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**The Honourable Paul Delorey, Speaker**

# Legislative Assembly of the Northwest Territories

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**Yellowknife, Northwest Territories  
Monday, October 20, 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, Hon. Robert McLeod, Mr. Menicoche, Hon. Michael Miltenberger, Mr. Ramsay, Hon. Floyd Roland, Mr. Yakeleya.

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 Education, Culture and Employment, Mr. Lafferty.

**Ministers' Statements**

MINISTER'S STATEMENT 110-16(2)  
SUPPORTS FOR FORMER RESIDENTIAL  
SCHOOL STUDENTS

**Hon. Jackson Lafferty:** Mr. Speaker, last month I joined former residential school students from across the Northwest Territories in Fort Providence for the Journey to Healing and Reconciliation Conference. The conference was hosted by the Dene Nation and featured several important discussions.

One panel discussion was led by Alex Janvier, who is a Denesuline Indian Residential Schools survivor and Order of Canada recipient, and Robbie Weismann, who is a Jewish Holocaust survivor. Another panel had Jane Morley, a commissioner with the Truth and Reconciliation Commission, and representatives from the Assembly of First Nations, Indian Residential Schools Resolutions Canada and the Aboriginal Healing Foundation.

At this conference, Mr. Speaker, I was asked to speak about how the Government of the Northwest Territories is supporting former residential school students. I spoke about the Residential Schools Interagency Committee, which we have always been a part of and provide funding and support to. The interagency committee facilitates government and non-government agencies to share information with former students about available programs and services.

Specifically, the Department of Health and Social Services continues to provide trauma support, counselling and referral to advanced psychological

services. The Department of Justice funds community programs that support and encourage healing. Court workers provide information on the legal system. The Department of Education, Culture and Employment continues to work with former students to provide records related to their school years.

Some of the people at the Fort Providence meetings acknowledged that we are the only provincial or territorial government that is providing support the way we do. They indicated how grateful they are for that support. They also indicated how important it is for the Government of the Northwest Territories to continue its support as we move into the truth and reconciliation phase of residential school resolution.

Later I also listened to some of the residential school survivors' painful disclosures about what they went through, how they turned to alcohol or drugs to help them forget, and how difficult it had been to become straight and sober. This made me realize how much work we still need to do to assist survivors in their healing journeys.

It also made me realize that this government cannot afford to stop our support to residential school survivors and that we must in fact try to find ways to increase that support for our constituents, our friends and our relatives.

The Department of Education, Culture and Employment and the interagency committee are now turning their attention to the truth and reconciliation panel. We will share details about the panel's plans to travel through the Northwest Territories as soon as information is available.

Mahsi, Mr. Speaker.

**Mr. Speaker:** Thank you, Mr. Lafferty. The honourable Minister of Industry, Tourism and Investment, Mr. Bob McLeod.

MINISTER'S STATEMENT 111-16(2)  
RECOGNITION OF  
SMALL BUSINESS WEEK 2008

**Hon. Bob McLeod:** Mr. Speaker, this is Small Business Week, an opportunity to recognize and

celebrate entrepreneurs and their businesses across the Northwest Territories.

Small businesses play a vital role in the economy of our communities and our territory. They provide products, services, knowledge and skills that are the foundation of sustainable local economies and enhance our quality of life.

Since March of this year an average of 2,100 individuals per month have reported being self-employed. This represents 10 per cent of all individuals employed in the Northwest Territories. Many of these individuals have and will grow their businesses to the point of being able to employ others as well.

A number of events are being hosted across the NWT in honour of small businesses. Here in Yellowknife a number of agencies — territorial, federal and non-governmental — are offering a full slate of workshops, seminars and video conferences. There are activities related to small business on every day of the week.

In particular, the Northwest Territories Business Development Investment Corporation and Canada Business NWT are offering a daylong workshop on small business bookkeeping, a noon hour video conference on starting a studio craft business and an afternoon video conference on developing a market plan. All of these events will be broadcast live to Fort Smith, Fort Simpson, Hay River and Norman Wells. In addition, the Department of Industry, Tourism and Investment will be presenting a full day arts workshop in Yellowknife.

Mr. Speaker, one of our goals as the 16<sup>th</sup> Legislative Assembly is a diversified economy that provides all communities and regions with opportunities and choices. Our priorities include developing sustainable local economies through small businesses. Small Business Week is an opportunity to meet with local entrepreneurs, attend events with a small business focus and meet some of the many individuals who work to support our small businesses every day.

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

MINISTER'S STATEMENT 112-16(2)  
FOSTER FAMILY APPRECIATION WEEK

**Hon. Sandy Lee:** Mr. Speaker, today we begin Foster Family Appreciation Week. This is the week each year that we take time to celebrate the important contribution that foster families make in the lives of children.

Foster families open their homes to children and youth, providing them with stability, guidance and nurturing. They are people who find the time and

energy to give a child a home, to give a child a chance and to give a child a place where they can be a child. They are there to help, to offer words of encouragement, to provide the care and attention needed by all children.

These families are important partners in the NWT social services network. They work in partnership with social workers, mental health professionals, schools and health care professionals to provide services and to ensure the well-being of children. They contribute to our success as a service provider in meeting the needs of our most vulnerable children. The dedication of foster parents is to be commended.

Mr. Speaker, nationally there is a shortage of foster families, and we in the NWT are no different. Foster home recruitment is a priority across the NWT, as there is an ongoing need for additional homes. Not only is there a need for all types of homes and homes with a variety of backgrounds, but there is a tremendous need for aboriginal foster homes.

I am pleased to say that the majority of the children in foster care in the NWT are placed in their home community and with their extended family. Our most current data shows we have 611 children receiving services with over half of them staying in parental, provisional or extended family homes, with 94 per cent of these children being cared for within the NWT. However, we need to do better. Our children need homes that are in their community, within their family, and homes that will ensure they remain connected to their culture. To do this we need people to come forward to open their homes to the children in need of love and support.

I would encourage anyone in the NWT who has a loving home and a desire to nurture our children in need and help care for them to call the social worker in their community and explore being a foster parent. The children of today are our leaders of tomorrow. Let's give them the best opportunities we can.

During this week, throughout the Northwest Territories, events will be taking place to celebrate the contributions that foster families make to our communities. I wish to convey my sincere appreciation to all of the families who are choosing to make a difference in a child's life. Thank you to all the foster families for being there for our children.

**Mr. Speaker:** Thank you, Ms. Lee. The honourable Minister responsible for the Northwest Territories Housing Corporation, Mr. Michael McLeod.

MINISTER'S STATEMENT 113-16(2)  
MEETING OF HOUSING MINISTERS

**Hon. Michael McLeod:** Mr. Speaker, I rise today to update Members on the status of our efforts at the national level to improve housing conditions and also to engage the federal government to partner with provinces and territories.

Provincial and territorial housing ministers met with representatives of national housing organizations and aboriginal leaders in Ottawa on October 8, 2008, to make the case for long term federal engagement in housing. It is our hope that our efforts will encourage the federal government to commit to work with provinces and territories on long term pan-Canadian housing solutions.

Despite a recent federal announcement extending federal funding to several key housing programs, I believe that only a long term federal commitment to housing can provide the stable and predictable funding needed to meet Canadian housing needs. This is certainly the case in the Northwest Territories. The announcement, while welcome, illustrates the problem with the current system. The lack of certainty around federal funding makes it next to impossible to conduct long term planning and develop strategies to create more affordable housing.

At the national level federal subsidies for existing social housing are declining as federal mortgages mature. Annual federal funding to provinces and territories for assisted housing will decline by \$500 million over the next ten years. While housing needs grow and existing social housing stock deteriorates, the federal government will save hundreds of millions of dollars on its housing portfolio. The Ministers believe that these savings must be reinvested in existing social housing, much of which needs repair and upgrading.

For the Northwest Territories this is an even larger issue. The positive decline of federal social housing will create serious challenges for all provinces and territories. Here in the NWT it creates concern for the long term sustainability of some of our communities.

There are communities in our territory where social housing makes up the vast majority of our housing stock. It is critically important that we ensure that adequate resources are available to invest in and to operate our housing stock or risk the well-being of families in many communities.

To give you a sense of the magnitude of the problem, the subsidy provided by Canada Mortgage and Housing Corporation towards the operational public housing stock is declining each year and is scheduled to end by 2038. As a result, the Government of the Northwest Territories will experience a shortfall of \$340 million in essential

operations and maintenance funding for public housing stock over the next 30 years.

It is an incredible challenge to sustain the delivery of public housing under these circumstances. As the Minister responsible for the Northwest Territories Housing Corporation I will continue to work with my colleagues on this issue while focusing on the unique issues facing our territory.

While in Ottawa I clearly stated that we're also not satisfied with per capita funding for housing, as it is insufficient for our needs. Later this year I plan to meet with my colleagues in the Yukon and Nunavut to start a coordinated effort for further investments in northern housing and to ensure that our unique housing needs are recognized nationally.

Mr. Speaker, in closing I would like to thank the Legislature for unanimously passing a motion in our last sitting that stated our position clearly. While our call for an extension of our housing programs appears to have been answered, we must remain steadfast in our belief that sustainability of our social housing stock is one of this government's key issues and will become an even larger issue in the future without support from our federal partners.

**Mr. Speaker:** Thank you, Mr. McLeod. Item 3, Members' statements. Item 4, returns to oral questions. Item 5, recognition of visitors in the gallery. Item 6, acknowledgements. Item 7, oral questions. Item 8, written questions. Item 9, returns to written questions. Item 10, replies to opening address. Item 11, petitions. Item 12, reports of standing and special committees. Item 13, reports of committees on the review of bills. Item 14, tabling of documents. The Hon. Premier, Mr. Roland.

### Tabling of Documents

**Hon. Floyd Roland:** Thank you, Mr. Speaker. I wish to table the following documents entitled Ministerial Benefits Policy and Report Respecting Benefits Paid to Ministers Under the Ministerial Benefits Policy for the Fiscal Year Ending March 31, 2008.

Document 108-16(2), Ministerial Benefits Policy, tabled.

Document 109-16(2), Report Respecting Benefits Paid to Ministers Under the Ministerial Benefits Policy for the Fiscal Year Ending March 31, 2008, tabled.

**Mr. Speaker:** Thank you, Mr. Roland. Item 15, notices of motion. Item 16, notices of motion for first reading of bills. Item 17, motions. Item 18, first reading of bills. Item 19, second reading of bills. Item 20, consideration in Committee of the Whole of bills and other matters, Minister's Statement 80-16(2), Tabled Document 93-16(2), Bills 14, 15, 16 and 17 — and by the authority given me as Speaker

by Motion 10-16(2), I hereby authorize the House to sit beyond the daily hour of adjournment to consider the business before the House — with Mr. Abernethy in the chair.

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

**Chairman (Mr. Abernethy):** Thank you. I'll be calling Committee of the Whole to order. Committee of the Whole of bills and other matters. We're looking at Member's Statement 80-16(2), the sessional statement; Tabled Document 93-16(2), Northwest Territories Capital Estimates 2009–2010; Bills 14, 15, 16 and 17. What is the wish of the committee? Mrs. Groenewegen.

**Mrs. Groenewegen:** Thank you, Mr. Chairman. I would suggest we resume consideration of Tabled Document 93-16(2), Capital Estimates 2009–2010. In particular I suggest we pick up consideration of Capital Estimates for Transportation before we continue with Industry, Tourism and Investment and Environment and Natural Resources. Following that, we'll resume with consideration of ECE and Public Works and Services, in that order, and hopefully consider these matters through to conclusion today.

**Chairman (Mr. Abernethy):** Thank you, Mrs. Groenewegen. Is the committee agreed?

**Some Honourable Members:** Agreed.

TABLED DOCUMENT 93-16(2)  
NORTHWEST TERRITORIES  
CAPITAL ESTIMATES 2009–2010

**Chairman (Mr. Abernethy):** Mr. Miltenberger, do you have witnesses?

**Hon. Michael Miltenberger:** I do, Mr. Chairman.

**Chairman (Mr. Abernethy):** Thank you, Mr. Miltenberger. Is committee agreed?

**Some Honourable Members:** Agreed.

**Chairman (Mr. Abernethy):** If we can get the Sergeant-at-Arms to please escort the witnesses in, that would be great.

Mr. Miltenberger, can I get you to please introduce your witnesses.

**Hon. Michael Miltenberger:** Thank you, Mr. Chairman. I have with me Margaret Melhorn, deputy minister of Financial Management Board, Mr. Russ Neudorf, deputy minister of Transportation, and Mr. Mike Aumond, deputy minister of Public Works and Services.

**Chairman (Mr. Abernethy):** Thank you, Mr. Miltenberger. We're on page 8-10, Transportation, Activity Summary, Highways, Infrastructure Investment Summary. Mr. Krutko.

**Mr. Krutko:** I have a question with regard to the insurance and liability of this government. I have several inquiries from my constituents about the condition of the roads and damages that occurred to their vehicles by way of punctured fuel tanks, busted steering rods and in some cases wheels falling off.

I know this government has under the Department of Finance a risk management and insurance section, and I know that it insures normal wear and tear. But when you have steering rods busting off and people's tanks being punctured because of the condition of the roads, I think this government has to face the possibility that there is some liability.

I'd like to ask the Minister: exactly what is the case for individuals who find themselves in a situation where they've been stranded because of having a wheel busted off? I'll use a scenario. I know that a number of years ago there was an individual killed on the Dempster Highway when his eighteen-wheeler hit a pothole in the road — basically corroded from the bottom up. The guy hit the hole, flipped his vehicle, and he was killed in the accident. I know this government was taken to court, and it cost us about a million dollars, so there is that liability aspect of our responsibility. We note a lot of times driving the highway that there are these holes along the road. You see them popping up. Once in a while you'll see an orange cone sticking out of them by way of a marker. But, again, we have to realize that we're not immune to these liabilities.

I'd just like to ask the Minister: exactly what is the government's responsibility when it comes to those types of liabilities, knowing we've already been taken to court, knowing we've already been found to be at fault? Again, I'd like to ask the Minister: exactly where are we in regard to this issue? I know the Minister has been receiving correspondence from a constituent of mine. So that's why I'm bringing it here today.

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

**Hon. Michael Miltenberger:** The normal course of practice is that the Government of the Northwest Territories doesn't pay for damages when the road has been maintained. If there are specific circumstances where there's litigation and we're named in the case, that would be a different matter. But as just a general matter of course the practice is that where the road has been maintained to the appropriate standard, we don't approve payment for claims of damages.



**Mr. Krutko:** I think this government does have to do a better job of maintenance and dealing with the hazards that are put in front of our travelling public. I think we do have to realize that we have to take some responsibility for that. In cost reduction efforts and whatnot we sometimes sort of forget that public safety is supposed to be paramount. But when you start having three or four people taking buckets of gravel and filling in potholes on a highway because the government is trying to think they're going to save money, to me that's not proper maintenance, especially with the condition of the Dempster Highway in the last number of years.

We had previous commitments last spring to see an improvement in the highways. Again, this year has been nothing but complaints when talking to people driving the Dempster. More importantly, read the logs in regard to the visitors' centre, and you can see exactly what the tourist traffic are saying.

So again I'd like to ask the Minister in regard to this issue about liability associated with the travelling public.... I know that this government has to take some responsibility in regard to those reductions by way of maintenance, in which we are causing damages to individuals' vehicles because of the conditions of the roads. Have you looked at this whole area of compensation or in regard to insurance? What are we doing by way of risk management to focus on that specific area? I know that people have insurance and whatnot, but again, the insurance usually only covers the PL/PD on a vehicle, so what is the government doing to ensure that?

**Hon. Michael Miltenberger:** There are two factors, of course. There is the condition of the road and the condition of the vehicle. We have, clearly, responsibility for the condition of the road and the maintenance that we provide. But as I indicated, the normal course of practice is that we don't pay out for complaints for damages for people just driving on a road that we are maintaining. The other question that we don't have a lot of awareness of, of course, is that when we get a complaint, the condition of the vehicle may be involved, that resulted in the complaint. That's the current status. Thank you.

**Mr. Krutko:** Mr. Chairman, I believe there is a correlation between maintenance and no maintenance, and we know people are complaining that there is no maintenance being done on the road by government because of cutbacks or reductions. We've been telling the people in the field, "Sorry; we don't have any money; we can't do any maintenance," and basically using that as the reason for not doing maintenance. I think we do have a responsibility to ensure that maintenance takes place. Cost reduction reasons is usually the excuse for not doing maintenance.

So I'd like to ask the Minister again: what is this government doing to ensure that whatever we do by way of reductions in policy does hinge on the public safety in regard to the traveling public?

**Hon. Michael Miltenberger:** Transportation is spending about \$5 million a year on capital and \$2 million to \$3 million a year on maintenance on the road, which is where we're demonstrating our commitment to maintaining the Dempster to the best of our ability with the resources that we have.

**Chairman (Mr. Abernethy):** Thank you, Minister Miltenberger. Next on the list is Mr. Menicoche.

**Mr. Menicoche:** Thank you very much, Mr. Chair. I just want to note that for the communities, they don't get to see this part of the Leg. work, the Committee of the Whole business. Usually we've concluded the TV time, as we call it, for the communities before this section. I'd like to say hello to the communities.

While we're discussing the capital budget with respect to Transportation, in my region, the Nahendeh riding, we had a huge upset in the travelling public when the roads collapsed in the spring. There are a number of reasons for it, but the main reason is that it is an old road and structure that needs continuous improvement. In fact, that was recognized by our government, and we've reconstructed huge sections, especially from the B.C. border towards Fort Liard. That was very much needed. The 20 kilometres they have done to date is a huge improvement. We'd sure like to see the other 12 kilometres done up to the standard that is there. We're hoping that we can press towards eventually chipsealing that section again. I know that part was chipsealed briefly for the three months before it all broke apart.

There was a good foreshadowing of a much improved road transportation system that we could have, but now we're seeing to improve the road and do it better. It takes reconstruction to do that, and it takes a lot of our Transportation resources. We have done that in the past using our CSIF dollars, especially at that one section.

The new collapse in the road there, Mr. Chair, is about one kilometre — I think 170 to 190; I may be wrong on that — but for almost two kilometres, maybe more actually, the cover was destroyed right to the sub-base, right to the clay base, and became, in effect, a mudhole, so we shut down the highway system. Transportation tried their best to get it restored in the early months, but they had to wait for better weather to do that. As a result, these roads were shut down.

It is part of our national highway system and also part of our tourism strategy for the NWT to bring tourists off the Alaska Highway and up Highway No. 7 toward the Northwest Territories to come and see

the beauty of our great country. But once the word gets out that Highway No. 7 is shut down.... Word of mouth spreads very fast to all the travellers from our southern provinces, as well as the U.S. The fellow that owns an airplane company in Fort Simpson indicated that his contacts in Europe and Germany were actually mentioning the fact that Highway No. 7 was closed in the Nahendeh riding. He said, "Look, Kevin, it's a very important road; we've got to do something about it."

So this spring I made numerous Member's statements and got assurances from the Minister at that time that the section that had collapsed would be reconstructed. In fact, I had — I like to say Granny from Nahanni — Granny from Nahanni tell me: "Look, Kevin, what you do is you open the road, and then you bring in more gravel. You fill it in with rip-rap and rebuild the road." Housewives and grannies are telling me how to reconstruct the road.

What, in effect, they had done for that section is just open it up, dry that clay base and then put it back together, and now they've got a good gravel cover. But I'm saying and my people are saying, "That is not good enough, Kevin. Come this spring we just may get the same situation, because in effect the same type of base is still there." So we've got to look at some kind of reconstruction.

Numerous memos and e-mails to the department and to the Minister indicate to me that they're going to be looking at some more work next year, but what has happened is that they had to take away from the resources that were there initially for the first 32 kilometres, Mr. Chair. To take away that much.... We needed to work and reallocate to another section that collapsed. Maybe there'll be more; there's got to be more assessment done on Highway No. 7.

It's that old classic syndrome of taking away from Peter for Paul, Mr. Chair. I cannot advocate for that. In fact, I had thought that here is a sure, good case for extraordinary funding, if any, that our government should identify. Nowhere are there any indications in any of my correspondence that there was extraordinary funding looked at for Highway No. 7, particularly for this collapse of the highway. Often we do that, like when there's an emergency. We have classic examples of schools collapsing and cracking in half and that kind of infrastructure. You know, there's emergency funding, and this type of infrastructure is collapsing as well, so I don't see why it doesn't qualify for extraordinary funding. I think that should be so.

I just want to talk a little a bit about our discussion on, I believe, last Friday. We removed \$1.4 million from, I think it was, Highway No. 5, the chipsealing. I'm not too sure how that was going to work, but we removed \$1.4 million. What I would like to see is a reallocation of those resources. I know that's

something the Committee of the Whole has been discussing and looking at, and at the appropriate time we will debate that in the motion, Mr. Chair.

For me, I would like to continue to reiterate that Highway No. 7 is a very important piece of highway. It was regarded Canada-wide, and even globally people talk about that piece of infrastructure. We've got to treat it as such, as a highly valuable piece of infrastructure that we've got to continue to rebuild. The case here is to rebuild and reconstruct it.

So I'd like press upon the department that we continue to spend those resources. They will not take away from other reconstruction efforts on that section. That's the key. Even though it happened in the springtime, the slowdown and the load restrictions on Highway No. 7 impacted us throughout the summer. In fact, there were many, many cases where it caused great disruptions of moving freight, et cetera. I could just go on. Well, actually one of the biggest ones was that we had high school students who got interrupted two ways: once because they got overflowed on Highway No. 1 just this side of the Providence junction, and the school bus went around and just about got interrupted on the Highway No. 7 side to get back to Fort Simpson, but fortunately the road had not deteriorated to where it was impassable at that point. It just goes to show the importance of Highways No. 1 and No. 7.

I cannot reiterate enough the importance to my riding of having a good base transportation infrastructure that is solid and reconstructed. If there's anything I can ask the Minister at this point, Mr. Chair, it's this: what exactly is the strategy and the go forward plan to work on and reconstruct Highway No. 7?

**Chairman (Mr. Abernethy):** Thank you, Mr. Menicoche. Mr. Neudorf.

**Mr. Neudorf:** Thank you, Mr. Chair. I certainly do appreciate the comments from the MLA. He was very aware of the situation that happened on the Liard Highway this past year. As I explained before, it was really a series of events that led up to the problems that occurred from section 100 to 125, about a 25 kilometre stretch of road that just, you know, essentially because of the wet fall that we had the year before, because of the way the snow melted in the spring.... It just created all kinds of challenges for us to maintain the surface, coupled with perhaps the lack of the granular surface topping material that was on the road. So we were challenged with that.

We did have a couple of projects in the capital plan in the 2008–2009 fiscal year to deal with Liard Highway. The first was some money that was under the CSIF program, as the Member mentioned there,

where we were constructing from kilometre zero to kilometre 20, a benefit for the folks from Fort Liard in their travels south.

We also had another million dollars in the capital plan last year and this current year to take a look and start putting more surfacing material on the remainder of the highway so we could try to get ahead of this type of challenge. That's essentially why we didn't need any extraordinary funding last year; we already had a million dollars in the capital plan to address that type of work. We said that at contractor capacity and then our own staff capacity, we knew we couldn't spend any more than the million dollars, so we used that to direct it to the work that's required.

**Mr. Menicoche:** The issue is in regard to not being able to carry out the work. I don't believe that is true. I believe we have the capacity and ability to do as much work as we can, but I'm not going to argue that point with the Minister or his officials. I do want to reference the motion I spoke about earlier. I'd like to move a motion here.

**Chairman (Mr. Abernethy):** Thank you, Mr. Menicoche.

COMMITTEE MOTION 82-16(2)  
RECOMMENDED FUNDING INCREASE OF  
\$1,400,000 FOR HIGHWAY #7 KM 0-254.1  
LIARD HIGHWAY UNDER THE DEPARTMENT  
OF TRANSPORTATION (TD 93-16(2))  
(COMMITTEE MOTION CARRIED)

**Mr. Menicoche:** I move that this committee strongly recommends that the Department of Transportation take urgent action to increase funding in the amount of \$1.4 million for Highway No. 7, kilometre 0 to 254.1 project on the Liard Highway; and further, that the necessary funding arrangements be included in the second estimates document that will be presented to the House in February of 2009 for fiscal year 2009-2010. Thank you, Mr. Chair.

**Chairman (Mr. Abernethy):** Thank you, Mr. Menicoche. The motion is on the floor, and it is being distributed. The motion is now distributed. The motion is in order. To the motion, Mr. Menicoche.

**Mr. Menicoche:** Thank you very much, Mr. Chair. A lot of my deliberations I've pretty much stated already for the public record. I would just say again that Highway No. 7 is a critical piece of infrastructure that runs between Fort Simpson and Fort Liard and Fort Liard to the B.C. border. I believe and the committee believes as well that with their support we must continue to establish the importance of this highway system. It is 40 to 50 years old, and much needed reconstruction has to be continued and done on those sections. I know

that we've got the CSIF dollars slated and that we've been dedicating a lot of our resources to reconstruction from kilometre zero to 32, which is the B.C. border to Fort Liard, but it's the other sections that we're going to have to pay attention to. I believe that by reallocating more of this money to Highway No. 7, we can expedite the process, because, let's face it, it's deteriorating faster than we keep up with it. The only way we can keep up to it is dedicating more resources. I believe this is one of the ways we can do it.

**Chairman (Mr. Abernethy):** Thank you, Mr. Menicoche. To the motion.

**An Honourable Member:** Question.

**Chairman (Mr. Abernethy):** Question is being called. I will call on Mr. Menicoche to conclude debate on.... Mr. Yakeleya.

**Mr. Yakeleya:** Thank you, Mr. Chairman. I certainly have some thoughts about this motion. I thought about the highways in all the Mackenzie Valley in the north, and I'm going to not support this motion.

I think this motion should look at other highways. I also mentioned before that the Dempster Highway up in Inuvik certainly needs some work, especially with dust control. I have seen it. That's a whole region that has been in the dust for a long time in terms of the use of that highway. I certainly understand Mr. Menicoche's concerns about this situation. I've been made aware of it.

However, for myself, I look at some of the roads. I certainly do not agree with the motion in terms of the recommendations to reallocate the funding. I think that the people of Beaufort-Delta and the Mackenzie region, in terms of dust control and what they can do to enhance safety.... This is something that should be strongly considered with the amount of money that's in here from Transportation for Highway No. 5. However, I want to state for the record that I think there are other areas that should be on record. I am going to leave it at that and have some discussions with the department after.

**Chairman (Mr. Abernethy):** Thank you, Mr. Yakeleya. Question has been called. I call upon Mr. Menicoche to conclude debate on the motion.

**Mr. Menicoche:** Thank you very much, Mr. Chair. I would like to state that I am encouraged by my fellow committee members for moving this motion forward, and I appreciate their support. As well, I would like to request a recorded vote.

**Chairman (Mr. Abernethy):** Thank you, Mr. Menicoche. The Member has requested a recorded vote. All those in favour, please stand.

**Principal Clerk, Operations (Ms. Bennett):** Mr. Menicoche, Mr. Ramsay, Mrs. Groenewegen, Mr. Beaulieu, Mr. Hawkins, Ms. Bisaro, Mr. Krutko, Mr. Bromley.

**Chairman (Mr. Abernethy):** All those opposed, please stand.

**Principal Clerk, Operations (Ms. Bennett):** Mr. Jacobson, Mr. Yakeleya.

**Chairman (Mr. Abernethy):** All those abstaining, please stand.

**Principal Clerk, Operations (Ms. Bennett):** Mr. Lafferty, Ms. Lee, Mr. Miltenberger, Mr. Roland, Mr. Michael McLeod, Mr. Robert McLeod, Mr. Bob McLeod.

**Chairman (Mr. Abernethy):** Okay. The results of the recorded vote on the motion are eight in favour, two opposed, and seven abstentions. The motion is carried.

Committee motion carried.

**Chairman (Mr. Abernethy):** All right; next on my list is Mr. Yakeleya.

**Mr. Yakeleya:** Thank you, Mr. Chairman. I want to ask several questions about the department here. The first has to do with the safety of the winter roads in terms of the region I represent, Sahtu region.

The winter roads have seen an increase in traffic and activity. We also have seen a number of projects happen that would improve and enhance the quality of our roads. I would like to see if there are going to be continued road safety signs; realigning the roads from the curbs, from the hills; and what this department proposes to do with the amount of traffic. We saw last year in Sahtu heavy equipment passing with rigs on them, chains on the tires. Traffic is coming all hours of the night. People in my region take advantage of the winter roads, as they open sometimes in January, sometimes a little later. They close in March, and that window of opportunity closes for them.

There are lots of concerns coming from my region about the big rigs coming in. Sometimes they get quite scared when they travel. Usually the best time for travelling on the Mackenzie Valley winter road is at nighttime, because you can see the lights; that's the only way they know that other vehicles being used by oil companies are on the road.

I'd ask the department: in terms of enhancing the quality or safety of our roads what is the department proposing to do on these winter roads up in the Sahtu region?

**Chairman (Mr. Abernethy):** Thank you, Mr. Yakeleya. Mr. Neudorf.

**Mr. Neudorf:** Thank you, Mr. Chair. We have quite a number of various projects or programs underway to look at safety on the Mackenzie Valley winter road. The Member mentioned a few initiatives that are underway.

On the capital side of things we've invested quite heavily in the winter road for the last half a dozen years or so. We look at what's in front of the committee here now; that will continue. A number of different bridges are going to, we hope, be constructed shortly, including the Blackwater River bridge and a couple of others.

We also have ongoing money for grade improvements to the winter roads. We've done an assessment of the winter road and identified those areas where a correction of the horizontal or vertical alignment might be required. As the Member mentioned, one of the major ones there was the bypass of the community of Tulita, where we moved the winter road out of the community of Tulita to address some of those safety issues. We also did the same thing with Norman Wells a couple of years ago.

We hope, as well, to keep improving the communication and partner with industry and make sure they're aware of all their requirements. We do have an ongoing dialogue with industry and the users of the winter road. We've structured our contracts on the winter road so that when they have some extraordinary use of the road, they would contribute to the department to account for any additional work that's required to construct the road or to operate and maintain the road.

We do think that with those initiatives, as well as with continuing to improve the signage, the road is becoming safer all the time.

**Mr. Yakeleya:** We certainly look forward to the department's initiatives with the community; safety initiatives they could also implement from the community in terms of what safety initiatives could be undertaken. The community has some fairly good ideas about what should be done and what can be done. Some of the signs on the Mackenzie Valley road up in my region are on trees. Sometimes those signs fall down for whatever reason. We want to look at some of those signs in terms of safety measures.

The deputy minister alluded to the bridge program, and we certainly appreciate the bridge program coming to our region. There's one bridge that's between Fort Good Hope and Norman Wells called the Oscar Creek Bridge. It's just sitting there as a monument, and people are wondering when the department will put in the approaches to it. It's been there for a couple of years now. It's very dangerous and hazardous.

When will the department, in terms of its priorities on bridges, fix this bridge? They're going to start on other bridges, but this bridge has been in the spot, sitting there; it's an eyesore. Actually, it's starting to become a joke to my people of the Sahtu region, because it's not doing anything. If this bridge was down somewhere in the south part of the territory, it would be done just like that. The priority is the Oscar Creek Bridge.

There are other bridges, I know, from Big Smith, Little Smith — bridges that need to be up and running. I'd ask the deputy or the Minister: when will we see the Oscar Creek Bridge completed, rather than just have a monument there?

**Mr. Neudorf:** Thanks for the comments. Of course, there are many priorities, many areas where we could improve the Mackenzie Valley winter road. We have, as I mentioned before, made quite a few improvements to it already. One of the projects that is underway is the Oscar Creek Bridge, as the Member mentioned. We do hope to get to that very shortly.

**Mr. Yakeleya:** We've been hearing "very shortly" for a bit here. I'm not too sure what the definition of the deputy's "very shortly" is in terms of the time frame. Can we look at something in terms of having the commitment that this bridge will be done and finished? It's sitting high and dry with no approaches. My people want to know when this bridge will be completed. It's sitting there. It's an embarrassment for the government. When will this bridge be done? You have the dollars. I'd like to ask the deputy to expand a little more on this "very shortly" answer.

**Mr. Neudorf:** As I mentioned previously, there are many different priorities for work on the Mackenzie Valley winter road. We are proceeding with the Blackwater River bridge, which is taking up the majority of our staff's time at the present moment. On Oscar Creek it's a matter of doing the engineering work for that to identify all those requirements. It's on the work plan, and we hope to have that engineering underway this fiscal year yet.

**Mr. Yakeleya:** There are lots of bridges, and people are very happy that the Blackwater bridge is being looked at. But I'm saying this bridge has been sitting there for about two years. It's been sitting there. How long does it take an engineer to say, "We want to build approaches on both ends to complete it"? I don't want to get into too much detail on the Oscar Creek Bridge in terms of the work that needs to get done there, but by God, you have to have that work done in the next couple of months. It's been sitting there for two years.

Blackwater is not even on the banks of the Blackwater River, yet now let's focus on Blackwater bridge, let alone Bosworth or Bear River bridges.

There are investments going into the Sahtu. There are millions of dollars going into the Sahtu oil and gas, and our return on investment is not too bad. But they could stay longer if they had those bridges there. They have the Blackwater bridge in there. Bosworth, I understand, is a temporary bridge. Oscar is just sitting there. They also got the Big Smith.

We have major investments going into the Sahtu region for oil and gas, mining exploration. We'd better have a good return on them for our people, because our roads are only open from January to the end of March. That's it. Our cost of living is high. People who want to go out and take advantage of the winter roads to have a vacation, drive their vehicles down, are very limited compared to other regions that have all weather roads. Our people are starting to demand that these priorities take place in our region. Right now we don't have that opportunity. We use the highway as the Mackenzie River.

When I go back home, they say, "Well, the other MLAs and other regions have roads. They have opportunities." People in Délîné have to cross the Bear River Lake. They have to wait, and now that climate change is taking effect, they have to wait longer. They have companies in Délîné that want to do work. We can't open the Bear River Lake ice crossing; it's too warm. They're losing millions, thousands of dollars.

That's why I'm asking this department to put some emphasis on the region that doesn't have all weather access roads. Put in a little higher priority. Our food might go down. That's what I want to ask. I think I'm making more of a statement, Mr. Chairman, and I'm asking the department to have some leniency, some goodness in their hearts to look at people who live in the Sahtu who have these types of challenges before them.

**Chairman (Mr. Abernethy):** Thank you, Mr. Yakeleya. Mr. Miltenberger.

**Hon. Michael Miltenberger:** Thank you, Mr. Chairman. After that impassioned plea I'll ask Minister Michael McLeod if he would care to respond to that specific request.

**Chairman (Mr. Abernethy):** Thank you, Minister Miltenberger. Mr. Michael McLeod.

**Hon. Michael McLeod:** Thank you, Mr. Chairman. I want to say that there has been some significant focus in the area of the Sahtu, the Member's riding, for some time now and for all the reasons that he's listed, including the short time frame where the communities can access the south for shopping or visiting or things of a personal nature. There's also the consideration among the communities in the Sahtu to be able to have the communities

connected during the winter months so they can travel back and forth.

We have been focusing some considerable investment through the strategic infrastructure initiatives. We've managed to target many bridges, along with grade work, in the Sahtu. We would like to have all 42 bridges that we have identified over the years as immediate done over the next while. We indicated, as the deputy has indicated, in the very near future, because in some of the cases we don't have all the resources identified.

We have targeted over the next while two bridges we'd like to get done, and that's Jackfish Creek and Bosworth Creek. Oscar Creek is also something that is part of what's being considered. If the Member feels we should focus on Oscar Creek as a priority, we'd certainly consider that. There is still some work to be done, as the deputy has indicated, but we'd gladly sit down with the Member to have that discussion on where the priorities for investment in the Sahtu are. We don't have the resources to do all the projects. There are some dollars that may be available down the road through the Building Canada Fund, but we've indicated to the Members that we'd like to have that discussion before we make any commitments.

**Chairman (Mr. Abernethy):** Thank you, Mr. McLeod. Next on my list is Mr. Beaulieu.

**Mr. Beaulieu:** Thank you, Mr. Chairman. First of all, looking at this capital plan, I'd like to thank the Department of Transportation for putting some money into Highway No. 6. I had an opportunity to discuss this budget, or the plan to put this money in, with the community of Fort Resolution. Highway No. 6 is the highway that goes from Hay River into Fort Resolution. It's not right from Hay River but from what's referred to as the Big Buffalo River camp into Fort Resolution, 90 kilometres of highway. For the most part, about 70 kilometres of this highway is in fairly decent shape. It's not in good shape, but it's in decent shape. The majority of this work I'd like to have the department look at, just concentrating on 17 kilometres of highway that goes from the camp at Little Buffalo River into Fort Resolution.

My understanding from talking to some of the people who live in the community is that that highway was originally put in as a temporary road. I was told it was just a road that was put in to originally make the road passable for regular traffic, but it was always the intention to actually get the road up to specs. So this is our first opportunity since then to get that portion of the road up to specs.

I think I did make a Member's statement asking the Minister to take a look at getting the project started as quickly as possible. The budget goes back to

this current fiscal year, so there should be nothing impeding the department from starting the project as soon as possible. I'm hoping I can get an opportunity. I do believe the department has then given some direction to travelling to the community with me to take a look at this road. I'm hoping that it gets down to a point where we're focusing on the worst areas of the highway.

In addition to that, I have a question for the Minister. The various highway chipseal overlay program has probably, aside from the bridge work, one of the larger budgets in the Department of Transportation plan over the length of the term of this government. I was wondering if the department or the Minister — whichever, the infrastructure Minister or the Minister of DOT — could advise me if the various highway chipseal overlay program is scheduled to go into Highway No. 6 at this time. That's my question for now. Thank you, Mr. Chair.

**Chairman (Mr. Abernethy):** Thank you, Mr. Beaulieu. Mr. Neudorf.

**Mr. Neudorf:** Thank you, Mr. Chair. The Member is correct. We have a four year, \$1 million per year project to reconstruct and put additional chipseal on Highway No. 6. That project started this year. We've been doing some engineering work and have been trying to arrange a meeting with the community. We hope to arrange that shortly, in the next month or so, to get the communities' input on their priorities.

In our own investigations that we done so far, we think that the priority is, as the Member suggested, the last 25 or 30 kilometres that go into the community. I think we're aligned there. After the community meeting there will be some work out to tender. It's not on the road work this year, but it would be producing granular materials so that we can get ready for some of the funding that's coming next year and begin some of the reconstruction and drainage work that's required prior to putting the chipseal on.

The second question is in terms of the chipseal overlay. There is a budgeted amount there. It is to rehabilitate the existing chipsealed surfaces on our highway system. It's the amount of money that we need to ensure that they are — at the end of their life cycle — being rehabilitated and replaced as required. We do have an estimate of where we think the priorities for work are, but it's always finalized in the spring of the year. After the winter and getting through the drainage time when the subgrade is at its weakest, we go and inspect all of our chipsealed surfaces and decide what the priorities are for replacement and then go and get the work done. The Member's portion of Highway No. 6 that's chipsealed would be evaluated along with all the other sections at that time. I believe it was about two years ago that we had gone and

actually put a new surface on a section there, so I'm not sure that it would be up for renewal right away.

**Mr. Beaulieu:** I thank the deputy minister for the answer. Just for more information on the chipseal overlay on Highway No. 6, there are only about 15 kilometres that are chipsealed. The department did add an additional five or six kilometres of chipseal beyond what used to be the community of Pine Point. If those are areas that would be considered under this program, then it does leave the rest of the highway for the budget that's scheduled for Highway No. 6. I'm happy with that. Thank you, Mr. Chair.

**Chairman (Mr. Abernethy):** Thank you, Mr. Beaulieu. There is no question, so we'll move to the next person on the list. Mr. Krutko.

**Mr. Krutko:** Thank you, Mr. Chair. I'd like to ask the Minister of Transportation if he can give me an update in regard to the Building Canada Fund and how community projects can be added to that fund. I know of previous commitments from previous Ministers to looking at the Aklavik access road to the gravel source. I know there was a meeting last week. I'm wondering about the possibility of getting an update on what the status of that is. What type of a timeframe are we looking at to basically develop a proposal, submit it and see if we can access the funds from the Building Canada Fund to do that project, similar to the project in Tuk?

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

**Hon. Michael Miltenberger:** Thank you, Mr. Chairman. I would refer that question to Minister Michael McLeod.

**Chairman (Mr. Abernethy):** Thank you, Minister Miltenberger. Minister Michael McLeod.

**Hon. Michael McLeod:** Mr. Chair, as the Members are aware, we had a very busy year this year working on the Building Canada Fund, first of all to sit down and negotiate with our federal counterparts the framework agreement that spells out the different areas that would be considered for investment and the different issues that we'd have to negotiate. Following that, we did come to a successful conclusion on the dollar amount and the criteria areas that would be considered for investment. We also put together the listing of projects that would be brought forward for consideration and negotiation with the federal government and the management committee. For '08-09 we did have that concluded.

We have now submitted the second year's listing of investments, and we are waiting for a response from the federal government. We'll have some discussion on that with the management

committee. We are now in the process of firming up future projects and areas that this government would like to consider for investment in the areas of transportation infrastructure and also municipal infrastructure. We did provide one briefing to the Members to give us a status report and an update of where we are. We are now evaluating projects within the Department of Transportation, and the municipal governments are also doing the same. We are compiling a list.

As things move forward, we are also expecting that we will be looking at a response from the committees to hear what their recommendations are. We also expect to have that firmed up sometime over the next while and to be able to move forward with that.

**Mr. Krutko:** I'd like to thank the Minister for that. We also realize that in order for projects to get on the agenda for the Building Canada Fund, they have to be at a certain stage of assessment and validation in looking at the capital costs of those projects. So that's the challenge a lot of our smaller communities have with our projects. We don't have the ability to access the Department of Transportation or Public Works or infrastructure departments to assist us in compiling that information so that we can make the list, so I think that's the challenge we're facing. Also, out of the Building Canada Fund there was some \$500,000 listed for research and development. I'd like to ask the Minister: do you have any idea of how that \$500,000 is going to be expended by way of research and development? What projects are being expended for that \$500,000 that had been mentioned?

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

**Hon. Michael Miltenberger:** I once again refer that question to Minister Michael McLeod.

**Chairman (Mr. Abernethy):** Thank you, Minister Miltenberger. Minister Michael McLeod.

**Hon. Michael McLeod:** Mr. Chair, the dollar amount on the money that has been earmarked for research and development is actually \$1.8 million over the life of the Building Canada Fund. We have a number of areas that we are interested in. We have criteria that we have to meet, and some of the criteria require us to look at climate change issues and environmental issues. It also gives us the ability to do the research. We have looked at and are considering some dollars to be awarded to the Aklavik Steering Committee that is doing some work pending that we move forward to some satisfactory conclusion and start to nail down what has to be done. We've just had some recent discussion in that area with that committee on the 17th of this month, and I am assuming there'll be

others. But as to an actual overall budget of where those dollars will be allocated and spent, we haven't finalized that.

**Mr. Krutko:** Mr. Chair, it would be good if the Minister could keep the Members on this side of the House and the committees informed in regard to how those expenditures are being made and who's getting on the list and who isn't. I think it's important. Climate change affects people differently, especially where we have communities dealing with permafrost, shoreline erosion and the importance of gravel in those areas where we don't have gravel.

I'd like to ask: has the department looked at what other initiatives are being contemplated? You talked about climate change, and you talked about different types of infrastructure and water treatment plants. Again, I think it's important that we also ensure that we do have the flexibility and allowance for small community projects to be able to meet this list, knowing that a lot of them don't have the capacity or don't have the people on the ground to deal with this. There is going to be a need for dollars to be fronted to those organizations so that they can get the expertise that they're going to need to compile a report or an assessment or a study.

I'd like to ask the Minister: what kinds of assurances can small communities get so that there will be resources for them to do the legwork that's going to be needed for these programs or projects?

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

**Hon. Michael Miltenberger:** Thank you, Mr. Chairman. I'd refer that question to Minister Michael McLeod.

**Chairman (Mr. Abernethy):** Thank you, Minister Miltenberger. Minister Michael McLeod.

**Hon. Michael McLeod:** Thank you, Mr. Chair. I think all the Members recognize that the dollars allocated in this program are a far cry from what is actually needed to be able to accommodate all the different projects that are territorial in nature that are happening in the larger centres and in the small communities. We will consider all projects as best as we can. We'd like to be able to follow some of the earlier strategic initiatives that were put forward in terms of submissions to the federal government. We'd like to hear what the Regular Members have to offer in terms of recommendations. We're open to communities coming forward.

It's a real challenge, of course, to be able to deal with each issue as it comes forward. Communities and projects need investment to do the legwork, to do the research, to do the early investments to

describe and figure out what the scope of work is. But we want to be able to leave it as broad based as possible and try to capture many of the initiatives that are being brought forward, then try to narrow it down in terms of importance and realistic investment as we can. We're not going to be able to do all of them, but we sure can try to see which ones would make the most sense.

**Mr. Krutko:** It's the last, which projects make the most sense, that I have concerns about, because a lot of times the smaller communities don't seem to be put on the same pedestal as large capital projects for specific departments. Departments seem to win out over small communities, and that's the challenge that we're facing here in regard to how capital is being allocated.

I'd like to ask the Minister of Finance if there's any way of monitoring some of these projects to ensure that they are fairly distributed by way of geography, making sure that small and large communities have a fair balance on that, and also that we have projects north and south, that it's not all in one specific area or specific region. I think it's important to realize that with the limited resources we have, we have to ensure that we find that balance and that it's fair to everyone. Thank you.

**Chairman (Mr. Abernethy):** Thank you, Mr. Krutko. No questions. We're on page 8-10, Transportation, Activity Summary, Highways, Infrastructure Investment Summary, Total Infrastructure Investment Summary: \$57.833 million. Mr. Yakeleya.

**Mr. Yakeleya:** Mr. Chair, the question I have is on the follow-up to Mr. Krutko's question to the Minister in terms of the Building Canada Fund. I have a little file here that I have on the Great Bear River Bridge project being delayed, deferred, cancelled, postponed until further funding.

I'd just like to ask the Minister: when can the people in the Sahtu look at a bridge like this? They don't know what to think, since this bridge has been on the books for a long time. They're anxious to hear what the government is planning to do in terms of putting this bridge in place. If it does get in place, for us it will be water under the bridge, I guess.

I'd like to ask the appropriate Minister: can you tell the people and me what's the plan for this Great Bear River Bridge? Thank you.

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

**Hon. Michael Miltenberger:** Thank you, Mr. Chairman. I'll refer that question to Minister Michael McLeod.

**Chairman (Mr. Abernethy):** Thank you, Minister Miltenberger. Minister Michael McLeod.



**Hon. Michael McLeod:** Thank you, Mr. Chairman. As I indicated earlier in my response to investment in the Sahtu, we've been trying to really offset some of the pressures that are being brought into that area by resource development, by the oil and gas industry, and trying to make the winter road more accommodating to the local traffic. We have targeted 42 bridges that are needed in the Sahtu region. We think we are in a position to do at least 41 of them.

We did have the Great Bear River Bridge as part of the projects that were listed under the strategic investment dollars. The budget line for that project was at \$25 million, and it has since practically tripled in value. It's not something we feel we can accommodate as part of our Building Canada projects, so we are right now looking to see if there are any other ways we can fit it into our budgeting process, including maybe work — if there's some desire to move forward — on the Mackenzie Valley road or maybe other partnership arrangements. We do not have a plan at this point for the Great Bear River Bridge, but we have not lost sight of it.

**Mr. Yakeleya:** I appreciate the Minister's response of not losing sight — it might be a little foggy right now — of how you get this bridge in place. but, Mr. Chairman, I am looking at it in terms of the amount of investment that could and should continue to go into the Sahtu region.

I have these bridges in place. We know the bridges are being built in the Sahtu region, because we drive by them and we see them. We certainly appreciate them. When the bridge isn't put at Tullita to connect to Norman Wells, we know the amount of time for the local contractors, the local businesses.... Each day they lose thousands of dollars because of the weight restriction, because of the open water at the Mackenzie and the Bear rivers, and at the N'Dulee crossing there's open water too. So we know those challenges.

In Délîné they know what it takes for a company to get across to the Bear River on the Great Bear Lake. Every day that goes by, they lose thousands of dollars because of the weight restrictions, because they're unable to get across there. Companies are telling us they could stay an extra 30 days in our region. I asked Husky, "What does it cost to operate your rig per day?" They spend \$40,000 a day operating a rig. If they can get bridges in places such as the Bear River, you're going to hundreds of thousands of dollars in the Sahtu region. By not having these critical infrastructure bridges there, we're not supporting the local businesses as much as we could. There are millions. People want some concrete answers.

I know the Minister is trying hard. There are challenges with the federal government in their funding. There are challenges with his own

government here. You talked about Bosworth before. Bosworth is millions of dollars. Oscar Creek is probably less, but the Oscar Creek Bridge is just sitting there. When you talked about putting in the Blackwater River bridge, which I think is really good, people are going to be happy about that.

But there are really some issues that should be looked at in terms of building infrastructure in our region here. That is what my people want to know. There is nothing targeted.

There are challenges. I know the federal government has some challenges we do not quite agree with. Certainly, there have to be some dollars. There were already plans for the Great Bear River Bridge. They said there was a budget of \$25 million. You know, just like our schools or hospitals, we budget something, and next year they triple and double, but still somehow we find money for projects. So I'm saying that in Transportation they can do it in increments. Probably the department does not like that very much in terms of building the approaches and getting the steel, because I understand our steel is somewhere else in the south here — Bear River Bridge steel. The steel was there.

Again I would ask the department to seriously consider the infrastructure that needs to go into our region and into the Sahtu region for the people. We have maybe two months at the most, three months in a really good season, and then we have to fly everything in. Our companies work from December to the end of March, and then there's no activity. These young guys and young ladies that build their companies in the communities rely on the winter road. That is the only opportunity they have to make money, unless you get a contract with the territorial government or the federal government to do some work. They can't move their equipment all around. It has to stay, and somebody has to pay the bill.

I am asking the department for the Sahtu people — not me; it's what the Sahtu people are asking me — to have some concrete.... We've been given the green light — stop, suspend, defer, postpone — and we have been given hopes that it might go through. Then we looked at the book. They're asking about the Bear River Bridge. I know the Minister talked about Bosworth, but there are other bridges also that need to have some attention. For us, in our region, this is what we are asking. It's no different. Other regions have all weather roads and bridges already. they don't need to really talk about this. I guess I'm asking how this government supports the Sahtu region.

Over the years million of dollars have gone in from oil companies. Husky alone spent over \$100 million in the Sahtu region. Kodiak, PetroCan, Talisman spend millions in the Sahtu region, and we don't

feel we're getting a fair shake in terms of investment. Just the safety on the highways themselves — I hope to see some really good safety programs.

Those big trucks come through with chains on their tires, and they brag how fast they can go from Wrigley to Norman Wells, how many hours. Sometimes, Mr. Chair, that road is so good that those truckers go past the speed limit of 50 kilometres an hour. What I am looking for is some improvement on the roads this summer for the people's sake. Members talk about the road, and we certainly want to see a lot of improvement.

So, Mr. Chair, in closing — I think it's more of a statement — I'm hoping I would see some concrete plans in terms of the Bear River Bridge, going into a solid plan to see production, going on to see what we can do.

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

**Hon. Michael Miltenberger:** Thank you, Mr. Chairman. If you want to talk about concrete plans, the man to talk to is the Minister of Transportation, Mr. Michael McLeod. I will ask him to respond.

**Chairman (Mr. Abernethy):** Thank you, Minister Miltenberger. Minister Michael McLeod.

**Hon. Michael McLeod:** Thank you, Mr. Chairman. We have over the last number of years invested very significantly in the area of Sahtu. It has probably received the most investment in terms of bridge work. We put in many bridges that would see the road season extended so that people could take advantage of it, and the oil and gas industry can also utilize this piece of winter road. We also had partnerships with many of the companies that the Member has mentioned to enhance the road, to keep it safe, to keep it stable and also to extend the season.

The Bear River Bridge is a project that has had money identified through the strategic investment fund. It is a project that has tripled in cost, and we no longer have resources identified to move forward with this project. Until that changes, we are going to have some difficulty agreeing that we will invest in that project. If we wanted to bring it into the Building Canada Fund, we would probably have to take half of what our budget is for transportation investment and put it into one project. It is a project that was de-scoped, because we didn't have the resources to do it, to bring it forward. It's not an easy decision to make to move away from a project.

We recognize that this would allow the winter road season in the Sahtu to be extended, to open it up a little earlier. But we've taken the initiative to create bypass roads. We have taken the initiative to invest

in building a road across the ice that would also open the winter road traffic earlier. We've tried to do things to accommodate and help the people in that area and also industry, but right now we are not in a position.... We don't have the resources to build the Bear River Bridge. The money that was in that area has been reinvested in other areas, as the Member has indicated.

We can't allow steel that was purchased to be sitting there when we were just criticized for the Oscar Creek Bridge — having infrastructure that we haven't been able to put in place soon enough or quick enough. I'm sure we would certainly be criticized for leaving steel lying on the ground in Tulita because we didn't have the resources to put it up.

It's still something we'd like to do. We hope, as we move forward with discussions and options for the Mackenzie Valley road with the federal government, that this would be part of it. But until then we don't have the resources, and we can't comfortably say to the Member that we will be doing the Bear River Bridge within the life of this government.

**Chairman (Mr. Abernethy):** Thank you, Minister McLeod. Next on my list is Mr. Beaulieu.

**Mr. Beaulieu:** Mahsi cho, Mr. Chair. Just a quick question for the department or the Minister. I see that there is a plan to do some energy upgrades to camps. I'm assuming that's just to make some of the equipment storage areas more energy efficient. I'm wondering if there is a plan to do an energy upgrade on the camp at Big Buffalo River.

**Chairman (Mr. Abernethy):** Thank you, Mr. Beaulieu. Mr. Neudorf.

**Mr. Neudorf:** Thank you, Mr. Chair. The purpose of that funding is to implement some energy efficiency initiatives that we identified. We worked through the Arctic Energy Alliance and did audits on nine different DOT facilities in various locations across the North. They came up with a series of recommendations, and this is part of the answer as we seek to implement some of their recommendations. I do not believe that Buffalo River camp was one of the nine, so we will continue to look at that one. As well, we will work with Public Works and Services and their preferred maintenance program too, which would be doing assessments of the facilities there.

**Chairman (Mr. Abernethy):** Thank you, Mr. Neudorf. Mr. Beaulieu.

**Mr. Beaulieu:** Thank you, Mr. Chair. That is all I have.

**Chairman (Mr. Abernethy):** We are on page 8-10. Mr. Yakeleya.

**Mr. Yakeleya:** Thank you, Mr. Chair. The Minister's response in terms of likely having Bear River implemented in the life of this government because of the funding source.... I'm really disheartened to hear from the government in terms of the people of Sahtu that the Bear River Bridge project is on again, off again, on again.

The government thought they could build a bridge for \$25 million at the time. When they came in, they came in at over \$40 million. I think \$25 million was not a very accurate number. Then they looked at de-scoping the project to get it off the bridge funding agreement. They went through that, and then somehow it doesn't make it under the Building Canada infrastructure funding requirements.

I think the Minister just told my people that there's no bridge within the life of this government — the Bear River Bridge. I don't think the people are going to be very happy in terms of this bridge. It's been designed. The steel was in Hay River, I understand; the steel now is on Kakisa Bridge. The Oscar bridge has been sitting there for a couple of years. People drive by it every winter. They look at this bridge while they drive by. It goes down to the river and comes up on the other side. They say: "Why don't they fix this bridge, put the approaches in there? What are they waiting for? Why are they doing nothing to fix the bridge?"

A couple of years ago we had open water on the Mackenzie and the Bear River. Why doesn't the government this year look at it and say that if we're not going to have the Bear River Bridge, put some ice sprays there for the traffic? Improve the road system. That's what I'm looking at in terms of what other alternatives they may have. To pull the Bear River Bridge out from under the feet of the people of the Sahtu is just not fair.

Certainly they can find money; there's money there. It's just not a priority, I guess. That's what you're telling the people today in the Sahtu. You're telling the companies that rely on working with industry — gas, exploration, drilling.... For the next three years of this government.... At least you give them some things to think about in future planning. If they put ice sprays at the N'Dulee crossing for Husky, they certainly can put ice sprays on the Bear and on the Mackenzie and on other rivers.

That's what my people are hearing today. All those past meetings we had in Tulita about the Bear River Bridge were good words for nothing. It's disheartening to hear that. Yet they can invest in other areas.

I hope the government has a change of heart and looks at other areas where we can improve ice crossings in terms of spray, like we did in Inuvik. We put an ice spray up in Tsiigehtchic, because they wanted to help the people in Inuvik bring their

groceries in, to bring their costs down — those companies that bring food into the small communities. Give my people some hope in the Sahtu and say we could bring in some ice sprays — spray the ice to build it up so we can have quicker access to opening it up. Do something like that.

You know, a couple of years ago a bunch of kids went to Norman Wells, and they got stuck on the ice road. How many hours were they stuck on the ice road because of a whiteout? People were pretty mad in Tulita, having the young kids on the road. They didn't complain very much, but they were mad. If it happened anywhere else in the Northwest Territories, you'd hear an outcry. I know a mountain of investment has gone in, but it's about time you had that mountain of investment go to the Sahtu. Look at Highway No. 1 and Highway No. 3, the amount of investment over the years: millions compared to us.

To ask for a bridge to go across, advance capacity building, invest in our companies for oil and gas.... It doesn't look like we're going to have a good chance of getting the bridge in place, to have plans to say: "Go ahead with it. We can spend this much and spend this much for our region."

There's one article in the newspaper that always talked about us being isolated. Other communities are isolated. What will it take for this government, for our people, to say yes in a year in this House and to go ahead with a bridge that means a lot to our people?

I don't feel very confident, I guess, in terms of the project. I feel there are some good projects going on, but to hear that in the life of this government it's not going to deal with any expansion, will not say, "Yes, you can go ahead with the Bear River Bridge...." It's not very good to hear. I'm going to leave it at that in terms of this department.

**Chairman (Mr. Abernethy):** Thank you, Mr. Yakeleya. That sounded more like a comment. I didn't hear a specific question. So we'll go back to page 8-10, Transportation, Activity Summary, Highways, Infrastructure Investment Summary, Total Infrastructure Investment Summary: \$57.833 million.

Department of Transportation, Activity Summary, Highways, Infrastructure Investment Summary, Total Infrastructure Investment Summary: \$57.833 million, approved.

**Chairman (Mr. Abernethy):** Moving along to page 8-13, Transportation, Activity Summary, Road Licensing and Safety, Infrastructure Investment Summary, Total Infrastructure Investment Summary: \$1.325 million.

Department of Transportation, Activity Summary, Road Licensing and Safety,

Infrastructure Investment Summary, Total Infrastructure Investment Summary: \$1.325 million, approved.

**Chairman (Mr. Abernethy):** Okay. We'll return to the department summary, page 8-2. Transportation, Department Summary, Infrastructure Investment Summary, Total Infrastructure Investment Summary: \$76.906 million.

Department of Transportation, Department Summary, Infrastructure Investment Summary, Total Infrastructure Investment Summary: \$76.906 million, approved.

**Chairman (Mr. Abernethy):** We'll move along to the next department, the Department of Industry, Tourism and Investment. We'll defer page 9-2 until after consideration of the Activity Summary. Let's turn to page 9-4, Industry, Tourism and Investment, Activity Summary, Tourism and Parks, Infrastructure Investment Summary, Total Infrastructure Investment Summary: \$2.961 million. Mr. Krutko.

**Mr. Krutko:** Thank you, Mr. Chairman. In regard to this department, what role does ITI play in our communities? One of the main roles is dealing with our economic development positions in our communities and trying to assist small businesses.

I know there's a new program out there called SEED, but I think it's important that.... We have to do more. We talk about tourism and whatnot. But what we're seeing is that we have to be able to also develop the economies of our small communities. We can have healthy and vibrant people, but without having a social and economic base for these people to be able to generate business, to have people employed and to have cash flow in our communities.... This department has to do more to stimulate our local communities and economies.

One of the challenges that you face, especially in a lot of communities, is just having the capacity to take on some of these opportunities by having the resources and people to assist small businesses to get off the ground. More important than having the capacity in the community to do it.... We have economic development officers in communities, but that's just one step. I think we also have to look at how we as communities take advantage of those opportunities and realize that we have a high cost to run a business in small communities. We have some unique challenges by way of high energy costs and high overheads in running a business in small communities.

I would just like to ask: exactly what is this government doing to stimulate the economy with big opportunities? We talk about pipelines; we talk about tourism and whatnot. I think there has to be something that deals with community capacity by way of social and economic development.

Can the Minister tell us exactly what types of investments this government is looking at? I know we have different committees established, but I think, more importantly, this government has to do something to ensure that we are able to sustain businesses in our communities and have them functional so that they can maintain and sustain themselves. A lot of companies go out of business in just a matter of a couple of years because of the high cost of operating a business in communities versus the cost of operating a business in a larger center. I would like to know exactly where we are going in regard to that aspect.

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

**Hon. Michael Miltenberger:** Thank you, Mr. Chairman. I don't see that item listed under the capital plan, so given the program content, I will refer the question to Minister Bob McLeod.

**Chairman (Mr. Abernethy):** Thank you, Minister Miltenberger. Minister Bob McLeod.

**Hon. Bob McLeod:** Thank you, Mr. Chairman. The Member is correct. We have been undertaking a number of initiatives. We have mentioned the SEED policy, which has been changed to target level 2 and 3 communities. One of our objectives is to promote development in every one of our 33 communities. We will be actively working in that regard. As well, we have targeted marketing dollars to help promote the harvesting sector. We have a cadre of officers that either work for the government or work for regional and community organizations to promote development. So this is something that we have been working on to promote development in communities. Of course, we have the Business Development Investment Corporation that promotes development of businesses in the communities as well as subsidiaries.

**Mr. Krutko:** I would like to thank the Minister for that. Also in regard to the tourism aspect, I know that there is a lot of focus put on tourism.

Right now we have an opportunity to tie into the tourism market. I know a lot of focus has been done in regard to tourism and whatnot, but there is a major market that has developed next door to the Beaufort-Delta region by way of the Dempster Highway. People are travelling from the Yukon, from Germany, and I think that we have to somehow tie into that by ensuring that we have those facilities along our road systems and also for our tourism outreach program to ensure that we are able to take them on.

I know that there are a lot of questions in regard to where capital has been expended, but more importantly, what services are available to tourists when they travel our highways by way of our

different campgrounds and sites we have along the different highway systems?

I would like to ask: is there a tourism strategy in place that allows for different tourism markets — road tourists, road traffic tourism, and also river tourists — to see exactly what we are doing or if we are spending money in the right place? More importantly, what are we doing to enhance this government's image by way of tourism?

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

**Hon. Michael Miltenberger:** Thank you, Mr. Chairman. I will refer that question to Minister Bob McLeod.

**Chairman (Mr. Abernethy):** Thank you, Minister Miltenberger. Minister Bob McLeod.

**Hon. Bob McLeod:** Thank you, Mr. Chairman. We have had developed a number of strategies over the years. I think the most recent one was Tourism 2010, which identifies the vision and the strategy for going forward. With the funding that has been available generally, to date we have been trying to maintain our existing facilities. We really haven't had funding to be able to go and construct new tourism facilities in any big way.

**Mr. Krutko:** Under the land claim agreements they have established protected areas, and I know they established Gwich'in Territorial Park out of Inuvik. They also established the CANOL Trail in the Sahtu, which was part of the land claim agreements under protected areas.

I think it is important that there were also some obligations under those agreements to establish park committees to look at the opportunities that flow from that park development by way of employment opportunities in regard to the aboriginal culture and crafts. I would like know how much money has been expended today in regard to those areas and also the implementation of the protected areas of those land claim agreements under territorial parks.

**Chairman (Mr. Abernethy):** Thank you, Mr. Krutko. Just a reminder to Members that we are talking about capital estimates. I will go to Minister Miltenberger.

**Hon. Michael Miltenberger:** Thank you, Mr. Chairman. Once again, given the program content of the question, I'll refer that question to Minister Bob McLeod.

**Chairman (Mr. Abernethy):** Thank you, Minister Miltenberger. Minister Bob McLeod.

**Hon. Bob McLeod:** Thank you, Mr. Chairman. My understanding is that we have fulfilled our commitments that were negotiated through the

Gwich'in land claim with regard to the establishment of parks.

I know that under the Sahtu claim we are still trying to move forward on the Doi T'oh park. We are being held up primarily by problems with getting ownership or access to the lands set aside for the park and the CANOL Trail, and primarily it is with regard to environmental issues. So it has taken us longer than originally anticipated to get ownership of and access to the parks. It comes down to a question of: do we set up a committee ahead of time knowing that we're not going to be able to move forward on the park and complete the park until we get the land or should we go ahead anyway?

With regard to protected areas it was a strategy that was developed in partnership with the federal government. The federal government has responsibility for establishing protected areas, and they are community driven. My understanding is that the furthest advanced are the two protected areas that have been requested at Délîné, and we have about five or six others, I believe.

**Chairman (Mr. Abernethy):** Thank you, Minister McLeod. Time has expired.

We are on page 9-4, Industry Tourism and Investment, Activity Summary, Tourism and Parks, Infrastructure Investment Summary, Total Infrastructure Investment Summary: \$2.961 million. Mr. Yakeleya.

**Mr. Yakeleya:** Thank you, Mr. Chair. The Doi T'oh Canyon territorial park, I would like to ask the Minister his plans for infrastructure on that.

I heard the Minister of ITI talk about some of the challenges with the federal government in terms of land ownership, cleaning up that park. That proposed park certainly has some interest by the people in the Tu Nedhe district in terms of ownership through our land claims. However, we don't want to take over a garbage dump, as the trail is being known as, because of the contaminated soil, drums. Everything needs to be cleaned up before we take over that park.

In terms of the Minister's commitment to continue working on this park, what can the people in the Sahtu, specifically the Tulita district, do to continue to have some interest, some presence in this park in terms of having some ownership? Right now we have a management committee. That management committee has, I understand, been approved by the interested parties. Now how do we get things on the go here to have some presence so that we can open up this park under a unique management arrangement by the aboriginal groups and this government? Thank you, Mr. Chair.

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

**Hon. Michael Miltenberger:** Thank you, Mr. Chairman. I'll refer that question to Minister Bob McLeod.

**Chairman (Mr. Abernethy):** Thank you, Minister Miltenberger. Minister Bob McLeod.

**Hon. Bob McLeod:** Thank you, Mr. Chair. As I noted earlier, we can't proceed with the transfer of lands until DIAND has completed a full contaminated sites assessment and remediation of the land to be transferred. The last time I checked, our expectation is that this assessment would be completed and scheduled to be released in 2009. As we get closer to that date, then we would look at reconvening our management committee, which has completed the work that has been required up to date.

**Mr. Yakeleya:** In my understanding of the contaminated areas, releasing the lands to our government or to the aboriginal governments is going to be quite a contentious issue with DIAND because of the amount of garbage that was left on the trail by the U.S. government and the federal government when they built that road to the Yukon. That's going to cost a lot of money for somebody to clean up, just like the Giant Mine here. Somebody's got to take ownership and do it.

Does the territorial government want to hold the liability for the millions of dollars that's going to clean up the CANOL Trail? The Minister's going to be in a very tough position in terms in how do we get this land transfer, and I think it's going to be a long time. Someone's got to take ownership. There's cyanide on there; there's asbestos on that trail.

I'm asking: between now and when the transfer happens what can we see in Sahtu with regard to the total heritage trail park area in terms of some development? There have been hikers on that trail who have made some suggestions. There were telephone lines that were still standing; some were on the ground. Those are lead wires, not like the telephone wires we have today. Is that something that's going to be cleaned up so that the caribou and the moose won't be strangled by them and die on the trails?

We have talked about this in the Sahtu. Our elders have talked about this; people have talked about this. It's known within this government. The issue of land transfer is going to be a tough one. It's going to be a very tough one. We're behind the Minister; we think the federal government and the U.S. government should be cleaning up that trail. They just dropped everything on that trail. There are a lot of stories about that trail. We're behind the Minister

in terms of the liability and who should be cleaning it up. No question there.

The question is: between now and whenever that transfer happens, what can we foresee in terms of development of some shelters, some new bridges? How do we start promoting this world class heritage trail? It is considered one of the toughest hikes in the world, may I say. My question to the Minister is in terms of developing this park with our people.

Mr. Krutko has alluded that in terms of the land claim agreements, we negotiated this park for a reason. Doi T'oh Canyon, Doi T'oh is itself very special to us. We want to see some movement in this area.

I want to ask the Minister, in terms of the finances and moving this project forward.... We know there are big issues, and we're willing to support the Minister in terms of how he deals with those liability issues. I want to ask: what tenders can the Sahtu expect in terms of how we start developing and putting some real live people on that trail, start developing that trail amongst my people and amongst the people in Norman Wells and amongst the people in Tulita? When can we start seeing that start happening, with ENR and with ITI?

There are people who have been using that trail on the Yukon side. I'm very happy to hear that ENR has had some men stationed there to check the hunters coming from the Yukon with their four-wheelers. They're driving all over the area, making a mess up there. My people are wondering what type of control can we have on that trail, some presence. Right now it is pretty well kept quiet. But companies come in from the Yukon to do some mining exploration. I want to ask the Minister this one question: when will we actually start seeing some physical presence in the Doi T'oh Canyon by our own people in terms of structure, training and shelters? Thank you.

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

**Hon. Michael Miltenberger:** Thank you, Mr. Chairman. I'll refer that question to Minister Bob McLeod.

**Chairman (Mr. Abernethy):** Thank you, Minister Miltenberger. Minister Bob McLeod.

**Hon. Bob McLeod:** Thank you, Mr. Chair. I'm glad that the Member agrees that we need to exercise due diligence so that all of the liabilities, especially with regard to the land, are identified and dealt with before we proceed with the land transfer.

Having said that, there is a considerable amount of work being done by the Sahtu Land and Water Board, the Sahtu Renewable Resources Board, the Sahtu Land Use Planning Board and our

government with regard to mapping and database development of the CANOL Trail. As well, the Prince of Wales Northern Heritage Centre is completed. Their archaeological report and the management plan which is required by the land claims agreement was completed in January 2007. So I'm prepared to talk to the federal government about the Sahtu having more of a presence with regard to the CANOL Trail and so on.

**Mr. Yakeleya:** Mr. Chair, just before I close, I had somewhat of a brief discussion last summer with a representative from the Department of Indian Affairs, when they were doing the assessments at mile 70. Two people from my community came with me. There was a rough estimate of what it will cost to clean up the CANOL Trail. The trick is how do you get into the CANOL Trail.

That's what my people want — to have some involvement. We talk about having some cleanup. What are we talking about? What is it that people are involved in? Brush cutting? Cleaning up the wire? How do you pick up the old, old vehicles, old contaminated trucks? There are 45 gallon barrels that have been in our riverbeds. So how do you start cleaning that up? My people want to know. We should have some serious discussions with the Minister and review it with the federal government in terms of involving our people in the development of the Doi T'oh Canyon. I'm glad to hear the Minister talk about some other activities going on in terms of support to the CANOL Trail. I think we want to take it to another level now. So I'm looking forward to the Minister coming into my region and talking to the aboriginal governments and to the communities that need to be involved in this type of discussion. I think it's a good move. Thank you.

**Chairman (Mr. Abernethy):** Thank you Mr. Yakeleya. More of a comment. I didn't hear a specific question.

We're on page 9-4 Industry, Tourism and Investment, Activity Summary, Tourism and Parks, Infrastructure Investment Summary, Total Infrastructure Investment Summary: \$2.961 million.

Department of Industry, Tourism and Investment, Activity Summary, Tourism and Parks, Infrastructure Investment Summary, Total Infrastructure Investment Summary: \$2.961 million approved.

**Chairman (Mr. Abernethy):** We'll return to the department summary on page 9-2. Industry, Tourism and Investment, Department Summary, Infrastructure Investment Summary, Total Infrastructure Investment Summary: \$2.961million.

Department of Industry, Tourism and Investment, Department Summary, Infrastructure Investment Summary, Total Infrastructure Investment Summary: \$2.961million.

**Chairman (Mr. Abernethy):** Does the committee agree that the Department of Industry, Tourism and Investment is concluded?

**Some Honourable Members:** Agreed.

**Chairman (Mr. Abernethy):** We'll move along to the next department, Environment and Natural Resources. Page 10-2, we'll defer until after consideration of activity summaries, so let's turn to page 10-4, Environment and Natural Resources, Activity Summary, Corporate Management, Infrastructure Investment Summary, Total Infrastructure Investment Summary: \$336,000. Mr. Krutko.

**Mr. Krutko:** Thank you, Mr. Chairman. A lot of regions get capital from different departments, and we deal with a lot of government infrastructure, but what we're starting to see is a trend in this department to move items out of communities and into regions. I'll use an example.

In regard to Aklavik, because it's sort of isolated, when it's wintertime, they take the vehicle out of the community, and they take it to Inuvik for the summer. The individual resource officer has to drive around in a four-wheeler all summer, because that's all he has. Yet he still has to move goods and services to the river and go out on the land and whatnot. In regard to the Dempster Highway, a similar thing happens where they take the vehicles to Inuvik, and they leave vehicles that don't even have radios, and they expect them to patrol the Dempster Highway.

I think that as a government we have a responsibility to protect our employees, especially when they're in the field, and to make sure the equipment that we pass in this House by way of capital items is basically used where it's approved for that capital expenditure.

I'd just like to ask the Minister: why is it that this continues to happen, especially in regard to community capital and also to maintain and operate our resource operations in communities? They need that equipment to do their job, yet it seems that everything's been taken out and moved into the regional centres. I'd like to ask the Minister: exactly what is the policy in regard to ensuring that the people working in the field are equipped, have vehicles with radios in them and also that the equipment that they're using is up to specific standards to ensure that they can do their jobs without being given hand-me-downs from the regional operations?

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

**Hon. Michael Miltenberger:** Mr. Chairman, Environment and Natural Resources equips all of their offices and all of their staff in the field. The

issue of vehicle use has been raised. I understand from talking to the deputy that they're on the way to resolving that issue so that there is adequate service in all the communities.

**Mr. Krutko:** Again, Mr. Chairman, my argument is that we have to ensure that we have people in the field who are equipped by way of having somebody on the road on the Dempster Highway, regardless of whether they are patrolling or what. If they don't have radio for communication, to me that is putting that person in danger. Anything can happen when they're on the road. The basics should include radios in their vehicles. Instead of giving them a vehicle that's an old rundown pickup truck versus the nice fancy vehicles running around in Inuvik, they should be working those vehicles in the field. So why is that we have vehicles in the field without radios for communications?

**Hon. Michael Miltenberger:** The vehicles and ATVs and such, I understand, are all bought out of O&M. Clearly, the issue the Member raises is one that we're concerned about and are paying attention to. As I've indicated, I've had discussions with the deputy about those concerns. My understanding is that the issue is on its way to being addressed.

**Mr. Krutko:** Can the Minister tell me exactly how soon the issue will be resolved?

**Hon. Michael Miltenberger:** I anticipate, as we come forward to do the O&M and business plans, that we'll be able to have a more fulsome discussion. We'll have the deputy here and all the appropriate staff to deal with that particular issue.

**Chairman (Mr. Abernethy):** Thank you, Minister Miltenberger. We're on page 10-4, Environment and Natural Resources, Activity Summary, Corporate Management, Infrastructure Investment Summary, Total Infrastructure Investment Summary: \$336,000.

Department of Environment and Natural Resources, Activity Summary, Corporate Management, Infrastructure Investment Summary, Total Infrastructure Investment Summary: \$336,000, approved.

**Chairman (Mr. Abernethy):** We'll move along to page 10-7, Environment and Natural Resources, Activity Summary, Wildlife, Infrastructure Investment Summary, Total Infrastructure Investment Summary: \$402,000.

Department of Environment and Natural Resources, Activity Summary, Wildlife, Infrastructure Investment Summary, Total Infrastructure Investment Summary: \$402,000, approved.

**Chairman (Mr. Abernethy):** We'll move along to page 10-10, Environment and Natural Resources, Activity Summary, Infrastructure Investment Summary, Total Infrastructure Investment Summary. Mr. Krutko.

**Mr. Krutko:** Thank you, Mr. Chairman. In regard to the Shell Lake storage building I'd like to know exactly what's being done in that particular facility. Is that part of the move of the people from the office downtown out to Shell Lake? Is this a continuing expenditure on that particular move?

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

**Hon. Michael Miltenberger:** Thank you, Mr. Chairman. That is to replace a building that is currently 30 years old to store forest fire equipment and supplies. It's 80 square metres, and it's a cold storage building.

**Mr. Krutko:** Is that in regard to the pilings or substrate — the cost of that expenditure?

**Hon. Michael Miltenberger:** The design is a metal clad building on a foundation suitable for an unheated environment on permafrost.

**Mr. Krutko:** In regard to the cost of the improvements at Shell Lake how much money has been expended there to date?

**Hon. Michael Miltenberger:** I don't have that detail here with me. I have the capital substantiations, but I don't have that program detail here with me.

**Mr. Krutko:** Thank you, Mr. Chairman. I'd like to know if I can get that information, please.

**Hon. Michael Miltenberger:** Yes.

**Chairman (Mr. Abernethy):** Thank you, Minister Miltenberger. We're on page 10-10, Environment and Natural Resources, Activity Summary, Forest Management, Infrastructure Investment Summary, Total Infrastructure Investment Summary: \$430,000.

Department of Environment and Natural Resources, Activity Summary, Forest Management, Infrastructure Investment Summary, Total Infrastructure Investment Summary: \$430,000, approved.

**Chairman (Mr. Abernethy):** Return to page 10-2, the department summary. We're on page 10-2, Environment and Natural Resources, Department Summary, Infrastructure Investment Summary, Total Infrastructure Investment Summary: \$1.168 million.

Department of Environment and Natural Resources, Department Summary, Infrastructure



Investment Summary, Total Infrastructure Investment Summary: \$1.168 million, approved.

**Chairman (Mr. Abernethy):** Does the committee agree that we have concluded the Department of Environment and Natural Resources?

**Some Honourable Members:** Agreed.

**Chairman (Mr. Abernethy):** All right. What is the wish of the committee? Take a break? Let's take a five minute break.

The Committee of the Whole took a short recess.

**Chairman (Mr. Abernethy):** Let's reconvene Committee of the Whole. We're reviewing Tabled Document 93-16(2). We've just concluded Environment and Natural Resources. We'll move along to the Department of Education, Culture and Employment. Is committee agreed?

**Some Honourable Members:** Agreed.

**Chairman (Mr. Abernethy):** Committee, when we deferred this item last Thursday, we were on page 7-7, so we'll commence again with 7-7. Is the committee agreed?

**Some Honourable Members:** Agreed.

**Chairman (Mr. Abernethy):** We're on 7-7, Education, Culture and Employment, Activity Summary, Education and Culture, Infrastructure Investment Summary, Total Infrastructure Investment Summary: \$74.794 million. Mrs. Groenewegen.

**Mrs. Groenewegen:** Thank you, Mr. Chairman. I'm just having a hard time finding it. Page 7-7? Oh, okay. All right. I'm just looking in the wrong book.

First of all, let me say that Public Works and Services has done a very good job of providing information. We asked for numerous things, which were provided in a very timely manner. Mr. Miltenberger was quoted in Hansard last week as saying that he couldn't get a list of the subcontractors on the Inuvik schools project until the appropriation had been voted on in the House, and in fact, that list was provided to Members today. So that was very good.

The analysis on the cost per square foot compared to other schools that have been built recently was provided to us. Anyway, I could go on. There's a long list of information that we requested as a committee that Public Works and Services got back to us with in a very timely manner and with the kinds of answers specifically we were looking for. It wasn't like we asked one question and they provided some different information that was unrelated.

There was one thing I asked Mr. Miltenberger in the House last week, though. I asked him who signed the RODs that gave the authority to the Department of Public Works and Services to enter into the negotiations and the subsequent letter of intent with the contractor for the Inuvik schools. I was wondering if Mr. Miltenberger would have that information at this time.

**Chairman (Mr. Abernethy):** Thank you, Mrs. Groenewegen. Minister Miltenberger.

**Hon. Michael Miltenberger:** Thank you, Mr. Chairman. The proposal for the negotiated contract was brought forward by the then Minister of Public Works and Services in August 2007, I believe. Permission was considered and authority was given by Premier Handley, who was Premier of the day.

**Mrs. Groenewegen:** Thank you. So Premier Handley signed off on the record of decision from the FMB to enter into the negotiations?

**Hon. Michael Miltenberger:** No. The issue first went to Cabinet. A Cabinet decision was made, and that record of decision was signed off by Premier Handley.

**Mrs. Groenewegen:** Was there a document that went from the FMB to the Cabinet, and who was that signed by?

**Hon. Michael Miltenberger:** The initiating approval for the negotiated contract was made by Cabinet, and that ROD was signed off by the Premier of the day, Premier Handley.

**Mrs. Groenewegen:** Again, I'm just not sure exactly of the processes. There is something that goes to the Cabinet — it's called the pink — and it's usually the FMB's analysis of a particular project that's before Cabinet. So there wouldn't have been any other record of decision signed off other than the one signed by Mr. Handley and voted on by the Cabinet, correct?

**Hon. Michael Miltenberger:** Mr. Chairman, the decision to enter into a negotiated contract went to Cabinet and was agreed to in Cabinet, and that record of decision was signed off by Premier Handley.

**Mrs. Groenewegen:** Was there any other decision made by the Financial Management Board that was signed off?

**Hon. Michael Miltenberger:** As the process proceeded, there was sign-off for some additional funds that went to FMB, and that was signed off through the FMBS.

**Mrs. Groenewegen:** Thank you. Who was the signatory to that sign-off by FMB?

**Hon. Michael Miltenberger:** The chairman of FMB at that time was Minister Roland.

**Mrs. Groenewegen:** Okay. Thank you. The past week in the House we heard that when a Member of the Cabinet chooses to provide endorsement or a letter of support for a negotiated contract for a capital project in their riding, they will declare a conflict and not participate at the Cabinet or Financial Management Board table on that particular project. That's what I think we heard. Is that correct?

**Hon. Michael Miltenberger:** What I can speak to is what I understand the process to be, which is that should a Member, an MLA who is the Minister, write a letter of support, in this case for a negotiated contract, when that decision comes before Cabinet for approval, the Minister who wrote that letter of support would declare conflict and leave the room through the full course of the proceedings up to the vote and a decision being made.

**Mrs. Groenewegen:** So just to be clear, then, it wouldn't be normal for that same MLA to be signing in their capacity, whatever role they play in Cabinet, on that same contract. That would not be within keeping of the policy that Mr. Miltenberger has outlined.

**Hon. Michael Miltenberger:** Mr. Chairman, the issue is of the letter of support for the negotiated contract being either agreed to or not by Cabinet. Once that decision is made, the issue of conflict, as far as I understand from what our system tells us, is no longer an issue. In this case Premier Roland — Minister Roland at the time — had written a letter of support. He declared conflict when the issue came before Cabinet and was not in the room when the decision was made that already was signed off, as we just discussed, by Premier Handley. After that, this goes into the capital process. The negotiated contract process takes place, and it then becomes just a matter of other business that the government is doing and is not a matter of further potential conflict.

**Mrs. Groenewegen:** Mr. Chairman, this particular project was first presented to Members in terms of correspondent communication with Cabinet at a certain dollar value. It has changed quite substantially with the passing of time with the work that's gone into identifying pricing through subcontractors, with the scope probably having been examined and re-examined. So the initial project dollar value as presented that was approved and signed off by Minister Handley.... Well, first of all, I should ask the question rather than make a statement. When there is a record of decision signed off by Cabinet that enters into a negotiated contract, is there is dollar value associated with that record of decision?

**Hon. Michael Miltenberger:** Yes, Mr. Chairman.

**Mrs. Groenewegen:** Thank you. When the price of the project changed, was there a subsequent approval process or signing off of any record of decision required?

**Hon. Michael Miltenberger:** Mr. Chairman, the issue of if the negotiations.... Where the negotiated contract exceeds the mandate that has been given, then there is requirement to come back to FMB for further approval.

**Mrs. Groenewegen:** Thank you. Would the Member that would have provided a letter of support, then, when it comes back to FMB, still be back in the same position? Because, really, the project didn't double, but it definitely increased by at least 30 to 40 per cent. So does the same rule, I guess, of excusing oneself from those kinds of discussions apply, and do they put it on the original record of decision and proceed with the negotiated contract?

**Hon. Michael Miltenberger:** Mr. Chairman, MLA Roland provided a letter of support for the issue supporting the negotiated contract. That was the only letter of support that was given by the MLA for Inuvik Boot Lake. Any further business following that was just a matter of taking care of business in his capacity as the Chair of the FMB. There were no further letters of support of any kind for anything further, so the issue of potential conflict occurred when the negotiated contract was brought forward and there were letters of support from all the MLAs from the region as well as all the aboriginal governments as well as the town.

**Chairman (Mr. Abernethy):** Thank you, Minister Miltenberger. Next on my list is Mr. Bromley.

**Mr. Bromley:** Thank you, Mr. Chairman. I would like to go back to the school in Hay River, Diamond Jenness school, which has had its major work postponed by two years. I understand there is some deferred maintenance work to be aimed at this school in the interim. I am also aware that there was a considerable amount of work done to assess the situation with the school starting at least in 2003 with reports in 2006 and later. Originally the substantial amount of work was to be scheduled for 2009–2010. That was what we'd sort of agreed on last year. I'm wondering what work is being planned for making sure that that school is safe and sufficiently maintained in the interim, at least for this year.

**Chairman (Mr. Abernethy):** Thank you, Mr. Bromley. Mr. Aumond.

**Mr. Aumond:** Thank you, Mr. Chairman. With respect to Diamond Jenness school we have no deferred maintenance money identified, because we have a capital project on the books starting in

2010–2011. However, we are, just through our own base maintenance funding, spending in excess of \$100,000 a year to maintain that school. We will continue to do so, and we will maintain that school to a level so that it's safe and appropriate to deliver the school program until the capital project is completed.

**Mr. Bromley:** Thank you for those comments. Given that major work was scheduled for this coming fiscal year, as short a time ago was this year or less than a year ago, I assume that considerable planning has been done for that work. Given that, should money be available for '09–10, I'm assuming that a substantive amount of money could be productively spent in '09–10 on that school. Is that correct?

**Mr. Aumond:** The amount of planning and work that's gone into identifying, I guess, what remedial action needs to take place at the school is from a technical perspective; i.e., the building envelope: foundation, mechanical, electrical and so on and so forth. As Members may recall from last week, we know that Education is undertaking an education plan for some program enhancements. We do not yet know what that program or enhancements may be and what the result may be for changing how the school is laid out and how that may impact any electrical/mechanical renovations we may have to undertake to include those enhancements. So we can't really proceed with the renovation of the school until we have the program finalized and we're able to look at that and incorporate that into the design of the renovation.

**Mr. Bromley:** Thank you for the reminder of that earlier discussion. My impression is that the renovation would go on over the course of several years, perhaps three or more, and that they would be a fairly large suite of things given the state of the school, some of which would involve, you know, a thorough marriage between the physical maintenance of the building or renovation and the education plan but some of which surely would not. So I would like to ask a little more specifically: are there some significant renovations outside of that which would require an education plan that could be done and for which there has been some planning done?

**Mr. Aumond:** Mr. Chair, I can't really say, because I have yet to see what the education plan looks like and sort of what the thinking behind the plan is and how it may change the layout of the school. So I can't say what could or could not be in place, because I've yet to see the plan.

**Mr. Bromley:** Something seems inconsistent here, given that we had planned quite a number of millions of dollars for this '09–10 as short a time as less than a year ago. I'm detecting some

inconsistencies there. I don't have any specific further questions. I appreciate those comments.

**Chairman (Mr. Abernethy):** Thank you, Mr. Bromley. Next on my list is Mr. Ramsay.

**Mr. Ramsay:** Thank you, Mr. Chairman. I just had a few more comments on the Inuvik schools, if I could, similar to questions I have raised in the past and comments I have had in the past getting back to accountability. Again, I am supportive of the schools being replaced in Inuvik, but if you look at what the public sector would do if they had to replace an aging piece of infrastructure, it would have happened and it would have happened in a much more timely fashion. I don't think we would have seen the scope changes, the design changes. I know that departments are up against it, because they've got a bunch of interested parties with district authority there in Inuvik. Things can get off the rails quite quickly.

But at the end of the day, when it is public money and the scope is changing — the design is changing, it seems like, on the fly — that comes with a price. Every time you change the design or you change the scope, it's got to cost \$100,000 or maybe even more. We've seen the project escalate in cost substantially — 35, 40 per cent. From where I sit, I have to worry: why does it take so long?

Now, the letter of intent for the negotiating contract went out in July, and here we are past the middle of October and still we don't have a deal. We don't have a firm price. We don't have any of the security in place, and the negotiations are not concluded with the contract. I find that hard to believe — how it could take that long to sign off on this.

We need to get it done. We should have got it done. This should have been a number one priority of the government, and it seems to just keep slipping and slipping. The costs keep escalating. From an accountability standpoint we need to find out what has happened and make sure it doesn't happen again, because we really need to replace the schools in Inuvik. That's the bottom line.

I think we need a tighter way of handling things. If it's been allowed to slip this much.... It has been over four years since the roof collapsed there. Here we are still talking about this. I just find it troublesome. Perhaps the Minister could comment on where the accountability lies in this with the escalation in costs, because I really do think we need to be accountable for the way this has gone off the rails.

**Chairman (Mr. Abernethy):** Thank you Mr. Ramsay. Minister Miltenberger.

**Hon. Michael Miltenberger:** Thank you, Mr. Chairman. I would like to refer that question to Minister Michael McLeod.

**Chairman (Mr. Abernethy):** Thank you, Minister Miltenberger. Minister Michael McLeod.

**Hon. Michael McLeod:** Thank you, Mr. Chairman. The Member raised a very important concern that we are currently reviewing as part of our committee that looks at the infrastructure process. Allowing projects to move along quickly is something that we certainly need to incorporate in our planning. Moving the capital approval process into the fall session is part of that.

We have had some discussion for quite a few years with the community, with the other departments involved, trying to bring this to a conclusion. This is not the first estimate that was provided to us. We had the community involved that brought forward a number of things that they wanted to incorporate into the school. We had many discussions, many meetings to see what could be accommodated and who would pay for it. At the end of the day, with the first round of discussions and the first schematic designs that came forward, the price was a lot higher than it is currently. It was rejected. We had to start again with a new design, with a new approach and more simplified architecture and also a reduction in the floor space. That's where we made progress with the proponents.

We also had to include and incorporate a better foundation design that would incorporate the strengthening of the foundation to address the permafrost and the soil conditions. Also, one of the things that we incorporated into this building is energy efficiency. We included a program in here that would see us save a lot of money in the area of heating this facility. Overall, during that time period, while we went back and forth with the community and departments, we've seen the cost of all our projects escalate, and so did the cost of this one.

We would like to change the process so that we don't build false expectations in the communities when we go forward unless the community is willing to pay for it. We want to be able to bring projects to a peer review stage before we bring them in front of committee, before we bring them in front of Committee of the Whole, things of that nature, so that we don't end up in this situation again.

However, Mr. Chair, we have a good price, we feel. We've analyzed it. We think all precautionary measures have been taken so that we have a good project, and we're quite comfortable that we will end up with a good result.

**Mr. Ramsay:** I thank the Minister for that. I agree with what he's saying. I wasn't a Member of the Legislative Assembly during the life of the 14<sup>th</sup> Legislative Assembly when North Slave Correctional Centre was built, but that building and the young offenders unit that joins it were built at millions and millions of dollars. I forget the final

figure. It was probably \$20 million over budget, maybe even more.

You would think that as a government we would learn a thing or two along the way. When you go to a construction method that allows designs to change on the fly, it's going to cost you money. So why wouldn't we know exactly what we want and exactly how it's going to be built, get the design etched in stone, and then go out and get it built? What we allow ourselves to do is this design-build, and then things get all muddy; the design changes and the scope changes, and it costs us nothing but money. On large capital projects we can't just continue to allow so many people.... They say too many cooks in the kitchen, and that's what's happening. That's what's costing us lots of money.

I know the Minister and the deputy minister are alive to these concerns as we're going through the change in the capital acquisition planning process and everything. These are legitimate concerns. We oftentimes, too, just spec buildings out to the nth degree. We get the best of the best all the time. I've heard that from a number of contractors around the territory. When the government goes out and looks for a contractor to build something, it's spec'd.... A good example is the Combined Services Building at YZF. It's spec'd to the teeth. Some schools that have been built recently have lights in them that are ten times the cost of a regular light that would go in a classroom. We always seem to go for the best of the best. What we really need to keep an eye on is the functionality and usefulness of the facilities that we are building in any community across the territory.

We have to get the most out of our capital dollars that we can, and right now I don't think we are. This Inuvik schools project is just another example of us bleeding money away when we don't really need to. We need to get some schools built. That's the bottom line. We just seem to keep spinning our tires, and it takes too long, Mr. Chairman.

I've got great concerns, especially on the larger capital projects, that we don't seem to learn our lesson. History is going to repeat itself again.

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

**Hon. Michael Miltenberger:** Thank you, Mr. Chairman. The Member raises some good points. We are in a time of transition with the planning process. This is our first cycle through, for example, having changed the capital planning process to the fall. We've struck an infrastructure subcommittee to look at a lot of the issues in regard to this process. We all know very well, those of us that have been here any length of time.... The North Slave Correctional Centre, the first P3 they built in Fort Smith back in the 13<sup>th</sup> Assembly, was the last one

they built at the time, as well, because of all the issues that came out of it.

We recognize there are things that we're trying to do, as Minister McLeod indicated. We want to have a tighter cycle, a better peer review. We're looking at bundling projects. We're looking at standardized designs. We want to, as the Member has indicated, not overdesign buildings or bring in fittings that are so exclusive and rare that they're incredibly expensive. Those things are underway.

This project, as has been pointed out, has been in the pipeline now for quite a few years. So we're going to be in a time of transition here, as we make these significant changes to our infrastructure planning process. We have to work our way through to be able to show the new improvements that we intend to bring forward collectively here as the Legislature.

**Chairman (Mr. Abernethy):** Thank you, Mr. Miltenberger. Next on my list is Ms. Bisaro.

**Ms. Bisaro:** Thank you, Mr. Chair. I'd like to return to a discussion of the delayed, deferred school project in Hay River. I'd like to follow up on some of Mr. Bromley's questions that he listed and a few of my own.

I know this project's been delayed. I have heard that the education program — or lack of one or the need to plan for one — is the reason for delay, but is that the only reason that this project was delayed two years?

**Chairman (Mr. Abernethy):** Thank you, Ms. Bisaro. Mr. Aumond.

**Mr. Aumond:** Thank you, Mr. Chairman. Yes.

**Ms. Bisaro:** Thank you for the answer. I guess that leads nicely into my next question. How long does it generally take to develop an education program, and when was this one first started?

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

**Hon. Michael Miltenberger:** Thank you, Mr. Chairman. I'll refer that education question to Minister Lafferty.

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

**Hon. Jackson Lafferty:** Mahsi, Mr. Chairman. The program enhancement that we're talking about, that education plan, has been in the works since we started this fall, and it will be completed by the end of October. So once we complete the session, the education plan will be underway. Then we will continue to meet with PWS to continue moving forward on this particular school project.

**Ms. Bisaro:** Okay. Thanks for that answer. We approved \$800,000 for this particular project in the '08–09 capital budget; February, I think, we approved it. My understanding was that was planning money. So if we're going to have an educational program done at the end of this month — I think that's what the Minister said — I wonder when planning for renovations can take place. If the educational program is there, we know what's required in terms of the technical requirements, building envelope, upgrades and so on. When do we expect that planning is going to start to develop some sort of drawings for this particular project?

**Chairman (Mr. Abernethy):** Thank you, Ms. Bisaro. Mr. Aumond.

**Mr. Aumond:** Thank you, Mr. Chair. Once the educational program plan is complete, work will begin immediately to start to develop the design for the renovation.

**Ms. Bisaro:** I guess I just have one last question. Mr. Bromley sort of alluded to the fact that there's a bit of a discrepancy here, and I'm having the same difficulty. In the capital budget for '08–09 we approved \$800,000 for this current year, and it earmarked \$15 million for this project in '09–10. Now that \$15 million is gone, and there is nothing for that particular school project in the '09–10 budget. I'm having difficulty understanding how — I think it was February we passed the capital budget — in February of this year we expected, I would presume, construction with a \$15 million tag to start in '09–10, and now, all of a sudden, we're not going to be able to do anything until at least '10–11 or main construction in '11–12.

My question is: was there an expectation in February of this year that construction for this school project would start in '09–10?

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

**Hon. Michael Miltenberger:** Thank you, Mr. Chairman. I'll refer that question to Minister Michael McLeod.

**Chairman (Mr. Abernethy):** Thank you, Minister Miltenberger. Minister Michael McLeod.

**Hon. Michael McLeod:** Thank you, Mr. Chairman. It is important, I think, to point out that initially Diamond Jenness was targeted for a midlife retrofit. Our department, the Department of Public Works and Services, did a midlife review and a technical evaluation on the project. We provided a report that indicated it would cost around \$21 million to retrofit the building completely. We were prepared to move ahead. However, the midlife retrofit would not accommodate any new program areas or new changes in design. It would be renovated to the specs and design that it is currently in, and we

would not allow for any other areas that were wanted to enhance what is already there.

Since then there has been, including when we did the visit, a real desire by the community and by the administration of the school to change where some of the walls are located and the systems that needed to be upgraded in terms of air and water. Those types of things were recognized. We needed the Department of Education to go back and do a program review or an education program requirement assessment. That is currently being conducted. From there, once we've had a good understanding of what we need to accommodate in this facility, it'll come back to Public Works for design. Once the design is done, then we'll move to construction.

We're probably looking at a \$30 million plus project now if we accommodate all the different areas that need to be addressed, including the area that was mentioned by the Member for Hay River South for construction programs and things of that nature. There are a lot of things that the communities are interested in incorporating into this facility. The initial assessment that we did as Public Works was only to do the retrofit and leave things the way they were.

**Ms. Bisaro:** Thanks for the explanation. To the time required to develop and design.... So we have an educational program at the end of this year. We know what the technical upgrades and requirements are. What is the time period to get to a working design that can be used for determining construction?

**Chairman (Mr. Abernethy):** Thank you, Ms. Bisaro. Mr. Aumond.

**Mr. Aumond:** Thank you, Mr. Chair. It is really going to depend upon what changes to the school are going to be resulting from the education program. If we don't have to change too much of the structure itself or the way the school is laid out, then we can probably proceed quite quickly. If we're going to have to be moving or changing the way the school is laid out or moving classrooms around, undertaking more extensive electrical or structural work than we would have if we were just doing a midlife retrofit, then it will take longer to design those. Until we see the program, it is going to be very difficult for us to say with some degree of accuracy how long that process might take.

**Ms. Bisaro:** I understand the difficulty in giving me a time frame. Can I get a rough idea of whether it's between three months and three years, or three months and one year? I won't hold you to it, but an estimate would be helpful.

**Mr. Aumond:** We will endeavour to undertake this as expeditiously as we can. If we're able to come up with a solution that would allow us to proceed

faster than we would normally, we will look for that. But again, until I see what the program looks like, it is going to be very difficult to say with any certainty how long it will take.

**Ms. Bisaro:** I don't know how to rephrase that question. I guess my last question would be relative to.... Well, it kind of has to do with planning, but if money were available, could construction start in the summer or fall of '09?

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

**Hon. Michael Miltenberger:** Thank you, Mr. Chairman. We indicated to the committee late last week, or sometime last week, that if things moved ahead, if the educational planning and other design work was done and it was in everyone's best interest, we would attempt to fast track what could be done early.

**Chairman (Mr. Abernethy):** Thank you, Minister Miltenberger. Next on my list is Mr. Beaulieu.

**Mr. Beaulieu:** Mahsi cho, Mr. Chair. I'm just trying to get some information on the two schools in Tu Nedhe. I didn't have an opportunity....

**An Honourable Member:** Inuvik?

**Mr. Beaulieu:** Tu Nedhe.

**An Honourable Member:** Oh, sorry. I didn't see them in the capital plan.

Laughter.

**Mr. Beaulieu:** They're not there.

I know that under one actual program and one planning document, in the 20-year assessment, there is a midlife retrofit scheduled for all of the buildings that belong to the GNWT, including the Deninu School and Lutselk'e. My first question is: what's the plan for midlife retrofit in those two schools? If it's occurred recently and I'm not familiar with it, then I'd like to know that as well. But, first of all, the midlife retrofit schedule for the Deninu Ku'e and Lutselk'e schools.

**Chairman (Mr. Abernethy):** Thank you, Mr. Beaulieu. Mr. Aumond.

**Mr. Aumond:** Thank you, Mr. Chair. We do have some deferred maintenance work — it's quite a major job — scheduled for '09–10 for the school in Fort Resolution. The school in Lutselk'e had quite an extensive project not so long ago. We have nothing on the books for deferred maintenance at this time, although we are doing maintenance on the school there.

The issue with midlife retrofits is something we're going to try to work more stringently into the new

capital planning process, as deferred maintenance now takes priority over incremental infrastructure. You will see midlife retrofits coming back by way of deferred maintenance through that capital planning process.

We do have a project in Fort Resolution for the Deninu school this summer. In Lutselk'e we have some minor maintenance coming as well this summer, but there was an extensive project done within the last six or seven years, so that school is in fairly good shape.

**Mr. Beaulieu:** So as a result of technical assessment, the Deninu probably got scheduled for some deferred maintenance in '09–10. Has Public Works completed a technical assessment of Lutselk'e school in this go-round? I know the deputy minister advised me just now that there has been some major work done, but I'm just wondering if there was a technical assessment done on that school as well.

**Mr. Aumond:** I'll have to confirm, but I believe there was a technical assessment done on the Lutselk'e school this summer. We had a technical assessment on the Deninu school last year. The focus of the deferred maintenance is to take care of the priority 1, which is the critical work that needs to be done now to address mostly the structural integrity of the assets, or life-safety concerns. That's how we'll probably be proceeding.

**Mr. Beaulieu:** I'm familiar with the date of the Deninu school. I believe the Deninu school was built in 1972, so I guess it's 36 years old. I know there was some retrofit work done on the school. Could the deputy minister advise me when the Lutselk'e school was built — the current school?

**Mr. Aumond:** Mr. Chair, I don't have that information with me.

**Mr. Beaulieu:** Mr. Chair, I'd just ask the department if I could get that information provided to me.

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

Interjection.

**Chairman (Mr. Abernethy):** Thank you, Minister Miltenberger. Next on my list is Mrs. Groenewegen.

**Mrs. Groenewegen:** The technical review of the Diamond Jenness Secondary School and the work that was planned there, where we actually saw numbers in a capital plan.... It's pretty hard for me to believe or accept, as one of the MLAs for Hay River, that this whole thing had to be pushed back two years because of an educational review that was going to take two weeks.

I mean, the Minister of Education just said that the educational review was going to start being conducted by a consultant sometime in October and it's going to be concluded by the end of October. So I'm sorry, but I'm having a hard time buying into this idea that the Diamond Jenness Secondary School was pushed back only because of an educational review.

The money that was indicated, the red flagging of this project because of the critical and priority nature of the work that needed to be done.... This is just a little excerpt under "capital plan project substantiation: the building is over 35 years old. It's been renovated, but the entire scope of the work was not completed due to budget constraints. A technical status evaluation of the building completed in 2003 and then updated in 2006 determined that mechanical and electrical systems require significant capital upgrading as well as upgrade of the walls and windows is a high priority. Other major renovations have also been outlined which will extend the life of this asset."

To go from having this earmarked and red flagged as a high priority capital retrofit project to pushing it back two years because there was an education plan that had to be undertaken, and it was going to take two weeks, is just a little bit hard to believe.

In follow-up to some of the questions Ms. Bisaro asked, Mr. Miltenberger responded that if there was capital available, we could get.... This substantiation report doesn't talk to the budget constraint. Without budget constraint, and perhaps the fact that this educational review document will be produced by the end of October, I'm going to ask again if there is any of this work related to the roof, the envelope, the foundation, the air-handling. Is there anything that could be started in the summer of '09?

Given all the background information that's already been compiled, does everything have to hinge upon this educational review? I mean, I'm in support of the educational review if there are things that need to be changed. But when the Minister of Public Works says that people in the community wanted to look at different things for the school.... I'm curious: did they have any official correspondence to that effect? Was this just in a casual conversation, in a tour of the school? It didn't come from my office. From where did it come that this project should be put on hold for two years because somebody thought that the program should be so altered? I'd like to know what triggered that.

**Chairman (Mr. Abernethy):** Thank you, Mrs. Groenewegen. Minister Miltenberger.

**Hon. Michael Miltenberger:** I'll ask Mr. Aumond to reply to that.

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

**Mr. Aumond:** Mr. Chair, as the Minister of Public Works stated earlier, our intention was just to do a midlife retrofit of the school. That's what was in the capital plan in '08–09. When we became aware that there was going to be an educational program review undertaken, we sort of stopped work on that project to see what the results of that educational review would be. The educational review is just about to be completed, as we heard today. Once we have an understanding about what that means, then we can put a proper plan in place and proceed.

We weren't in a position to really proceed with the midlife retrofit, given that the education programming and planning was going to be undertaken, because that will have an impact, perhaps, on how the school operates. With the programming of the school, there's going to be an impact on the facility itself. Once we have an idea of what that looks like, then we'll know. The schedule is based on the reality that if we have the educational plans sometime in '08–09 and we commence with some design work, then we'll proceed with construction accordingly.

**Mrs. Groenewegen:** Mr. Chairman, as I have stated in this House before and will state again, the school in Hay River is a bit of a landmark. It may be old, but it is of a design that is unusual, outstanding, and it's a tourist attraction. I don't think you're going to completely change the exterior. I mean, it needs to be upgraded, definitely. It needs new windows; it may need new siding. If you're going to use the same school, it's hard for me to believe that a program review for what you're going to do inside that school is going to.... You would think that wisdom would tell you that you're going to probably try to change the programming space with a minimal amount of change to the building. If you don't, I guess you might as well tear it down and start again, and I'm not suggesting that's what we should do.

When we toured the school, there was talk about enhanced trade shop opportunities. They're making do with a very small space there. And the access is an issue: the administrative offices in relationship to people coming in and out of school, security, things like that. These are not things that are going to cause the exterior walls of the school to be moved. There may be an addition — there may be a wing added on, something to that effect — but the main body of the school is going to remain the same, as far as I know.

I'm still not really hearing where the idea for a full program review came from. I don't know if it came from the principal. Did it come from the local district education authority? Did it come from the teachers?

It didn't come from the MLAs that I'm aware of. So where did that idea come from? You went from having a midlife retrofit to looking at a full program review. Even with a program review a high school is a high school is a high school, and we're not going to turn it into a banana.

Interjection.

**Mrs. Groenewegen:** All right. That's Inuvik, yeah.

Laughter.

**Mrs. Groenewegen:** I'm wondering: on some of this mechanical and stuff, which has been extensively studied, why can't we get started if funds are not an issue? Can I hear clearly that we could get started in the summer of '09?

**Chairman (Mr. Abernethy):** Thank you, Mrs. Groenewegen. Minister Miltenberger.

**Hon. Michael Miltenberger:** Mr. Chairman, first I'd like to refer the question about the education program review to Minister Lafferty to give us the history and the background of how that entered into the mix.

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

**Hon. Jackson Lafferty:** Mahsi, Mr. Chair. With this program review we've been talking about, there's been a consultant who was hired back in August. We initiated the discussion with the damage in that school.

When we toured the school early in the new year, there was considerable discussion on added areas; some areas needed to be upgraded or enhanced. There was some discussion from the DEA, the parents, the school staff and administration. There was a need to do some sort of consultation with the school to identify where we need to upgrade within the school. There's been considerable discussion with various parents in the evenings and also DEAs, the school staff and administration with the five to eight days, and there will be eight to 12 days of on site visits, a meeting with the Chair and a meeting with the DEAs, the student focus group, the parent focus group. Those are the groups where there's been some discussion on this educational plan. It will be, I'm getting messages, completed by the end of October. Mahsi.

**Mrs. Groenewegen:** If it's going to be completed by the end of October, that gives us — November, December, January, February, March, April, May, June — eight months until the kids are out of school. Obviously, the best time to be doing work on the school is when the students aren't there, because there are 400 students at Diamond Jenness. I don't think it's going to be very easy to find alternative locations for them to be getting their



education. Some of this work needs to be done in the summer months when the school is not occupied. It may have to be done in a way where a certain amount of the work is done at one time, and it may have to have a phased approach.

If budget is not an issue, is it possible that the Department of Public Works could look for specific contracts and things that need to be done that could begin to be undertaken in the summer of '09?

**Chairman (Mr. Abernethy):** Thank you, Mrs. Groenewegen. Minister Miltenberger.

**Hon. Michael Miltenberger:** Thank you. I'd like to refer that question to Minister Michael McLeod.

**Chairman (Mr. Abernethy):** Thank you, Minister Miltenberger. Minister Michael McLeod.

**Hon. Michael McLeod:** Mr. Chairman, I'm not the Minister of Finance, but I'd like to think that anything's possible.

The Member is quite correct that the Department of Public Works has identified this project as a priority for renovation to address major deferred maintenance issues. The problem is the project has not proceeded through the planning study phase that the ECE is currently undertaking. They're doing the functional program review, and I'm sure they'll be coming back with a certain number of program enhancements for this project.

Given that that work is not expected to be completed until sometime this fall and we're expecting the design work will not be completed until the spring and summer of 2009, we had anticipated that this project would be brought forward for inclusion in the 2010–2011 plan. Provided everything goes well and the functional review goes with everybody in agreement, it may be a possibility. But our experience has shown us that the functional reviews can take some time. We have to consult with the community, provided that there are enhancements to this project. We'd have to look at design and then bring it back, then also have the community put their stamp of approval on it. Sometimes that gets complicated.

Provided all those things fall into place, there may be a possibility to bring it forward. But, again, that would be a question that the Finance Minister along with the FMB would have to discuss. It was intended to defer this project until all components were in place, and we expect it will take a whole year to do all that.

**Chairman (Mr. Abernethy):** Thank you, Minister McLeod. Next on my list is Mr. Hawkins.

**Mr. Hawkins:** Thank you, Mr. Chairman. Just something I was thinking about while I was listening to the debate with great interest, of course: with the

Cardinal design of that Hay River school, do we still have to go through some approval process for him to sign off if any changes are made to that school?

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

**Hon. Michael Miltenberger:** Mr. Chairman, I'd have to ask the Member just to elaborate a bit more; I'm not clear. When he talks about approval processes, is he talking about with the Legislature? I'm not sure.

**Mr. Hawkins:** Mr. Chairman, I appreciate that. When the Hay River high school was designed, it also came with some type of caveat — if I remember correctly, that is — that any substantial change to the building, including painting, had to have some type of sign-off of the architect. Is that true, and if it is true, how is it being worked around?

**Chairman (Mr. Abernethy):** Thank you, Mr. Hawkins. Mr. Aumond.

**Mr. Aumond:** Mr. Chair, I'm not aware of any caveats around undertaking a renovation to the school — if we would need to get the permission of the original architect.

**Mr. Hawkins:** I seem to recall that clearly, but okay; I will accept that.

Mr. Chairman, with classroom size has there been a change between the old, typical design of classroom size per square foot to a modern size design? Therefore, if we go to a wholly full-fledged new school, in theory, would the school be smaller because of the new standardization of designs in comparison to renovating the existing school?

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

**Hon. Michael Miltenberger:** Thank you, Mr. Chairman. My understanding is, as we are talking about a renovation.... I'm not aware that we're talking about a new school at this point.

**Mr. Hawkins:** I'm just trying to seek clarity in the area that we have an existing project that needs to be renovated, which I do support, and the motion falls from heaven today, and I'll certainly be behind it.

That said, I just want to be clear that if Hay River were to get a new high school on that formula, I'm just trying to get a sense of the old "it's better to renovate versus build new." I was always under the understanding that if you renovate existing — typically a lot of our schools are fairly old, but they have large classrooms, working spaces, et cetera — you'd be able to retain those spaces. I was under the understanding that if you went new, there is a standardized size for programming space, and it's smaller, if I understand that correctly. Would the

Minister be able to clarify that in that particular scenario that is the case?

**Chairman (Mr. Abernethy):** Thank you, Mr. Hawkins. Mr. Aumond.

**Mr. Aumond:** Thank you, Mr. Chairman. With respect to the renovation of Diamond Jenness the capital standards that Education, Culture and Employment have with respect to the capital planning, which outlines the space requirements for classrooms, will be taken into consideration but will be balanced off against the cost to undertake those types of renovations to do that.

I don't know or have the information in front of me today about what the size of the classroom spaces are in DJ, to say whether they would be smaller or larger. But if we are undertaking a new school, then those types of standards would apply. With respect to DJ those standards would apply but are balanced off against whether there would be major cost drivers or not. I don't think that's what is really stopping us from making progress here.

**Mr. Hawkins:** Are those standards typically smaller than from the deputy minister's experience from older schools to modern schools?

**Mr. Aumond:** In some cases the Member is correct; in other cases it's the reverse.

**Chairman (Mr. Abernethy):** Thank you, Mr. Aumond. Next on my list is Mr. Bromley.

**Mr. Bromley:** Mr. Chairman, I just wanted to follow up on my first line of questioning, for which I benefited from the questions and responses from my colleagues and the Ministers involved. Given the expected completion date of the education plan — two weeks from today, as we have heard twice from the Minister of Education — and given that Public Works and Services is ready to start their planning right away, as we've heard from Mr. Aumond, and assuming that there will be some obvious renos that could be done that are either not affected or minimally affected by the education plan, can we at least assume that substantive work could start in the following fiscal year; that is, '10–11?

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

**Hon. Michael Miltenberger:** Yes, Mr. Chairman, 2010–2011 is the plan for construction to start.

**Mr. Bromley:** I am just looking at some numbers, which I'm not going to cite, that were provided, I believe, by the Ministers involved here and that indicate substantive work is not really scheduled to start until '11–12. Perhaps I could say: can we expect that given the conditions that I've stated, the

degree of work scheduled for '11–12 could actually be done in 2010–2011?

**Hon. Michael Miltenberger:** The Member is asking me to speculate on hypotheticals, but the Minister of Public Works and Services indicated that if it all goes well — and we hit every step and everything is done on time — there could be an opportunity to do things at an accelerated rate.

**Mr. Bromley:** That is good to hear. Perhaps it would be the Minister of Public Works and Services.... I don't know, but could I hear some better definition of "accelerated rate" than just leaving it completely open?

**Hon. Michael Miltenberger:** I thought accelerated rate was very clear, but I'll get the Minister of Public Works and Services to make it even clearer.

**Chairman (Mr. Abernethy):** Thank you, Minister Miltenberger. Minister Michael McLeod.

**Hon. Michael McLeod:** Thank you, Mr. Chair. The rationale for not moving forward on this project is because it wasn't ready to start construction as we had initially planned, because there was a functional review of the facility that would include some enhancement and some renovations and things of that nature.

We are still quite keen to move ahead with this project. We still think that it is of high priority. The Department of Education is moving forward with their functional review. We expect to do the design. We will put emphasis on getting the design done, and I can certainly commit that I will take it to FMB for consideration as soon as we have all the pieces together.

Right now we are not in a position to do that. The project is not ready for approval, because we don't have all the parts — all the pieces, all the design, all the planning — that needs to be done. However, if we can get this thing put together, the intention is not to hold this project back. The intention was to defer it until we could get all necessary parts of this so that we can get approval. I certainly can commit to bring it to the Department of Finance, the Finance Minister and FMB for consideration, if it's ready prior to what we had initially planned. Up to now we have figured it would take all of this year to get all that compiled.

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

**Mr. Bromley:** Thanks.

**Chairman (Mr. Abernethy):** Thank you, Mr. Bromley. Next on my list is Mrs. Groenewegen.

**Mrs. Groenewegen:** Thank you, Mr. Chairman. Just to be very clear, certainly I'm in support of making sure that if we are going to have a midlife

retrofit on the Diamond Jenness Secondary School, it incorporates everything that we would like it to incorporate.

I'm not suggesting that we should take a band-aid and put it on a building and then close your eyes and cross your fingers and hope for the best for the next 35 years. I do want to see it incorporate all things. I'm just having a hard time accepting that from what I heard — when the Ministers, Education, Public Works and Services and everybody came down there, the deputies, and looked at that school — about high priority, red flag; "Let's get on with it." I have a hard time reconciling that to this being pushed back this far in the capital plans.

I'm encouraged to hear the Minister say that if the work gets concluded that needs to be concluded — the consultation, the design — in fact this government would be prepared to bring forward an expedited, fast tracked, accelerated version of this project. Second to this I hope that everybody in Hay River who might have a part to play in getting this project the kind of approvals and the kind of input you're talking about is listening, because this is a very significant commitment that I'm hearing here today. We don't want to be responsible for dragging our feet or slowing the process.

But I do want to ask about the financial implications of this. If this can be moved forward, are there any financial constraints that could see this project set back?

**Chairman (Mr. Abernethy):** Thank you, Mrs. Groenewegen. Minister Miltenberger.

**Hon. Michael Miltenberger:** Thank you, Mr. Chairman. The Members have the plan. If there are going to be things moved around or moved up because it's in everybody's interest, then we are going to have to try to make the adjustments to make that happen.

Minister McLeod indicated that by the time all the program reviews are done with Education and all the other design work is done, what is currently budgeted for the project may not be.... The figure may change. At this point the commitment is that we'll make every effort, as we've done with other schools like the one in Yellowknife. If it proves up, then we can move this forward. We can adjust our budgets to do that, and if it is in everybody's interest, then we will do that. That is an approach we will take when this is brought forward to FMB.

**Mrs. Groenewegen:** Somewhere back a few answers I heard somebody say that there was a possibility that some work could possibly be undertaken. I was talking about the phases of the project and where things that need upgrading or retrofitting or changing — if anything could be undertaken while the kids are away the whole summer — to start looking at these things. I had

mentioned '09. I like the answer I got to the '09 question, because I heard it was possible.

Then when other people started talking about accelerating, it got a little bit wishy-washy there. Let's just talk about the possibility for '09. If — and I know that sounds hypothetical; that's the big if in here — program review is done, the money is there, and we can look at doing this in the least disruptive way possible for the education of the high school students in Hay River, is some of the work a possibility for '09? If so, would the Finance Minister be bringing back the details of the scope of that work in February? Thank you for approval.

**Hon. Michael Miltenberger:** If the educational program or functional review is completed on time and if Public Works gets the document and can do their design work around what is going to be required for an educational footprint and if that is done in a timely way, as the Minister of Public Works and Services has indicated, he will bring that forward to FMB for their consideration. The Member is correct that if there is, through this process, an opportunity to start doing things in a phased in way, which is why this project is laid out with the money that is there, and if there is a possibility to phase it in at a more accelerated way over the coming summer of '09–10, we've all committed to making every effort to get that done.

**Mrs. Groenewegen:** Thank you. To Mr. Hawkins' questions about whether modern day formulas would mean smaller classrooms than we have now, I want to assure Members that we can't get classrooms smaller than what we have right now. So it would be, as Mr. Aumond said, that in some cases it would mean smaller classrooms and some cases the reverse. In this case, it would be the reverse, because you can't get classrooms smaller and more dysfunctional in that sense from what we have right now in Hay River South at Diamond Jenness. Some of you have seen them. There is not even a proper dividing wall between the classrooms. It was back in the day when they thought that some movable partition was a good idea so they could open classrooms up. Even the sound area between the classrooms is an issue. I'm not worried about any kind of formula diminishing the size of the school there.

There probably are some areas in Diamond Jenness that are of questionable value, like the stairwells, for example, which seem to absorb a tremendous amount of space, but without tearing the building down and going with a completely new design, you're not going to really be able to avoid that.

I think personally, from what I know, it seems like the school is worth saving. It is a landmark in the community, but I am concerned about the continued deterioration. When you look at this

technical evaluation and you look at some of the pictures of some of the things around the foundation, the water, the drainage, some of the capping on the roof that is causing water to not drain away properly.... I understand the idea of not throwing a lot of good money after bad if you're fixing things that are going to be ripped out or changed or substantially altered. I still believe that if we're going to stick with the main school, the structure of the school the way it is, there are things that could be identified and that could be done that are going to stop the deterioration of some of the areas of the school that are going to address some of the potential prior issues.

I think that if there were a fire in that school today, you would have some serious issues and gaps appear with respect to penetration through firewalls, doors that aren't rated for fire. I think you'd see some really significant damage, and that is the kind of thing you want to avoid. That's the kind of thing that with minimal investment you can address.

I know it is more challenging than just having a contractor being in the school and handing it over to them for a period of time and being able to do everything at once. I know it is more challenging, but if there were a way of trying to be stewards of this asset and putting things first that kind of shore up areas where there could be deterioration with time, I would be very much in support of the Department of Public Works looking at those and getting started on this project sooner than later.

Now I am starting to sound like a broken record, but I think that maybe the powers that be have my opinion well registered on Hansard today.

**Chairman (Mr. Abernethy):** Thank you, Mrs. Groenewegen. More of a comment; no real question. Next on my list is Mr. Krutko.

**Mr. Krutko:** Thank you, Mr. Chair. Just following up on the Diamond Jenness school. There have been two technical review studies done since 1980; 1996, I believe, was the last one. I know for a fact that this thing has been on the drawing board in the past, has been scheduled in regard to our capital planning process, and it continues to keep being bumped forward versus trying to do something with it. I think it is important as a government that we do everything we can do to bring this project to fruition or allow it to see the light of day.

There are some major technical challenges to that facility. It is 35 years old. I have gone through the facility myself and also have seen the reports that have come out on that facility. I think we have to do everything to ensure that we have a quality of education, also ensuring that the safety and well-being of the students and the teachers are our first priority. Especially with facilities which are 35 years old, there are a lot of health issues surrounding it in

regard to the types of materials that were built 35 years ago. Now a lot of those materials are registered as hazardous materials.

I'd like to ask to the Minister again, knowing this has been previously approved and now it has been deferred forward, knowing the amount of work that has been expended over the years in regard to the amount of study, the amount of reports, the amount of assessments.... There were plans in place to look at alternative space while the construction took place; I know that took place. So a lot of dollars have been expended on this project, a lot of work done by Public Works and Services. I'd like to ask the Minister: do you have the cost breakdown on how much money has been expended to date on the Diamond Jenness School, and why is it that it continues to be bumped ahead?

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

**Hon. Michael Miltenberger:** Thank you, Mr. Chairman. For the benefit of the Member let me just restate that we've made a significant number of commitments between Education and Public Works and the Financial Management Board to work to see if we can move this project with all alacrity, to get it and see what is possible by this coming year, '09-10, in the summer. But there were a number of ifs, as the Member from Hay River is aware. I've asked Mr. Aumond if he could speak to the issue of how much has been expended to date on the Diamond Jenness project.

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

**Mr. Aumond:** Thank you, Mr. Chair. With respect to the capital project on the books today and in prior years, we've spent \$100,000 developing this project, most of which is still yet to come once we receive the education plan that we just finished discussing.

**Mr. Krutko:** I know that within the last two years there were plans in place to move this project ahead and do it in different phases, that you were going to do a certain aspect of construction in regard to the mechanical side of the building, another phase looking at the shop and whatnot, so that you can still functionally use the facility.

But at some point you're going to have to look at an alternative space. That plan was already in place. It was already contemplated to move on that. There was a lot of planning and research in regard to how we were going to construct this facility in different phases. That work has already been done. I think it is important to realize that we as a government have already talked to the divisional board of education. We've talked to the Town of Hay River; we've talked to the MLAs. I know that those discussions have taken place. Again I'd like to ask:

why is it that there is no movement on this file yet? We've been talking about this for years.

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

**Hon. Michael Miltenberger:** Thank you, Mr. Chairman. Just to summarize once again, there is movement on this project. The functional review that Education is doing for their program requirements is going to be concluded, hopefully, by the end of October. We've committed for Public Works and Services to take a look at that and do their design work once they know what the educational footprint is going to look like. If all those pieces go in sequence and there are no extensive delays for whatever reason, then we've committed to the Minister of Public Works, who has indicated he'd be prepared to come to FMB, if there's a plan or ability for us to move faster than is currently laid out in the capital plan, looking to see what's possible from a phased in approach as laid out, as Mrs. Groenewegen indicated in her comments, we will.

**Mr. Krutko:** Again, Mr. Chairman, in the 15<sup>th</sup> Assembly a lot of work was put into this project and moving it ahead. It was done by the Minister of Education, the Minister of Public Works and the MLAs, and it was on the drawing board to move ahead.

Something has happened between the 15<sup>th</sup> and the 16<sup>th</sup> Assemblies, where this project has basically moved totally off the game plan that was put in place in the 15<sup>th</sup> Assembly. This was supposedly moving forward during that period of time. A lot of work and a lot of reviews took place. There was a plan in place to move on this project. We have the reports. We have had the assessment. It has gone to Cabinet. It has gone by way of these reviews between the MLAs, the Department of Education and the Department of Public Works. It's gone through every step that had to be taken so that it can proceed, but for some reason it seems like there's a bottleneck in the system somewhere, that this project has not been given the tools it needs to proceed. What we're asking here is: can we proceed with this project in a timely manner so that they don't have to wait until 2010 or '11? Can we do it sooner?

**Hon. Michael Miltenberger:** Mr. Chairman, I'm of the opinion and I believe on record that we've already committed to that process.

**Mr. Krutko:** Well, if he's committed to moving on this project, that's what I want to hear.

**Chairman (Mr. Abernethy):** Thank you, Mr. Krutko. No real question. There's nobody else on the list, so we'll go back to Mrs. Groenewegen.

**Mrs. Groenewegen:** Mr. Chairman, I have a motion.

**Chairman (Mr. Abernethy):** Go ahead, Mrs. Groenewegen.

COMMITTEE MOTION 83-16(2)  
DEFERRAL OF CONSIDERATION OF  
EDUCATION AND CULTURE ACTIVITY IN  
EDUCATION, CULTURE AND EMPLOYMENT  
CAPITAL ESTIMATES (TD 93-16(2))  
(COMMITTEE MOTION CARRIED)

**Mrs. Groenewegen:** I move that this committee defer further consideration of the activity Education and Culture under the Department of Education, Culture and Employment, Capital Estimates 2009–2010, on pages 7-7 and 7-8 at this time. Thank you.

**Chairman (Mr. Abernethy):** The motion has been distributed. The motion is in order. To the motion.

**An Honourable Member:** Question.

**Chairman (Mr. Abernethy):** Question is being called.

Committee motion carried.

**Chairman (Mr. Abernethy):** We'll defer pages 7-7 and 7-8 under Education, Culture and Employment, and we'll move along to Public Works and Services on pages 4-4 and 4-5. Is committee agreed?

**Some Honourable Members:** Agreed.

**Chairman (Mr. Abernethy):** Okay. We're on page 4-4, Public Works and Services, Activity Summary, Asset Management, Infrastructure Investment Summary, Total Infrastructure Investment Summary: \$17.22 million. Mr. Krutko.

**Mr. Krutko:** Thank you, Mr. Chairman. In regard to the office facility for Inuvik I've been making inquiries as to the vacant space available in Inuvik and what effect this could have on the market. I've been told that there is roughly a 7 per cent vacant office space rate in Inuvik, excluding the Perry Building, so here you're looking at about another 3,200 square feet. Right now there are probably about 10,000 square feet of vacant office space in Inuvik, so unless we can prove that there's going to be no market disruption by putting a building of 47,000 square feet in Inuvik and that it won't have an impact... I believe it will have an impact. In regard to the space that I'm referring to, that space is vacant as of today.

I'd like to ask the Minister what we have done in regard to the review of the possibility of an independent market disruption survey to see exactly what the implications of this project are for the retail market in Inuvik.

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

**Hon. Michael Miltenberger:** Thank you, Mr. Chairman. There's been no formal assessment done of the nature that the Member has characterized.

**Mr. Krutko:** In regard to ourselves and the individuals who have made investments in the retail market and also to the amount of vacant space, with the economic situation we find ourselves in today dealing with banks, we must also realize that someone has to pay for the roughly 10 per cent vacant office space. Somebody's got to cover the O&M costs of those facilities that are vacant. I think the cost is going to be a burden to those businesses that have made that investment. It's crucial to realize that for any facility this government has a policy in regard to market disruption. In order to do justice to that market, we should ensure that we do a thorough assessment and review to ensure that the impacts on those businesses are minimal.

We had a similar situation that I mentioned happen here in Yellowknife with the federal government putting a federal building in Yellowknife. They went out of their way to do a basically independent assessment of the market in Yellowknife by way of the retail market, to give some comfort to the industry. I think that in regard to this proposal that we're looking at for Inuvik, we shouldn't do anything less than what's been done by the federal government, and we should also realize that we do have a policy in place for that particular item.

I'd like to ask the Minister: is there a possibility that we take the time, do the study and ensure that we note that there will be no effect on the market, like I stated? Right now there's about 7 per cent vacancy in Inuvik. Also, the three floors in the Perry Building have not been brought into this calculation. I think there is an argument to be made that we have to do justice to the individuals, the companies that have made this investment. Of course, someone's got to pick up that extra cost of overhead and maintain that vacant space, because we've still got to heat it. We've still got to provide the overhead to sustain those businesses. So can the Minister commit to that?

**Hon. Michael Miltenberger:** The top floors of the Perry Building are unusable, which is one of the reasons there was a move. The lease proposal that was put to the government had over the life of the lease a \$38 million premium attached to it, which is very significant. Available space in Inuvik, from what I understand, is scattered over a number of buildings. There's not one concentrated place that would allow the government to bring together the resources as they're currently planning. However, I'd ask Minister Michael McLeod if he wants to add anything further to this issue.

**Chairman (Mr. Abernethy):** Thank you, Minister Miltenberger. Minister Michael McLeod.

**Hon. Michael McLeod:** Thank you, Mr. Chairman. This is a real significant issue for us, and it has been for some time. We need proper office accommodations for the employees in Inuvik. We don't have very many government facilities in the community; 93 per cent of our portfolio is leased.

It's starting to be a challenge now that we can't identify any new facilities to move to. We have certainly a large number of issues with the Perry Building. There's a possibility we may be evicted. MACA is housed in an old federal government warehouse. It's 45 years old. We have air quality concerns. We have security issues with some of the income support offices. We really don't have a lot of choices.

There's a comparison being made by the Member that the federal government did a market disruption analysis in Yellowknife, which is not a fair statement, because there are no facilities vacant in Inuvik that we can identify. Yellowknife has vacant space, and there is market disruption only if there is competition. In this case we can't find it. We need a balanced investment. We need to have some of our own accommodations for employees so that we're not held to a huge cost factor when it comes to rental space because we don't have any choices.

We have committed to the developers in Inuvik that we'll continue to rent the same amount of space from the private sector as we did prior to the closing of the Perry, and we will commit to that. I think this is a good project, and it's something that we can't ignore. The facilities that we currently accommodate also don't have barrier free access. That's a concern. So we need the appropriate space in Inuvik, Mr. Chairman. That's why we're bringing this forward. It's not that we want to move away from some of those current agreements. We'd like to keep those. But there's still not enough, and our current facilities are just not appropriate.

**Mr. Krutko:** Mr. Chairman, this was an issue that came forward that I raised in regard to the Department of Environment moving out to Shell Lake. They were saying they don't know how they're going to fill that space. That space is still vacant. No one has moved into that space in regard to the Department of Environment relocating to Shell Lake. There's also the Professional Building in Inuvik which has a floor that's basically vacant. So out of that, there's almost 7,000 square feet of office space that's vacant in Inuvik. I know that in regard to the Perry Building, that basically was a question of structural soundness of the building and how much weight was being distributed on the different floors. That's why Public Works is on the first floor. Yet there's still a cost associated with

those three floors being vacant in Inuvik, regardless if anybody is in there or not.

When you're talking about moving Public Works and Services, the Department of Education, Culture and Employment, the Financial Management Board Secretariat, Municipal and Community Affairs, the Beaufort-Delta Health and Social Services Authority by way of setting up a health clinic, for me that's a lot of bodies and a lot of space that's going to be required in regard to where these people are going to come from. If you have a market that can only sustain, say, 10,000 square feet and you're adding another 10,000 to the market, you do have more space that you have on the open market, which will cost someone not having the ability to maintain that space.

Right now there's 7 per cent vacant office space in Inuvik, from what I was told this morning. So how can you use the argument without doing a survey to state that basically there isn't going to be an effect on the market when you didn't even do a survey yourself? All I'm asking is that we as government take the time to do an independent review and survey on exactly what space is available, where the space is, who owns that space. Putting 47,000 square feet of office space into Inuvik, what impact will that have on the market?

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

**Hon. Michael Miltenberger:** Mr. Chairman, we know what space is available in Inuvik. We know that it's in small quantum scattered across the buildings that are available, that there's no single space that's big enough. We know that the one offer that we did have had a \$38 million premium attached to it. We know that our current portfolio is 93 per cent leased, 7 per cent that we own. That is a balance not recommended by anybody in terms of having a balanced portfolio so that you can have room to move and adjust your needs and not be caught or held to the fact that you've got no flexibility because all your eggs are in one basket.

In regard to the question about Shell Lake and other specifics, I'll ask Mr. Aumond to reply, if he could, please.

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

**Mr. Aumond:** Thank you, Mr. Chair. The space that was previously occupied by ENR actually is being fit up for the Inuvik Community Learning Centre, who will be going in there in January.

The Member is correct, though. There is the third floor of the Professional Building that is available, and it has 157 square metres of space but does not have barrier free access. The office building that we

are proposing is only 37,000 square feet, not 48,000.

**Chairman (Mr. Abernethy):** Thank you, Mr. Aumond. Next on my list is Mrs. Groenewegen.

**Mrs. Groenewegen:** Thanks, Mr. Chairman. Well, that makes me feel a lot better — only 37,000 square feet.

I think it is incumbent on the government — if they want to spring an office building into the capital plan at the eleventh hour that's not even in the five year capital plan and want to drop this into the mix basically with no notice — to make very compelling arguments for why they need this money to build this new office building in Inuvik. I think they have failed the test in terms of making that argument. I hear a lot of information, but saying that there isn't a single location in Inuvik with 37,000 square feet.... Well, surprise, surprise. That is a small town. What small town has 37,000 square feet of space sitting waiting to be rented to the government? What small town has 37,000 square feet of office space in one location?

I don't think the analysis has been done. I don't think the assessments have been done. I think the economy is such in Inuvik right now — if I could be so.... I'm not there personally, but I think that things are perhaps in a bit of a holding pattern right now, waiting to see what's going to happen with the pipeline. I think there aren't a lot of private companies probably looking for space right now that the government may vacate, just because I understand that the level of activity is not what it normally is in Inuvik right now. There may be better timing for the government to build 37,000 square feet of office space than there is right now.

I guess also, to the issue of fairness and distribution of capital dollars, it would be nice to collocate 37,000 square feet of people and services in one building in Inuvik, but is it absolutely necessary? I mean, in all towns — and even in Yellowknife — government services and offices are distributed throughout the community. It's never been a mandate or a policy of this government to try to collocate a whole lot of different activities into one building.

If there is such a savings and such a good argument to be made for building this in Inuvik and for having all of this under one roof, that argument will still be good next year, you know, as opposed to renting from the private sector. That argument will still be good next year. I don't have any qualms about deferring this project until there's been a full assessment done. I mean, we're talking about.... People need room to spread out, and they need comfort and they're in old buildings.

Well, like I said before, let me tell you about an old building in Hay River where it's not comfortable and

we're trying to educate children. You know, teachers have to go to work, too, and they have to work in circumstances that are not good. So the business of this being an old building doesn't really.... Old building? Some government employees in old buildings doesn't really have a big impact on me.

I mean, if there's an issue of safety, that's different. If there's an issue of security, that's different. Our highest priority when our capital projects are prioritized is the protection of people. I haven't heard of any health or safety threats to the folks that are distributed around various locations in Inuvik. I understand the Perry Building, perhaps on the higher floors, has been condemned, for lack of a better word — it's not accessible — but I'm not so certain that the ground floor has the same kinds of issues.

Like I said, there could be very, very good reasons for this, but I don't feel that the case has been made for this coming onto the capital plan the way it did and just being so urgent that we have to move on it right now. I would rather defer it by a year. If the arguments are very good, they'll still be good a year from now.

I don't really have any questions about it. I think, you know, Mr. Krutko has done a very good job of sort of canvassing the issues. The fact that there are 120 million bucks, probably, in capital going into Inuvik this year, and now we want to put another in excess of \$20 million into Inuvik.... I think there are a lot of other regions, a lot of other communities that are also interested in capital in their communities, in their regions. I don't think we need to overload Inuvik with a hundred and whatever it turns out to be — \$150 million in capital.

There is an issue of fairness and distribution and equity. I think it's the role of this government to ensure they assess all the needs and spread things out and pace development in one community in such a way that the local economy can even pick up and absorb and benefit from some of that development. You have too much going on in one community at one time. What happens is you end up having to import your trades and import a lot of your labour. If you pace that over a period of time, I think it's more beneficial to the community as well.

Anyhow, for me, Mr. Chairman, I haven't heard the compelling argument that needs to be made to pass the test of this being an urgent capital project to come onto our books and be supported at this time. That's my position on it. It's more of a comment than any question.

**Chairman (Mr. Abernethy):** Thank you, Mrs. Groenewegen. More of a comment than a question, but if the Minister wants to respond. Minister Miltenberger.

**Hon. Michael Miltenberger:** Thank you, Mr. Chairman. We've listened carefully to the discussion. The Member's indicated her opinion. She's stated it for the record, and I appreciate that.

**Chairman (Mr. Abernethy):** Thank you, Mr. Miltenberger. Next on my list is Mr. Beaulieu.

**Mr. Beaulieu:** Thank you, Mr. Chairman. I am going to talk about another community for just a minute. I was wondering if the department had done a technical assessment on GNWT-owned office space in Lutselk'e.

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

**Hon. Michael Miltenberger:** Thank you, Mr. Chairman. I'll defer that question to Mr. Aumond.

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

**Mr. Aumond:** Thank you, Mr. Chairman. Other than the school and the health station, I don't believe we have any office space in Lutselk'e.

**Mr. Beaulieu:** Okay. The office space that's been used as the band office, where they have most of the community government.... I wonder if the deputy minister could advise me who owns the office space. Who is responsible for the maintenance on that building?

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

**Hon. Michael Miltenberger:** Thank you, Mr. Chairman. I understand that's a band owned and maintained office.

**Mr. Beaulieu:** Okay. I'll talk about Inuvik.

Laughter.

**Mr. Beaulieu:** I have a question on the demolition of the current structure where the planned office is being contemplated. I was wondering if there was some money put into the capital plan for, I believe, this fiscal year. I was wondering if the department could advise when the demolition will be completed and the land will be ready for a new structure to be put on it.

**Chairman (Mr. Abernethy):** Thank you, Mr. Beaulieu. Mr. Aumond.

**Mr. Aumond:** Thank you, Mr. Chairman. Our anticipation is that we will be out to RFP in December and the demolition will be complete by April or May of next year.

**Mr. Beaulieu:** Okay. Following up on questions from other MLAs, I know there was indication that because of the nature of the way the office space in Inuvik is spread out around the community,



although there may be a 7 per cent vacancy rate, there are small pockets all over the community. I was wondering what the opposition to actually doing a market evaluation would be.

I know that if we support a small business under some of our small business programs, even a person who owns a small business could have a lot less of an impact on something like this. That person is actually going into an area where there's already a private market providing that service, and the government generally doesn't support or often doesn't support a small business in getting started. That's the market disruption policy. I'm not one hundred per cent sure, but I believe the market disruption policy is something that's housed in ITI.

I'm wondering what the reluctance, I suppose it would be, on the part of the government would be to actually do a market disruption evaluation of the potential landlords in Inuvik and how they would be impacted if this amount of office space were brought into the community.

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

**Hon. Michael Miltenberger:** Thank you, Mr. Chairman. I'll refer that to the Minister of Public Works and Services.

**Chairman (Mr. Abernethy):** Thank you, Minister Miltenberger. Minister Michael McLeod.

**Hon. Michael McLeod:** Thank you, Mr. Chairman. We don't see any potential for market disruption in this case. There is very little vacant space. It's not the same as the comparison that was made with Yellowknife, where there is vacant space, and in order to undertake a project of this nature, we would be disrupting the market by not providing opportunity for the proponents that had space. In this case we have a number of buildings we're housing our employees in, some with structural problems; for example, the Perry Building that was referenced. There is limited occupancy there. The landlord has discontinued maintenance on this building, and we're facing potential eviction. There are other facilities that are located in inadequate space, which I mentioned earlier.

We don't see the market disruption as an issue, because there are really virtually no other accommodations we can utilize. We have had these discussions, as I mentioned earlier, with other developers and have given them the reassurance that we will continue to lease and rent the same amount of space we currently do. I don't see how we can be disrupting the market.

**Mr. Beaulieu:** If market disruption is not an issue and the MLAs on this side of the House are indicating that there could be other priorities that we see because market disruption may be — from that

type of evaluation — something that's missing from this piece of the puzzle, would it be possible for the government to provide some comfort to the MLAs indicating that there is no market disruption? Maybe by getting the individual rental office space sector from Inuvik to indicate that this would not be an issue. I'm wondering if something like that could be easily attained.

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

**Hon. Michael Miltenberger:** Thank you, Mr. Chairman. I'll refer that to the Minister of Public Works and Services, Minister McLeod.

**Chairman (Mr. Abernethy):** Thank you, Minister Miltenberger. Minister Michael McLeod.

**Hon. Michael McLeod:** Thank you, Mr. Chairman. I think it's relatively easy to decide if there's a market disruption. There is, first of all, no current space available in Inuvik, and for the second reason, we are planning to accommodate people who we are currently housing in our own facilities that are not up to the standards that are spelled out. Most of our buildings, including the Perry Building, which we need to be out of, do not have barrier free access, do not meet GNWT office space standards. They are not energy efficient; they do not promote environmental sustainability; they have air problems. We can't allow our employees to work in that environment.

**Mr. Beaulieu:** I was wondering if the government or the Department of Public Works has done a technical evaluation on the GNWT-owned office space that would be vacated to move into the new office space.

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

**Hon. Michael Miltenberger:** Thank you, Mr. Chairman. I'll refer that question to Mr. Aumond.

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

**Mr. Aumond:** Thank you, Mr. Chairman. Hopefully I have understood the Member's question correctly. In terms of an assessment about what space they're coming from to where they'll be going to, I think the Minister of Public Works has already stated that in our view, based and compared to our own standards, they're inadequately accommodated — some of them up to a factor of 40 per cent.

Our income support people don't have the proper security features to protect them. We don't have barrier free access. In the office space in the Perry Building — we're on the first floor — we're not certain about how long our future is going to be

there, so we need to have some place to go eventually. The landlord is no longer maintaining that building. The space we're coming from, in our view, based on our current standards and criteria for office space for employees across the government, is inadequate.

**Chairman (Mr. Abernethy):** Thank you, Mr. Aumond. Next on my list is Mr. Jacobson.

**Mr. Jacobson:** Mr. Chair, in hearing the Minister regarding the quality for staffing issues in the Beaufort-Delta and Inuvik.... On October 6 I made my Member's statement regarding staffing, having to share a bathroom in Mangilaluk School, eating lunches in the hallways. Where does that come into play? I'm in support of the building, but the market disruption I'm starting to hear about more and more. I really think it should be looked at.

You've got private businesses in Inuvik relying on us. The Minister stated that there is going to be no market disruption; I think that should be relooked at. There is no equality in regard to what we're dealing with in the small communities. You have communities that are, you could almost say, giving up on our government. They should be really looked at before we go into a community or a town the size of Inuvik — talk to the local businesses and give them that chance and opportunity to speak to us.

Just to let everybody on the other side know, I am in support of the building. But we have to make sure the businesses that do own the buildings in the community of Inuvik are taken a look at before we do anything like that.

Then again I go back to my Member's statement: where do we get on the list for this? It's going to be an uphill battle for me to try to get an extension put on Mangilaluk School, which we really need. The school in Inuvik, while I am in support of it, I guess I have to go there with a truck and try to take all the excess, anything left over, to get anything done — take the crumbs.

That's how it looks to me right now. The communities are left in the dark again. Four years and we're not going to receive anything. I always say: thank God for the Building Canada Fund. While I am in support of the Inuvik school and I am in support of the building, we should defer in regard to making sure that businesses in Inuvik are taken care of first before we make this decision.

**Chairman (Mr. Abernethy):** Thank you, Mr. Jacobson. I didn't hear a question there, but I'll go to the Minister for a response.

**Hon. Michael Miltenberger:** Mr. Chairman, just for some more background. We handed out earlier today to all the Members.... They should have hopefully received it by now. We managed to get all

the housing numbers and MACA money, and we've redone the funds being allocated by constituency to the Members so that it's comprehensive. If you haven't gotten that yet, you will be getting it. The numbers paint somewhat of a different picture. For example, Nunakput is now up to about \$34 million over four years.

On the issue of the office building, I appreciate the Member's comments. Minister McLeod has made the case of why that's a necessary project.

**Chairman (Mr. Abernethy):** Thank you, Minister Miltenberger. Next on my list is Mr. Yakeleya.

**Mr. Yakeleya:** Mr. Chair, a question to the Minister. I'm trying to catch up to the issue here. In terms of the facility in Inuvik, the facility you're proposing, have there been discussions with private businesspeople to say, "Can you build the building for us? We'll lease it, and then nobody's short on cash"? Has that discussion happened?

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

**Hon. Michael Miltenberger:** Thank you, Mr. Chairman. What was received were some unsolicited proposals that were brought forward and examined, which is where we get the information indicated — a premium of about \$38 million. There was no formal request.

**Mr. Yakeleya:** Mr. Chair, the unsolicited discussions that you've termed this way, the discussions with these people.... Have there been serious discussions with the private people saying, "We know the amount; can we sit down and have some further discussions to come to an agreement we can live by in terms of providing this type of service to the government?" Has that been discussed further in terms of seriously looking at the request you have in here in PWS?

**Hon. Michael Miltenberger:** After the receipt of the unsolicited proposals and looking at the portfolio we do have in terms of where all our office space is and the percentage of leased versus owned, the decision was made to proceed with the plans that are now presented for the government to build and own and operate their own office space.

**Mr. Yakeleya:** That's where I'm having some difficulty: buying now in terms of supporting our own government in supporting the private business people by having assets in our community. We support the local people. We support the businesses, so I guess that's my difficulty: shutting out the businesses in the community. I guess I'm having difficulty with that type of policy in terms of.... I'm having trouble wrapping my mind around this concept. Do we support the local business only when we think it's to our benefit in terms of ownership and leasing, or do we work with the

community? I'm having some difficulty understanding this.

**Hon. Michael Miltenberger:** The normal ratio or mix for leased and then owned assets usually is about 60-40. You have 40 per cent where you own it — you have your core business and you control the space — and you have the rest of your portfolio on the lease side. In Inuvik we have 93 per cent leased, 7 per cent that we own. The 7 per cent that we own is 30 to 40 years old and in a state of decrepitude, as the Minister of Public Works has articulated clearly. We have a portfolio in Inuvik that is overbalanced and limits our ability to have our core services in buildings we own and control. It's an issue, which is one of the reasons we're coming forward with the proposal to build as opposed to lease.

**Mr. Yakeleya:** Is our DPW building included in this decrepitude? It's also in desperate need of replacement. These are the Minister's words, how he describes buildings in some of our small communities. That's a good word to use for some of our facilities in our communities. I want to thank the Minister for explaining to me what the government is looking at in terms of this project being on the books.

I also want to echo Mr. Jacobson that some of our own buildings, even in our small communities, don't seem to get much high priority in terms of fixing up our facilities here. I understand about Inuvik, and I certainly will take the Minister's comments to heart about why they're looking at this facility in Inuvik for our employees up there. But also remember that there are other regions that need facilities; they need to be looked at. The small amount of dollars.... You do what you have to do.

I'd like to say to the government, echoing Mr. Jacobson's words, that there are other regions that sometimes need to be considered, and some of the facilities.... Go to Tulia; they've got the DPW garage with the.... I can't say it here; otherwise I'll be thrown out of the House, you see.

Anyhow, I'll leave it at that, Mr. Chair. I'm going to have some more thought on this.

**Chairman (Mr. Abernethy):** Thank you, Mr. Yakeleya. I don't hear a question there. I've got one more person on the list, but I'd suggest we take a 15 or 20 minute break and come back with Mr. Krutko.

The Committee of the Whole took a short recess.

**Chairman (Mr. Abernethy):** I'd like to bring Committee of the Whole back to order. We're on page 4-4, and on my list I have Mr. Krutko.

**Mr. Krutko:** Thank you, Mr. Chair. We keep hearing discussions about a proposal that was out there. I'll clarify for the record. The proposal was for a lease-purchase facility in Inuvik; the idea was to lease to the government for 25, 30 years and buy it out for \$1. That was the proposal that was put out in the request for proposal.

But after the request for proposal was sent and reviewed, it came back that there were some financial implications because of Revenue Canada and the way they calculated the revenues from that lease. There was an implication where you had to pay the calculated amount of the lease, the front end, which was assessed at some \$10 million. Again, I think the government has never made any attempt to go back and see if there was a possibility of a simple building, such as a P3 like we did in Fort Smith; we've been looking at P3s in other areas — the possibility of looking at another option than what was provided.

I'm wondering: has the government looked at options other than the ones that were looked at through the request for proposal in which there was interest from the private sector, along with the Gwich'in and Inuvialuit, in building a facility in Inuvik for the government in regard to office space?

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

**Hon. Michael Miltenberger:** Thank you, Mr. Chairman. I'll ask Mr. Aumond to give us the history of how we got the bids and the decision that resulted from that and the decision he made to move to our proposal to build our own building.

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

**Mr. Aumond:** Thank you, Mr. Chair. The Member is correct; we did initially go out for an RFP for a lease-to-own on our own property. We did not receive any proposals for various reasons, including the ones the Member has indicated.

Subsequent to that process closing, we did receive two unsolicited proposals: one for a lease building and one for construction. It was on that basis that we made our plan and brought forward the proposed approach we have before us today.

**Mr. Krutko:** In regard to the proposal for the lease-purchase, there were some ramifications with Revenue Canada. Was that ever discussed with the Department of Public Works in regard to a proposal in the Inuvik region?

**Mr. Aumond:** We did have a brief discussion with one of the proponents, who explained to us the difficulty in undertaking that type of approach and basically indicated that that wasn't doable for them. Really, that's where we left the conversation.

**Mr. Krutko:** Is the government considering building any other office space anywhere else in the Northwest Territories?

**Mr. Aumond:** Not at this time.

**Mr. Krutko:** I think it is important that we do realize we have the private sector out there that we have to take in account. They have made a lot of capital investment in regard to properties. I know there are many questions in regard to how people are going to recoup their investments. A lot of these properties, especially in Inuvik, have been just newly acquired. These people have millions of dollars laid out over the next number of years in order to pay off those loans they got from the bank to pay down these assets. They will have to have some security over a number of years.

I think it is important that we aren't seen to compete against the private markets or have to put people in the situation where they've got to get out of the business because they're losing money. I believe this is exactly what's going to happen with this project, especially in Inuvik region.

I believe there are a lot of risks taken by people getting into this sector. I know that the Gwich'in purchased facilities off the Inuvialuit because they wanted to consider that one as their portfolio. Part of that arrangement was that they were going to require assets in the Inuvik region and build up a portfolio of retail assets. Yet those assets are old. As with any old asset you have to make major investments to upkeep those assets. I know there have been a lot of discussions, especially coming from the deputy, saying: well, there are all these problems with air handlers; there are problems with elevators; there are problems in regard to access. Anywhere else in the territory that this government purchased office space, just part of that lease arrangement is intended improvements. Sure, you can have all the intended improvements you want, but at the end of the day you have to pay for them. Using those as excuses shouldn't be a reason that we try to run these businesses out of town. For me that's exactly what I see happening in this scenario.

I would like to ask the Minister: what's the term of leases that you mentioned in Inuvik? When are those leases up? Exactly what are the renewal dates on those leases, and what's the term on most of the leases?

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

**Hon. Michael Miltenberger:** Thank you, Mr. Chairman. The commitment has already been made that there's not going to be any loss of rental revenue. The commitment is made to the current landlords that their space would still be used by government. Ninety-three per cent of what we now

currently have in Inuvik is leased, when the average is 60 per cent lease, 40 per cent rent.

So it's very clear that we have a commitment to supporting the private sector in Inuvik, to the point where it's been noticed that, in fact, we are over-represented on one side of that particular breakdown. The years of the leases for all existing space we do not have with us, but we can commit to get that information or maybe look to the Minister to see if he wants to add anything further. We'll commit to get the information on the terms of the leases.

**Mr. Krutko:** Again, Mr. Chairman, I think it is important that we do understand what the retail market is in Inuvik in terms of people's leases, when those leases are up and, more importantly, what the implications are going to be if there is a downturn in the market with people's ability to borrow to do these retrofits we were asking for. The people made major capital investments in these assets just a number of years ago. As I stated, less than four to five years ago these assets were acquired. So these people are in it for 20 to 30 years, and now, as government, I do not think we should be in the business of putting the private sector out of business for the comfort of a few departments.

Those departments that are there already are not in the dire straits you're making them out to be. I've been in the Public Works office in Inuvik in the Perry Building. The sky isn't falling quite yet. You go over to the MACA office where they're located, and that office looks like it's in pretty good shape. There again, you don't have ramps or anything for disabled people to get into that facility, but you're asking the private sector to do it.

I think you have to think long and hard about this decision. There will be implications, with regard to 47,000 square feet of office space, for space in Inuvik, which will have a detrimental effect on those assets in Inuvik at the present time. You're talking about facilities in Inuvik that are getting up there in age. Some space is over 30 years old. Yes, they are aging pieces of infrastructure, but the private sector can only afford to maintain that infrastructure if they have tenants in those buildings and if they know they'll be able to maintain and pay down that asset.

Again, I ask the Minister that before you move on this project, you do an independent assessment and evaluation on market disruption with regard to the Inuvik retail market.

**Hon. Michael Miltenberger:** The Member's made the case repeatedly. We've responded repeatedly as to why we're proposing what we are proposing. Ninety-three per cent of the space we now have is either leased or rented. The balance of most

portfolios would be 60 per cent leased or rented and 40 per cent owned. A lot of the buildings we're replacing are our own. They are old and aged, showing the wear and tear — advanced stages of decrepitude in some cases. We're of the opinion that this is the best way to proceed.

**Chairman (Mr. Abernethy):** Thank you, Mr. Miltenberger. I have other people on my list. We'll move to 4-4. Public Works and.... Mr. Krutko.

**Mr. Krutko:** Thank you, Mr. Chair. I'd like to move a motion.

**Chairman (Mr. Abernethy):** Thank you, Mr. Krutko. Proceed.

COMMITTEE MOTION 84-16(2)  
 DELETION OF \$12,000,000 FROM PUBLIC  
 WORKS AND SERVICES FOR GNWT MULTI-USE  
 FACILITY AND RECORDS STORAGE/REQUEST  
 FOR MARKET DISRUPTION ANALYSIS/  
 TECHNICAL EVALUATIONS (TD 93-16(2))  
 (COMMITTEE MOTION DEFEATED)

**Mr. Krutko:** I move that \$12 million be deleted from the activity Asset Management under the Department of Public Works and Services, Capital Estimates 2009–2010, on pages 4-4 and 4-5, for the GNWT multi-use facility and records storage facility project; and further that the Department of Public Works and Services conduct a market disruption analysis on the potential impacts of the proposed multi-use office facility and record storage facility on the Inuvik office space property markets and report back to the Standing Committee on Priorities and Planning by January 2009; and furthermore that the Department of Public Works and Services conduct technical evaluations of the government-owned 'Department of Public Works and Highways Project Office' and the 'MACA Offices Building' in Inuvik and that the technical evaluation be provided to the Priority and Planning Committee by January 2009.

**Chairman (Mr. Abernethy):** A motion is on the floor and is being distributed now. The motion has been distributed and is in order. To the motion, Mr. Krutko.

**Mr. Krutko:** Thank you, Mr. Chair. As I've stated in the last two days, I believe that this project will have an impact with regard to the Inuvik market. I stated that there has been private sector interest in providing this service in the Inuvik region. We have other regions throughout the Northwest Territories — Fort Simpson, Norman Wells and other places — where the private sector has taken the risk and provided office space to government.

It has been done here in the capital for a number of years, going back to when the decision was made to relocate the capital city to Yellowknife from Fort Smith. You have companies in the Northwest

Territories who have made major capital investments in the retail market by way of buying up assets, developing their portfolios; through blanket developments, northern properties, aboriginal business development corporations.

This sends a bad message to those individuals who have taken the risk and the time to make these capital investments, who wonder why they even invest in the Northwest Territories. If the Government of the Northwest Territories is going to come in at the eleventh hour and compete against them, knowing that our risk isn't anything close to them having to go to the bank.... We can go to the Legislative Assembly and get \$20 million to build a building. These individuals have to go to the bank and borrow millions of dollars at the going rate; without people in their offices, they will not be able to pay down that asset.

I think the implication of this sends the wrong message to the retail market in the Northwest Territories and, more importantly, the market in Inuvik. I stated earlier, just from the information I received this morning, that they have some 7,000 square feet of office space that is vacant in Inuvik, not calculating the amount of space that's in the Perry Building.

I think it is also important to realize that there is a downturn in the market. You have to realize that the banks aren't lending anymore as they used to. There is an effect in regard to people's investments in the Northwest Territories. If this is the case, maybe aboriginal corporations should quit investing in the Northwest Territories and take their investments and go elsewhere. This is exactly the message this government is sending to development corporations who have taken a risk — and taken it some four or five years ago — and now realize only five years into it, "Sorry, you have competition, and oh, by the way, it's the Government of the Northwest Territories." I believe that sends a bad message in regard to the so called 47,000 square feet of space that is now going to pop up on the books in Inuvik.

I think it's important to realize that this government got out of properties by selling off the Lahm Ridge Tower and to also look at government assets in the past. They were leaving that up to the private sector. Look at it in regard to the Yellowknife market. A courthouse. You have companies that have made a major capital investment in retail in the Northwest Territories. It's important to realize that in this decision, which was clearly stated by the Minister of Finance, no assessment has been done to see if there would be a market disruption or not. I believe we have to do due diligence. If we have policies in place that fine the private sector, that say you can't set up an extra office building or you can't set up a tourism business or a hotel business unless you do a market disruption plan.... We

require that from the private sector, but we're not even practising what we preach with market disruption.

I ask that we allow for this government to take the time to do the assessments and ensure that we do due diligence by doing a market disruption analysis to see exactly what this \$20 million project is going to mean in long term effects on the retail market in Inuvik. I think it is imperative that we, this Legislature and Members of this House, ensure that before we make any capital investment....

By the way, it's \$20 million dollars, and by the way, pink slips are going to be handed out in the next six months, and by the way, you're going to explain to your constituency that they're getting laid off because the government has got a so called deficit. But we can spend \$20 million on a piece of infrastructure that has not met the tests as to what the urgency or emergency is, as to why that has more of a priority over schools, people's layoff pink slips, and exactly where this government is going.

I ask for Members' support in realizing that by making this decision.... It's a \$20 million investment that right now I think could be invested in better ways, also realizing that this government is going in the wrong direction when it comes to supporting our private sector. So with that, Mr. Chair, thank you.

**Chairman (Mr. Abernethy):** Thank you, Mr. Krutko. To the motion, Ms. Groenewegen.

**Mrs. Groenewegen:** Thank you, Mr. Chairman. To the motion. I'll be supporting this motion. I think that this particular project, coming up the way it did with no substantiation, no compelling reason why this needs to be built, is just another example of this government's pathetic planning.

I guess it pays to be the Premier, you know? I guess \$150 million in your home community when other communities are getting nothing.... And you come up with lame reasons to push back capital in other people's communities in another region. We find pathetic reasons to push it back. But, boy, bring a \$21 million project on the books here, and just push it through. No substantiation. No market analysis. And the Premier can sit over there and laugh and talk because, you know, they've got the numbers. So it's just the timing.

You know, nothing's going to change. There's going to be no harm. There's going to be nothing lost by doing due diligence on this project, by doing the analysis, by bringing the information forward in the proper way the Members are asking for. But if this is the kind of high handed way this government wants to operate, if they can get the support of Members, then I guess that's just the way it is.

I agree with Mr. Krutko. It's a sad day when we have to go and explain in all of our communities

why capital has to be pushed back and there's nothing going on and people are living as though in Third World countries, in some instances, and schools where you can't even have proper washrooms. Let's pile \$150 million into Inuvik all at the same time. I mean, the hotels will be overfull; the restaurants will be overfull; the tradespeople will be, you know — talk about our support for local labour. You can be guaranteed to build all of this in Inuvik at the same we're going to have to import a whole lot of people from other places in order to get this work done.

There's nothing lost in deferring it until we get the proper.... Why this project? Why ram it through? You know, the government's lack of planning should not constitute an emergency on our part. It's no emergency for me. Anyway, it's a sad day in the Northwest Territories, like Mr. Krutko said, when we're laying people off because we've got no money, but we're going to put a high priority on some people because the office building they're in is old. I still haven't heard any safety or health issues being raised on this particular thing.

You know, it's a sad day when we turn teachers out of the Northwest Territories because they've got no place to live. Oh, heaven forbid that we should spend a little bit of money building some staff housing, because we got out of staff housing. That was the wisdom of the day. We got out of staff housing, and now we've got small communities struggling with keeping nurses and keeping teachers in their communities, because this government can't see its way clear to spend a few million dollars to build some housing to keep professionals in the small communities. But we've got \$21 million for an office building in Inuvik that wasn't on the books, that just sprang on to the capital plan, a pathetic example of planning by this government. They should do their homework. They should go back to the drawing board. They should do their analysis. They should come here with their compelling arguments, and they should substantiate this to us.

I cannot support this with this lack of information. If we're going to do our capital planning this way, if this is how we're going to allocate capital funds, well, I guess it just goes to the quality of the government that we actually have, which is getting pretty low. Thank you.

**Chairman (Mr. Abernethy):** Thank you, Mrs. Groenewegen. To the motion, Mr. Bromley.

**Mr. Bromley:** Thank you, Mr. Chair. I've appreciated the considerable debate we've had on this project. I've been collecting points and am still equivocal on this, and I'll be listening closely for the rest of the debate. I am convinced that there's value in doing this building the way it's proposed. The \$39 million in premium that we'd save is substantial,

and I'm very, very cognizant of the need for infrastructure dollars. This is almost \$2 million a year. There's so much that we could do with that money.

There's also the vacancy issue and market study business. Again, I'm not convinced that 7 per cent or 7,000 square foot vacancy is actually an acceptable level of vacancy and one which is surely planned for by investors and developers. But to balance that, the study hasn't been done. That's sort of the best estimate of one of our Members who made some phone calls. I have to support the idea of doing a market assessment in communities where it is such an incredibly big deal to have infrastructure like this, which is most of our communities, that some sort of a market assessment be done.

I also am cognizant that the government has assured me that they will substantially keep the retail space, the commercial space that they're now occupying, with the exception of the Perry Building and our own two 45 year old buildings. That's significant to me. Again, it helps persuade me that the market impact will be modest.

I'm also expecting that we will continue to be an active and significant tenant in the community, as I think we have been since the inception of the community. So I'm again assured on that front.

But the dilemma comes in comparing dollars committed to this project versus where they could go. I think it's been mentioned already that this project seems to have appeared without going through the normal planning process which we typically are referred to when we bring things up. We're to some extent being told we should do it because we planned, that there's money identified for it and the planning has been done to actually build this. Again, balancing that is how much. We know that we have a huge amount of carry-over. It's been 25, 45, 60 and now 80 or 90 per cent in the last four years carry-over, and Inuvik already clearly has tens of millions of dollars of infrastructure demanding attention and people and skills to the extent that will this just become another carry-over?

I guess, finally, I can't help commenting about the other opportunities we have or might have had to spend these dollars had some rigour, and I'm not sure what, been brought to the process of planning. I just can't believe, for example, that the Hay River Diamond Jenness school, with all we know about that, has not been properly planned for at this point in time.

So that's where I'm at. It's still a question in my mind, and I'll be listening to any further comments and making my decision.

**Chairman (Mr. Abernethy):** Thank you, Mr. Bromley. To the motion, Mr. Ramsay.

**Mr. Ramsay:** Thank you, Mr. Chairman. I just want to start off by saying I do support it, and I can see the business case. I'm a former businessman. I understand saving money and the fact that if we build a building, we could potentially save up to \$2 million a year, and I think it's about \$39 million over the course of it.

However, it's a huge building, and I question the size of it. At over 40,000 square feet that's an immense building. If you put that into a community the size of Inuvik, what does that do to the local market? I think it's incumbent upon the government to do that type of study, a market study, before we rush into building what I would deem an excessive sized building. Over 40,000 square feet: that is a big building. I'm not sure how big Wal-Mart is, but I think Wal-Mart is somewhere around 55,000 square feet, the entire building that Wal-Mart is in. It's a big building. We're talking in excess of 40,000 square feet.

The planning on this and the urgency is something I also question. I'm not sure how exactly this ended up in the capital plan just like that when there are, as other Members have said, competing priorities out there for capital dollars. You can point firstly to schools. We've talked about Diamond Jenness in Hay River, Mangilaluk School in Tuktoyaktuk, Sissons School here in Yellowknife. There are a number of schools that urgently need some funding. When a capital project such as an office building jumps to the top of the list, then Members are going to have some questions about that.

Like I said, I support an office building in Inuvik if it makes economic sense, if it's going to save the government money. With this motion that's here today, I think all it basically is trying to achieve is asking the government to prove to us that it's a worthwhile capital project. I don't think it's asking anything more. I don't think it's a slight on Inuvik. I don't think it's any of that. I think all we're looking for is this market disruption analysis to be done and some technical information that we're asking for, evaluations on the government owned buildings in Inuvik. That's all we're asking for. At that moment in time — I'll say it right now — I'll be able to say: yes, I think this is a building that I can put my stamp of approval on, and I think it's something the government should go ahead with. But, again, given the fact that it just fell out of the sky and it's a huge building, I think we have to do our due diligence on it. That's why I'm going to support the committee motion.

Again, I'm not closing the door to supporting this building, because I think that if the numbers are correct at \$39 million, it's something we should be taking a good hard look at, but let's do our homework before we get there.

**Chairman (Mr. Abernethy):** Thank you, Mr. Ramsay. To the motion, Mr. Menicoche.

**Mr. Menicoche:** Thank you very much, Mr. Chairman. I, too, will be supporting this motion. When it first came forward and we were first made aware of this building, we got together in the spring. We had just got elected about that time. We were just getting back up to speed and getting our briefings. Being a former Member from the 15<sup>th</sup> Assembly, that's what I saw too. Here's a huge project plopped ahead of everybody else. We'd never seen it before in the previous Assembly.

There's something to be said about our capital planning process, and that's exactly it. There's a plan and there's a process. If we just show up and there's a building there and nobody knows what it's there for or how it got to be there.... I know from experience; for instance, the Nahanni Butte gymnasium. I fought long and hard trying to get it on the capital plan. It was a two or three year fight to get it on the capital plan. That's hard work. I had to get Members engaged and support from outside the House to get this implemented. There are several other projects that I'm probably failing to mention that took the same kind of lobbying effort to get them on the capital plan, vetted through committee systems, vetted in government, statements in the House, oral question period — just the whole gamut of effort that it takes to get something on the capital plan. Yet we show up and here's this huge project that nobody even heard of that gets on the capital plan effortlessly. That's my biggest disappointment with that project. We've got a process in place, and it wasn't used.

The government announced their intention to establish an office building. It's up to them to provide a detailed proposal and the best way to implement the new 37,000 square foot building. I think it was Mrs. Groenewegen who said that to her it failed the test — and to me. The process fails the scrutiny that Members on this side of the House deserve and should get. I've failed to be convinced as well. We want to improve our communities and we want to improve our region, but at the same time, it is due process that must be followed. I'm a staunch believer in process, and that's why we got them in place. It's to prevent instances like that.

Typically, something that just shows up on the books is because it is an emergency as well. You know, I spoke about that earlier in the day. There is an emergency; here is the case; we must do this today. That's not even the case. That hasn't even been presented, not one iota of that, probably because there's no emergency for office space.

At the same time, you know, governments have got to do their homework. They've got to provide us as much detail as committee demands and wants. It's frustrating maybe for government, but it's frustrating

for us as well, because we are overseers of the public purse, and we want to make sure that we get the best value for the money

This government is halfway there. They're saying we should own it. The government's own building makes the best sense, and I agree, but should we go with it today? I'm not convinced, Mr. Chairman. Thank you very much.

**Chairman (Mr. Abernethy):** Thank you, Mr. Menicoche. To the motion, Mr. Beaulieu.

**Mr. Beaulieu:** Thank you, Mr. Chairman. I'm listening to both sides of the discussion here today. I think that I'm surprised that there was no analysis done on what this could do to the market. If all of the office space currently in the communities is being utilized and this does not quit utilizing any of that office space, then I could see why this could be overlooked by government to not consider doing a market disruption analysis. However, I still feel that there is some sort of market analysis that has to be done, whether we script it as a market disruption analysis or not, some form of an analysis that indicates that this has got long term implications to the potential for other private enterprise to provide office space.

I recognize that some of the MLAs indicated earlier that, yes, owned office space is the best, most economical way to go here. I think that is a possibility when you compare and you know what you're renting and what you own. We're high in Inuvik on the rent/lease side of things, I know. That's another compelling argument for the government to build this office space. I guess it would be such a simple process to be able to do some sort of a market analysis on exactly what the impact of this office space would be, and I'm regretful that that wasn't done.

In other areas, as I thought about this, I would support a motion that reduced the amount of money going into this building, because I do feel that some of the school projects are a priority. I've never seen Mangilaluk School in Mr. Jacobson's riding. However, I have seen Diamond Jenness many, many times. I'm aware that that building is not a safety issue and that the building is not going to come crashing down on the kids. I recognize that, but it was kind of an interesting tour that we took of that school.

At one point the principal was talking about the difficulty in managing the school because of the configuration. Considering that it was the last government, when I was in a different role, when I had an opportunity to tour the school with some MLAs and some Ministers, I thought that in view of that school and everything there, it was a lot further ahead than they are. I see that there has been a technical evaluation done on the school, which I



believe technically would put that ahead of this office, as far as moving forward into the capital plan goes. At the same time, I feel that the Ministers have made a really strong case for having some of the GNWT employees, I guess....

You know, our business is based on how well our staff can perform, and the performance of the staff in Inuvik, considering it is a regional centre, is probably pretty important to the whole region. People who are working there need to have good morale, good office space, a good place to work, and to feel like going to work in the morning and sitting in a nice comfortable office. I guess GNWT employees in Inuvik deserve that as well. So I can't support the deletion of all of the money out of this space.

However, I would like to caution the government that in the future, if this type of project appears in front of us for debate again, they should have some plans; there should be some good planning. You know, when something's this important and we are trying to move this much money — when in my own riding of Tu Nedhe I should be one person who would stand up and want to not support any of this — at the same time, you know, as I indicated earlier, I feel the government has made a good argument.

I think the planning was lax, so I would suggest that there is still opportunity here to do a market analysis. There are still opportunities to do a little planning about what is going to happen, how this is going to affect the office rental sector in Inuvik for the long term. So I hope the government would still do that evaluation, and maybe they may have to.

As far as the other school projects that were important under the EC&E section of the budget, I think some of those projects should proceed, and if the government is not going to spend this money.... We have in the past, as the GNWT, as the government as a whole, had a lot of carry-over. We have carried over a substantial chunk of money. I think everybody here knows how much money was carried over. They changed the system a little bit to reduce the carry-over, but there's still a substantial carry-over. So I would suggest that it's going to be difficult to spend all this money, and I hope they take a second look at the schools at the end of day when the capital plan is approved by the House.

**Chairman (Mr. Abernethy):** Thank you Mr. Beaulieu. To the motion, Mr. Jacobson.

**Mr. Jacobson:** Mr. Chair, for myself I can't support the deletion of this project. Numerous other projects are just as or far more important, like the Diamond Jenness school. Seeing the book that my colleague Mrs. Groenewegen has brought forward and showed me, but right now.... I said earlier today when I first spoke: I do support the building; I can't

support the deletion. If it was a deferral I would, but I can't support that. So I'm just letting my colleagues know. I heard the arguments on both sides. I can't support the deletion, but if it was a deferral, I would, just because I know the buildings that they're speaking of in Inuvik. They are in so-so shape. But for myself right now, I'll be more than likely abstaining from the vote.

**Chairman (Mr. Abernethy):** Thank you, Mr. Jacobson. Next on my list, to the motion, Minister Michael McLeod.

**Hon. Michael McLeod:** Thank you, Mr. Chair. I'll be very brief. I've said most of what I had wanted to state on this project. Of course, practising good government, we'll live with the will of this House.

We do have concerns, though. We probably would not be in this situation if the facility that we call the Perry Building had not developed some serious concerns, some structural defects that would force us to abandon that facility. It's not really an issue of pathetic planning. It's just an issue where we really didn't have and we still don't have another place to go. There is one other small space that the Member for Mackenzie Delta has mentioned that is vacant. But other than that, there's really no other place to go.

I certainly appreciate the feedback from the Members regarding the process that this project has taken. I think there is due process that has to be followed, and we expected that we did do that in this case. We have to recognize, though, that we didn't have the opportunity to put it through the business planning process or any other opportunity to bring it forward until now. It has had some very serious scrutiny from our departments to see what the other options are. We did go out to an RFP. There was no interest. We advertised it and brought it to the area and to the North, and nobody took us up on that offer. And if they had, we probably would not be in this situation.

We did do cost-benefit analyses of some of the submissions — unsolicited, I should add, submissions — that were made to us, and they did not, from an economic standpoint, make any sense. I can guarantee I would not be able to convince the Members of this House to support those. So we had to look at what we can do.

There is a sense of an emergency. We have health issues in almost all the buildings that we are currently occupying that are government owned, including one of the other buildings that was condemned, which is owned by a southern company, I should add. We do have safety issues with the income support office. It's going to require at least a half a million dollar upgrade if we don't have this office moved to a better facility.

The Finance Minister has mentioned a number of times that it's recommended that we have a balanced portfolio. Probably Inuvik is one of the most lopsided investment portfolios we have, because almost all of our office space is leased. Only 7 per cent is what the government owns. Even if we went ahead with this project, which would be our own project, the portfolio would still be 62 per cent leased, which is more in line with what the industry best practices recommend.

I also appreciate the fact that Members want more studies. Of course, the previous government had wanted fewer studies. That's something that we have to, I guess, start doing more of.

I certainly appreciate the Members' comments that we need to own the building. I think that's a very important acknowledgement. Many Members have pointed out that this is a very important project, and I agree. We have energy issues with the current facilities. We have old facilities. I don't know how much longer we can accommodate them.

Can we move it back a year? I supposed we could. But, Mr. Chairman, I'm pretty certain that we will not be able to come back with the same dollar figures. I would expect those dollars are going to increase. We've seen it almost with every other project. Every project that's been deferred, carried over, we've seen huge increases in the costs. Those are some of the things that we have to acknowledge.

Mr. Chairman, when the Perry Building was no longer available to us, that was 25,000 square feet that we lost, and this facility is 37,000 square feet, which will include the offices that were in the Perry Building plus a couple more. I thought we gave comfort to all the proponents that we would continue to lease all the current leases we had with the different developers in Inuvik, and they seemed to be okay with that message, but I'm hearing different now.

Mr. Chairman, we will live with the will of this House, and we will do whatever the motion decides of us.

**Chairman (Mr. Abernethy):** Thank you, Minister McLeod. To the motion, Ms. Bisaro.

**Ms. Bisaro:** Thank you, Mr. Chair. I want to make a number of comments relative to this motion.

Unlike other Members, I do feel that we've received adequate substantiation for this project. From what I hear periodically, this project has been around for quite some time, although it hasn't been in place as a capital project. But there's been a need for office space in Inuvik for longer than the last year and a half, from what I'm given to understand.

One of the strong factors for me is that if we build the building ourselves, we will save, give or take,

\$38 million over the 20 year life of this particular building. I've heard Members say that we're throwing money away at this building by spending \$20 million on it. Well, I'd have to counter with we're throwing \$38 million away if we lease the building. I have a real concern that if we lease the building, we're.... You know, in response to constituents, how do I explain that I okayed an extra \$38 million in cost?

I do feel that the market disruption study is something that should have been done, albeit the sort of informal study that was done indicated that there was very little space available. But I think it probably would be a good idea for us to put as standard practice that anytime we build a building in any community, we do a market disruption survey or a market disruption study. I think it's something that should be part of the substantiation of any project.

The other thing that I think would assist Members.... I mentioned it briefly the other day, but I want to mention it again. I think that in order for us to sort of quantify projects and to fit them into a neat little box within our heads, it would really assist if projects come forward with a priority on them. I noticed earlier that small capital projects, I think it was, are prioritized from 1 to 5, and the same thing needs to be done for large projects. If we're looking at a project that is priority 1 and we're comparing it to a project that's been identified as priority 2, that certainly gives us some indication that the two projects have been considered, and one is more important than the other.

I also, at the risk of being called naïve or foolish or whatever, hear the Minister of Finance and the Minister of Public Works when they state that they will, as much as possible, move the Hay River project forward earlier than what's in here. That may be at my peril. Don't make me look bad, you guys.

The bottom line for me is at this point: I can't support the deletion of this project. I think it's necessary. I think the Hay River project is also necessary, and I'm really disappointed that it was moved back. I certainly would be open to the government coming forward later on in 2009 and saying: Hay River is ready to go; give us some money. I'd be all for that. With that, that's all I have, Mr. Chair.

**Chairman (Mr. Abernethy):** Thank you, Ms. Bisaro. To the motion, Mr. Hawkins.

**Mr. Hawkins:** Thank you, Mr. Chairman. I put a lot of thought behind this. You know, we struggle with the context of supporting our colleagues and going our own way. It's always quite impressive when we work hard together and come to a common front. I

guess I'm struggling with this one because of the issue of where we get the best value for dollars.

I'm not sure, if we lease, if we get the best value per dollar. I like the proposal presented, as one of my colleagues, Mr. Krutko, had pointed out, where if the Gwich'in build a building and lease it back to the GNWT, we get it for a dollar at the end. That's typically the only type of project I support that we lease, where we end up with the project in the end. I'm not too comfortable with what I would sometimes define as leases for life, because I don't think that's good value in communities.

When we get to a market community, the challenge then becomes whether the market is responding to the government's needs. In this particular case I think we're out there in the public enough spending dollars.

I also ask myself, in a time when money's tight, if it costs us money to do something, is it good value for money too? In this particular case sometimes the hard choice is spending money we may be short on, but it's the best choice over the long haul. As I often cite, bread and butter economics is sort of my principle of how I like to do business. We may not be flush with cash, but it's the right choice by building this building over the long haul.

I want to compliment the work brought forward by my colleagues Mr. Krutko and Mrs. Groenewegen, who've worked hard on this project to educate Members, as well as the staff who worked hard to give us a perspective to think about. I don't vote against their motion because I want to vote against their motion; I'm voting because I think the present value for this project is in its current form.

Did it run the gauntlet like the rest of them? Probably not, but sometimes we have to respond and make decisions. It's easier to sit here sometimes and go neg, as they say, on government by saying, "You didn't listen; you didn't talk to us enough," or those types of things. Sometimes a challenging environment in politics is to make the right decision under certain expectation of criticism and scrutiny, yet still make the right decision. I think the right decision here was to make this one, and the decision was to go ahead with this building. I know it's not easy to run the gauntlet, as this was maybe a short planning session, not through the business plans as it normally would be. The right choice in my mind is: yes, we're tight for cash, but this is probably the best process.

I can't speak to my personal experience with the health issues of some of our assets. I don't know if I would make sure people knew about that too much, if that was the case. I would quietly try to fix that. That said, we have to be responsible with our assets, and if our assets aren't living up to a

reasonable standard, I would hope that we would proceed safely for employees.

Mr. Chair, I really have a difficult time abstaining. I thought about that all day today, actually, about should I abstain. To my knowledge, in starting my ninth year in politics, I think I've only abstained once. I'd like to be able to finish my political career, whenever that comes, by saying I only did abstain once. I don't really like it; I don't like the use of it. So in this particular case, I'll be voting against the motion, although I understand how my colleagues feel.

**Chairman (Mr. Abernethy):** Thank you, Mr. Hawkins. To the motion, Mr. Yakeleya.

**Mr. Yakeleya:** Just before the question, Mr. Chair, I guess I'm looking at, in terms of this motion here, the fairness. There are some processes, certain ways of getting to the capital. You have to wait for the usual process of going through a business plan and getting the support. There are several projects that seem to have gone out of the usual process to get into the capital budget. I don't mind. That's the way things are dealt with in here. We have certain projects in Yellowknife here that got on the books, and they're spending money here and certainly in the Inuvik region also.

I've been to Inuvik; I've seen MACA's housing, in terms of their office facility. I've seen the building that they work in. I've seen some of the employees that had to work under those conditions. I've also seen where assets in our small communities are pretty deplorable in terms of safety standards, where they have to live up to it. They have to grin and bear it, say, "Okay; we've got no money," in terms of when you want to do things. Then they scratch their heads and wonder: well, how can we do things in other regions?

For myself there are still a lot of questions I want to think about in terms of the market, in terms of the community. Is this the right thing that the government should go into, protecting our assets? Or should we protect only certain assets within the government: schools, health centres, things like that? Should we continue that or continue working with the different governments in our regions, different community organizations in our cities and towns, and say, "We want to go into a partnership with you. We don't have the assets. We don't have the money. Can you do something with us?" Will we take the risk of building a building and owning it? Then we'd have to look after it.

So for myself I certainly see a need for the building, but I'm not too sure or convinced it is the amount that we need to build in Inuvik. There are a few projects that have come to Yellowknife, and I kind of scratched my head and said: how did that get here? How come we're pouring millions and

millions into downtown Yellowknife when we're crying for programs and proper offices and health centres in our region, which government should do for our people?

I'm really perplexed in terms of how things move. I do see a need for the communities to take part and be a true partner with this government. So this is not enough information in this short time for me to go forward with the motion. I'm going to abstain on this until I can ask more questions here. I certainly am not happy with what I am hearing from the government in terms of how this came to be, but I also see a need for it. I see people in there. I see a need for it, but I'm not happy with your responses and your answers. The same thing has happened in my region. You have really good answers for us in our region, but your department here in Inuvik.... You have good answers too, but I'm not happy with them.

Let me tell you, I do see a need in Inuvik for this. I do. I've been there and I've seen it, but I think we've got a long way to move in terms of working out what our priorities are. So I'm going to abstain, Mr. Chair, on this motion. I'm not comfortable enough to either go for it or against it.

**Chairman (Mr. Abernethy):** Thank you, Mr. Yakeleya. To the motion.

**Some Honourable Members:** Question.

**Chairman (Mr. Abernethy):** Question is being called. I will now call upon Mr. Krutko to conclude debate on the motion.

**Mr. Krutko:** Thank you, Mr. Chair. Thank you, colleagues, and I thank the Minister for his comments. Again, we're spending \$20 million, but I believe we're going to be coming back here in the next short while wondering where the money went. I have to state that due process was not followed in this case. From the Minister's comments today he doesn't know what the terms of the leases are in the Inuvik region. Are they month to month? Are they one year? Are they five years? Are they ten year leases? Without that information, you can't tell me that the government will remain in those facilities in the near future. Without having a plan by way of a market disruption plan to understand what the implications of this will be over the next five, ten or 20 years.... Due diligence wasn't done in that context.

I think it is important that this government realizes, as we hear time and time again in this House, that we do not have the dollars or the resources to do what we'd like. I know, for Members who come from small communities, we see the situation in our facilities where you walk into a principal's office and there are buckets on the floor or pots throughout the school because of leaking roofs. Mould is now appearing in our public facilities. Yet we're going

ahead with a \$20 million and in some cases it looks like a \$25 million project, if you look at the numbers.

I think it's important to realize that as Members of this Legislature we are responsible to protect the public purse. I know that it's important to realize that we do need to make some tough decisions. We also have to realize that there are going to be implications to this decision when we'll have to consider our deficit elimination process in the next couple months and in the years ahead. I believe that we have to do justice to the people of the Northwest Territories when we're spending \$20 million on this type of capital, realizing we're not in a stable market in regard to what's going on with the economy and, more importantly, what's going on in Canada and the rest of the world. I don't think we're immune to that.

We can sit in here and talk about outhouses in downtown Yellowknife, but we don't have the resources to do it. I think we have these challenges where we have such a dismal situation with regard to the health and well-being of our residents that we are now seeing homelessness on our streets, people having to go to food banks. I think that's the reality of the day that we're seeing here in the Northwest Territories. It wasn't that way a number of years ago.

I think it's important to realize that by spending money foolishly by way of this project, it will have a major implication on this project. All this motion asks for is that the government step back, do the market disruption analysis, get back to committee in January and let us know what your findings are.

Also, ensure that the government does a technical evaluation of what the facilities are that our government owns at the present time, find out what the status is of those facilities, and do a technical evaluation and report back to standing committee. That's all this motion asks for: that the government take the time and do due diligence in regard to its responsibility not only to this Legislature but also to the people of the Northwest Territories, who we are solely responsible to.

I'd like to ask the Members to consider this motion, and I'd ask for a recorded vote.

**Chairman (Mr. Abernethy):** Thank you, Mr. Krutko. The Member has requested a recorded vote. All those in favour, please stand.

**Deputy Clerk of the House (Mr. Schauerte):** Mr. Krutko, Mr. Menicoche, Mr. Ramsay, Mrs. Groenewegen.

**Chairman (Mr. Abernethy):** All those opposed, please stand.

**Deputy Clerk of the House (Mr. Schauerte):** Mr. Hawkins, Mr. Lafferty, Ms. Lee, Mr. Miltenberger,

Mr. Roland, Mr. Michael McLeod, Mr. Robert McLeod, Mr. Bob McLeod.

**Chairman (Mr. Abernethy):** All those abstaining.

**Deputy Clerk of the House (Mr. Schauerte):** Mr. Bromley, Mr. Beaulieu, Mr. Jacobson, Ms. Bisaro, Mr. Yakeleya.

**Chairman (Mr. Abernethy):** The results of the recorded vote on the motion are four in favour, eight opposed and five abstentions. The motion is defeated.

Committee motion defeated.

**Chairman (Mr. Abernethy):** We're on page 4-4, Public Works and Services, Activity Summary, Asset Management, Infrastructure Investment Summary, Total Infrastructure Investment Summary. Mr. Krutko.

**Mr. Krutko:** I move to report progress.

**Chairman (Mr. Abernethy):** There's a motion on the floor to report progress. The motion is in order and is not debateable.

Motion defeated.

**Chairman (Mr. Abernethy):** Okay. So we're back on page 4-4, Public Works and Services, Activity Summary, Asset Management, Infrastructure Investment Summary. Mr. Krutko.

**Mr. Krutko:** Thank you, Mr. Chairman. The Minister, earlier on when I asked a question in regard to leases in Inuvik, mentioned that he didn't have it. Does he have it at the present time? I think he's got enough staff by way of Public Works and Services that he should be able to compile that information. He had a couple of hours. I'd like to ask the Minister if that information has been brought forward. I think this government cannot knowingly or unknowingly know what the implication of this decision is until you know what the terms of those leases are for the government in regard to the Inuvik project. I'd like to ask: exactly what are the terms of the leases? Do you have month to month leases? Is it one year, two year, or three year terms in regard to leases in Inuvik for the government offices?

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

**Hon. Michael Miltenberger:** Thank you, Mr. Chairman. I understand that information was provided to committee. We don't have the detailed information about the terms of the various leases. I've already committed to get that for committee. We were asked an hour or so ago. In the meantime we haven't had a chance to get that information.

**Mr. Krutko:** Mr. Chairman, it worries me, hearing from the Minister of Public Works and Services about all the concerns in regard to security, accessibility, the health of the buildings and whatnot. Just on those arguments alone it tells me that departments are going to be finding excuses to move out of these leases. Yet you supposedly assure us that will not happen. We've already seen it happen in regard to the Department of Environment by moving out of a facility out to Shell Lake, converting the buildings out there into office space. I bet you a dollar to a doughnut that the Department of Environment will be in this new building as soon as it's built. I know you can sit here and say you'll guarantee that nobody will move out of those buildings. We've already seen that experience in Inuvik in regard to the Department of Environment. I know, basically, from the list of groups that are going to be looking for alternative space from the Divisional Board of Education, from ECE setting up clinics and whatnot, that will have a major implication on ensuring we do have long term leases or commitments to the private sector. Right now I know for a fact that most of those leases you're talking about are month to month leases.

How can you tell me that there are not going to be any long term implications in regard to this specific arrangement in Inuvik, especially for leased space? How can you stand here and guarantee that there's not going to be anything? Until I can see the guarantee in black and white, I know for a fact that this will have an implication for groups or organizations wanting to move. This has been on the minds of many senior officials in Inuvik for some time, how to find the perfect excuse to move out of these facilities, and now we've given it to them. I'd like to know: does the deputy minister know how many month to month leases are in Inuvik?

**Hon. Michael Miltenberger:** Mr. Chairman, for the record let me restate that the building that ENR was in is being fitted up, as was pointed out in this House this evening and earlier today, to be the Community Learning Centre in Inuvik, which had to shut down because the building they were in was no longer habitable. The commitment that the government has to the private sector in Inuvik is substantial. Ninety-three per cent of all the space that we have in Inuvik is leased or rented from the private sector. We know that the Perry Building is month to month. The rest of the detail of all the other leases I've committed and I'll commit yet again to get for the Members.

**Mr. Krutko:** In regard to making that decision, trying to acquire information after the fact doesn't help us here. We need that information now in order to know that the decision we're making will not have an implication for the retail market in Inuvik. Knowing that these leases are month to month, there is no certainty by way of lease commitments. So how can you expect us to make a

rash decision on the basis of not having that information in front of us?

**Hon. Michael Miltenberger:** I'll have to check Hansard, but there's got to be at least half a dozen articulations of the commitment from the Minister of Public Works and Services and me on the record in Hansard indicating that we are replacing most of our own space, that current retail space won't be impacted. The Minister, in fact, when he spoke to the motion, reiterated those same commitments. I don't know at this point what more the Member wants. It's on the record. It's there and it's a commitment.

**Mr. Krutko:** Mr. Chair, can the Minister tell me: where does the Financial Management Board Secretariat presently work in Inuvik?

**Hon. Michael Miltenberger:** They currently reside in some offices that they've been using in the MACA office on a back road. I'm not sure of the name of the road, but it's in the MACA building close to the Public Works building, I believe.

**Mr. Krutko:** The Beaufort-Delta Health and Social Services Authority health clinic.... I believe there's already a clinic in Inuvik. Is that the same clinic that you're going to be relocating in regard to this particular health clinic in Inuvik?

**Hon. Michael Miltenberger:** I'll refer that question to Mr. Aumond.

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

**Mr. Aumond:** Thank you, Mr. Chair. For the purposes of the health clinic, some of the employees will be coming from the Inuvik Regional Hospital and some employees will be coming from the Health and Social Services board offices in the Semmler Building, but we will be maintaining our total space requirements in the Semmler Building for Health and Social Services.

**Mr. Krutko:** Again, that is exactly my point. They are already coming from existing space, and that space will be vacated. There's so much extra space out there, and we're being told that this won't have any implications to existing space that's already there. There will be an implication in regard to this decision.

**Chairman (Mr. Abernethy):** Thank you, Mr. Krutko. I didn't hear a question there, so we'll go back to page 4-4, Public Works and Services, Activity Summary, Asset Management, Infrastructure Investment Summary. Mr. Krutko.

**Mr. Krutko:** Thank you, Mr. Chairman. Could the Minister clarify the question in regard to the Semmler Building and those individuals moving in and out of the space? Who is going to be filling that

space in the Semmler Building that is going to be vacated by Health and Social Services?

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

**Hon. Michael Miltenberger:** What I can tell the Member is that the commitment is to maintain those leases. I don't have the detail as to exactly how the staffing complements are going to be adjusted across the community, but the commitment is to maintain those leases, and that's what is being done.

**Mr. Krutko:** For how long a period is the department looking at maintaining these leases? Are they long term leases or simply month to month?

**Hon. Michael Miltenberger:** The answer is the same as it was five minutes ago: I'll get that information for the Member. I would point out, though, that the Semmler Building lease is going to be used by the Beaufort-Delta Education Council to allow for barrier free access services.

**Chairman (Mr. Abernethy):** Thank you, Minister Miltenberger. The time has expired. We are on page 4-4, Public Works and Services, Activity Summary, Asset Management, Infrastructure Investment Summary, Total Infrastructure Investment Summary: \$17.220 million.

Department of Public Works and Services, Activity Summary, Asset Management, Infrastructure Investment Summary, Total Infrastructure Investment Summary: \$17.220 million, approved.

**Chairman (Mr. Abernethy):** We can go back to page 4-2. Public Works and Services, Department Summary, Infrastructure Investment Summary, Total Infrastructure Investment Summary: \$29.525 million.

Department of Public Works and Services, Department Summary, Infrastructure Investment Summary, Total Infrastructure Investment Summary: \$29.525 million, approved.

**Chairman (Mr. Abernethy):** Does the committee agree that we have concluded our discussions on Public Works and Services?

**Some Honourable Members:** Agreed.

**Chairman (Mr. Abernethy):** Does the committee agree that we now resume consideration of the Capital Estimates for the Department of Education, Culture and Employment?

**Some Honourable Members:** Agreed.

**Chairman (Mr. Abernethy):** All right; we will go back to page 7-7. Mrs. Groenewegen.

COMMITTEE MOTION 85-16(2)  
RECOMMENDATION TO ADVANCE BY ONE  
FISCAL YEAR THE DIAMOND JENNESS  
SCHOOL RENOVATION UNDER THE  
DEPARTMENT OF EDUCATION,  
CULTURE AND EMPLOYMENT  
(TD 93-16(2))  
(COMMITTEE MOTION CARRIED)

**Mrs. Groenewegen:** Thank you, Mr. Chairman. I have a motion. I move that this committee strongly recommends that the Department of Education, Culture and Employment take urgent action to advance the project schedule and proposed cash flow for the Diamond Jenness school renovation project by one fiscal year; and further, that the necessary funding amounts be included in the second estimates document that will be presented to the House in February of 2009 for fiscal year 2009–2010.

**Chairman (Mr. Abernethy):** Okay. A motion is on the floor. It is now being distributed. The motion has been distributed. The motion is in order. To the motion, Mrs. Groenewegen.

**Mrs. Groenewegen:** Thank you, Mr. Chairman. I'm not sure there's anything else I can say about the need at the Diamond Jenness Secondary School. I think this motion says it. We have devoted an extensive amount of airtime to the issues at Diamond Jenness over the past few days. So with that, I'm going to ask for a recorded vote on this motion.

**Chairman (Mr. Abernethy):** Okay. To the motion.

**Some Honourable Members:** Question.

**Chairman (Mr. Abernethy):** Question has been called. The Member has requested a recorded vote. All those in favour, please stand.

**Deputy Clerk of the House (Mr. Schauerte):** Mrs. Groenewegen, Mr. Beaulieu, Mr. Hawkins, Mr. Jacobson, Ms. Bisaro, Mr. Yakeleya, Mr. Krutko, Mr. Bromley, Mr. Menicoche, Mr. Ramsay.

**Chairman (Mr. Abernethy):** All those opposed, please stand. All those abstaining, please stand.

**Deputy Clerk of the House (Mr. Schauerte):** Mr. Lafferty, Ms. Lee, Mr. Miltenberger, Mr. Roland, Mr. Michael McLeod, Mr. Robert McLeod, Mr. Bob McLeod.

**Chairman (Mr. Abernethy):** The results of the recorded vote on the motion are ten in favour, none opposed and seven abstaining. The motion is passed.

Committee motion carried.

**Chairman (Mr. Abernethy):** We're on page 7-7. Mr. Hawkins.

COMMITTEE MOTION 86-16(2)  
RECOMMENDATION TO ADVANCE BY TWO  
FISCAL YEARS THE JH SISSONS SCHOOL  
RENOVATION UNDER THE DEPARTMENT OF  
EDUCATION, CULTURE AND EMPLOYMENT  
(TD 93-16(2))  
(COMMITTEE MOTION CARRIED)

**Mr. Hawkins:** Thank you, Mr. Chairman. I have a motion to move.

I move that this committee strongly recommends that the Department of Education, Culture and Employment take urgent action to advance the project schedule and proposed cash flow for the J.H. Sissons School renovation project by two fiscal years; and further, that the necessary funding amounts be included in the second estimates document that will be presented to the House in February of 2009 for fiscal year 2009–2010.

**Chairman (Mr. Abernethy):** Thank you, Mr. Hawkins. The motion is on the floor and is being distributed now. The motion has been distributed and the motion is in order. To the motion, Mr. Hawkins.

**Mr. Hawkins:** Thank you, Mr. Chairman. Just quickly, Sissons was built in 1975, and it hasn't received a significant renovation since then. It has had some work in the '90s. But in reference to its elderly age, its mechanical and electrical systems have approached the end of their normal service life. This school actually doesn't have any space for any types of storage. To my knowledge, the playgrounds have eroded to the point of being unsafe. If anything, I certainly would say that this facility is in dire need of a serious renovation and upgrade. It really doesn't have any place for us to expand to. It really needs serious attention. I'll just close by saying that I'd also request a recorded vote on this motion.

**Chairman (Mr. Abernethy):** Thank you, Mr. Hawkins. To the motion, Mr. Krutko.

**Mr. Krutko:** Thank you, Mr. Chair. I will not be supporting this motion. I believe there are other schools in more urgent need than this project. I think it's important to realize that there are other schools that have to be considered over and above this one. This one is already in the capital plan. There are schools in a worse situation than this facility. So I will be voting against the motion.

**Chairman (Mr. Abernethy):** Thank you, Mr. Krutko. To the motion.

**Some Honourable Members:** Question.

**Chairman (Mr. Abernethy):** Question is being called. The Member has requested a recorded vote. All those in favour, please stand.

**Deputy Clerk of the House (Mr. Schauerte):** Mr. Hawkins, Ms. Bisaro, Mr. Bromley, Mr. Menicoche, Mr. Ramsay, Mrs. Groenewegen, Mr. Beaulieu, Mr. Jacobson.

**Chairman (Mr. Abernethy):** All those opposed, please stand.

**Deputy Clerk of the House (Mr. Schauerte):** Mr. Yakeleya, Mr. Krutko.

**Chairman (Mr. Abernethy):** All those abstaining, please stand.

**Deputy Clerk of the House (Mr. Schauerte):** Mr. Lafferty, Ms. Lee, Mr. Miltenberger, Mr. Roland, Mr. Michael McLeod, Mr. Robert McLeod, Mr. Bob McLeod.

**Chairman (Mr. Abernethy):** The results of the recorded vote on the motion are eight in favour, two opposed, and seven abstentions. The motion is carried.

Committee motion carried.

**Chairman (Mr. Abernethy):** We are on page 7-7. Education, Culture and Employment, Activity Summary, Education and Culture, Infrastructure Investment Summary, Total Infrastructure Investment Summary: \$74.794 million.

Education, Culture and Employment, Activity Summary, Education and Culture, Infrastructure Investment Summary, Total Infrastructure Investment Summary: \$74.794 million, approved.

**Chairman (Mr. Abernethy):** We can return to page 7-2. Education, Culture, and Employment, Department Summary, Infrastructure Investment Summary.... Mr. Hawkins.

**Mr. Hawkins:** Thank you, Mr. Chairman. I wish to report progress.

**Chairman (Mr. Abernethy):** We require a motion to report progress.

Interjection.

**Chairman (Mr. Abernethy):** Mr. Hawkins made a request; he didn't make a motion. We need a motion in order to report progress. Mr. Hawkins.

**Mr. Hawkins:** Thank you, Mr. Chairman. Can I move that we take a break?

**Chairman (Mr. Abernethy):** We don't take motions to take a break. Does the committee wish to take a short, five minute break? Agreed?

**Some Honourable Members:** Agreed.

**Chairman (Mr. Abernethy):** We'll take a five minute break.

The Committee of the Whole took a short recess.

**Chairman (Mr. Abernethy):** Thank you, committee. We have a quorum, so we'll reconvene Committee of the Whole. We're on page 7-2, Education, Culture and Employment, Department Summary, Infrastructure Investment Summary. Mr. Jacobson.

**Mr. Jacobson:** Thank you, Mr. Chairman. I seek unanimous consent to go back to page 7-7.

Unanimous consent granted.

**Chairman (Mr. Abernethy):** We're on page 7-7. Mr. Jacobson.

COMMITTEE MOTION 87-16(2)  
RECOMMENDATION TO INCLUDE AN  
EXTENSION TO THE MANGILALUK SCHOOL  
IN THE FIVE-YEAR CAPITAL PLAN  
(COMMITTEE MOTION CARRIED)

**Mr. Jacobson:** Mr. Chairman, I move that the committee strongly recommends that the Department of Education, Culture and Employment take urgent action to examine the feasibility of including an extension to Mangilaluk School in the five-year capital plan; and further, this committee recommends that the department report back to the Social Programs Committee by January 2009.

**Chairman (Mr. Abernethy):** Thank you. A motion is on the floor and is being distributed now. The motion has been distributed. The motion is in order. To the motion, Mr. Jacobson.

**Mr. Jacobson:** Thank you, Mr. Chairman. Last week in my Member's statement I was speaking regarding how important it is to get an extension onto Mangilaluk School due to the conditions that the students and staff are under. I really feel that this would be a good thing for the government to do for the small communities, especially in the community of Tuk, where the students have to be taught their Inuvialuktun in the staff room and teachers have to share a bathroom and eat their lunches in the hallway. For myself and for the students of Mangilaluk School, they've been fighting for this for years. I can remember that when I was a councillor and then mayor, we were trying to push this forward but had never been successful. Now I'm in a position to try to make this motion to make it a reality for my constituents of Tuk and for the students and staff.

I really ask my colleagues for their support. This is an important issue for myself and my constituents. I'd ask for a recorded vote.

**Chairman (Mr. Abernethy):** Thank you, Mr. Jacobson. To the motion, Mrs. Groenewegen.



**Mrs. Groenewegen:** Thank you, Mr. Chairman. I'm going to be supporting this motion, because I support Mr. Jacobson, because I support the Nunakput riding, because I support fairness in the distribution of our capital projects and I support putting a priority on the education of our children and not useless office buildings.

**Chairman (Mr. Abernethy):** Thank you, Mrs. Groenewegen. To the motion.

**Some Honourable Members:** Question.

**Chairman (Mr. Abernethy):** Question has been called. The Member has requested a recorded vote. All those in favour, please stand.

**Deputy Clerk of the House (Mr. Schauerte):** Mr. Jacobson, Mr. Krutko, Mr. Bromley, Mr. Menicoche, Mr. Ramsay, Mrs. Groenewegen, Mr. Beaulieu, Mr. Hawkins, Ms. Bisaro.

**Chairman (Mr. Abernethy):** All those opposed, please stand. All those abstaining, please stand.

**Deputy Clerk of the House (Mr. Schauerte):** Mr. Lafferty, Ms. Lee, Mr. Miltenberger, Mr. Roland, Mr. Michael McLeod, Mr. Robert McLeod, Mr. Bob McLeod.

**Chairman (Mr. Abernethy):** The results of the recorded vote on the motion are nine in favour, zero opposed, seven abstentions. The motion is carried.

Committee motion carried.

**Chairman (Mr. Abernethy):** We're on page 7-7, Education, Culture and Employment, Activity Summary, Education and Culture, Infrastructure Investment Summary, Total Infrastructure Investment Summary: \$74.794 million. Mr. Krutko.

**Mr. Krutko:** Thank you, Mr. Chairman. I'd like to ask the Minister with regard to the contract for the Inuvik school.... I know there are some outstanding issues. When do you expect to resolve those outstanding issues? I believe one of the issues is bonding.

Also with regard to the contract itself, can the Minister give us any idea of exactly when you expect to have a final conclusion to the negotiated contract in regard to the outstanding issues?

**Chairman (Mr. Abernethy):** Thank you, Mr. Krutko. Mr. Aumond.

**Mr. Aumond:** Thank you, Mr. Chair. I'm hopeful that we'll be able to sort out any of the outstanding issues with respect to this contract within the next two weeks.

**Mr. Krutko:** Mr. Chair, I'd like to thank the Minister of Public Works for the information that was provided, but I think it's important to pass on that

message to the affected parties. I know the president of the Gwich'in Tribal Council hung around here for a couple of hours the other day hoping to get a meeting with the Premier, but he wasn't able to. I'd like to ask if you have contacted the other organizations that are concerned about this particular contract, especially those political organizations that are affected by this contract.

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

**Hon. Michael Miltenberger:** Thank you. I'll refer that question to Minister McLeod.

**Chairman (Mr. Abernethy):** Thank you, Mr. Miltenberger. Mr. Michael McLeod.

**Hon. Michael McLeod:** Thank you, Mr. Chairman. I'd have to ask the Member to repeat the question since I didn't hear what it was.

**Mr. Krutko:** There was some correspondence received this morning from the Minister of Public Works in regard to subcontracts regarding a particular contract for the school project in Inuvik. I know there were concerns out there regarding who the subs were. I'd like to ask the Minister if he could provide that information to the affected parties.

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

**Hon. Michael Miltenberger:** Thank you. I'll refer that question to Minister McLeod.

**Chairman (Mr. Abernethy):** Thank you, Mr. Miltenberger. Mr. Michael McLeod.

**Hon. Michael McLeod:** Thank you, Mr. Chairman. We have had discussions with the proponent who's been providing us with the estimates on this project. We've also conferred with him about the release of the potential subcontractors that he is working with, and he has no problem with us making that information public. We have to remember that there was some reluctance to bring these forward as there is no contract yet, and there is no agreement with any of the subs. But we'd be glad to table the information that is required.

**Mr. Krutko:** Mr. Chair, I find it kind of odd that these are your subcontractors, but they won't notify your subcontractors that they are your subcontractors. So I'd like to know: when will the subcontractors know that they are the subcontractors?

**Hon. Michael Miltenberger:** Mr. Chairman, those subcontractors would be working for the general contractor. They are not our subcontractors. I'd like to ask Minister McLeod if he'd like to add further.

**Chairman (Mr. Abernethy):** Thank you, Minister Miltenberger. Minister Michael McLeod.

**Hon. Michael McLeod:** Mr. Chairman, the process would be that once this budget is passed in this House, we would move forward to signing an agreement with the general contractor, and he would also sign agreements with subcontractors. That information would then be solidified, and we could speak with confidence as to who the actual subcontractors are going to be. As of yet there is no agreement with these subcontractors, and there won't be until there is a contract in place.

**Mr. Krutko:** Mr. Chair, there has been a lot of money expended in previous years. I'm not too sure of the numbers, but the information I'm looking at is just a draft for 2009–2010, Infrastructure Acquisition: \$20 million. What has \$20 million been expended on already while we haven't even constructed the school?

**Chairman (Mr. Abernethy):** Thank you, Mr. Krutko. Mr. Aumond.

**Mr. Aumond:** Thank you, Mr. Chair. The total spending to date on this school, as I said earlier, is about \$3.7 million. This has been mostly for the design of the project and some initial site development work. We are hoping to be able to spend in the neighbourhood of about \$10 million or so on construction for the rest of the fiscal year. As the Member may be aware, we did give up about \$7 million in the negative supp to go into '09–10, so our spending to date is about \$3.7 million, hopefully with another \$10 million or so, for a total expenditure up until '09–10 of about \$14.3 million.

**Mr. Krutko:** This information that we're going on was provided to committee, and I think that it's good that we can get updated information — information that is accurate in regard to dollars that have been lapsed and carried forward. It'd be good if we can keep track of these expenditures, if they are not being expended that they're carried forward. I'd just like to ask if we can get the most current information in regard to this project and also have a way of tracking the expenditures of this specific project.

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

**Hon. Michael Miltenberger:** Mr. Chairman, that information has already been provided to all the Members. It is the information that we are referring to in the House here, and it is our most current information.

**Mr. Krutko:** Mr. Chair, I'm sitting beside Mr. Bromley, and we're looking at the same information, so I'm not too sure what the more current information is that you're talking about. If we can look at the information that is current so that it is as current as we can get it.

**Hon. Michael Miltenberger:** Mr. Chairman, if the Member is unable to find the information, I'll make sure he gets a copy.

**Mr. Krutko:** Just as long as we're kept in the loop about exactly where these expenditures are and you keep the committee and Members up to date. I'll leave it at that.

**Chairman (Mr. Abernethy):** Thank you, Mr. Krutko. I didn't hear a question. The next person on my list is Mrs. Groenewegen.

**Mrs. Groenewegen:** Thank you, Mr. Chairman. When I left off my question before on the Inuvik schools — this is just to recap — Mr. Miltenberger said that the authority was signed off by then Premier Joe Handley. That was in support of the negotiated contract, but the actual appropriation of funds to the Financial Management Board was signed off by the then Finance Minister, Mr. Roland. Then, when there was a discrepancy or difference, I guess, between the original project that would have been signed on by FMB and the current project, was there need for any subsequent approvals by Cabinet or FMB with respect to the change in the price of the project?

**Chairman (Mr. Abernethy):** Thank you, Mrs. Groenewegen. Minister Miltenberger.

**Hon. Michael Miltenberger:** Thank you, Mr. Chairman. There was an FMB submission on June 20 for additional funds.

**Mrs. Groenewegen:** And that would have been signed off by yourself as Minister of Finance? Just help me out. Who's signing here?

**Hon. Michael Miltenberger:** The Finance Minister at the time was still Premier Roland.

**Mrs. Groenewegen:** So the original agreement to negotiate the contract was signed off by Minister Handley, and two subsequent appropriations related to the cost of the Inuvik schools were both signed by Mr. Roland, as the chair of the FMB and the Minister of Finance, correct?

**Hon. Michael Miltenberger:** Yes.

**Mrs. Groenewegen:** That's everything I wanted to know. Thank you.

**Chairman (Mr. Abernethy):** Thank you, Mrs. Groenewegen. I have nobody else on my list. We're on page 7-7, Education, Culture and Employment, Activity Summary, Education and Culture, Infrastructure Investment Summary, Total Infrastructure Investment Summary: \$74.794 million.

Department of Education, Culture and Employment, Activity Summary, Education and Culture, Infrastructure Investment Summary, Total

Infrastructure Investment Summary: \$74.794 million, approved.

**Chairman (Mr. Abernethy):** We'll move to page 7-2, Education, Culture and Employment, Department Summary, Infrastructure Investment Summary, Total Infrastructure Investment Summary: \$76.889 million.

Department of Education, Culture and Employment, Department Summary, Infrastructure Investment Summary, Total Infrastructure Investment Summary: \$76.889 million, approved.

**Chairman (Mr. Abernethy):** Is the committee agreed that we have concluded discussions on Education, Culture and Employment?

**Some Honourable Members:** Agreed.

**Chairman (Mr. Abernethy):** Agreed. So we can move forward to the entire Infrastructure Investment Summary, which is on page iv.

**Some Honourable Members:** Agreed.

**Chairman (Mr. Abernethy):** Infrastructure Investment Summary, Summary, Infrastructure Investment Summary, Infrastructure Investment Summary, Total Infrastructure Investment Summary: \$246.216 million.

Infrastructure Investment Summary, Summary, Infrastructure Investment Summary, Infrastructure Investment Summary, Total Infrastructure Investment Summary: \$246.216 million, approved.

**Chairman (Mr. Abernethy):** Minister Miltenberger.

COMMITTEE MOTION 88-16(2)  
CONCURRENCE OF  
TABLED DOCUMENT 93-16(2);  
CAPITAL ESTIMATES 2009-2010  
(COMMITTEE MOTION CARRIED)

**Hon. Michael Miltenberger:** Thank you, Mr. Chair. I move that this committee concurs with all Committee of the Whole motions previously adopted to amend Tabled Document 93-16(2); and further, that consideration of Tabled Document 93-16(2) be now concluded and that Tabled Document 93-16(2), as amended, be reported and recommended as ready for further consideration in formal session through the form of an appropriation bill. Thank you.

**Chairman (Mr. Abernethy):** The motion is on the floor and is being distributed now. The motion is in order. To the motion.

Committee motion carried.

**Chairman (Mr. Abernethy):** What is the wish of the committee? Mrs. Groenewegen.

**Mrs. Groenewegen:** Thank you, Mr. Chairman. I move that we report progress.

Motion carried.

**Chairman (Mr. Abernethy):** Minister Miltenberger, if I can get you to thank your witnesses, and if I can get the Sergeant-at-Arms to escort them out. Actually, I'll thank them, and I'll get the Sergeant-at-Arms to escort them out. Thank you.

Laughter.

**Chairman (Mr. Abernethy):** I will now rise and report progress and then go home and go to bed.

### 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:** Thank you, Mr. Speaker. Your committee has been considering Tabled Document 93-16(2), the NWT Capital Estimates for 2009-2010, and would like to report progress, with six motions being accepted, and that consideration of Tabled Document 93-16(2) is concluded, and that the House concur in those estimates as amended, and that an appropriation bill be based thereon to 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. Do you have a seconder for the motion? The honourable Member for Mackenzie Delta, Mr. Krutko.

Motion carried.

**Mr. Speaker:** Item 22, Third Reading of Bills. Mr. Clerk, item 23, Orders of the Day.

### Orders of the Day

**Clerk of the House (Mr. Mercer):** Orders of the day for Tuesday, October 21, 2008, 1:30 p.m.

- 1) Prayer
- 2) Ministers' Statements
- 3) Members' Statements
- 4) Returns to Oral Questions
- 5) Recognition of Visitors in the Gallery
- 6) Acknowledgements
- 7) Oral Questions
- 8) Written Questions
- 9) Returns to Written Questions
- 10) Petitions
- 11) Reports of Standing and Special Committees

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- 12) Reports of Committees on the Review of Bills
- 13) Tabling of Documents
- 14) Notices of Motion
- 15) Notices of Motion for First Reading of Bills
- 16) Motions
- Motion 24-16(2): Tiered Vehicle Registration System (Abernethy)
- Motion 25-16(2): Food Mail Audit Program (Hawkins)
- Motion 26-16(2): NWT Milk Subsidy Program (Bromley)
- 17) First Reading of Bills
- Bill 21: Appropriation Act (Infrastructure Expenditures) 2009–2010
- 18) Second Reading of Bills
- 19) Consideration in Committee of the Whole of Bills and Other Matters
- MS 80-16(2): Sessional Statement
- Bill 14 - An Act to Amend the Income Tax Act
- Bill 15 - An Act to Amend the Workers' Compensation Act
- Bill 16 - Write-off of Debts Act, 2008–2009
- Bill 17 - Forgiveness of Debts Act, 2008–2009
- Bill 19 - Donation of Food Act
- 20) Report of Committee of the Whole
- 21) Third Reading of Bills
- 22) Prorogation
- Mr. Speaker:** Thank you, Mr. Clerk. Accordingly, this House stands adjourned until Tuesday, October 21, 2008, 1:30 p.m.
- The House adjourned at 8:40 p.m.