good when times are tight.

Let me tell you again: good financial policies will encourage investments that will help grow our tax base in the North. They will encourage businesses to hire more employees. I hope the Finance Minister is listening.

Last week in my riding of Yellowknife Centre, the Shoppers Drug Mart opened up. It has hired 20 more people. That's bread and butter economics that the Finance Minister should start to pay attention to, because those people will bring in new taxes and that's additional grant money from the federal government. But, no, that's too shocking, this new business trend to working with business and fostering this. We'd rather help subsidize, at a \$140 million subsidy, than help people get jobs, because the system sometimes pulls them back into social programs instead of getting them up on their own two feet.

Mr. Speaker, where is the zero based program review? It's been asked for, for about a year now, by this side of the House. It's obvious that we wouldn't want to rush into anything. Maybe the Finance Minister just wants to get to know about this good idea before he marries into it. Of course, we wouldn't want to rush him on this issue. We'd rather tax first, from what seems to be obvious.

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

Unanimous consent granted.

Mr. Hawkins: Mr. Speaker, we need a program review. Of course, it's obvious we can't review all the government all at the same time, but we could start, as other Members have said here, with two or three departments to see how we could achieve business by doing things better. It's true that not all programs are bad, but let me tell you, a number are working properly.

Mr. Speaker, in closing, I don't want to see us raise taxes just to bail out health boards to the tune of \$217 million in write-offs without going to the taxpayer and saying: we tried our very best. We're not trying our best. Pay attention, Finance Minister.

Mr. Speaker: Thank you, Mr. Hawkins. The honourable Member for Tu Nedhe, Mr. Beaulieu.

MEMBER'S STATEMENT ON REPAIR AND RECONSTRUCTION OF HIGHWAY NO. 6

Mr. Beaulieu: Mahsi cho, Mr. Speaker. [English translation not provided].

Today I'd like to talk about the slow response by the Department of Transportation regarding issues raised by residents of Fort Resolution for repair and reconstruction of Highway No. 6.

Mr. Speaker, I first raised this issue last February by asking the former Minister of Transportation

questions about repairs and future plans for Highway No. 6. The Minister committed to allocating \$1 million of repair work to be carried out this summer. The condition in this section of highway is worse than when I first raised the issue last winter. We are talking about a serious safety issue here on this highway. I was listening to the Minister's responses to questions raised by my colleagues from Nahendeh and Mackenzie Delta about their highways. A common denominator I heard in the Minister's response was that the number one priority for the department was safety.

Mr. Speaker, if the department considers safety a top priority for all NWT highways, then this work on Highway No. 6 must be done quickly. I have driven this highway many times this summer and did not see any improvements being made. We are fortunate not to have lost lives on this section of the road. The worst section in this road is approximately 13 kilometres long, from kilometre 70 to 83, where some of the sections of the road are washing away, some other sections are below grade, and there are sections only six metres wide. I believe the standard is eight metres.

This highway is maintained by a local contractor, but the safety and the meeting of minimum standards is the responsibility of the Department of Transportation. With the potential of a mine opening along Highway No. 6, this highway will see increased use, and we don't want to see any lives lost on this highway.

Later on I will have questions for the Minister of Transportation on this issue.

Mr. Speaker: Thank you, Mr. Beaulieu. The honourable Member for Frame Lake, Ms. Bisaro.

MEMBER'S STATEMENT ON PROPOSED REVENUE OPTIONS

Ms. Bisaro: Thank you, Mr. Speaker. Since most of us on this side picked on the Finance Minister yesterday, I figure that it's my turn today.

Since the publication and promotion of the revenue options paper a short while ago, I have heard from quite a number of people in regard to the proposed options. From their comments two things became quickly evident: the concern for the current high cost of living that they experience and a strong aversion to an increased tax burden on individuals.

I absolutely agree with both of these concerns. I said publicly some time ago that any new revenue must have minimal impact on NWT residents as individuals. My constituents expressed the need to see the Finance Minister consider other possible actions to raise revenue. Targeting the earnings of fly in/fly out workers is high on their list, as is targeting the profits of resource companies. Any revenue grab that increases the cost of living for

our residents is not acceptable to the constituents of Frame Lake.

Mr. Speaker, all MLAs received many, many cost cutting suggestions last year prior to the passing of this previous year's budget. Implement only some of these suggestions and our revenue needs will be thoroughly reduced. For example, has the government seriously considered reducing or eliminating the printing of annual reports, and if not, why not?

Savings can be achieved by reducing wasteful spending, and it is our front line and middle management people who know where that wasteful spending is happening. The Finance Minister must consider establishing a committee of GNWT employees composed only of front line and middle management staff who represent all departments and agencies, a committee that reports directly to the MLAs and/or the Finance Minister. Let them tell us what they see. Implement their recommendations, and I guarantee that our expenditures will be reduced significantly.

Our employees do care, Mr. Speaker, and they will assist us in reducing our spending if we give them the opportunity. I look forward to a letter from the Minister of Finance advising us of the establishment of our new staff committee.

Mr. Speaker: Thank you, Ms. Bisaro. The honourable Member for Hay River South, Ms. Groenewegen.

MEMBER'S STATEMENT ON PROPOSED REVENUE OPTIONS

Ms. Groenewegen: Thank you, Mr. Speaker. I also want to talk about the tax revenue options paper that was put out by the Minister of Finance — really quite an extraordinary waste of time. We might as well have been asked to go out and ask our constituents if they'd like us to poke them in the eye with a sharp stick.

Given the fact that the cost of living is at a historic, astronomical high level and we're going into the winter season here, what a catastrophic waste of time to discuss this. If the government really had any ideas about a resource pact, then the time and effort would have been better invested in coming forward with something we could consider in that area.

Let me just read off a few of these here. Personal income tax, payroll tax, corporate income tax, capital tax, fuel tax, tobacco tax, insurance tax, liquor tax, sales tax, hotel tax, carbon tax, property tax, health insurance premiums, highway tolls, airport fee or tax. Mr. Speaker, obviously not a lot of thought went into this list. It was just throwing everything on the table, and now we've spent money bringing people in to talk about this.

Really, the only thing I'm concerned about now is that by putting such an untenable list on the table in front of us — perhaps when we have to react and respond in the predictable way that this is not going to fly — this government will then use our reaction, our response, to say, "Well, sorry; we can't buy into any of these revenue options and any tax options," which are completely unpalatable. Then we're going to have to look at further program cuts. I hope that isn't the sinister plot behind this discussion paper.

Let me state clearly for the record now that we aren't going to be drawn into any such trap. We recognize that most of what you put on the table is a red herring. We've been down the road before on some of these taxes, and the Minister of Finance well knows that there was absolutely no appetite in the public. This is to add insult to injury at a time when we are trying to retain Northerners and recruit Northerners to our territory. Then to put forward even something as ridiculous as some of these suggestions.... Spend your time on something useful. Think what you can do about our resource tax.

Mr. Speaker: Thank you, Mrs. Groenewegen. Item 4, reports of standing and special committees. Item 5, returns to oral questions. Item 6, recognition of visitors in the gallery. The honourable Member for Yellowknife Centre, Mr. Hawkins.

Recognition of Visitors in the Gallery

Mr. Hawkins: Thank you, Mr. Speaker. It gives me great pleasure to introduce to the Assembly Elder Samuel George and Elder Jeff Anderson. They are missionaries doing good work in our community. My wife and I have had the pleasure to get to know them while they are here. Elder George is from Utah, I believe, and Elder Anderson is from Idaho, if I am correct. Anyway, they are here to do good work in our community.

Hon. Michael Miltenberger: Mr. Speaker, I am happy to be able to acknowledge and recognize a constituent of mine, Mr. Ron Shaefer. With him is his niece Renee Grandejambe. Welcome to the Assembly.

Mr. Speaker: Thank you, Mr. Miltenberger. If I've missed anyone in the gallery today, welcome to the House. I hope you are enjoying the proceedings.

Item 7, acknowledgements. Item 8, oral questions. The honourable Member for Yellowknife Centre, Mr. Hawkins.

Oral Questions

QUESTION 397-16(2) PROPOSED REVENUE OPTIONS

Mr. Hawkins: Thank you, Mr. Speaker. What I am hearing is the Finance Minister conceding on most of these tax initiatives. I am really curious about why he is wasting everyone's time. It seems quite clear on that side of the House that they don't even think all of these are going to be taken seriously by them, let alone the public. So why didn't the Finance Minister put the test to committee, one by one on these suggestions, and ask if committee would support these or not? Can I get that answer? Thank you.

Mr. Speaker: Thank you, Mr. Hawkins. The honourable Minister of Finance, Mr. Miltenberger.

Hon. Michael Miltenberger: Thank you, Mr. Speaker. There were briefings provided to committee about the potential options on May 27. I quote from Hansard, page 613, a report from the Standing Committee on Government Operations.

"Committee members found that in order to create long-term financial stability for the Northwest Territories, the governments should not only look at reducing costs but also explore options for revenue increases.... The creation of a heritage trust fund.... The committee also encouraged the government to look into alternative means to generate revenue, like taxation of minerals and resources and the introduction of a carbon tax, or changes to the fuel tax administration. The committee hopes that alternatives and new initiatives for revenue generation will be presented during the next business planning cycle."

Mr. Speaker, we have taken that advice very clearly. I indicated in my Minister's statement today that we had made adjustments. We are doing the work to come to committee, and we appreciate the feedback from the Members.

I would also suggest to the House that if we just arbitrarily came forward and said we are doing this, that or the other thing, then we would be pilloried for not consulting appropriately and making these decisions without giving the people, or possibly the Members, the freedom to choose from an amount of taxes that are available for consideration.

Mr. Hawkins: It's nice to see, for a change, that the other side of the House is listening to our side of the House, but I don't seem to remember seeing a fuel tax. I remember a sales tax in that list.

Mr. Speaker, I think I heard from the Finance Minister's little special speech there, which he had seemingly prepared, that he recited carbon tax and resource tax. Why aren't you putting your focus into those ones that we suggested as opposed to some

of these red herrings, such as sales tax? You're really wasting our time, your time and the public's time. Why didn't he do that?

Hon. Michael Miltenberger: First it was Dijon mustard; now it's red herring. I don't even particularly care for fish.

However, clearly, Mr. Speaker, we have left everything on the table. As we look at concluding the consultation process, we will look at all the options that are there. I laid out yesterday some very significant potential revenue generators in terms of the territorial nominee program for immigration that we believe could bring in as many as 150 new Northerners a year plus their families. I also suggested and laid out the option to look at fully using the SEAs, socio-economic agreements, which are bilateral agreements with the mines, where we could bring, as the Member for Kam Lake has raised in this House, hundreds of those current fly in/fly out workers who could actually take up residence in the North. We are going to look at the whole range of options.

Once again, I do appreciate the Member's feedback. I would ask him to bear with us through the consultation process, but clearly their feedback is critical as well. Thank you.

Mr. Hawkins: Speaking on that line, has he heard anyone out there say that they wanted a sales tax? Because if we open that door — whether it's 1 per cent, 8 per cent, whatever per cent — we'll never shut it. Has he heard anyone glowingly say that this was a good idea? Where did this crazy idea of a sales tax come from?

Hon. Michael Miltenberger: What I have heard people across the land say is that there is a level of service the government provides that they have come to expect and count on, that we have huge needs out there that we need resources to meet. We are taking the steps on the revenue side, but we're also looking to control our expenditures. Nobody necessarily likes taxes, but we have to weigh whatever taxes are going to be there against the value that they bring for the common good in terms of the programs and services for the people of the Northwest Territories.

Mr. Speaker: Thank you, Mr. Miltenberger. Final supplementary, Mr. Hawkins.

Mr. Hawkins: Thank you, Mr. Speaker. You know what? A lot of people want to know how much this is going to cost when they find out what a waste of time has been conceded by Cabinet. I mean, you could have spent a lot of time.... Just an extra meeting with Regular Members to say that these are the good ideas you should maybe take to the public. We're not saying that it has to be these ideas, but we're saying these are the ones that I'm sure they'll be willing to listen to.

So how much is this little fiasco going to cost the general public to just hear no, no, no? Thank you.

Hon. Michael Miltenberger: I don't agree with the label of "fiasco." The Member himself has asked in this House, if I can quote from page 1194 of Hansard, June 12, where he asked the Finance Minister of the day:

"What is he doing on revenue options? What is he doing to put new revenue options on the table for the Territories to go forward so we can make up for these ups and downs in our revenue stream?"

He further goes on to say:

"The issue really is: when are we going to deal with this issue? The fact is that there are no revenue generating initiatives in this. We've heard: We're going to think about it. We plan to do it. We hope we'll get \$10 million in our revenue stream. But people are asking when. From my point of view, I need to know when we're going to do this. Mr. Speaker, will the Finance Minister tell us today when we will see this discussion paper?"

Mr. Speaker, we have worked hard and long over the course of the summer to comply with the very specific request from the Member for Yellowknife Centre. I would hope that he would be a tad more appreciative of the work that has gone in, approach it in a constructive manner and offer us his best advice during this process.

Applause.

Mr. Speaker: Oral questions. The honourable Member for Frame Lake, Ms. Bisaro.

QUESTION 398-16(2) PROPOSED REVENUE OPTIONS

Ms. Bisaro: Thank you, Mr. Speaker. I'm having trouble hearing you over all the raucous noise in the chamber.

In my statement I spoke about suggested ways to reduce expenditures and save money, and I asked a specific question in my statement. I'd like to address the same question to the Finance Minister. Has this government given serious consideration to the implementation of electronic distribution of annual reports for our departments, our boards and our agencies, and if not, why not? Thank you.

Mr. Speaker: Thank you, Ms. Bisaro. The honourable Minister of Finance, Mr. Miltenberger.

Hon. Michael Miltenberger: Thank you, Mr. Speaker. That suggestion has been made. We believe, as the Member does, that there is potential there. That matter is currently under review to see how we could do that to meet all our obligations and to put a cost on not doing it as opposed to

doing it electronically to make sure that we have the proper records and such. That is a suggestion that we think is a good one.

Ms. Bisaro: I'm glad to see that occasionally the other side does listen to us, because I believe I made that suggestion some time ago. That came from a constituent, by the way, so I think that is evidence of what I was saying in my statement, that there are a lot of suggestions out there which we would be well advised to listen to.

I'd like to ask the Minister when we can expect to see a conclusion of the review that he says is ongoing.

Hon. Michael Miltenberger: As I indicated in the House yesterday, the process is going to carry on until the middle of October. We've asked people to provide feedback. We're pulling together the work from the two day round table, at which point we will print up and release the document with the results and recommendations from the round table. At the same time, we'll be considering all the feedback. As I indicated, then we will start building our suggestions and recommendations into the business planning process that we'll be starting in mid-November.

Ms. Bisaro: I thought I heard the Minister talking about the round table recommendations, and I hope he means that the review of printing reports is part of that consideration of the stuff that came from the round table.

I'd like to ask the Minister, as well, if he can tell me whether or not we have any policies in place that guide the use of print advertising by our department.

Hon. Michael Miltenberger: Yes, there are.

Mr. Speaker: Thank you, Mr. Miltenberger. Final supplementary, Ms. Bisaro.

Ms. Bisaro: Thank you, Mr. Speaker. Thank you for that very brief answer, Mr. Minister. I wonder if you could tell me what those policies are.

Hon. Michael Miltenberger: Yes, I can, but the rules of the House preclude me giving them in any great detail. I will commit to the Member that we will forward to the Member the luminous policies that are there in regard to print advertising.

Mr. Speaker: Thank you, Mr. Miltenberger. Oral questions. The honourable Member for Weledeh, Mr. Bromley.

QUESTION 399-16(2) NET METERING OPTIONS

Mr. Bromley: Thank you, Mr. Speaker. I'd like to follow up on my Member's statement on the net metering issue. It involves, I believe, the Minister of ENR for renewable energy, the Minister of NTPC, Mr. Roland, and the Minister of PUB, Mr. McLeod.

So I don't have a druthers on who this is directed at, but I'd like to begin by finding out exactly what regulatory process is required to set up net metering for Yellowknife and the Northwest Territories.

Mr. Speaker: Thank you, Mr. Bromley. The Hon. Premier, Mr. Roland.

Hon. Floyd Roland: Thank you, Mr. Speaker. The issue of net metering is one that has been looked at. In fact, a recommendation was made by the PUB through, I believe, the 2006–2008 General Rate Application. At that point there was direction given to look at what opportunities there were and come back with a proposal on that. It affects a number of areas. For example, when an individual or a company is generating power for themselves and they want to hook up to the system, there's the interconnection guidelines that have to fall into place. They've been working on those.

The Power Corporation itself is open to having discussions with individuals who would like to hook up to the system. There are a number of factors that do fall into this, though. It is, for example, building into the rates if they're going to buy power from a company or an individual. Standby rates the Power Corporation would have to take into consideration. As well, there are some hook up fees.

One of the other areas that they're trying to deal with is the metering system. Right now it's to have a meter be able to record the existing pattern going in one direction and then flowing back the other if the individual or company needs to draw down power from our existing grid.

Mr. Bromley: Thanks for those comments. I think that if the Minister were to look into this, the process actually began a number of years before that. I wonder if I could find out exactly where we're at right now and when we can expect the capability for this operationally to be in place.

Hon. Floyd Roland: We are working on coming forward with all the information, and I will get the additional information on exactly where, for example, the metering system is. I know from the Power Corporation side they're open to having discussions. There are a number of factors, for example, to buying back the power, standby rates and some of the safety issues there. I will commit to the Member to get back the detail on just where we're sitting today with that.

Mr. Bromley: I appreciate that offer. That sounds wonderful. The experience in other jurisdictions — and I want to stress that this has been done for millions of households, so this is off the shelf technology. But where it has been done for the first time, typically the utility or some powers that be end up putting barriers in place through, for example, requiring unrealistically expensive meters and so

on. I wonder if we can expedite this process by just getting all the players together at the table. I think this is a modus operandi of this government.

Would the Minister be able to facilitate getting people together on a very practical basis to come up with an efficient way of getting this done and then having it approved through the regulatory process but very much expediting this process?

Hon. Floyd Roland: I think there are a number of factors that are occurring as we have this discussion. In fact, I think Northland NWT is in the final phases of coming up with some of these arrangements that would see an agreement in place between a customer and their own company. That, I believe, has gone forward to the PUB for review. So these things are coming in place, and if there are areas with problems, I'll gladly look at ways we can bring the appropriate parties together to try to make things happen.

Mr. Speaker: Thank you, Mr. Roland. Final supplementary, Mr. Bromley.

Mr. Bromley: Great. Thank you, Mr. Speaker, and thanks again to the Minister for those comments. Again, I just want to stress that the experience in other jurisdictions is that when they tried to do this sort of thing, they've had to go through a long process because of the unreasonable requirements that initially come out of the utilities. It's just sort of a heads up and an opportunity for us to expedite the system in an efficient way by dealing with that.

Maybe I'll just ask if the Minister would be willing to at least be aware of that and be keen should the opportunity come up to deal with that issue before the years go by again.

Hon. Floyd Roland: We are looking at a number of ways to try to reduce the cost of living in the Northwest Territories. The Member is right; this is not a new area. It is fairly new for the Northwest Territories or at least for the Power Corporation. Yes, we know that we need to step up to the plate in this area to look at what we can do. There has to be recognition from all parties, though, that there's a fixed infrastructure in place for the Northwest Territories and our communities. Although we're trying to transition away, for example, from diesel generation, there's still that fixed cost, the backup that we have to take into the equation when we talk about setting up these agreements and standby rates and so on.

So those are things that come into the mix, and as I've informed the Member, we'll be looking at ways we can try to step up to the plate here and make it happen. I'll be glad to sit down with the Member and go through more detail as well.

Mr. Speaker: Thank you, Mr. Roland. Oral questions. The honourable Member for Kam Lake, Mr. Ramsay.

QUESTION 400-16(2)
MOTIVE FUEL PRICING

Mr. Ramsay: Thank you, Mr. Speaker. My questions today are for the Minister of MACA, who is also the Minister responsible for consumer protection in the Northwest Territories.

I've been receiving a number of calls and complaints from residents about fuel pricing here in Yellowknife. I'm having trouble helping them or explaining to them how pricing is arrived at here in Yellowknife. I can't explain it. World oil prices go down; prices in southern Canada go down corresponding to those world oil prices — in some cases just recently 12 to 15 cents a litre. But here in Yellowknife it takes a week or ten days before an adjustment is made to the prices at the pump or the fuel truck. Then when oil prices rise, it's almost an immediate hit at the pump and at the fuel truck for residents here in Yellowknife.

I'm wondering if the Minister can help me and help residents in this market in Yellowknife explain why that is.

Mr. Speaker: Thank you, Mr. Ramsay. The honourable Minister of Municipal and Community Affairs, Ms. Lee.

Hon. Sandy Lee: Thank you, Mr. Speaker. The consumer protection branch section of MACA is responsible for responding to complaints from consumers about business practices that are unscrupulous or unethical. So far we have not had a direct complaint about gas prices and the possibility being raised by the Member.

Having said that, Mr. Speaker, I am appreciative of the concerns out there. The rising gas prices are a concern. As far as I know, and having done research in this area in my other capacities, the gas price at the pump is fixed. About 85 per cent of that price is fixed by the crude oil price and some taxation by various levels of the government — federal, provincial and territorial. Incidentally, territorial taxes on the fuel have not gone up since 1992.

There is room there where the prices are determined by not just the cost of bringing the fuel up to destinations but by what's called rack price, where they look at what other retailers are charging. So there is room where the operators seem to decide what the price is that they think they can sell it for.

Mr. Ramsay: Mr. Speaker, I thank the Minister for that. I'm familiar with the Yellowknife market. If you look at the retailers here in Yellowknife, everybody seems to have the same price, which would lead me to believe that there's some type of price fixing going on.

Like I said, there is no corresponding decrease at the pump or at the fuel truck when world oil prices

come down, like there is in southern Canada. I do believe that there should be an investigation. I do believe that the consumer protection division at MACA should work with the federal Competition Bureau and look at this, have an investigation. I think the residents here in Yellowknife and maybe in the other market communities.... I'm not familiar with those outside Yellowknife. Maybe we should have a look at that.

I'd like to ask the Minister how her department can work with the federal Competition Bureau to have an investigation on fuel pricing here.

Hon. Sandy Lee: The Consumer Protection Act that my department of MACA works under does not have a legislative mechanism to control price changes and frequency and how much. Also, the NWT is not one of the jurisdictions that regulates fuel prices. There are four in Canada who do that.

I'm also aware of situations where there are occasions where price fixing or coercion charges were looked into, and those have not been found to be the case. The only example we know of is an isolated case in Quebec.

Now, having said that, all are options we could consider — it's not a MACA responsibility — as a government, and we could work with the federal government on how to address this very pressing issue. I'm willing to work with our Members of the Cabinet and the Members of this House to see what options are available for us to address these issues.

Mr. Ramsay: With winter coming I think it's very important. I want to get a commitment today from the Minister that the government will engage the Competition Bureau of Canada to have a look at the price fixing that's obviously going on here in Yellowknife and perhaps in other market communities in the Northwest Territories. Thank you.

Hon. Sandy Lee: Charges of price fixing or gouging or coercion are very serious. I don't have any evidence to prove that right now, but I am willing to see what mechanisms we have in place to look into that and what options are available to the government and work with whatever agencies are out there to see if we could address that question.

In Yellowknife, though, we have a free market. I understand that the Direct Charge Co-op chose not to increase their prices. The other retailers did. Eventually everybody started buying gas at Co-op and the other parties lowered their prices — another situation of free market answering that question in an immediate way.

Mr. Speaker: Thank you, Ms. Lee. Final supplementary, Mr. Ramsay.

Mr. Ramsay: Thank you, Mr. Speaker. I've lived in Yellowknife for almost 29 years, and I don't really

recall there being any difference in prices at the pump for any extended period of time whatsoever in that 29 years, and I've been driving since I was 18.

Again, I want to ask the Minister: will the Government of the Northwest Territories engage the federal Competition Bureau to launch an investigation into fuel pricing in the Northwest Territories? Thank you.

Hon. Sandy Lee: I will undertake to look to see what they can do and what the process is, and I will provide that information to the Member. Thank you.

Mr. Speaker: Thank you, Ms. Lee. The honourable Member for Mackenzie Delta, Mr. Krutko.

QUESTION 401-16(2)
HEALTH CARE CORE SERVICE REDUCTIONS

Mr. Krutko: Thank you, Mr. Speaker. About my Member's statement in regard to the notices that have been issued to communities on the cancellation of services, especially in the areas of health care and the clinics, which will not take appointments or be able see a doctor.... I would like to ask the Minister: exactly what is her department doing to deal with the nurse shortages in our small communities in light of the desperate situation we are having in Inuvik? Again, the health and well-being of those residents are critical. Ensuring that they have health care being provided will ensure that we have healthy communities and healthy people. I'd like to ask the Minister: exactly what are you doing to try to resolve this situation where we are shutting down health centres for emergency cases only?

Mr. Speaker: Thank you, Mr. Krutko. The honourable Minister of Health and Social Services, Ms. Lee.

Hon. Sandy Lee: Thank you, Mr. Speaker. First of all, I want to advise the Member that notices that the Members get and the Member for Nunakput gets with respect to any reduction of services in health centres — I get a copy of them, and as soon as I get them, I inquire to find out what is causing those reductions in services. Sometimes those causes are very.... We had a water situation, in fact, or sometimes it's a scheduling problem and other situations.

But I do agree with the Member. By and large, we continue to suffer from a lack of nurses and other health care professionals in the Territories as well as in Canada. We are looking on a daily basis to make sure that reductions of services are avoided as much as we can. Having said that, I consider this my number one priority is to address the service needs in smaller communities.

We understand that we have a fiscal environment that we have to work in. We understand that we

have the pressures from national and international environments with respect to health care professionals, but I consider it's the most important job I have as the Minister of Health to look at everything possible. I believe that the only change we can really make is to look at the territorial staffing model of doctors, nurses and other health care professionals. I am working on a proposal to come to our Standing Committee on Social Programs to work with our Members and perhaps a joint committee on rural and small communities to see how we can improve the access to services and levels of services in small communities in all social envelope areas for which I am responsible.

Mr. Krutko: Mr. Speaker, this issue has been around for some time. I know that the Inuvik Health Board had looked at some alternatives. One of them was looking at the possibility of recruiting professionals from Asia, the Philippines, and bringing them to the Inuvik region. They would work in those communities if those positions were available to them, but because of the collective bargaining agreement and under the Health Act, there were some challenges there. I think that was one of the solutions that was looked at to resolve that issue.

Has the department considered revisiting that situation, especially for the Beaufort-Delta region? Because this seems to be a systemic problem specifically to the Beaufort-Delta region.

Hon. Sandy Lee: That will be one of the things that will be looked at, understanding, though, that Nunavut tried that method and that it didn't quite work out as well as they had hoped. Obviously, that is one of the considerations, but we want to make sure that we do it right.

The second thing is the nomination program that Minister Miltenberger has talked about, bringing more people from southern jurisdictions. That has an implication for making it easier for the professionally trained people to come from other areas. We have to work on the licensing issues. We have to work on making it easier for them to come.

Another thing we need to work on is to provide incentives for people to practise in rural communities, and that is not easy to do because of the collective bargaining situation and the financial restraint that we have. But I'm committed to looking at everything we can to see how we make this happen. It will not be easy, but I am working on a proposal.

Mr. Krutko: Mr. Speaker, on a recent tour to Tsiigehtchic along with the Minister of Health and the Minister of Justice it came up that there was an individual who is presently working in Holman who does fill in, in Tsiigehtchic during breakup and freeze-up, but the nurse says she's willing to stay longer. I think that if the nurse is willing to do that, why is that not happening? We have a committed

individual who's willing to stay longer in a community. We should do everything that we can to accommodate that person to stay as long as they can in a community if they're willing to do so.

Has the Minister looked into that to find a way to accommodate that nurse and the community, who seem like they get along pretty well? She's there every breakup and freeze-up. She's willing to stay longer. So I'd like to ask the Minister: has she had an opportunity to look into that and see if that individual can stay for four months or six months in the community of Tsiigehtchic?

Hon. Sandy Lee: Yes, I have looked into that and I am looking to extend her stay in Tsiigehtchic. The only thing is that she fills spots in other areas of the Beaufort-Delta service area because she's employed by the authority. So if she's taken away from somewhere else, there's that whole picture.

I do have a communication going to the Member indicating that I'm looking into that. Hopefully, I'll have a precise answer before I get back to you.

Mr. Speaker: Thank you, Minister Lee. Final, short supplementary, Mr. Krutko.

Mr. Krutko: Mr. Speaker, can the Minister give me a breakdown on exactly how many times these notices have been given in regard to the shortage of nurses in the Beaufort-Delta communities so we can see how often the nurses aren't available versus being available and also the movement of nurses from one community to the other just because of the fill-in?

I'd just like to ask the Minister: can we get that information as to exactly when the health centres are on emergency watch versus the communities that are functioning versus the communities that aren't?

Hon. Sandy Lee: It should be noted that all centres in Beaufort-Delta right now are fully functional. We have never had a situation where we have no nurses. We have nurses where there are supposed to be nurses. We have nurses; it's just that the services are reduced to poor services because they can't get a backup — they've had too many hours working and they need a break — or there is a breakdown in water facilities or something like that.

But I will get back to the Member on maybe over the last six months how many times the services had to be reduced and in which centres.

Mr. Speaker: Thank you, Ms. Lee. The honourable Member for Tu Nedhe, Mr. Beaulieu.

QUESTION 402-16(2)
REPAIR AND RECONSTRUCTION
OF HIGHWAY NO. 6

Mr. Beaulieu: Mahsi cho, Mr. Speaker. In my Member's statement today I spoke about repairs to Highway No. 6. I'd like to ask the Minister of Transportation why the repairs to at least the worst sections of Highway No. 6 are not being done when \$1 million is set aside specifically for this work this summer.

Mr. Speaker: Thank you, Mr. Beaulieu. The honourable Minister of Transportation, Mr. Michael McLeod.

Hon. Michael McLeod: Thank you, Mr. Speaker. The Member is correct. There was in the June budget \$1 million budgeted for work on Highway No. 6. The work is ongoing. It's a late start in our season, to have our budget approved in June. We have done the design assessment. We're working on gravel sources, and we'll continue to do so.

Mr. Beaulieu: Mr. Speaker, in speaking with a former long term highway employee and contractor, I was told that it could take as little as three weeks to do the work and repairs, repairing the worst section of the highway once equipment is mobilized. I was wondering if the Minister could take the initiative to try to get the work started as soon as possible.

Hon. Michael McLeod: The Member is correct that work can commence very quickly once all the design, once the drainage, once all the surveys are done — gravel production, everything else is completed. In this case we still are doing the design and we have completed the majority of what we plan to do. We want to go into the community and share that information with the community that the Member represents and move forward. Providing everything is in order, we hope to have the work done by the end of November, Mr. Speaker.

Mr. Beaulieu: A quick, final question. I was wondering if the Minister could commit to passing information on about the new schedule and scope of work for repairs to Highway No. 6 to me as soon as possible so I can pass the information on to my constituents.

Hon. Michael McLeod: Mr. Speaker, certainly, we can commit to doing that. We'll share the information with the honourable Member and also give him the time and the dates that we plan to go into the community of Resolute and share that information with the community. Thank you.

Mr. Speaker: Thank you, Mr. McLeod. The honourable Member for Hay River South, Mrs. Groenewegen.

QUESTION 403-16(2)
STATUS OF DEH CHO BRIDGE
CONSTRUCTION

Mrs. Groenewegen: Mr. Speaker, I have some questions about the Deh Cho Bridge. I'm not sure who's handling that file now, whether it's the Minister of Transportation or not. Having said that, there's been quite a bit of progress made on the Deh Cho Bridge. I had occasion to drive to Yellowknife once this summer and saw the platform that was built out into the middle of the river from which the work is being conducted, and a significant amount of progress has taken place. However, it was communicated in a media article about a week ago that the bridge is about six weeks behind schedule and that this may have an impact on the work that's been done to date.

Now, when all the discussion was taking place on the bridge and the concession agreement, there was reference made to cost overruns. I wasn't very satisfied with the description of cost overruns. Basically, it said anything unforeseen. So I don't know if the delay in the schedule to date on the Deh Cho Bridge would have been classified as unforeseen cost. This is on the minds of a lot of Northerners. They're wanting to know, if this delay in the schedule is going to cause the price of the bridge to escalate, who's going to pay for it?

Mr. Speaker: Thank you, Ms. Groenewegen. The honourable Minister of Transportation, Mr. McLeod.

Hon. Michael McLeod: Mr. Speaker, we're on schedule. The bridge is anticipated to be built by 2010. There is, as the Member indicated, some slippage in time frames. At the initial start of this project some material didn't arrive as was expected, and also the high water deferred the initial start-up.

We are behind a little over a month, a month to six weeks. We expect to have all the four piers done over the winter, and we don't expect any cost overruns.

Mrs. Groenewegen: So more specifically, then, if the contractors who are involved in this incur additional costs because of the six week delay and getting into colder temperatures and so on, just for the benefit of the public who are interested, these additional costs will not be borne by the Government of the Northwest Territories. In fact, the fixed price contract stays.

Hon. Michael McLeod: Mr. Speaker, the contract has, as the Member indicated, been signed under a maximum guaranteed price, and we expect any delays or things of that nature to be borne by the contractor and the corporation. Thank you.

Mr. Speaker: Thank you, Mr. McLeod. The honourable Member for Inuvik Twin Lakes, Mr. Robert McLeod.

QUESTION 404-16(2)
STUDENT FINANCIAL ASSISTANCE
REMOVAL POLICY

Mr. McLeod: Mr. Speaker, in my Member's statement I spoke to the removal of students who are planning to come back to the Northwest Territories to do their return of service — and they do it gladly.

I would like to direct my questions today to the Minister of ECE. I'd like to ask the Minister of ECE: what's the department's policy on student removal once they've completed university or college?

Mr. Speaker: Thank you, Mr. McLeod. The honourable Minister of Education, Culture and Employment, Mr. Lafferty.

Hon. Jackson Lafferty: Mahsi, Mr. Speaker. Throughout Canada our SFA program is one of the most successful, generous programs that we have, and it continues to be so.

With respect to the students who are returning, it's always been our goal to have those students return to our Northwest Territories or even to our communities to work for our government or community governments.

For the removal program that the Member is referring to, we do offer trips to the destination of students' studies or the institution where they are studying. We cover their cost of travelling either by air or by vehicle. Most of the time students travel by vehicle, so they can take all their belongings there and back. So those are the areas that we cover. We also cover the basic, essential needs of the students that are living in the institution, whether it be residence or their household. Mahsi.

Mr. McLeod: I have never been one to question the generosity of our Student Financial Assistance. I have stood up here many times and praised it as being the best in the country, so that's not the issue here. The issue here is: do we have a policy to pay for students' removal back to the North?

Hon. Jackson Lafferty: Mr. Speaker, specific to the policy itself we currently do not have a policy on the removal of the students, but we do cover their travel to their destination and back. So that's what we offer. We offer other subsidies within our department for students' needs. That's what we offer through Student Financial Assistance for the Northwest Territories. Mahsi.

Mr. McLeod: Mr. Speaker, when you first go to university, chances are you're going to be flying out with probably a couple of suitcases. After four years you're going to have gathered a lot of belongings, and you're going to want to bring those home. Otherwise, you have to buy them up here. Where are they going to ship them from? They're going to ship them from the same place they just left, so it just doesn't make any sense.

Will the Minister commit to having his department implement a policy to pay for student removal beyond the airfare and that? I mean, that is all fine; that's part of Student Financial Assistance program. But would he commit to developing or implementing a policy that would pay for student removal after their time at the university or college?

Hon. Jackson Lafferty: Like I said before, most of the students travel down south, and they do find accommodation, apartments or residence. Most of the time it is also furnished, so they don't really necessarily have to buy furniture. But there are times when students buy furniture, and then they sell after three or four years, after their program of studies. If we look at the number of students that we currently subsidize through the SFA program, we have over 1,400 students. Just doing the mathematics, it will be over several million if we want to implement a policy. So we have to keep that in mind as well.

So, again, we do offer various subsidies, whether it be through the Income Support program or the Student Financial Assistance program. We offer a generous package to the students for them to complete their programs and come back to the North. Mahsi.

Mr. Speaker: Thank you, Mr. Lafferty. Final supplementary, Mr. McLeod.

Mr. McLeod: Thank you, Mr. Speaker. Just from the tone of the discussion here I get the impression that, no, there is not a policy; no, we are not going to implement a policy. Even though the students could sell their furnishings, there are still a small few, after successful completion of university, who want to bring their belongings back.

That should be my question. Why is the department reluctant — other than quoting millions of dollars, which I don't think it's going to cost to begin with — to implement a policy for student removal?

Hon. Jackson Lafferty: We are going through a process here, of course, the business planning and certainly those ongoing discussions. There are always changes that happen. There have been some recent changes to benefit the community for students' needs. I will certainly take the Member's comments into consideration when we are drafting changes to our policies. We will work with what's presented to us, so we will certainly take that into consideration. Mahsi, Mr. Speaker.

Mr. Speaker: Thank you, Mr. Lafferty. Oral questions. The honourable Member for Great Slave, Mr. Abernethy.

QUESTION 405-16(2)

PROPOSED RESOURCE TAXATION OPTION

Mr. Abernethy: Thank you, Mr. Speaker. Today my questions are for the Minister of Finance. As I

indicated in my Member's statement, solutions to our financial challenges are both complicated and difficult. Just for the record, I don't support, with the exception of possibly taxes on cigarettes and booze, any increases in taxes that affect our residents or taxes on our residents. I do support resource taxes, and I do support initiatives that will be focused on increasing our population.

So keeping that in mind, my question is to the Minister of Finance, and it is: has the Minister of Finance met with the diamond mines to ensure that they are meeting their obligations under the socio-economic agreements with respect to northern employment? Specifically, have you met with the diamond mines to ensure that they are finding ways of encouraging their employees to stay and live in the North?

Mr. Speaker: Thank you, Mr. Abernethy. The honourable Minister of Finance, Mr. Miltenberger.

Hon. Michael Miltenberger: Mr. Speaker, ITI regularly meets with the diamond mines. There is a meeting set up here in the next number of weeks with Minister Bob McLeod and Minister Lafferty, as well as myself, to talk to their president. They have indicated an interest to us to talk about the revenue options paper. So we do meet on a regular basis, but there is clearly going to be some special attention paid to the work that is currently going on in terms of the consultation process.

Mr. Abernethy: Mr. Speaker, are the diamond mines meeting the conditions of their socio-economic agreements with respect to fly in/fly out employees and employing Northerners?

Hon. Michael Miltenberger: Mr. Speaker, we estimate there are over 2,000 workers that are in the business of flying in and flying out. With the work we are undertaking, we'd hopefully capture at least 300 of those over the next number of years. Clearly, we believe that we have to do a better job working with the mines with the bilateral arrangements, socio-economic agreements, to realize those numbers.

Mr. Abernethy: So will the Minister commit to working with the diamond mines to ensure that they do meet the terms and conditions of their socio-economic agreements, thus encouraging more employees to live in the Northwest Territories, which will help us with our financial situation?

Hon. Michael Miltenberger: Mr. Speaker, the government is committed to working with the diamond mines; we do it as a matter of course. We are putting special attention and emphasis on this because of the revenue options that we see dealing with the fly in/fly out workers. Being able to get more of them located in the North, as has been raised in this House repeatedly by the Member for Kam Lake — he has pushed us to do that — is a key part of the possible revenue options that we

see would add to our economic pace and help us grow the population of the Northwest Territories.

Mr. Speaker: Thank you, Mr. Miltenberger. Item 8, oral questions. The honourable Member for Yellowknife Centre, Mr. Hawkins.

QUESTION 406-16(2)
PROPOSED REVENUE OPTIONS

Mr. Hawkins: Mr. Speaker, I would like to thank the Finance Minister for his creative way of describing my oral question back in June. Quite interestingly enough, I don't think Michael Moore could have painted it more creatively. The fact is that I was asking about what we are doing to make up that \$15 million loss in corporate taxes and how come we are not considering raising the sin taxes in balancing the fact that we are cutting and firing employees.

So to put it in context — my question to the Finance Minister is again almost similar to the question in June: what are we doing to expand the growth of our economy and encourage businesses to file corporate taxes here in the Northwest Territories?

Mr. Speaker: Thank you, Mr. Hawkins. The honourable Minister of Finance, Mr. Miltenberger.

Hon. Michael Miltenberger: Mr. Speaker, the corporate income tax is one of the options that is listed in the revenue options document. That has been looked at over the years. We have raised it in the past; we have lowered it in the past. We have the challenge of living immediately north of Alberta, which has, I believe at this point, the lowest corporate income tax in the land and a huge budget surplus and revenue stream that allows them to do that. Clearly that is one of the options that's out there for consideration as we look at the discussions ahead.

Mr. Hawkins: Mr. Speaker, there seems to be little effort to go and attract new investment. It talks about playing with the tax numbers, but it wasn't that long ago that we had people go out and look for businesses to file their taxes in the North. That has actually led to problems because we haven't created a stable tax base. So what is this Finance Minister doing to attract big tax filers to come to the North and file their taxes in the North, and will we be the beneficiary of those corporate taxes that they pay?

Hon. Michael Miltenberger: If the Member were to check over the past number of years, there has been a fair adjustment up and down to the corporate tax, firstly, and to the amount of money made through corporate taxes or taxes filed in the Northwest Territories. This whole process that we're engaged in with revenue options is set up to get that kind of feedback to make sure we explore every opportunity, consult with Northerners and

come forward with recommendations here in the next number of weeks.

Mr. Hawkins: I've read those numbers very closely in the five years I've been here, and I notice the one thing that sticks out very evidently is that there's no tax stabilization policy that levelizes our taxes, sets some aside for the rainy day and certainly is there on the good days. What is this Minister doing to help levelize and stabilize our tax policies that will help so that when big business decides to file somewhere else, it doesn't cause a crumble like it did in our last budget?

Hon. Michael Miltenberger: I suppose the first challenge would be to agree on the definitions or come to understand the definitions of the words that the Member is using — stabilize, levelize — in relation to corporate taxes and those types of things. Clearly, the goal of the government, as laid out by the Premier and that I as well spoke to in my fiscal update, is to come up with affordable government that has new revenues coming in, where we have a government that we can afford, yet we maintain the high level of services that people have come to expect. We're working diligently to reach that point.

Mr. Speaker: Thank you, Mr. Miltenberger. Final supplementary, Mr. Hawkins.

Mr. Hawkins: Thank you, Mr. Speaker. As I started off in my very first question to talk about how I seem to be so unquoted that it's messy, I want to ask the Minister what he is going to do to continue to consult. That's all I was asking. What are you doing to consult with Members as a discussion paper on these tax initiatives before you run out to the public and scare them?

Hon. Michael Miltenberger: Mr. Speaker, I recollect, I believe, it was the Member saying this just today in this House: just do these specific taxes; don't bother; let's just get at it; we know which ones are the right ones.

This whole process we've laid out with the revenue options paper, the mail-out across the North, the two day round table, the briefing of committee, the business planning process which we're going to feed all this information into, is all geared to engage fully the wisdom and advice that we're going to get from the committees and the Members, even the Member opposite from Yellowknife Centre, and their feedback into this process to make sure we come up with the best decisions possible.

Mr. Speaker: Thank you, Mr. Miltenberger. Oral questions. The honourable Member for Kam Lake, Mr. Ramsay.

QUESTION 407-16(2)
FUEL PRICE REGULATIONS

Mr. Ramsay: Mr. Speaker, I want to pick up on the questions I had earlier, but this time I'm going to ask the questions of the Minister of Finance.

The one thing I think residents here in the Northwest Territories have a difficult time with is that we ship our resources south — look at the Norman Wells Pipeline, the proposed Mackenzie Gas Project — and then they get trucked back to us, and our residents get charged exorbitant prices for the fuel once it gets back to the Northwest Territories. We have the resources here. That's the thing I take issue with. I think we need to find a way and means to keep some of this resource here at home to feed our own residents.

I'd like to ask the Minister of Finance: in regard to regulating fuel prices here in the Northwest Territories, I'm wondering if the government has ever done any work in that area to look at the pros and cons of regulation of that industry, as they do in Atlantic Canada.

Mr. Speaker: Thank you, Mr. Ramsay. The honourable Minister of Finance, Mr. Miltenberger.

Hon. Michael Miltenberger: Mr. Speaker, there's been work done in other jurisdictions like New Brunswick and Nova Scotia, and assessments of the programs by economists, from what I understand, have concluded that while there may be specific short term, minor gains and political gains, overall there are significant political and economic costs once ceilings are put into place.

Mr. Ramsay: Just for discussion purposes I'd like to ask the Minister today if his government, the government here, would take a look at regulating gas prices and home heating fuel prices here in the Northwest Territories. At least let's look at it. Let's put everything on the table, the pros and cons. I think our residents need that stability in pricing and not the volatility that they've been experiencing lately.

Hon. Michael Miltenberger: What I would like to offer to do is to share the information we have on the issue of regulating fuel prices and gas prices with the Member, the Chair of the EDI committee, and whatever other information they may require. Then we can sit down and have a discussion so that we're talking from the same base of information. We'll see as we move forward what may be possible. Clearly, there's been work done in other jurisdictions, and I'll commit to doing that so that we can have that informed discussion.

Mr. Ramsay: Mr. Speaker, I thank the Minister for that.

Another question that I do have — and it's an issue that I've raised in the House — gets back to home heating fuel and the fact that the Government of

Canada charges GST on home heating fuel. There's an election going on right now, and I do believe that the Government of the Northwest Territories has to be working with their counterparts in Nunavut and the Yukon Territory to make the federal government understand that charging GST on home heating fuel in northern Canada is the wrong thing to do and that they should stop that practice immediately. That message has to be sent loud and clear to the federal government. Mahsi.

Hon. Michael Miltenberger: Mr. Speaker, we'll note the Member's concern. I think we're down to less than two weeks now before the election. The issue of the economy and the cost of living has become one of the major themes in the election, and the Premier as well has heard the concerns. We'll talk about this and how to best approach that particular issue when we have our next gathering tomorrow morning.

Mr. Speaker: Thank you, Mr. Miltenberger. Final supplementary, Mr. Ramsay.

Interjection.

Mr. Speaker: Thank you. Oral questions. The honourable Member for Weledeh, Mr. Bromley.

QUESTION 408-16(2)
COST OF NEW TAX COLLECTION EFFORTS

Mr. Bromley: Thank you, Mr. Speaker. The Minister of Finance can stay standing if he'd like.

My question is on revenue options. Specifically, in this case, one of the things I always hear back when I'm trying to come up with innovative ideas is that the cost of tax collection is prohibitive. Right now the federal government collects our taxes for us. If we take it on, is the Minister investigating what the actual cost of that tax collection would be so that we can make an informed judgment on whether that's a valid response or not?

Mr. Speaker: Thank you, Mr. Bromley. The honourable Minister of Finance, Mr. Miltenberger.

Hon. Michael Miltenberger: Thank you, Mr. Speaker. We're considering, as we look at potential taxes that were laid out in the options paper, that the new ones would probably require new legislation. As well, depending on which tax it is, it would require a new collection and administration. So, yes, those are issues that we have to factor in and subtract from the potential gains from those types of taxes.

Mr. Bromley: I'm hoping that this side of the House will be able to see the results of that exercise too. Is the Minister looking into revenue options that were not in the revenue options paper? Are his officials looking into other options perhaps as a result of the round table? If so, what are they?

Hon. Michael Miltenberger: We're reaching out to Northerners for all and any advice they would care to give us. For example, the Territorial nominee program for immigration was not specifically listed, I believe, in the options paper. It's something that we've been discussing. Same with the better application of the socio-economic agreements to the mines to get fly in workers to actually live in the North. So, yes, we're looking for all ideas that could help lead to that.

In the two day round table there was significant longer term discussion about how we better market the Northwest Territories, how we sell the great advantages, how we list things and let people know about health programs for seniors and social or financial assistance for students. They have given us advice and identified issues we know are issues; for example, housing for staff in communities.

The exercise was positive enough that all the members present agreed — and I committed to this — that we would meet from now on for the life of this government at the same time next year here in Yellowknife. We'll meet to go over what has been done, what the landscape is, how we move forward and how we keep factoring in that particular advice we are getting from all the folks from across the North so that we do it on a more planned, consistent way and not just when we are being squeezed for money.

Mr. Bromley: I think the Minister semi-anticipated my next question. There are, as he mentioned, just less than a couple of weeks left. It happens to coincide almost with the federal election.

Are there any particular areas that our public should be aware of that you are interested in comments on that you have not heard from them on? This is an opportunity for our public to hear about that, and I think we've had some response on that. If there are any comments on how the public can best focus their comments on areas that might be most fruitful, this would be a good chance to hear about it. Thank you.

Hon. Michael Miltenberger: The area that is of most interest, the preferred vehicle for everybody we talked to, is the area of new revenue that is not going to come from taxes. The things we have talked about are in terms of the population growing carefully and developing revenue streams in a broadened economic base. For example, the Minister of ITI would be glad to talk to you about the recent diamond cutting operation that has set up an operation in Yellowknife. It is an opportunity that has been realized.

Those are the types of things that I think people are keenly interested in. They tell us as well as the government to control our cost, which, as I have indicated in my fiscal update, we are planning to do.

Mr. Speaker: Thank you, Mr. Miltenberger. Time for question period has expired. Mr. Bromley will have a final supplementary.

Interjection.

Mr. Speaker: Thank you. The honourable Member for Great Slave, Mr. Abernethy.

Mr. Abernethy: Thank you. Mr. Speaker, I seek unanimous consent to return to item 8 in Orders of the Day.

Unanimous consent granted.

QUESTION 409-16(2)
INITIATIVES TO ADDRESS
THE HIGH COST OF LIVING

Mr. Abernethy: My question is for the lead Minister responsible for the strategic initiative committee on reducing the cost of living. As I indicated in my Members' statement, there has been a continued reference to \$140 million in subsidies to reduce the cost of living in the NWT.

I believe that these subsidies don't actually reduce the cost of living; rather, they just make it possible for residents who are struggling to meet their basic needs. So for the Minister responsible: can the lead Minister please identify some of the initiatives the cost of living committee has considered that will actually decrease the cost of living for Northern residents? Thank you, Mr. Speaker.

Mr. Speaker: Thank you, Mr. Abernethy. Ms. Lee.

Hon. Sandy Lee: First of all, I have to disagree, Mr. Speaker. I disagree with the Member that the subsidies have not reduced the cost of living. It doesn't reduce the cost of goods. It has a way of masking the true cost of things, but it does reduce the cost of what the consumers are paying, whether it be housing or power subsidies. You get a subsidy on your power and thus reduce them.

The second thing, Mr. Speaker, in terms of the work of the reducing the cost of living committee, is that a lot of our projects are long term and involve substantial investments such as building roads and connecting our communities. They do travel through the communities, especially in our remote centres. People will tell you that if they had all weather access or better access or more winter access and were able to bring the goods in, not by air but in a more economical way, that would help us with the cost of living issues. We have investment in that area.

We are working with the ministerial committee on energy to look at all options, alternative energy options, including building hydro, because I believe and we believe that the government needs to look at the long term and make those investments so that we fix the problems for the future as well as what we are doing now. Thank you.

Mr. Abernethy: I obviously disagree with the Minister. Subsidies aren't available to every resident of the Northwest Territories. Most residents of the Northwest Territories don't get subsidies for anything. Most of the subsidies are for individuals who are under the average salary line, who require assistance just to meet the basic needs of living on a given day. I don't see how they reduce the cost of living for the average employee or the average person in the Northwest Territories.

I would like to just follow up. One of the items she mentioned was roads. Clearly, roads are a way to reduce the cost of living, but I don't remember seeing in the last budget and I don't remember seeing in any of the supps any indication that we are going to be creating new roads or all season roads to any of the communities that don't already have them. So how are roads, in fact, reducing the cost of living to residents? By residents I mean the vast majority of residents of the Northwest Territories.

Hon. Sandy Lee: I think more details of what exactly these projects are will be coming forth in the business planning review process in a couple of weeks. There are very specific investments being made to extend runways, for example. In some of the small communities we are improving road access. We are improving winter bridges to connect winter road icebridges, and we are making investments in alternative energy programs. So there are some real, specific things to help with cost of living issues in the midterm, short term and long term. Thank you.

Mr. Abernethy: Once again it sounds like we are still moving forward on things that we have already done and talked about. I don't see any new roads being built to increase access, seasonal access, all season access, to roads.

One of the things that we've heard out in the streets to actually help reduce the cost of living are things like milk subsidies. I don't see the cost of living committee coming forward....

I don't actually see that many programs or services that are geared to actually reducing the cost of living for the vast majority of residents. Once again subsidies are for people who can't afford the basic needs. Roads. There are no new roads, and each year we are not making it a little bit better, which actually....

Mr. Speaker: Do you have a question, Mr. Abernethy?

Mr. Abernethy: The trucks are still charging the same.

Can you, the Minister responsible, identify any specific project, anything, that will be reducing the cost of living — anything, any project — for the vast

majority of residents of the Northwest Territories? I am talking....

Mr. Speaker: Thank you, Mr. Abernethy. Allow the Minister to answer.

Hon. Sandy Lee: Thank you, Mr. Speaker. Subsidies do reduce the cost of living. All of our programs are targeted at different people with different needs, whether it is housing, income security, senior housing, SFA, even health programs. If he is asking if we are going to be writing a cheque to 42,000 people tomorrow, he is probably not going to find that.

But we are looking at investments in commercial power subsidies. For many communities the cost of goods is a big issue, and if we could help with the cost of power for businesses, we are hoping that might help out in some way. The territorial power subsidy applies to everybody.

I just want to inform the Member and the House that I am the lead Minister for this committee. We work together with member Ministers, but the specific proposals with dollars and projects and details about what we are proposing will be presented to the Members for review in the next business cycle, which begins in November. We have to submit it.

Mr. Speaker: Thank you, Ms. Lee. Item 9, written questions. Item 10, returns to written questions. Item 11, replies to the opening address. Item 12, petitions. Item 13, reports of committees on the review of bills. The honourable Member for Inuvik Twin Lakes, Mr. McLeod.

Reports of Committees on the Review of Bills

BILL 10 AN ACT TO AMEND THE PHARMACY ACT

BILL 13 AN ACT TO AMEND THE LEGAL PROFESSION ACT

Mr. McLeod: Thank you, Mr. Speaker. I wish to report to the Assembly that the Standing Committee on Social Programs has reviewed Bill 10, An Act to Amend the Pharmacy Act, and Bill 13, An Act to Amend the Legal Profession Act, and wishes to report that both Bills 10 and 13 are ready for consideration in Committee of the Whole. Thank you.

Mr. Speaker: Thank you, Mr. McLeod. Item 14, tabling of documents.

Tabling of Documents

Mr. Speaker: In accordance with section 21(1) of the Retiring Allowances Act and section 11.1 of the

Supplementary Retirement Allowances Act I hereby table the Pension Administration Report — Retiring Allowances Act and Supplementary Retiring Allowances Act at March 31, 2008.

Document 90-16(2), Pension Administration Report — Retiring Allowances Act and Supplementary Retiring Allowances Act at March 31, 2008, tabled.

Mr. Speaker: Item 15, notices of motion. Item 16, notices of motion for first reading of bills. The honourable Member for Frame Lake, Ms. Bisaro.

Notices of Motion for First Reading of Bills

BILL 19 DONATION OF FOOD ACT

Ms. Bisaro: Thank you, Mr. Speaker. I give notice that on Monday, October 6, 2008, I will move that Bill 19, Donation of Food Act, be read for the first time. Thank you.

Mr. Speaker: Thank you, Ms. Bisaro. Notices. Item 17, motions. Item 18, first reading of bills. Item 19, second reading of bills. Item 20, consideration in Committee of the Whole of bills and other matters, Tabled Document 75-16(2), with Mr. Abernethy in the chair.

Consideration in Committee of the Whole of Bills and Other Matters

Chairman (Mr. Abernethy): Thank you. I call Committee of the Whole back to order. We have two tabled documents for consideration. What is the wish of the committee? Mrs. Groenewegen.

Mrs. Groenewegen: Thank you, Mr. Chairman. I believe the committee today would like to deal with Tabled Document 75-16(2), Supplementary Appropriation No. 2, 2008-2009. Time permitting, we would like to deal with the Premier's sessional statement. But first we would like to do the supp. Thank you.

Chairman (Mr. Abernethy): Thank you, Mrs. Groenewegen. Does the committee agree?

Some Honourable Members: Agreed.

Chairman (Mr. Abernethy): Okay; we'll take a break, and we'll come back to work on Tabled Document 75-16(2).

The Committee of the Whole took a short recess.

Chairman (Mr. Abernethy): All right. We have quorum, so we will reconvene the Committee of the Whole.

TABLED DOCUMENT 75-16(2): SUPPLEMENTARY APPROPRIATION NO. 2, 2008-2009

Chairman (Mr. Abernethy): Committee, we have agreed to consider Tabled Document 75-16(2), Supplementary Appropriation No. 2, 2008-2009. I would like to now ask the Minister responsible, the Hon. Mr. Miltenberger, to make the opening comment.

Hon. Michael Miltenberger: Yes, Mr. Chairman. I'm pleased to present Supplementary Appropriation No. 2, 2008-2009. This document outlines the additional appropriation of \$11.617 million for operation expenditures and a reduction of \$43.329 million for capital investment expenditures in the 2008-2009 fiscal year. Major items for operation expenditures include \$3.3 million for the Department of Municipal and Community Affairs to complete upgrades or replace aged water treatment plants in the communities of Deline, Kugluktuk, Tuktoyaktuk, Behchoko and Aklavik. These expenditures will be offset by funding available through the Municipal Rural Infrastructure Fund.

There is \$3.1 million for the Department of Education, Culture and Employment for the increased costs associated with the collective agreement between the Government of the Northwest Territories and the Northwest Territories Teachers' Association and \$2.9 million for the Department of Environment and Natural Resources for increased costs due to a severe forest fire scene in 2008.

Major items for capital investment expenditures include a reduction of \$52 million to reflect the revised cash flow requirements for projects in 2008-2009. The 2009-2010 budgets for these projects will be increased to reflect this change, with \$9.4 million to advance projects proposed for 2009-2010 to ensure constructions can be started early and avoid any price escalation to projected costs.

Mr. Chairman, I am prepared to review the details of the supplementary appropriation document.

Chairman (Mr. Abernethy): Thank you, Mr. Minister. Would the Minister like to bring witnesses into the House?

Hon. Michael Miltenberger: Yes, Mr. Chair.

Chairman (Mr. Abernethy): Does the committee agree?

Some Honourable Members: Agreed.

Chairman (Mr. Abernethy): Thank you, committee. I'll now ask the Sergeant-at-Arms to escort the witnesses into the Chamber.

Would the Minister please introduce his witnesses.

Hon. Michael Miltenberger: Thank you, Mr. Chairman. I have with me Ms. Margaret Melhorn, the deputy minister of Finance and FMB, and Mr. Mike Aumond, deputy minister of Public Works and Services. I would also like to request at the appropriate time to bring in Mr. Russ Neudorf, the deputy minister of Transportation, when we get to the Transportation page on the supplementary appropriation.

Chairman (Mr. Abernethy): Thank you. I will now open the floor to general comments on Tabled Document 75-16(2), Supplementary Appropriation No. 2, 2008–2009. Mr. Krutko.

Mr. Krutko: Thank you, Mr. Chairman. In regard to the \$3.3 million to the Department of Municipal and Community Affairs and the upgrades to the water treatment facilities these items have been there for some time. I think the communities are very glad they are there, but they also would like to get some assurance that they will be constructed in a short period of time and put into place. It is a very essential piece of our infrastructure, especially in regard to the water situation in Aklavik.

I would just like to ask the Minister: what are the timelines for these projects, and how soon can the communities expect to see these facilities rolling into our communities so we can start possibly seeing them develop the type of work that has to be done to get ready for them?

Chairman (Mr. Abernethy): Thank you, Mr. Krutko. Minister Miltenberger.

Hon. Michael Miltenberger: Thank you, Mr. Chairman. The estimated completion date for Aklavik is March 2010.

Mr. Krutko: Again, we are moving to get these facilities in, but we do have some logistical challenges, as you know. Most of our communities depend on iceroads. I think it is important that we do everything we can to ensure these projects stay on track, that they don't get derailed and we don't miss another season. Again, it's 2010, so I assume that they are going to be coming into Tuk in March.

In the meantime what work is being done to develop the particular site that these facilities will be located on and to also get the sites ready way in advance for these? I understand that these are portable units that will be dropped into place. I am just wondering if those sites will be ready to ensure we are able to have these water treatment plants. I was hoping we could get there sooner than 2010. It has been something that has been through this House several times.

Again, can the Minister commit to me as to what other types of capital expenditures are going to be

done on these projects, especially in regard to preparing sites in communities for these treatment plants?

Hon. Michael Miltenberger: Mr. Chairman, the scope of the work for the project in Aklavik includes planning, design, construction and warranty work associated with replacing existing water treatment systems to meet the Canadian drinking water standards. The existing intakes will be upgraded and reused. The current status is that 60 per cent of the design is scheduled to be received by the end of October 2008, which will be the end of this month.

Mr. Krutko: On another topic: the \$2.9 million for Environment and Natural Resources in regard to our fire season. We go through this every year at the end of the fire season. But we are underestimating the real cost. It seems like there are always these unforeseen costs of forest fire fighting, especially when we have fires that get out of control, especially this year with the fires around Behchoko and also around the Snare hydro site.

I know we would like to see the forest burn in regard to revegetation of those forests, but also we have to be proactive when there is a fire that could be controlled earlier on so it does not get to the point where it's out of control. We do whatever we have to do to protect those assets, investments, this government has, such as hydro facilities, communities, roads. In the past there has been a lot of discussion around these areas, especially from communities that would like to have been responded to sooner rather than the monitoring of the fire to the point it's threatening communities or government infrastructure.

I would like to ask the Minister: what is being done to ensure we respond sooner to forest fires so they don't get out of control? We're coming every year for a major subsidy, such as almost \$3 million again this year. Yet we're spending in excess of \$29 million in this portfolio. I was flying to Inuvik and Yellowknife, and I flew over that fire around the Snare hydro site. You could see from the aircraft it was a small fire that could have been controlled at that point. At the end of the day the hydro facilities were threatened because the fire got away.

I would like to ask the Minister: what are we going to do differently to prevent these types of expenditures coming forward next year in regard to forest fire management?

Hon. Michael Miltenberger: Mr. Chairman, the initial projected net suppression cost for 2008–2009 was \$5.6 million. We ended up with \$3 million more than that, with money that was approved.

One of the things we do every fire season is a debriefing on what happened, how it happened, in what areas and what we can learn from that. We've

also had discussions with the department about looking at the current values at risk system and the command and control structures to make sure we are being as timely as possible and that everything is working as effectively as can be.

I want to point out that we have very capable fire staff. One of the things we always struggle with, of course, is the weather and things that we can't control. It's like being in a military campaign. You have to make decisions — you have to make decisions sometimes in a hurry — and you have to move as a result of those decisions. You don't have often the luxury of hindsight or an extended length of time.

Having said that, we are going to take a look to make sure that if there are improvements, we can be ready for the next fire season.

Chairman (Mr. Abernethy): Thank you, Minister Miltenberger. Ms. Bisaro.

Ms. Bisaro: Thank you, Mr. Chair. I wanted to ask the Minister and make some comments to item 2 in his opening remarks with regard to the \$3.1 million that are costs associated with the collective agreement between the government and the NWTTA — the Northwest Territories Teachers' Association.

It goes to, I guess, the way we do our budgets and our estimates. I have difficulty in understanding how, when we did our budgets for '08–09, we didn't anticipate that there would be some sort of increase for costs associated with this particular agreement between the government and the NWTTA. At that point we would have been in bargaining, I'm sure, and there would have been an expectation that we could make an estimate as to what the results of the bargaining would be.

I guess I have a difficulty where we are asking in a supplementary appropriation to approve an expense that I think ought to have been foreseen and which, in my estimation, ought to have been included in the main budget. My understanding when we passed the '08–09 budget, not so long ago it seems, was that we were going to be seeing fewer and fewer supplementary appropriations and that they should be basically for unforeseen expenses. I don't consider this particular item to be an unforeseen expense.

Kind of hand in hand with this particular expense is the effect this particular supplementary appropriation is going to have on our supplementary reserve. Again, it was my understanding that the departments were given a portion of the \$25 million supplementary reserve to carry them through expenses that they didn't necessarily anticipate and to give them bit of leeway in their department budgets. With this particular appropriation it looks to me as though we

are going to be left with a supplementary reserve of some \$3 million out of approximately \$15 million, I think, initially.

I am concerned that a \$3 million hit for an NWTTA collective agreement on a supplementary reserve that was already reduced because we were giving funding to the department so they wouldn't have to come back and ask for more money is not the way we should be going. I would like to perhaps get some comment from the Minister on why we budget this way and if we couldn't conceivably consider doing it in a different way.

Chairman (Mr. Abernethy): Thank you, Ms. Bisaro. Minister Miltenberger.

Hon. Michael Miltenberger: Thank you, Mr. Chairman. Clearly, this wasn't an unforeseen expense. It is the way that the money is booked so we can respect the confidentiality as much as possible of the collective bargaining process. We don't put in our budgets the figures we think are going to be there for negotiation.

It is similar to the issue with the capital plan that Members have raised. There is so much detail in the capital plan that contractors know to the dollar what money is there for a specific contract. So that's the way the money is booked. Clearly, if there is an interest from the Members in coming up with or looking at alternate ways to book this money, we can have that discussion.

We are also working on looking at other jurisdictions to see how they deal with their particular collective bargaining processes. The good news about this one is that it won't be before us now for another four years, which should take us into the 17th Assembly.

Ms. Bisaro: I thank you, Minister, for the comments. I do appreciate that there is difficulty in being too transparent. I am not advocating that we be quite that transparent. I do think there ought to be methods, and I am glad to hear that the government is looking into other jurisdictions to find out whether there is a method and that we can't include expected bargaining expenses in our budget so we have a true picture of what it's actually costing us in any one year. I personally would say to the Minister that, yes, I am fully in support of including this kind of an expense in our yearly budget.

Chairman (Mr. Abernethy): Thank you, Ms. Bisaro. There's no question there, so we will move on to the next person. Mr. Bromley.

Mr. Bromley: Thank you, Mr. Chair. I just want to follow up briefly on that one. I assume there will be other labour contracts that we'll come upon from time to time, employee contracts. It is my understanding that we might have a couple more

supplementary appropriations and obviously very little room now. These are issues that were, of course, raised at our first review of the budget. Decisions were made to decrease concerns about decreasing the supplementary reserve.

I would like to ask the Minister: did we in fact make an error? Should we bump it up to be able to recover these costs? Can we expect this to happen regularly, and can we expect that we will be going beyond our supplementary reserves this term?

Chairman (Mr. Abernethy): Thank you, Mr. Bromley. Minister Miltenberger.

Hon. Michael Miltenberger: Thank you, Mr. Chairman. The next collective bargaining is going to be in the next number of months with the UNW. I understand they have to go through their convention and election process, and then right after that we're all gearing up for that round of collective bargaining. If we assume that the length of the agreement will be similar to the one we settled with NWTTA, it would be possibly a four year agreement, which means it wouldn't come this way again until sometime in the life of the 17th Assembly.

As I've indicated to Ms. Bisaro, if there's a better way to book and account for the money, we're prepared to have that discussion. We'll do the cross-jurisdictional survey. We'll bring that information to the table and, hopefully, have a discussion in the coming weeks about whether we're going to have any changes to the process.

Mr. Bromley: I assume there are no other remarks from the Minister on the likelihood of overcoming what's left in the supplementary reserve this fiscal year.

Hon. Michael Miltenberger: If we overspend the budget, we'll have to find the money. It will be part of our financial calculations going forward here as we conclude this fiscal year and plan for the next.

Chairman (Mr. Abernethy): Thank you, Minister Miltenberger. Are there any further general comments? Mr. Jacobson.

Mr. Jacobson: Mr. Chairman, just regarding the upgrades to the water treatment plants in both my communities of Ulukhaktok and Tuktoyaktuk, could the Minister get back to me with a timeline?

Chairman (Mr. Abernethy): Thank you, Mr. Jacobson. Mr. Miltenberger.

Hon. Michael Miltenberger: Thank you, Mr. Chairman. My recollection is that they're all scheduled for March 2010.

Mr. Jacobson: That is all.

Chairman (Mr. Abernethy): Thank you, Mr. Jacobson. Are there any further general comments? Is the committee agreed there are no further general comments?

Some Honourable Members: Agreed.

Chairman (Mr. Abernethy): Does the committee agree to proceed to detail?

Some Honourable Members: Agreed.

Chairman (Mr. Abernethy): Okay. We'll now stand down the totals and begin on page 5. Page 5, 2008–2009 Supplementary Appropriation No. 2, Municipal and Community Affairs, Operations Expenditures, Community Operations, Not Previously Authorized: \$1 million.

Department of Municipal and Community Affairs, Operations Expenditures, Community Operations, Not Previously Authorized: \$1 million, approved.

Chairman (Mr. Abernethy): Regional Operations, Not Previously Authorized: \$3.264 million.

Department of Municipal and Community Affairs, Operations Expenditures, Regional Operations, Not Previously Authorized: \$3.264 million, approved.

Chairman (Mr. Abernethy): Total Department, Not Previously Authorized: \$4.264 million.

Department of Municipal and Community Affairs, Operations Expenditures, Total Department, Not Previously Authorized: \$4.264 million, approved.

Chairman (Mr. Abernethy): We'll move on to page 6, Justice, Operations Expenditures, Legal Aid Services, Not Previously Authorized: \$100,000.

Department of Justice, Operations Expenditures, Legal Aid Services, Not Previously Authorized: \$100,000, approved.

Chairman (Mr. Abernethy): Community Justice and Corrections, Not Previously Authorized: \$654,000.

Department of Justice, Operations Expenditures, Community Justice and Corrections, Not Previously Authorized: \$654,000, approved.

Chairman (Mr. Abernethy): Total Department, Not Previously Authorized: \$754,000.

Department of Justice, Operations Expenditures, Total Department, Not Previously Authorized: \$754,000, approved.

Chairman (Mr. Abernethy): We'll move along to page 7, Education, Culture and Employment,

Operations Expenditures, Advanced Education, Not Previously Authorized: \$597,000.

Department of Education, Culture and Employment, Operations Expenditures, Advanced Education, Not Previously Authorized: \$597,000, approved.

Chairman (Mr. Abernethy): Education and Culture Not Previously Authorized: \$3.052 million.

Department of Education, Culture and Employment, Operations Expenditures, Education and Culture, Not Previously Authorized: \$3.052 million, approved.

Chairman (Mr. Abernethy): Total Department, Not Previously Authorized: \$3.649 million.

Department of Education, Culture and Employment, Operations Expenditures, Total Department, Not Previously Authorized: \$3.649 million, approved.

Chairman (Mr. Abernethy): We'll move along to page 8, Environment and Natural Resources, Operations Expenditures. Mr. Hawkins.

Mr. Hawkins: Thank you, Mr. Chairman. I've cited a number of times under forest management that the department should take the initiative and start creating some type of revolving fund, knowing that quite often we go over budget in this area and we keep coming back to the Assembly and topping that up. I realize we're paying what one could describe as actuals, but I'd certainly like to see the department investigate a process or that we start funding forest management properly so they don't have to keep coming back each year.

I say that with the proviso that it's reasonable to understand that some years are worse than others. I'm sure they'd be able to find a balance there so the Assembly doesn't have to put money continually under the supplementary appropriation process for this. This should be an expense they should be able to estimate over a number of years and then use the appropriation process for, I should sadly call it, bad years.

Chairman (Mr. Abernethy): Thank you, Mr. Hawkins. Mr. Miltenberger.

Hon. Michael Miltenberger: Thank you, Mr. Chairman. In my understanding of a revolving fund, it implies that there's money moving in and money moving out. With forest fires generally the money moves out as we fight fires. The budget that has been set by the Assembly has been over a number of years set to be what we think is, based on a basic average, what we could make do with, with the understanding that if there is a bad fire season — hot weather or something happens that's untoward — we will come back and ask for more

money as opposed to.... My understanding is that in previous times they would have a fairly large fire budget, sometimes with a surplus at the end of the year that things would be done with. This way we have what we think we need to operate and hope for the best in terms of weather.

So the issue of a revolving fund is not clear to me in terms of the Member's comment, but we have a budget that we think gives us a pretty good core of funding for a normal fire year.

Mr. Hawkins: Sorry. The terminology of "revolving fund" might not be exactly correct. I guess I mean put a fund in place that, for example, we funded to the tune of \$5 million. They draw down on that \$5 million. A good year means they only drew down \$3 million. Then, of course, the normal appropriation process tops it up back to that fund and they draw down to it. The surplus wouldn't be lost for the intent. It would almost be doing the same thing that we're doing now. We're just funding it after the fact, which often causes me to wonder why we bother even budgeting anything under the fire suppression point if we are just going to go to a process.

I guess I'm asking the Minister if he's looking to examine another way of funding this process so we don't have to go back to either special warrants or supp appropriations each season.

Hon. Michael Miltenberger: Mr. Chairman, there is over \$5 million in the suppression budget, which we've taken basically as an average over the years that has been demonstrated to be enough for your normal year. We've proceeded on that basis. This year was an exceptionally hot, dry year. There were a number of major fires, some of them close to high values — at-risk communities, power stations and that type of thing — so it required additional funding. We are very sensitive to and very aware of the concern about special warrants. While we have to act with great dispatch, we're very careful and make sure we come only when we've spent all the money we do have.

If the Member has any specific suggestions, we'd be happy to consider them. At this point this fire operation has been in play now for decades, and we've been working on what's an adequate way to finance it. It's the current process that's there. If there are suggestions for change, we'd be happy to consider those.

Mr. Hawkins: Memory may not serve me correctly, but for some reason I seem to recall that we've gone to a special warrant process for the last five years that I've been in the Assembly. Has there been a supplementary appropriation to pick up the shortfall every year for the last five years? Would the Minister be able to tell me that? Am I correct?

Hon. Michael Miltenberger: We don't have that level of detail, but we can commit to providing it to the committee.

Mr. Hawkins: I'll wait until I get that level of detail from the Minister of Finance, and I'll provide a suggestion after we have that comparison data.

Chairman (Mr. Abernethy): Thank you, Mr. Hawkins. We're on page 8. Mr. Bromley.

Mr. Bromley: Thank you, Mr. Chair. Just a quick follow-up on Mr. Hawkins' questions. Presumably there are years when there is a surplus, when there is what we would call a good fire season. What happens to that surplus, and is there a chance it could be rolled into a fund?

Chairman (Mr. Abernethy): Thank you, Mr. Bromley. Minister Miltenberger.

Hon. Michael Miltenberger: Thank you, Mr. Chairman. The hope is, of course, that those funds in that area would lapse. If there are other costs in other areas, you'd have to look. There is some ability to move money between activities, but clearly, if we don't spend the budget, that money would be there as lapsed funds and would either return eventually to general revenue, or if there are other agreed upon expenditures that money can be moved to, they would be considered.

Mr. Bromley: Thank you for the comments from the Minister. I have spent a little time in that department in a past life and can appreciate the interest in utility for any surplus funds. Perhaps that's an opportunity to look at sharing a surplus and rolling part of it into a fund, if that would be financially and administratively possible. So no question.

Chairman (Mr. Abernethy): Thank you, Mr. Bromley. Mr. Hawkins.

Mr. Hawkins: Thank you, Mr. Chair. I'd just like to seek clarification from the Minister. It was difficult to hear him. I wasn't sure if he said that the surplus could be spent on something other than the fire suppression.

Chairman (Mr. Abernethy): Thank you, Mr. Hawkins. Minister Miltenberger.

Hon. Michael Miltenberger: Thank you, Mr. Chairman. Within government and financial administration there is some ability to move money, depending on in between activities, within activities. There is a clear process to do that. If a department is managing its budget and they have issued a number of priorities but they have funds they can move within those parameters, then departments have some latitude to do that. The issue of lapses at year-end.... Some money is specifically coffered, as they say, or identified only for the purpose that it

was voted for. In government there is some ability to move money within departments or within other areas of the budget.

Mr. Hawkins: Now I'm nervous about giving the fire suppression budget too much money, because who knows where it'll end up.

Would fire suppression money be considered one of those earmarks of dollars that are strictly to be focused in on that type of line item only? Or if there was a surplus, could the fire suppression money be used, say, on Human Resources or maybe jet boats somewhere? If that's the case, how many months would it take for this Assembly to get notice that the money was used for some other purpose and in what detail?

Hon. Michael Miltenberger: The money that's before this Assembly was very specifically targeted for that one purpose only, which was for fire suppression, and it was laid out in the special warrant. As I have indicated, in many cases money that is laid out for government programs is often given a special designation so that there is only one use. Any other change from that has to go back for further approval. So this money here had one use and one use only that it was allowed for.

Chairman (Mr. Abernethy): Thank you, Minister Miltenberger. Are there any other questions? Ms. Bisaro.

Ms. Bisaro: Mr. Chair, just one question in regard to the possibility of a fund for unused dollars that are earmarked for fire suppression. Is there anything in our legislation or in our regulations that does not allow us to take unexpended funds from, say, forest management, intended for fire suppression, and put them into a fund as a holdover for another year?

Hon. Michael Miltenberger: That would require a change, I understand, to the legislation.

Chairman (Mr. Abernethy): Thank you, Minister Miltenberger. Any further questions?

We're on page 8, Environment and Natural Resources, Operations Expenditures, Forest Management, Special Warrants: \$2.95 million.

Department of Environment and Natural Resources, Operations Expenditures, Forest Management, Special Warrants: \$2.95 million, approved.

Chairman (Mr. Abernethy): Total Department, Special Warrants: \$2.95 million.

Department of Environment and Natural Resources, Operations Expenditures, Total Department, Special Warrants: \$2.95 million, approved.

Chairman (Mr. Abernethy): Moving along to page 9, Municipal and Community Affairs, Capital Investment Expenditures, Regional Operations, Not Previously Authorized: negative \$1.562 million.

Department of Municipal and Community Affairs, Capital Investment Expenditures, Regional Operations, Not Previously Authorized: negative \$1.562 million, approved.

Chairman (Mr. Abernethy): Total Department, Not Previously Authorized: negative \$1.562 million.

Department of Municipal and Community Affairs, Capital Investment Expenditures, Total Department, Not Previously Authorized: negative \$1.562 million, approved.

Chairman (Mr. Abernethy): Moving along to page 10, Public Works and Services, Capital Investment Expenditures, Asset Management, Not Previously Authorized: \$500,000.

Department of Public Works and Services, Capital Investment Expenditures, Asset Management, Not Previously Authorized: \$500,000, approved.

Chairman (Mr. Abernethy): Technology Service Centre, Not Previously Authorized: \$1.3 million.

Department of Public Works and Services, Capital Investment Expenditures, Technology Service Centre, Not Previously Authorized: \$1.3 million, approved.

Chairman (Mr. Abernethy): Petroleum Products, Not Previously Authorized: \$3.85 million. Mr. Bromley.

Mr. Bromley: Mr. Chair, I can't let this go without commenting once again on what some of the potential savings are by looking at fuel alternatives and transportation alternatives. I realize this one is for the aviation facility. It's very difficult to avoid for Yellowknife, but it does raise the cost of maintaining tank farms. I just wanted to raise that as something we should be on the watch for. I'm sure the Minister is.

Chairman (Mr. Abernethy): Thank you, Mr. Bromley. Minister Miltenberger.

Hon. Michael Miltenberger: Mr. Chairman, the Member is correct; this issue has been identified. As we move forward with the upcoming year and what's being proposed in terms of investments in alternative energy and as we plan to transition to other fuel sources, clearly we'll be looking at the capital process as well so that we're not putting in brand new facilities if we're looking at changing the possible source of generation of electricity, for example, or running other facilities.

Chairman (Mr. Abernethy): Mr. Bromley?

Mr. Bromley: Thanks.

Chairman (Mr. Abernethy): We're on page 10, Petroleum Products, Not Previously Authorized: \$3.85 million.

Department of Public Works and Services, Capital Investment Expenditures, Petroleum Products, Not Previously Authorized: \$3.85 million, approved.

Chairman (Mr. Abernethy): Moving along to page 11, Health and Social Services, Capital Investment Expenditures, Program Delivery Support, Not Previously Authorized: \$952,000.

Department of Health and Social Services, Capital Investment Expenditures, Program Delivery Support, Not Previously Authorized: \$952,000 approved.

Chairman (Mr. Abernethy): Health Services Programs, Not Previously Authorized: negative \$5.432 million.

Department of Health and Social Services, Capital Investment Expenditures, Health Services Programs, Not Previously Authorized: negative \$5.432 million, approved.

Chairman (Mr. Abernethy): Community Health Programs, Not Previously Authorized: negative \$2.5 million. Mr. Robert McLeod.

Mr. McLeod: Mr. Chair, a couple of items on this page: the two negatives. I think we'd heard some explanation as to why we're seeing the negatives, but I look here and see the numbers and see they're going to be put back in the '09-10 budgets for the respective projects. I'm kind of curious as to why we feel that we need to go through this particular exercise. Is it something that we are just starting? Is it something that's been going on before? It's going to show up in the '09-10 respective budgets, so the numbers in those will go up. I'm just curious as to why we feel that there's a need to start showing some negative numbers.

Chairman (Mr. Abernethy): Thank you, Mr. McLeod. Mr. Aumond.

Mr. Aumond: Mr. Chair, for the last couple of years the government has carried over quite a large sum of capital carry-overs, and those have sort of been snowballing over the last couple of years and piling on the plans that we've been bringing forward every year on an annual basis. So we thought it might be time to have a look and see where we were with respect to each project in the capital plan — if we have a carry-over and we know we are delayed for some reason or another — and come up with a realistic schedule about what we are actually going to be spending in '08-09 and recognize those delays to provide an accurate cash

flow for Members when considering a capital plan going forward.

Chairman (Mr. Abernethy): Thank you, Mr. Aumond. Mr. McLeod.

Mr. McLeod: Mr. Chair, Mr. Aumond said that is something they thought they'd try this year. I just find that we've lived with the carry-overs — and I know the numbers were large.... To me this just seems like a bookkeeping exercise so it will show that our carry-overs for this particular year are not as large as they used to be. So it appears to me that it is just a bit of a bookkeeping exercise. I don't know if it is just an optics thing or if there is really some value in doing it this way. I think that's just more of a comment, but if the Minister or Mr. Aumond would like to respond, then I'm fine with that.

Chairman (Mr. Abernethy): Minister Miltenberger.

Hon. Michael Miltenberger: Mr. Chairman, this is going to be a one-time process. The intent is, as I indicated previously, to have the necessary amendments to the Financial Administration Act in place for the next go-round. The other thing is that we are now doing capital in the fall, and this would give us a more accurate reflection of where we stand as we look at approving projects. Normally the carry-overs and such wouldn't be dealt with until sometime later in the spring, which would be several months down the road. This gives us, in our opinion, for this one cycle, an opportunity to have a clearer idea of where we stood financially with cash flows and projects.

Mr. McLeod: Thanks to the Minister for that. That kind of clarifies it a bit. He said that it was just a one-time requirement, and it's to better reflect the numbers because of the shift from doing the infrastructure budget a different way. So this is just a one-time thing. It's not something that we can expect to see in the future. And if that's the reason for having the negatives in this particular appropriation, then I don't have much of a problem with that. It just seemed to be too much of a bookkeeping exercise to me. But I appreciate the Minister's explanation.

Chairman (Mr. Abernethy): Thank you, Mr. McLeod. I didn't really hear a question, more of a comment. So we'll move on. We're on Health and Social Services, Capital Investment Expenditures. We're on Community Health Programs, not previously authorized, negative \$2.5 million.

Department of Health and Social Services, Capital Investment Expenditures, Community Health Programs, Not Previously Authorized: negative \$2.5 million, approved.

Chairman (Mr. Abernethy): Total Department, Not Previously Authorized: negative \$6.98 million.

Department of Health and Social Services, Capital Investment Expenditures, Total Department, Not Previously Authorized: negative \$6.98 million, approved.

Chairman (Mr. Abernethy): We'll move along to page 12, Education, Culture and Employment, Capital Investment Expenditures, Education and Culture, Not Previously Authorized: negative \$10.272 million.

Department of Education, Culture and Employment, Capital Investment Expenditures, Education and Culture, Not Previously Authorized: negative \$10.272 million, approved.

Chairman (Mr. Abernethy): Advanced Education and Careers, Not Previously Authorized, \$3.75 million.

Department of Education, Culture and Employment, Capital Investment Expenditures, Advanced Education and Careers, Not Previously Authorized: \$3.75 million, approved.

Chairman (Mr. Abernethy): Total Department, Not Previously Authorized, negative \$6.522 million.

Department of Education, Culture and Employment, Capital Investment Expenditures, Total Department, Not Previously Authorized: negative \$6.522 million, approved.

Chairman (Mr. Abernethy): We'll move on to page 13, Transportation. Minister Miltenberger, during your opening comments you indicated that you might want to bring in an additional witness.

Hon. Michael Miltenberger: Yes, Mr. Chairman.

Chairman (Mr. Abernethy): Does the committee agree to allow us to have one more witness in?

Some Honourable Members: Agreed.

Chairman (Mr. Abernethy): I'll now ask the Sergeant-at-Arms to escort the additional witness into the Chamber.

Minister Miltenberger, can I please get you to introduce your witness.

Hon. Michael Miltenberger: Mr. Chairman, I have with me, in addition to Ms. Melhorn, Mr. Russ Neudorf, the deputy minister of Transportation.

Chairman (Mr. Abernethy): We're on page 13. Mr. Beaulieu.

Mr. Beaulieu: I actually had one question on page 12. I'm okay with asking him. I'm pretty sure that the Minister will be able to answer the question without the other witness. It shouldn't be a problem.

Chairman (Mr. Abernethy): Go ahead, Mr. Beaulieu.

Mr. Beaulieu: On the negative supps for Education and Culture for \$10.272 million I'm assuming that that is going to be treated like the other negative supps and returned back in '09–10, that same amount, and then the positive supp of \$3.750 million on careers, which leaves a net balance of \$6.552 million. I was wondering how that's handled. Considering the whole page, it looks like a negative supp, but if \$10 million is going to be put back in, this is an actual supplementary appropriation of \$3.75 million. I was just wondering if I could get a brief explanation on that accounting function that's going to occur — or whatever way the Minister wishes to describe it, I suppose.

Chairman (Mr. Abernethy): Thank you, Mr. Beaulieu. Before we move forward and get a response to that question, I just want to confirm with committee that we're okay to move back to page 12, Education, Culture and Employment. Does the committee agree?

Some Honourable Members: Agreed.

Chairman (Mr. Abernethy): Minister Miltenberger.

Hon. Michael Miltenberger: Mr. Chairman, there's a line just below the \$10.272 million negative supp that indicates that these projects will be put back into the budget for next year. The \$3.75 million is part of the money for the \$9.4 million that's being advanced to free up funds to start projects that are considered important, in this case the demolition and site remediation of the Aurora College campus.

Chairman (Mr. Abernethy): Thank you, Minister Miltenberger. Mr. Beaulieu?

Interjection.

Chairman (Mr. Abernethy): Thank you. We'll just do that item one more time. We're under Education, Culture and Employment, page 12, Capital Investment Expenditures, Education And Culture, Not Previously Authorized: negative \$10.272 million.

Department of Education, Culture and Employment, Capital Investment Expenditures, Education and Culture, Not Previously Authorized: negative \$10.272 million, approved.

Chairman (Mr. Abernethy): We'll return to page 13, Transportation, Capital Investment Expenditures, Airports, Not Previously Authorized: negative \$7.56 million. Mr. Jacobson.

Mr. Jacobson: Mr. Chair, we're on page 13, correct? Okay.

In regard to the airport Combined Services Building for Yellowknife, \$7 million, are we paying for that whole building as a total of the \$20 million?

Chairman (Mr. Abernethy): Mr. Neudorf.

Mr. Neudorf: Thank you, Mr. Chair. The total \$20.7 million project is funded in part by the GNWT and in part by the federal government under the Building Canada Plan. The funding is about 50-50 for that particular project.

Mr. Jacobson: So the 50-50... The territorial government will be putting monies towards the project, correct?

Mr. Neudorf: That is correct.

Mr. Jacobson: That's what I wanted there. Thank you.

Chairman (Mr. Abernethy): Thank you, Mr. Jacobson. We're still on page 13, Transportation, Capital Investment Expenditures, Airports, Not Previously Authorized: negative \$7.56 million.

Department of Transportation, Capital Investment Expenditures, Airports, Not Previously Authorized: negative \$7.56 million, approved.

Chairman (Mr. Abernethy): Highways, Not Previously Authorized: negative \$26.355 million.

Department of Transportation, Capital Investment Expenditures, Highways, Not Previously Authorized: negative \$26.355 million, approved.

Chairman (Mr. Abernethy): Total Department, Not Previously Authorized, negative \$33.915 million.

Department of Transportation, Capital Investment Expenditures, Total Department, Not Previously Authorized: negative \$33.915 million, approved.

Chairman (Mr. Abernethy): Now that we've completed those details, committee, we'll turn back to our totals on pages 1 and 2.

On page 1, 2008–2009 Supplementary Appropriation No. 2, Summary of Appropriations, Schedule 1, Operations Expenditures, Operations Expenditures Appropriation: \$11.617 million.

Summary of Appropriations, Schedule 1, Operations Expenditures, Operations Expenditures Appropriation: \$11.617 million, approved.

Chairman (Mr. Abernethy): We're on page 2, Schedule 2, Capital Investment Expenditures, Capital Investment Expenditures Appropriation: negative \$43.329 million.

Summary of Appropriations, Schedule 2, Capital Investment Expenditures, Capital Investment Expenditures Appropriation: negative \$43.329 million, approved.

Chairman (Mr. Abernethy): Total Appropriation: negative \$31.712 million.

Summary of Appropriations, Schedule 2, Capital Investment Expenditures, Total Appropriation: negative \$31.712 million, approved.

Chairman (Mr. Abernethy): Does the committee agree that we have concluded consideration of Tabled Document 75-16(2), Supplementary Appropriation No. 2, 2008–2009?

Some Honourable Members: Agreed.

Chairman (Mr. Abernethy): Minister Miltenberger.

COMMITTEE MOTION 78-16(2):
CONCURRENCE OF TD 75-16(2)
SUPPLEMENTARY APPROPRIATION
NO. 2, 2008–2009
(COMMITTEE MOTION CARRIED)

Hon. Michael Miltenberger: I move that consideration of Tabled Document 75-16(2), Supplementary Appropriation Act No. 2, 2008–2009, be now concluded and that Tabled Document 75-16(2) be reported and recommended as ready for further consideration in formal session in the form of an appropriation bill.

Chairman (Mr. Abernethy): The motion is being circulated. The motion is in order. To the motion.

An Honourable Member: Question.

Chairman (Mr. Abernethy): The question has been called.

Committee Motion carried.

Chairman (Mr. Abernethy): I'd like to thank the witnesses for coming in today. Thank you very much.

We've concluded Tabled Document 75-16(2). What is the wish of the committee? Mr. Bromley.

Mr. Bromley: Mr. Chair, I move that we rise and report progress.

Chairman (Mr. Abernethy): The motion is on the floor to report progress. The motion is in order. It is non-debatable.

Some Honourable Members: Question.

Chairman (Mr. Abernethy): The question has been called.

Motion carried.

Chairman (Mr. Abernethy): I will now rise and report progress.

Report of Committee of the Whole

The House resumed.

Mr. Speaker: Can I have the report of Committee of the Whole, please, Mr. Abernethy.

Mr. Abernethy: Mr. Speaker, your committee has been considering Tabled Document 75-16(2), Supplementary Appropriation No. 2, 2008–2009, and would like to report that consideration of Tabled Document 75-16(2) is concluded, that the House concurred 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.

Mr. Speaker: Thank you, Mr. Abernethy. The motion is on the floor. Do we have a seconder? The honourable Member for Inuvik Twin Lakes, Mr. McLeod.

Motion carried.

Mr. Speaker: Item 22, third reading of bills. Mr. Clerk, Orders of the Day.

Orders of the Day

Clerk of the House (Mr. Mercer): Orders of the Day for Friday, October 3, 2008, at 10 a.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
- 19) Second Reading of Bills
- 20) Consideration in Committee of the Whole of Bills and Other Matters
MS 80-16(2): Sessional Statement
- 21) Report of Committee of the Whole

- 22) Third Reading of Bills
- 23) Orders of the Day

Mr. Speaker: Thank you, Mr. Clerk. Accordingly, this House stands adjourned until Friday, October 3, 2008 at 10 a.m.

The House adjourned at 4:52 p.m.

