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The Honourable David Krutko, Speaker

Legislative Assembly of the Northwest Territories

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YELLOWKNIFE, NORTHWEST TERRITORIES**Wednesday, March 17, 2004****Members Present**

Mr. Allen, Honourable Brendan Bell, Mr. Braden, Mr. Delorey, Honourable Charles Dent, Mrs. Groenewegen, Honourable Joe Handley, Mr. Hawkins, Honourable David Krutko, Ms. Lee, Honourable Michael McLeod, Mr. Menicoche, Honourable Michael Miltenberger, Mr. Pokiak, Mr. Ramsay, Honourable Floyd Roland, Mr. Villeneuve, Mr. Yakeleya, Honourable Henry Zoe

ITEM 1: PRAYER

---Prayer

SPEAKER (Hon. David Krutko): I would like to wish everyone a happy St. Patrick's Day. At this time, I would ask you to join me in wishing the Minister of Health and Social Services a very happy birthday. All the best.

---Applause

Item 2, budget address. Mr. Roland.

---Applause

ITEM 2: BUDGET ADDRESS

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Some say that will be the last time I get applause in the House.

---Laughter

Mr. Speaker, before I get into the formal budget address, I would just like to inform the House of the footwear I have brought into this Assembly. It's a pair of slippers, Mr. Speaker. They aren't brand new. They are 17 years old, or pieces of them are 17 years old. It was a gift I had given to me from my sister made by a Gwich'in elder in Inuvik, Elizabeth Greenland, as a wedding gift. The upper bead portion is the original. The inside fur is part of the original slippers. The rest are hand-me-downs except for the beads on the ankle portion, Mr. Speaker. I wanted to wear something that was appropriate for our direction of government, this being my first opportunity. I have had many ask what would I would be wearing and would they be new. I have given this some thought. It's a little bit of a tradition, some modern, some old and some new and some hope.

---Laughter

The important part, Mr. Speaker, is they have been taken from old and redone with some other materials and made to be useful again.

Introduction

Mr. Speaker, the budget I am presenting today, Mr. Speaker, is the first of the 15th Legislative Assembly and my first as Minister of Finance. I would like to thank Members for their comments and input during the preparation of this budget.

As a new Assembly, we are eager to take on the many challenges ahead. Looking ahead, the future seems as bright as the polished diamonds that we are sending across Canada and the world. The reality, however, is more like a diamond in the rough. Our economy is growing. Employment is high. The prospects for our territory's long-term success are very positive, but this

success has brought its share of challenges. We want our residents and communities to benefit from economic growth through employment, through business opportunities, through better infrastructure and through higher revenues that will allow us to cope with the strains and stresses of development and to invest in a brighter future for our children.

Right now our fiscal situation does not allow us to achieve this. Our revenues, although showing some growth because of our economy, are being outstripped by the corresponding demands on our spending. We need to address this fiscal reality and bring expenditures and revenues in line.

To do this we, as NWT residents, need to take a hard look at what we want government to do for us. We need to agree on what is critically important, and what is less important to ensure that what we are doing is sustainable in the long term.

We need to get a better deal from the federal government on our formula financing agreement and on sharing the revenues from resource development, but we also need to look to our own sources to help meet the rising cost of providing essential services to NWT residents.

This budget is for the 2004-05 fiscal year. We have had only a few months in office to review the plans for the upcoming year, and to make some limited, but important changes. We may need to re-examine all our options, and make further adjustments during the course of the year if some critical assumptions are not met, such as the federal government's willingness to address the adequacy of our formula financing agreement.

This budget is a steppingstone toward achieving our goal of long-term fiscal sustainability. Before we set our course for the next four years, we must consult with northerners and evaluate our options. We want to take the time to fully discuss these options with NWT leaders so that our plans are well considered, built on extensive consultation, and reflect the priorities of NWT residents. Following these discussions, we will be in a better position to put together our longer-term fiscal plans for 2005-06 and beyond.

As Premier Handley stated in this Assembly in January, we face some tough choices, and it is important that we work together over the next four years to make those choices.

Economic Review And Outlook

Mr. Speaker, we don't have to look hard to see the evidence of the NWT's dramatic economic growth. Economic activity throughout the NWT is very strong and labour market conditions are very good. The average employment rate in 2003 was 70 percent, compared to the national rate of 62 per cent, with employment rates in

communities outside Yellowknife at 60 percent. These are some of the highest rates since employment numbers were first collected in 1984.

Territorial real Gross Domestic Product, GDP, grew approximately 53 percent from 1999 to 2003, and we expect it will grow an additional eight percent in 2004. These growth rates are unprecedented. In just five years, the NWT has gone from having no diamond industry to being the world's third largest supplier of rough diamonds by value. Production from the Ekati and Diavik diamond mines in 2003 amounted to \$1.7 billion. This represents 12 percent of total global output, placing Canada ahead of South Africa and closing in on Russia and Botswana. Construction on a third diamond mine planned by DeBeers at Snap Lake is expected to start in 2005, with full production starting in 2008. A fourth diamond mine is currently undergoing the early stages of a project review. Within the next few years, the NWT could account for 15 percent of the world's gem-quality diamonds.

The prospects are excellent that a 1,200 kilometre natural gas pipeline will be built in the next few years, connecting the Mackenzie Delta to Alberta. If pipeline construction starts as proposed in 2007, and gas begins flowing from the Mackenzie Delta fields in 2009, our 6 trillion cubic feet, or TCF, of proven onshore reserves will begin to fill the growing supply shortfall in southern Canada and the United States. Current estimated reserves in the Beaufort-Delta region would provide supplies until 2033. A pipeline will also benefit the rest of Canada through the generation of almost \$5 billion in labour income over the course of the project.

Furthermore, the portion of the Western Sedimentary Basin located within the NWT contains proven oil reserves of 1.75 billion barrels and natural gas reserves of 15 trillion cubic feet. Exclusive of a potential pipeline, it is expected that oil and gas companies will invest over \$1 billion in exploration projects in the NWT over the next five years.

The NWT has world-class hydroelectric potential that rivals that of James Bay. Many of the NWT's rivers are ideally suited to using run-of-the-river technology, which means smaller dams and no massive flooding.

Hydroelectricity can provide a more environmentally friendly source of energy for NWT communities, mines, pipelines, and for export. Currently, opportunities are being explored to supply the diamond mines from the Taltson River system and to supply pipeline compressors from development on Great Bear River. Preliminary research indicates that the NWT's hydroelectric resources can be developed in a manner that is both cost effective and environmentally acceptable.

Although there is considerable focus on our resource potential, we must not ignore the prospects in other sectors of our economy, especially tourism. Close to 40,000 people visit the NWT each year. Although this industry contributes over \$50 million to our economy every year, it is still mainly underdeveloped. Our vast territorial landscape provides extensive tourism possibilities that could generate even more income for NWT businesses and residents.

Fiscal Review And Outlook

Mr. Speaker, I would now like to turn to our fiscal situation, starting with a summary of results from the current and prior fiscal years. As I noted earlier, our fiscal situation is not as positive as the growth in our economy.

2002-03 Year-End Results

Our final numbers for the 2002-2003 fiscal year show an operating deficit of \$34 million, significantly improved from the \$106 million deficit estimated at this time last year. The improvement can be attributed to higher revenues from the formula financing grant as the federal government recognized the concerns raised by the GNWT and agreed to postpone rebasing the tax effort in the formula.

2003-04 Update

The 14th Assembly forecast a \$77 million operating deficit for the 2003-2004 fiscal year. Current projections show this virtually unchanged at \$78 million.

2004-05 Outlook

Despite action on both the revenue and expenditure sides of the budget, our 2004-05 revenues are expected to remain below expenditure needs in the coming fiscal year. Expenditures in 2004-05 are budgeted to be \$950 million, or 1.9 percent higher than 2003-04. Revenues are forecast to be \$917 million, a six percent increase from the current year. After adjustments for estimated supplementary requirements, we project a \$46 million operating deficit for 2004-05.

This government is committed to an operating deficit of no more than \$50 million for 2004-05. If risk factors cause decreases in revenue forecasts, we are committed to revisiting the budget at a later date in order to achieve this target. We understand that this is a significant deficit. However, closing what was almost an \$80 million gap between revenues and expenditures in 2003-04 will require significant policy, program and organization reform. This could not be achieved in the few months we have been in office. This government will consider major actions only after careful deliberation and consultation with NWT governments and residents.

The timing of prior year formula financing grant adjustments and corporate and personal income tax collections mean that our overall cash and borrowing positions are still positive. We expect to end 2004-05 in a cash surplus position, with a total debt, including that of the NWT Power Corporation and NWT Housing Corporation, of \$148 million.

Medium-Term Outlook

While the GNWT will not exceed its authorized borrowing limit of \$300 million in 2004-05, our fiscal situation remains uncertain. Without changes in our revenue or expenditure outlooks, the GNWT will continue to run significant operating deficits and will exceed our debt limit two years from now, in 2006-07. This is clearly not an option.

Fiscal Strategy

Mr. Speaker, this budget is the 15th Assembly's first step in the path towards fiscal sustainability. Although our fiscal situation is serious, it is not a surprise and we have no intention of falling into a crisis mode. Since taking office,

we as Members have spent considerable time evaluating our options. In doing so, four important themes have emerged as the areas the 15th Assembly will explore as priorities. Premier Handley has outlined these areas as partnership, maximizing human resources, options for organizational change, and economic growth. We want to develop our priorities within these areas through consultation with aboriginal and community leaders and governments. Until we have considered these themes in detail, and discussed possible options and their implications with northern leaders, we will not be finalizing our broad principles for guiding the government priorities and decision-making for the next four years.

In short, we will not let our fiscal challenges divert us from the objectives NWT residents want us to achieve:

We want Northern governments that can work together to meet the social and economic needs of NWT residents.

We want to make investments in the infrastructure we need to cope with increased economic development and to further strengthen our economy.

We want NWT residents to be able to benefit from, participate in, and cope with economic development.

We want to establish the GNWT as one of the best fiscal performers in the country. Our goal is to have a balanced budget by 2006-07.

Achieving our goals will require a careful fiscal strategy, using a number of approaches. We need to reallocate our current expenditures to better reflect our priorities. We have started this already. This budget includes a reallocation of \$15 million from lower priority spending to allow us to reinvest in higher priority areas. In the longer term, we will need to find an additional \$20 million in expenditure savings or cost avoidance in each of the following two fiscal years, if we are to balance our books by 2006-07.

Part of this longer-term solution will require a better understanding of what the GNWT can realistically deliver to our residents. In the five years from April 1, 1999, to March 31, 2004, the government's operating expenditures will have increased by \$212 million, or \$5,100 per NWT resident. This represents an expenditure growth rate of 6.7 percent per year. Over the same period, our revenues increased by only \$134 million, or 4.3 percent annually. By limiting our expenditure growth and improving our revenue outlook through economic growth, better federal/territorial fiscal arrangements and some increased contribution by taxpayers toward the cost of programs, we will be able to work our way out of the structural deficit facing us now.

Since 1999, the GNWT has provided \$184 million in increased spending for social programs; an increase of 33 percent. While we have seen some improvement in a number of key measurements of the health of our society, we remain seriously below the national average in the most critical areas. We must ask ourselves if we are achieving better results with our increased spending. More importantly, how are we going to pay for social program costs that are growing much faster than our revenues?

As NWT residents, we must recognize that we will have to bear some of the rising cost of the programs and services that we receive. We must pay our fair share of the burden. Despite our efforts to reduce expenditure growth, the

simple fact remains that we will require additional revenues to respond to our fiscal situation.

The GNWT's options for securing additional revenues are limited. The high cost of providing basic public services in the North means that taxpayers cannot generate all the revenue necessary to fund these programs and services. As well, NWT tax rates must remain competitive with other provinces. Finally, the interaction between GNWT own-source revenues and the formula financing grant must be considered.

Currently, the GNWT does not benefit from the royalties generated by the major resource operations in the NWT. Resource revenue sharing negotiations with the federal and aboriginal governments are ongoing but are not likely to yield revenues to the NWT before 2007. We recognize in this budget that some increase in taxes will be a necessary component of our fiscal strategy.

Despite our desire to stand on our own, we depend on the federal government for 75 percent of our revenues. The NWT's vast distances, harsh climate and sparse population mean that we do not have the fiscal capacity to raise enough revenues to meet our expenditure needs, especially since we do not have access to resource royalties. Our formula financing agreement with the federal government was originally designed to fill the gap between our expenditure needs and our revenue-raising ability, but the link with our spending needs has been broken. To address its own fiscal situation in 1996, the federal government reduced our expenditure base by five percent, costing the pre-division GNWT \$58 million annually. The federal government also cut transfers to the provinces and the five percent cut was meant to treat the territories in a similar way. However, the per capita amount of the cuts to the provinces has since been restored.

The formula financing agreement is scheduled to be renewed for a five-year period starting April 1, 2004. Renewal discussions involving adequacy of federal/territorial funding arrangements have been underway for some time.

Last month, along with my colleagues from Nunavut and Yukon, I met with the Honourable Ralph Goodale, the federal Minister of Finance, to discuss the adequacy of the formula financing agreement. At that meeting, the federal Minister put a proposal forward that would increase the GNWT's expenditure base by only \$7.6 million in 2004-05.

For a number of reasons, the current federal offer does not meet the commitment made a year ago to address the long-term adequacy of the formula.

It is critical that the federal government restore the five percent cut. This would mean \$18 million annually more than has been offered; funding desperately needed to fund critical programs and services.

We are pleased that the federal government has agreed to our request to eliminate the gross expenditure base ceiling. Although the past effects of the ceiling have not been restored, the permanent removal of the ceiling assures more predictability in GNWT revenues.

A final issue of concern for us in formula financing renewal is the plan to update the calculation of the formula's tax effort adjustment factor, more commonly referred to as

rebasings. This factor measures the GNWT's revenue-raising effort compared to the provincial average. Initial rebasing calculations have produced a result that makes no sense to us. They suggest our tax effort has gone down relative to the provinces during a period when we know our tax rates increased while some provinces' rates decreased. These results would have a significant negative effect on our revenues if they are implemented. This could also reintroduce perversity into the formula. This means, for example, that if the corporate income tax revenue increases by \$1, the grant will drop by \$1.07, resulting in a net loss to the GNWT. We are continuing to discuss options with the federal government to try to resolve this flaw in our formula.

Getting a better deal from the federal government also means getting a fair deal on resource revenue sharing. Under the formula, most of the growth in our tax revenue generated by resource activity is clawed back. Therefore, the GNWT is gaining little fiscal benefit from the large-scale developments in our territory. In fact, rapid resource development continues to put severe strain on our physical infrastructure and on GNWT programs and services. That is why devolution is so important.

Devolution negotiations deal with the transfer of provincial-like authorities and responsibilities for the Northwest Territories' lands and resources from the federal government. Devolution also includes the transfer of resource revenues, revenues critical for the Northwest Territories to become less dependent on Canada for funding our programs and services. Devolution will allow us, the people of the Northwest Territories, to control our resources.

This January, the Aboriginal Summit and the Government of the Northwest Territories signed a devolution framework agreement setting the groundwork for negotiating an agreement-in-principle. This is an important example of how northern governments can work together towards achieving our goal of self-reliance.

There is still much work to be done if we are to complete the agreement-in-principle and reach our target of completing a devolution agreement by 2005 with an effective date in 2006. We support the timely completion of this work. A fair deal on devolution and resource revenue sharing is a critical component for NWT governments to cope with the pressures of resource development.

Mr. Speaker, expenditure restraint combined with expected revenue growth will allow us to return the government to balanced budgets. We must assure the public that we will tackle our fiscal situation. We will not mortgage our children's future to pay for today's spending. I believe one of the best ways to achieve this is to put in place a legislated accountability framework that will assure the people of the NWT that we will act in a fiscally responsible manner. To that end, I am considering creating legislation that would establish accountability measures and debt and deficit limits to make our financial management transparent and open to public scrutiny.

We must be fiscally accountable to the people of the NWT. This government is committed to making the necessary expenditures in critical areas but we expect, and will continue to expect, measurable results for every dollar spent.

We intend to balance our budget. We must get our fiscal situation under control, which will mean a combination of revenue raising initiatives, expenditure reforms, and a better deal from the federal government through the formula financing agreement and resource revenue sharing. We must also work with the federal government to develop a more appropriate approach to establishing our borrowing limit. Currently, the \$300 million borrowing limit is an arbitrary number, based neither on what we can afford, nor on what we need in the way of fiscal flexibility. Although we do not want to, or intend to, get into significant debt, borrowing is an integral component of any responsible capital investment program.

We currently base our capital spending requirements on objective measures such as population forecasts and the age of existing infrastructure. We have a twenty-year needs assessment and a five-year infrastructure plan, but our actual infrastructure investments are falling far short of our needs due to cash shortages caused by operating deficits and the federal restriction on our borrowing.

Infrastructure investment in 2004-05 will be \$92 million, meeting only 76 per cent of our identified infrastructure needs. The shortfall in replacements of, and upgrades to, our existing capital is further impacted by the pressures from non-renewable resource development. Increased demand on current municipal infrastructure from additional camps and external users will be beyond our ability to finance. Another stark example is the rapid deterioration of our transportation infrastructure as a result of increased volume of commercial traffic on our highways and airports.

In the long run, there are only three sources of funding for capital infrastructure investments: surplus cash from operations, cost sharing from other parties, and borrowing. As is clear from our fiscal situation, we are not generating any surplus cash from operations to invest in capital infrastructure, nor does federal cost sharing make up the shortfall. We must be prepared to borrow to fund necessary capital infrastructure investment. We will be asking for an increase in the \$300 million authorized borrowing limit to allow us to do this. The debt and deficit legislation that this government is considering will address our debt management strategy, but the GNWT is prepared to borrow where necessary in a fiscally responsible manner. Borrowing to finance today's operating costs is not acceptable. However, without borrowing, the government is limited in its ability to invest in critically required capital infrastructure. On this basis, we are prepared to borrow to invest in infrastructure that benefits the next generation who will have to help pay for it.

Expenditure Measures

Mr. Speaker, total budgeted expenditures will grow by \$18 million in 2004-05 over last year's budgeted amount. We have allocated \$32 million to meet the increased costs and demands of existing programs and services. We have also budgeted \$12 million in new initiatives required to respond to critical new needs. As noted earlier, to reduce the rate of growth in our spending, departments have identified \$15 million in reductions in lower-priority areas. In addition, \$9 million in programs have come to an end.

These expenditures represent the government's significant investments in addressing critical social issues, promoting and supporting economic development, developing strong partnerships with aboriginal

governments, and ensuring devolution and resource revenue sharing remains a priority.

As Premier Handley stated in January, we intend to run a tight ship but recognize that strategic investments will need to be made to ensure we stay on the right track and continue towards our goal of self-sufficiency. The initiatives and investments proposed in this budget support this objective.

Despite our considerable fiscal challenges, addressing the social needs of NWT residents will continue to be a priority for this government. Over 70 per cent, or \$671 million, of our operating budget this year will be spent on social and community programs.

Investing In Our Health Care System

Our health care professionals play an essential part in maintaining a stable NWT health care system that can deliver necessary services to NWT residents. This budget includes over \$6 million for previously negotiated compensation and benefits increases for health care professionals to ensure we remain competitive with the rest of the country.

Addressing the mental health needs of NWT residents is a continuing priority. Self-reliant individuals, families and communities are able to take part in improving social well-being, and can also take advantage of potential resource development and job opportunities. Federal funding flowing from the 2003 health accord will allow the Honourable Michael Miltenberger, Minister of Health and Social Services, to continue the mental health and addictions initiative that was started last year. We are able to provide \$1.3 million to continue this initiative.

The health accord funding has also allowed for continued investment in other priority initiatives, including: \$672,000 to increase the available seats for the nurse practitioner program at Aurora College; \$855,000 for infrastructure upgrades to support the health authorities in providing adequate work space and equipment for their employees; \$800,000 for a 1-800 call centre that will provide health and social services advice and information to NWT residents through a toll-free telephone access service. This service will complement the work of frontline care providers and will be available twenty-four hours a day, seven days a week; and, \$650,000 for the purchase of new diagnostic imaging and medical equipment for health authorities.

In total, this budget includes \$18 million in additional funding for new health care initiatives and program funding, bringing the total budget for the Department of Health and Social Services, after expenditure reductions and other adjustments, to \$247 million in 2004-05.

Maximizing Human Resources

Maximizing the potential of our residents to participate in our economic growth is a critical priority of this government. Participation of NWT residents in our wage economy has been increasing and we must continue to invest in our most important resource, our people.

Education is a cornerstone of the GNWT's vision for self-reliant, healthy, well-educated individuals that are full participants in NWT society. Access to education is critical if NWT residents are to take advantage of higher-paying,

quality employment. We need to continue to improve education attainment levels, especially in the aboriginal population. We are addressing this challenge on many fronts. Enhancing the well-being of families through improved health and employment prospects will directly and indirectly increase the well-being of children and improve their ability to take advantage of education opportunities.

Overall education attainment levels in the NWT are improving and the number of NWT students in post-secondary institutions has risen significantly since 1999. To ensure funding is available to meet this demand, an additional \$825,000 has been added to the student financial assistance budget.

As a result of the high enrolments in other nursing programs in southern Canada, northern nursing students need the opportunity to complete the third and fourth years of their degrees in the NWT. Starting in 2004-05, an additional \$880,000 has been allocated to Aurora College's delivery of the last two years of the nursing program in the North. The first northern class will graduate with a bachelor of science in nursing in 2005-06.

This budget provides an additional \$6 million for the education boards and Aurora College for previously negotiated increased compensation and benefits and increased operating costs. These investments increase the Department of Education, Culture and Employment's budget, after expenditure reductions and other adjustments, to \$214 million in 2004-05.

Crime Prevention

One of the most troubling challenges we face as a territory is high crime rates, particularly for violent crimes. Given the links between increased resource development activity and crime rates, action must be taken. Over \$2.4 million has been included in this budget to provide the Royal Canadian Mounted Police with additional resources for increased operating costs, additional members and the establishment of a relief unit. This will help improve policing in our communities.

Last October, the Legislative Assembly passed the Protection Against Family Violence Act to provide additional protection to NWT residents who are threatened or harmed by a family member. The Honourable Charles Dent, Minister of Justice has been charged with implementing this important legislation. This budget includes over \$400,000 to provide training for the RCMP, for crisis line workers, for justices of the peace and for the court workers who will be processing the applications.

High crime rates have also placed a heavy demand on our legal aid services. With assistance from the federal Legal Aid Renewal Strategy, an additional \$315,000 per year will be available to provide legal aid services to NWT residents in 2004-05 through 2006-07.

Building Partnerships

The NWT is strengthened by the ability of our residents, our communities, and our governments to work together. This government will work to build these partnerships.

The government has supported the Intergovernmental Forum as a way to bring together federal, aboriginal and territorial governments to discuss issues of significance to

the NWT. This budget includes \$500,000 for the continued ongoing support to the Intergovernmental Forum process.

Insurance premiums for community governments have been steadily increasing over the past few years. The Department of Municipal and Community Affairs has worked with the NWT Association of Communities to create the Northern Communities Insurance Exchange, a mechanism where communities share the cost and risk of insurance coverage. The department will contribute \$1.9 million per year over the next two years towards the cost of the exchange.

The Honourable Brendan Bell, Minister of Resources, Wildlife and Economic Development, through this budget, will be implementing the NWT Beverage Container Recovery Program. By introducing better waste management practices, this program will help communities reduce the amount of waste going into landfills and reduce the amount of litter on their streets. This budget provides \$1.1 million to implement this program in 2004.

Resource development must benefit northern communities and residents. We are committed to continue working closely with the private sector, the federal government and aboriginal groups to ensure that effective benefits monitoring programs are in place. This year, \$725,000 will be invested for the development of socio-economic monitoring agreements with the Mackenzie Valley Gas Producers' Group to support the Mackenzie Valley development project and with De Beers Canada Mining Inc. for the diamond mine at Snap Lake.

As oil and gas development activity in the Mackenzie Valley progresses beyond the exploration and initial field development phases, it is critical that support from aboriginal groups is secured for the pipeline project to move ahead. For this to happen, aboriginal groups must be able to participate as owners. Over the next six years, the government will provide \$1.5 million to the Aboriginal Pipeline Group to support them in their goal of attaining one-third ownership in the Mackenzie Valley pipeline project. We will continue this commitment in 2004-05 with a contribution of \$250,000.

Mr. Speaker, last October, the 14th Legislative Assembly passed the Tlicho Land Claims and Self-Government Agreement Act. On the date that the Tlicho agreement comes into effect, new Tlicho community governments will be established in Wekweti, Gameti, Rae-Edzo and Wha Ti. The Honourable Henry Zoe, Minister of Municipal and Community Affairs, will be bringing forward the Tlicho Community Government Act to establish these community governments. These communities will have powers and jurisdictions similar to those of hamlets and charter communities. This budget provides for an additional \$471,000 to the Department of Municipal and Community Affairs to help the communities of Gameti and Wekweti assume their new responsibilities.

In keeping with the theme of creating partnerships, this government remains fully committed to entering into a concession agreement with the Deh Cho Bridge Corporation to construct a bridge over the Mackenzie River. Although the project is delayed because of the environmental assessment, negotiations with the Deh Cho Bridge Corporation continue and will remain a priority for our government.

Economic Growth

One of the government's main priorities for the next four years will be to work with our partners to foster an economy that is prosperous and environmentally sustainable. We must also ensure that economic growth benefits NWT residents.

Our highway system is a vital link in the supply chain for non-renewable resource exploration, development and resupply and a crucial part of the GNWT's plans for ensuring better access to our resources to sustain our level of economic growth and prosperity. Enhancing our highway system benefits northerners through lower transportation costs for goods, improved road safety, and increased economic activity and northern business opportunities.

Last fall, the federal government announced an investment of \$45 million from the strategic infrastructure fund for transportation projects in the NWT over the next five years. This investment was on top of a \$20 million commitment announced the year before and will advance the work on the two major transportation corridors identified in Corridors for Canada, the GNWT's May 2002 proposal to the strategic infrastructure fund. The Honourable Michael McLeod, Minister of Transportation will be overseeing this vital investment, an investment in opening up the NWT. This budget identifies the additional matching funds of \$42 million over the next five years. We will borrow if necessary to meet our share of this investment.

In 2004-05, the strategic infrastructure fund program will support capital projects on highways 3, 4, 7 and 8, and the construction of several bridges along the Mackenzie Valley winter road.

Mr. Speaker, there is a shortage of affordable housing for both government and industry workers in our communities. Opening up new subdivisions and providing services to new properties is very costly. To ensure enough lots are ready for developers, \$300,000 is provided in this budget to fund land use planning studies, geotechnical investigations and other required legal and engineering surveys in non-tax based communities.

Over the last few years our fiscal situation has limited what we can afford to invest in critical infrastructure. Nevertheless, we must continue to plan significant investments to ensure that the health, safety and education of NWT residents are not compromised. The 2004-05 infrastructure acquisition plan being proposed in this budget includes: \$9.5 million to continue to improve water and sewer systems in communities, \$2.3 million to upgrade and increase capacity for tank farms, \$5.2 million for improvements to hospitals and health care and treatment facilities, \$2.5 million for major medical equipment required by hospitals and health centres, \$9.3 million for schools, and \$1.6 million for fire safety equipment in communities and improvements to community fire halls.

Revenue Initiatives

Mr. Speaker, in reducing the forecast operating deficit to under \$50 million, we considered both the expenditure and revenue sides of the budget. We have included \$15 million in expenditure reallocations in this budget and will be looking for an additional \$20 million in each of the

following two fiscal years. On the revenue side, I am announcing a number of measures to increase our revenues in 2004-05 by approximately \$10 million.

Effective January 1, 2004, we will be increasing the corporate income tax rate from 12 per cent to 14 per cent. The small business rate on the first \$250,000 of income will remain unchanged at 4 per cent. While I recognize that the large corporate income tax rate was only recently lowered as a way to encourage corporate investment in the NWT, we need to make this change to protect our revenue base. As I noted earlier, as a result of re-basing the tax effort adjustment factor in the new formula financing agreement, the GNWT would actually lose revenues if we attract investment at the current corporate income tax rate. We estimate that this initiative will generate an additional \$8 million in 2004-05.

Work schedules in the NWT resource industry allow employees to work in the NWT but reside and pay taxes in other parts of Canada. At the same time, the increased economic activity is putting immense strain on our infrastructure and we have no choice but to raise taxes. Effective January 1, 2005, the NWT Payroll Tax will increase from one percent to two percent of employment income. The purpose of the payroll tax when it was introduced in 1993 was to ensure that fly in/fly out workers would pay tax in the NWT.

To minimize the impacts of this change on those most in need, we will also decrease the personal income tax rate for the lowest bracket from 7.2 per cent to 5.9 per cent and the second lowest bracket from 9.9 per cent to 8.6 per cent. We will also increase the cost of living tax credit from 1.6 per cent to 2.6 per cent of income up to \$12,000. The minimum credit will be increased from \$250 to \$350 for singles and from \$500 to \$700 for couples. These changes take effect January 1, 2005.

The increase to the payroll tax is expected to generate \$12.4 million in its first full year of operation. This will be partially offset by the \$3.2 million increase in the cost of living tax credit and a \$7.2 million decrease in personal income tax revenues that will be introduced in conjunction with the payroll tax increase. The net impact in the final quarter of the 2004-05 fiscal year is expected to be \$1.7 million.

Though each taxpayer's circumstances are different, the majority of people with a total income less than \$66,000 will benefit from the combination of the changes to the payroll tax and the personal income tax and cost of living tax credit.

The NWT tax system is based primarily on the principle of ability to pay. This budget includes measures that will increase the tax rates for the two highest personal income tax brackets effective July 1, 2004. The rate on taxable income greater than \$108,101 will be increased from 13.05 per cent to 14.05 per cent. The rate on the second highest bracket, which applies to income between \$66,492 and \$108,101, will be increased from 11.7 per cent to 12.2 per cent. These two rate changes will generate almost \$1 million of revenue for the GNWT per year.

Even after this increase, the NWT combined top marginal personal income tax rate will be the fourth lowest rate in Canada.

Conclusion

Mr. Speaker, this budget represents our first step toward putting our fiscal house in order. As the 15th Legislative Assembly, we are just beginning to deal with the broader fiscal challenges of inadequate revenues, rapidly increasing expenditures and a looming debt wall.

We intend to meet these challenges in a responsible manner. This includes making difficult choices, choices that can only be made after considered deliberation. We will not avoid these challenges but we will be careful in how we address them.

Resource development in the North benefits all Canadians. To ensure that the benefits of this development continue, we need a better deal with the federal government that will allow us to make the necessary investments. A deal that recognizes that the fiscal pressures on the GNWT created by rapid resource development are not balanced by increased growth in GNWT revenue. A deal that addresses the adequacy of territorial financing in a fair and equitable manner.

Increased funding from the federal government and a share of resource revenues is only part of the solution. We must also be prepared to contribute our share. We must be sure that we are spending our money wisely and are getting results for every dollar spent. More important, we must be realistic about what we can afford to do.

A strong NWT depends on our willingness to accept the challenges and responsibilities ahead. We must build a positive, productive and respectful working relationship with northern leaders. We must talk about our long-term direction before we set priorities and work plans for the next four years. Once our priorities are established, however, we must take the steps necessary to achieve fiscal sustainability.

Mr. Speaker, by working together, we can ensure that we, as the people of the NWT, have a solid foundation on which we can build our future. Thank you.

---Applause

MR. SPEAKER: Thank you, Mr. Minister. At this time, we will call a 30-minute recess to allow for a brief reception out in the Great Hall to talk with the Minister of Finance and other colleagues in the House.

---SHORT RECESS

MR. SPEAKER: I will call the House back to order. Item 3, Ministers' statements. Item 4, Members' statements. Mr. Yakeleya.

ITEM 4: MEMBERS' STATEMENTS

Member's Statement On Access To Mackenzie Valley Pipeline Benefits

MR. YAKELEYA: Thank you, Mr. Speaker. Mr. Speaker, the construction of the Mackenzie Valley pipeline seems to be inevitable. This will be the largest capital project in the history of the Northwest Territories. We have an opportunity as legislators to ensure that we get it right from the perspective of the best interests of our people. Communities, regions and land corporations up and down the valley have titles to the land which are along the pipeline right-of-way. The rights of these lands were hard

fought for. The fact that the main proponent of the pipeline that will cross these lands needs to negotiate access and benefits is one of the prime differences of why a pipeline is achievable today and wasn't 25 years ago. Fort Good Hope and Colville Lake, which I represent, are examples of two communities who are prepared to come forward with a position on access and benefits. This government should show leadership by entirely supporting the successful negotiations of access and benefits.

They also need to support aboriginal land owners as they pursue other commitments which to date are unfulfilled, such as the final agreement on protected areas. These outstanding areas are integral to the early development of the oil and gas sectors and the transportation of these resources to market. They're not optional topics for discussion. Agreements must be in place prior to construction.

I would like to see this public government take a leadership role in supporting these goals. In doing so, they will send a clear message to industry. It will set a precedent for other communities along the pipeline right-of-way.

So how does this government demonstrate this leadership? Recently we learned that a special ministerial committee struck by the Prime Minister of Canada, naming Ann McLellan, the Deputy Prime Minister, as Chair, specifically to deal with the issues related to the development of the Mackenzie Valley pipeline. The federal government sees the importance and merits of this project as a priority to the extent that this committee has been appointed with such a high profile Chair. Surely this government sees it necessary to do the same.

Mr. Speaker, during question period I'll have questions for the Premier relating to what this government is doing to support our constituents to ensure that benefits from the pipeline are accrued to northerners, not just through ownership, but on many fronts, including the immediate financial impacts from access and benefits agreements. Mahsi, Mr. Speaker.

---Applause

MR. SPEAKER: Item 4, Members' statements. Mr. Ramsay.

Member's Statement On Fiscal Realities Facing The Government Of The Northwest Territories

MR. RAMSAY: Thank you, Mr. Speaker. Mr. Speaker, I'm going to utilize my Member's statement today to comment on the financial reality that the Government of the Northwest Territories finds itself in. Mr. Speaker, let's go back five short years ago to a time when the NWT included the territory of Nunavut. The territorial budget at that time was approximately \$1 billion. April 1st, 1999, brought us the creation of the territory of Nunavut. The NWT budget, five short years later for 2004-2005, is just shy of \$1 billion. To me, this sets off many alarm bells, Mr. Speaker. Five years later and the budget is exactly the same as where it was when we had to administer and govern Nunavut in some of the most far-reaching places in this country; a scary story, Mr. Speaker.

The previous government was allowed to spend money at a sickening rate. Any windfalls were quickly spent with political promises and pet projects. They continued to

allow the proliferation of boards and agencies throughout the territory. Some might even add that they're now seen as economic development in the regions. There are a number of professional board-sitters out there, Mr. Speaker.

Mr. Speaker, we must grab the reigns of our spending immediately. The regular Members, because of the timing of the election, have not had the benefit of going through a complete budget cycle. We went straight into the review of the draft main estimates and, as a new Member, I must say that the process in and of itself was a real eye opener. I did know coming in that our financial situation was bleak, but I was shocked to learn really how poor it is. It certainly is a very scary reality if we continue to spend ourselves silly, in two years our accumulated debt will be a staggering \$500 million. Yes, that's half-a-billion dollars. Running a government with an operating deficit is something that we must remedy, and remedy soon. It's just not right and should not be allowed to happen.

Mr. Speaker, this government spends approximately 35 percent of its total budget on some administrative overhead, a very scary number, as well. In the next four years, it is my goal to see that number reduced...

MR. SPEAKER: Your time for your Member's statement is up.

MR. RAMSAY: Oh, sorry, Mr. Speaker. I seek unanimous consent to conclude my Member's statement.

MR. SPEAKER: The Member is seeking unanimous consent to conclude his statement. Are there any nays? No, there are not. Conclude your statement.

MR. RAMSAY: Thank you, Mr. Speaker. This government spends approximately 35 percent of its total budget on administrative overhead. In the next four years, it is my goal to see this number reduced and to get more money on the ground, in the communities and into some tangible, real benefits for the people who call this territory home.

We're very quick to point fingers at Ottawa for our financial difficulties. I will be one of the first to stand up and say that we do need firm commitments from them to go forward. However, some of the responsibility, Mr. Speaker and my fellow colleagues, rests with us. We have to manage what we are given and what we have more effectively. I'm looking forward to working collectively with both the government and our committees to see that together we can tackle some of our bad spending habits.

The 14th Legislative Assembly did not know how to say no. In fact, I doubt they could even spell it, Mr. Speaker.

---Laughter

Whether we like it or not, the word "no" is going to have to be in our vocabulary. Our future is bright, our economy has never been stronger, we're moving ahead with our relationships with both the federal government and our aboriginal governments. The time is now that we as a group manage our resources and our finances much more effectively. Thank you, Mr. Speaker.

---Applause

MR. SPEAKER: Item 4, Members' statements. The Member for Hay River South, Mrs. Groenewegen.

Member's Statement On Comments On The Budget Address

MRS. GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, I had a text all prepared here with a wonderful Member's statement, but I think I'd just like to off-the-cuff, briefly comment on the situation as outlined in the budget today by our Finance Minister.

I guess Mr. Ramsay has referred to the pace at which we spent money in the previous Assembly and to some extent I agree with that. Our current Finance Minister, who was not the Finance Minister in the last government, used to stand up in this House on a very regular basis and talk about the debt wall. Sometimes when we were in committee meetings and planning how we were going to spend our money, I used to get a mental picture of all the regular Members in a vehicle -- it was a convertible -- and on the door was written "crash test dummies" and we were heading very fast towards that wall that Mr. Roland used to refer to on a regular basis. In the driver's seat was our Finance Minister at the time, but he had a blindfold on. Now, what I feel today about the speech from our new Finance Minister is that we're all still in that car, all of us, our arms flailing. It still says "crash test dummies" and we have the debt wall ahead, but I feel like the Finance Minister has taken the blindfold off today. Thank you, Mr. Speaker.

---Applause

MR. SPEAKER: Item 4, Members' statements. The Member for Hay River North, Mr. Delorey.

Member's Statement On International Women's Day On March 8, 2004

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, I'll try and change the subject a little bit.

---Laughter

Oh, no, we're having fun here. Mr. Speaker, I rise today to acknowledge and draw attention to International Women's Day that occurred last week on March the 8th. Mr. Speaker, since I was first elected over four years ago, I have always given recognition to this important day and to women in general, as I believe it is vital to draw as much attention as we can to the issue of gender equality.

I was looking over some interesting statistics provided by the NWT Status of Women Council. Mr. Speaker, according to the 2001 census, there were just over 20,000 females in the Northwest Territories. Women represent 48.2 percent of the NWT's population. What was frightening, Mr. Speaker, was the statistic that reported that, in Canada, women were assaulted an average of 34 times before going to a shelter. From April 1st, 2001, to March 2002, 295 women and their 321 children used the family violence shelters in the NWT, for a total of 8,747 bed nights. The rate of shelter use in the North is approximately eight times the national average.

I find this appalling, Mr. Speaker. What is especially troubling is that we are on the verge of increased development, which we are all well aware will bring increased social problems. Figures like what we are now dealing with do nothing to convince me that our people are poised and ready for the inevitable social problems that a pipeline or such projects will bring.

Mr. Speaker, I would like to take this opportunity to acknowledge and thank all of the frontline workers who labour day in and day out at the various family violence shelters around the North. I would particularly like to thank at this time all of the fantastic and dedicated staff at the family support centre in Hay River who work tirelessly to support victims of violence. I would also like to congratulate Ms. Crystal Ball on her recent appointment as executive director at the Family Support Centre in Hay River. I wish her every success. Thank you, Mr. Speaker.

---Applause

MR. SPEAKER: Item 4, Members' statements. The Member for Tu Nedhe, Mr. Villeneuve.

Member's Statement On Management Opportunities For Aboriginal Employees

MR. VILLENEUVE: Thank you, Mr. Speaker. Mr. Speaker, I'd like to speak a little about an ongoing issue that this government has been working toward for the last few sessions. Mr. Speaker, this government has had many initiatives and policies in place to address the issues of a low number of aboriginals within the GNWT workforce. Mr. Speaker, although the intent of these initiatives and policies are honourable and have realized some degree of success, I believe that the government still does not put their whole heart into achieving the desired results it says it is committed to and continues to make aboriginal training and hiring for higher-level government positions a low priority.

Mr. Speaker, just reviewing some of the new initiatives this government is embarking on with respect to filling management positions which our aging government will be vacating and will have to be filled in the very near future, I cannot express my dismay more when I cannot see any aboriginals or very few who have been included or prioritized in these initiatives.

Mr. Speaker, if this government is committed to increasing the representation of northerners, specifically aboriginals, in the public service, I'd be supportive and have more trust in this government and the commitments we make to our constituents if every department made a concerted effort to ensuring that these priority issues are being followed through at all levels of government. Mr. Speaker, during my tenure in this government I would like to see some concrete evidence that aboriginal employees and potential aboriginal employees in every sector of this government are utilized to their fullest potential and given every opportunity and due consideration as available candidates for these higher-level government positions.

In closing, Mr. Speaker, I hope this government can address this issue in an open and transparent manner and work toward resolving this ongoing issue in a continued and concerted basis with all the departments. This government is a reflection of the people we serve, and it is my intention to ensure the residents of the NWT that the GNWT is looking into the right mirror at this fair and not one that may be distorted by hidden agendas or underlying principles of equality and fairness which we strive to uphold and maintain on a daily basis. Mahsi, Mr. Speaker.

---Applause

MR. SPEAKER: Item 4, Members' statements. The Member for Great Slave, Mr. Braden.

Member's Statement On Comments On The Budget Address

MR. BRADEN: Thank you, Mr. Speaker. I can't help building on the pictures that a couple of my colleagues have painted for us. I guess I see perhaps not a Cadillac or a convertible, but perhaps more like a pick-up truck heading toward this debt wall. We're all in the back of the truck screaming, no. But you know, one thing that has changed is that we do have a new driver and I'm glad it's Mr. Roland because he's a journeyman mechanic.

---Laughter

---Applause

And he's going to be able to find the brakes in time. Mr. Speaker, I too would like to reflect a bit on the message, at least one of the messages that Mr. Roland presented to us this afternoon in the budget address. Among the many bottom lines that we have to look at, the most significant one is, indeed, Ottawa. They have to look at their obligations to the North and, as well, Mr. Speaker, they have to look at the opportunities that are ahead of us and, indeed, ahead of the rest of Canada.

There are at least three things that we need to keep repeating. That the five percent cut to the base rate in 1996, which in effect amounted to \$58 million a year hit on us, has to be restored. Mr. Speaker, we must make Ottawa appreciate and understand that the formula financing deal must be modernized and we have to take away those things, those parts of it, that actually penalize us when things might go our way. Thirdly, Mr. Speaker, Ottawa needs to be brought on board to help enable devolution to happen and show leadership to do this, to help build this North and help build this nation of Canada.

Now, our track record with Ottawa on these fronts has not been a good one, but our message is true. Mr. Speaker, we need to believe in it and we need to believe in ourselves. That is how we're going to get our pick-up truck back on the road towards a better tomorrow. Thank you, Mr. Speaker.

---Applause

MR. SPEAKER: Colleagues, I'd like to direct your attention to the visitors' gallery and recognize a former Government Leader, Minister and Speaker of the House, Mr. Richard Nerysoo.

---Applause

Item 4, Members' statements. Member for Inuvik Twin Lakes, Mr. Allen.

Member's Statement On Celebration Of St. Patrick's Day

MR. ALLEN: Thank you, Mr. Speaker. Today is a day for the Irish population worldwide as they celebrate St. Patrick's Day. Big cities and small towns alike celebrate with parades, wearing of the green, music and songs, Irish food and drink and other activities. So why is it celebrated on March 17th? One theory is that that's the day St. Patrick died. Since the holiday began in Ireland, it is

believed that as the Irish spread out around the world they took with them their history and celebrations.

Mr. Speaker, this reminds me that we have in the constituency of Inuvik Twin Lakes a small percentage of our ethnic community who are descendants of the Irish. On the humorous side, Mr. Speaker, I too am of Irish descent. Although I may not look it, I am wearing it.

---Laughter

---Applause

Mr. Speaker, my grandfather, Samuel Tyrell, a true Irishman, came to the Mackenzie Delta after the First World War as a surveyor, but remained after he married my Gwich'in grandmother. He became a trapper, and a river is named after him in his honour, just north of Fort McPherson, called Sam's River, which you would be familiar with. My mother who continues to live in Inuvik, prides herself as being a true Irish lady, so I leave this quote by John B. Keane. "I think the Irish woman was freed from slavery by bingo. They can go out now, dressed up, with their handbags, have a drink and play bingo, and they deserve it."

Finally, Mr. Speaker, I want to wish all the Irish people in my riding of Inuvik Twin Lakes, and the Irish of the Northwest Territories a happy St. Patrick's Day. Thank you, Mr. Speaker.

---Applause

MR. SPEAKER: Item 4, Members' statements. The Member for Nahendeh, Mr. Menicoche.

Member's Statement On Cross-Cultural Awareness Training

MR. MENICOCHÉ: Mahsi cho, Mr. Speaker. (Translation) Today there are a lot of things that have to be addressed through government. (Translation ends)

...cross-cultural training especially in the areas of health, social services, education, culture and employment. My constituents of Nahendeh have addressed this topic to me on numerous occasions, and each has a story to tell as to why they have concluded that a program such as this should be implemented. They have asked me to question the GNWT as to why there are no such programs currently in place, and enquire whether the GNWT will implement the cross-cultural training program for people who are hired from the South to come to work with the people of the Northwest Territories.

My constituents have noticed that a majority of these southern employees who come to work in the smaller, northern, aboriginal communities do not have any knowledge of the culture, lifestyle or background of the people they are working and dealing with, nor do they wish to take the time to learn. Some of these employees seem very insensitive to the needs of their patients or clients, and tend to treat them in an inferior manner. My constituents want concerned workers who are willing to take the time to understand and respect the land, people, communities, culture, lifestyle, language and background information dealing with their current situation. As a result, the elders are experiencing great difficulties since they are not able to effectively communicate and feel that they are not heard.

Mr. Speaker, I would like to let the Ministers of Health and Social Services and Education, Culture and Employment know that I will be asking questions regarding this cross-cultural training for my riding of Nahendeh. Mahsi cho, Mr. Speaker.

---Applause

MR. SPEAKER: Item 4, Members' statements. Mr. Hawkins.

Member's Statement On Support For Arts And Crafts Industry

MR. HAWKINS: Thank you, Mr. Speaker. Today my Member's statement will be addressing a concern brought to me by one of my constituents earlier this year. This concern has brought me great concern. This issue is about the hunting and trapping industry. It has been designated as a sustainable industry, and it gives a stable livelihood to people in the North. This reflects northern traditions, which is a very important issue in the Northwest Territories.

One of the many keys to the success of this industry is security due to the government funding and the ongoing support when the fur markets go up and down. These safeguards protect the vitality of this industry. This encourages people to pursue centuries-old traditions, knowing that it's economically stable. This is the choice they make with their heart.

However, I am very sad to say there is no ongoing support of this kind for the sewing and craft industry. This traditional industry is on the brink of being put on the endangered list. This industry needs government intervention.

Mr. Speaker, once a northern culture, a northern industry, is lost, it's almost impossible to bring it back. You cannot infuse modern-day thinking into centuries-old traditional values. This government needs to act to create a sustainable, stable industry in order to ensure that this is viable for tomorrow. It needs to show and demonstrate that this industry has worth. We need programs that establish ongoing support for this industry, just like the programs that RWED operates for the hunters and trappers.

Mr. Speaker, if you bead gloves, if you make birch baskets, if you do moose hair tuftings, some of those people out there are working for pennies, and that's not fair. We need something that stabilizes the market forces to encourage these people and to protect these people. Even sadder, there are no existing programs at this moment to ensure raw materials are out there so that this tradition can continue.

Right now, there is no program to ensure that people get dollar for value of work. This inequity needs to stop and it's time for change. This government must focus on northern traditions before it's too late.

MR. SPEAKER: Mr. Hawkins, your time is up.

MR. HAWKINS: Mr. Chair, may I seek unanimous consent to continue my Member's statement? Thank you.

MR. SPEAKER: The Member is seeking unanimous consent. Are there any nays? There are no nays. You have unanimous consent to conclude.

MR. HAWKINS: Thank you, Mr. Speaker, and I want to thank my colleagues, as well. Mr. Speaker, there are many traditions that make the North unique. Cultural traditions go far deeper in value to the people than just dollars. We must do something to sustain this industry before these traditions are lost and no longer practiced, or by the next time I see beaded gloves they're only at the museum.

Before I close my statement, I want to mention a quote brought to me by my constituent. She says this industry is not supported. But it seems that this government, when we have dignitaries travelling to the Northwest Territories from across Canada, from across the world, it's this government that runs out and buys those birch baskets and those beaded gloves and talks about our traditions. So in her words, this government needs to buck up its support and demonstrate that.

Later today, Mr. Speaker, I will be addressing my questions directly to the Minister of RWED with regard to this important and urgent matter. Thank you, Mr. Speaker.

---Applause

MR. SPEAKER: Item 4, Members' statements. Ms. Lee.

Member's Statement On Comments On The Budget Address

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker, I appreciate that we will be spending the next two to three weeks discussing our budget, but I just want to offer my initial comment on what we heard earlier this afternoon.

Mr. Speaker, from where I sit, the most significant thing that I noticed in this budget was a black and white statement that it is highly unlikely that we will see any money from the federal government on resource revenue sharing until at least 2007. I have to commend the Minister of Finance in accepting and recognizing that reality, because I was here in the last Assembly and I was always not very comfortable and I always argued that we had to operate our budget under the realities that we're living in. While it is commendable and it's desirable that we should all be out there lobbying for more money from the federal government, we shouldn't be budgeting ourselves on dreams. In many ways, that's what we were doing. I mean, it's good to be optimistic and good to be lobbying for money, but we had to be more responsible with what we were doing. So I think it's very good that the Minister of Finance has put it out in black and white that we have to deal with the situation as we find it.

Another thing that the Minister said is that he would like to see our operating budget books balanced by 2007. So he has really set himself a huge task here. He's saying we're not going to see resource revenue sharing, but we're going to have a balanced budget and all by 2007. That should really give us a warning that we have our work cut out for ourselves, that we are dealing with so many more restrictions than we had in the last Assembly, where it seemed like we could just spend our way through anything on the notion of optimism and dreams and what seemed to be a bright future that was as bright as a diamond itself.

Mr. Speaker, I think there are a lot of other things we did. We lowered the corporate tax when it was actually

penalizing us, we spent the windfall money that I always thought would not penalize as much. So I don't want to go back to where we were, but I think it is really good that we are starting off on our budget with the reality of where we are, and that the priority still is to make sure that whatever money we have is spent in the best way we can, and that all essential programs and services are protected. Thank you, Mr. Speaker.

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

ITEM 6: RECOGNITION OF VISITORS IN THE GALLERY

HON. HENRY ZOE: Mr. Speaker, as Members may be aware, municipal governance legislation is coming into force on April 1, 2004. The new Cities, Towns and Villages Act, the Hamlet Act, and the Charter Communities Act have been modernized into more useful, relevant tools for our community governments to use as they work to address the many opportunities and challenges that they face. In partnership with the NWT Association of Communities, my department has worked over the past nine years to bring these positive changes about.

Mr. Speaker, the partnership has continued as we work together to assist community governments get ready for the implementation of this new legislation. For the past two days, 16 senior administrative officers from communities across the Northwest Territories have been meeting in Yellowknife to prepare for the implementation as of April 1st. Mr. Speaker, they have taken a break from their meeting to visit the Legislative Assembly today and it is my pleasure to recognize a number of them who are here today including Jackie Coulter of Sachs Harbour, Troy Jenkins of Fort McPherson, Nellie Gruben of Aklavik, Debbie Raddi of Tuktoyaktuk, Jerry Veltman of Inuvik, Tom Matus of Wha Ti, Susan Christie of Fort Providence, Bernice Swanson of Fort Simpson, Loretta Bouwmeester from the City of Yellowknife, Terry McMullon of Fort Resolution, and John McKee of Fort Liard. Mr. McKee is also the president of the Local Government Administrators of the NWT.

Mr. Speaker, I would also like to recognize Yvette Gonzales, the CEO with the NWT Association of Communities and Eleanor Young, executive director of the Local Government Administrators of the NWT, along with a number of my regional staff from the Department of Municipal and Community Affairs. It is my pleasure to extend a warm welcome to all of you and thank you for your tremendous efforts as you work to support our community governments. Welcome to the House. Thank you.

---Applause

MR. SPEAKER: Just to remind the Minister that under our rules, 36.1(2), introductions made under this rule, section 36.1(1), shall not exceed 30 seconds. So just for reference in the future, you have 30 seconds. Item 6, recognition of visitors in the gallery. Mr. Yakeleya.

MR. YAKELEYA: Thank you. Mr. Speaker, I would like to recognize my constituency assistant from Deline, and John Kenny, sub-chief, wise man and he is helping out with my office this week. Also to Gina Dolphus from

Deline who is president of the Native Women's Association. Fred Rabesca who is with Henry's group there, and Barry Harley who is the superintendent of MACA and Tony Grandjambe from Norman Wells. These are the guests from the Sahtu. Mahsi.

---Applause

MR. SPEAKER: Welcome to the House. Item 6, recognition of visitors in the gallery. Ms. Lee.

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker, we have in the gallery someone from the Canadian Landmine Foundation in Toronto. He is in Yellowknife to educate the community on the global fight of land mines and how Canada has led the effort to eradicate the world of these devastating tools. He will be speaking tonight at the Capitol Theatre at 6:00 p.m. If he is up there, his name is Kevin Keane. He is a youth mine actions ambassador. Thank you.

---Applause

MR. SPEAKER: Item 6, recognition of visitors in the gallery. Mr. Menicoche.

MR. MENICOCHÉ: Thank you very much, Mr. Speaker. It is always a pleasure to see somebody from my riding up in the gallery, and I would just like to recognize Mr. John McKee; as well, Liza McPherson, Ron Hardisty, and Bernice Swanson. Thank you very much.

---Applause

MR. SPEAKER: Welcome. Item 6, recognition of visitors in the gallery. Mr. Dent.

HON. CHARLES DENT: Thank you, Mr. Speaker. Mr. Speaker, I'd like to recognize the president of the NWT Native Women's Association, Ms. Gina Dolphus.

---Applause

MR. SPEAKER: Welcome. At this time I would like to draw your attention to the visitors' gallery. Former Premier, Minister and now retired MLA, Mr. Jim Antoine, welcome to the House.

---Applause

Item 6, recognition of visitors in the gallery. Mr. McLeod.

HON. MICHAEL MCLEOD: Thank you, Mr. Speaker. I would like to recognize a number of people from my community of Fort Providence, my home town. First of all, Trinette Constant, if she is still here. She is starting today as my CA and she is down for some training. Along with her is Stephen Farcy and the SAO from the Hamlet of Fort Providence, Susan Christie. Welcome. Thank you.

---Applause

MR. SPEAKER: Item 6, recognition of visitors in the gallery. Mr. Miltenberger.

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, I would like to recognize some constituents and some others in the gallery. I would like to recognize Mr. Jack Poitras, the superintendent for MACA; Ms. Cec Heron from the Native Women's; Marilyn Napier from MACA; His Worship Eddie Koyina from Rae;

and, Alphonse Nitsiza, the Chair of the Dogrib Community Services Board. Thank you.

---Applause

MR. SPEAKER: Item 6, recognition of visitors in the gallery. Mrs. Groenewegen.

MRS. GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, before my colleague Mr. Delorey gets a chance to recognize my constituency assistant, I thought I should jump up and do it.

---Laughter

I would like to recognize Wendy Morgan in the gallery. Wendy was my assistant in part of the 13th, the 14th and now in the 15th Assembly. So I want to thank her and recognize her today. Thank you.

---Applause

MR. SPEAKER: Welcome. Item 6, recognition of visitors in the gallery. Mr. Pokiak.

MR. POKIAK: Thank you, Mr. Speaker. I would like to recognize Debbie Raddi, SAO for Tuktoyaktuk. Also, Jackie, self-government from Sachs Harbour. Eddie Dillon was here earlier. He is the Chair of the Tuktoyaktuk Community Corporation. He is gone I think, but he was up there earlier. Also, my CA, Marilyn Cockney. Thanks.

---Applause

MR. SPEAKER: Welcome. Item 6, recognition of visitors in the gallery. Mr. Handley.

HON. JOE HANDLEY: Thank you, Mr. Speaker. I would like to recognize visitors from Weledeh and particularly Chief Darrell Beaulieu with the Yellowknives First Nation. Thank you.

---Applause

MR. SPEAKER: Item 6, recognition of visitors in the gallery. Mr. Delorey.

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, I would like to clarify, I am glad that my colleague Mrs. Groenewegen is finally recognizing her constituency assistant.

---Laughter

Sitting next to her is Jennifer Tweedie, a constituent of mine, and her mom. Jennifer is here to go through this unfortunate thing of having to come over here to give birth. So welcome to the Legislature.

---Applause

MR. SPEAKER: Welcome to the House. Item 6, recognition of visitors in the gallery. Mr. Zoe. At this time I would like to also recognize a constituent of mine in the gallery, Mr. Joe Francis, who is a member of the Fort McPherson Hamlet Council; also Mr. Troy Jenkins. Welcome.

---Applause

MR. SPEAKER: For all of those who haven't been recognized...I would like to recognize Mr. Hawkins.

---Laughter

MR. HAWKINS: Thank you for recognizing me, Mr. Speaker. I couldn't see; my seat stops me from looking into the gallery, but I did try to look quickly and one of my constituents, Mike Adamchick was here earlier for the budget address. The good budget address his comments were on Mr. Roland's presentation, but if he is still up there, hello, Mr. Adamchick.

---Applause

MR. SPEAKER: Item 6, recognition of visitors in the gallery. At this time I would like to recognize the people that haven't been recognized and thank you for coming out today for the budget address. Welcome.

---Applause

MR. SPEAKER: Item 7, oral questions. Mrs. Groenewegen.

ITEM 7: ORAL QUESTIONS

Question 11-15(3): Corporate Income Tax Rate

MRS. GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, in reference to the budget address today, I have a question for the Minister of Finance. On page 14 it says effective January 1, 2004, we will be increasing the corporate income tax rate from 12 percent to 14 percent. It goes on to say -- and this is something that is complicated I know, but I wanted to make note of it -- as a result of rebasing the tax effort adjustment factor in the new formula financing agreement, the GNWT would actually lose revenues if we attract investments at the current corporate income tax rate. So we have gone from 12 percent to 14 percent and this puts us at a rate one-and-a-half percent higher than Alberta. What kind of an impact is this going to have on the possibility of large companies filing their income tax in other jurisdictions where the corporate rate is lower? Is that something that has been contemplated and considered? Thank you, Mr. Speaker.

MR. SPEAKER: Minister of Finance, Mr. Roland.

Return To Question 11-15(3): Corporate Income Tax Rate

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Mr. Speaker, we have looked at a number of options and potential impacts, and that is one of the areas of potential lost revenue, is that large companies that have the ability to file in another jurisdiction would do so. At the same time, previously we did have a 14 percent corporate tax rate and felt that going back to the amount it was, hopefully wouldn't drive out people to invest in other jurisdictions. That is one of the areas we did look at but, as the Member stated, we have to address the issue of our rebasing the tax effort. If we don't do that then we will lose significantly more revenue even though it seems like we do make some, because we'll have a dollar plus taken off of our transfer payment from Canada if we don't change it. Thank you.

MR. SPEAKER: Supplementary, Mrs. Groenewegen.

Supplementary To Question 11-15(3): Corporate Income Tax Rate

MRS. GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, I would like to ask the Finance Minister, what was our corporate tax rate at the time that we received those filings, which resulted in what we came to fondly refer to as tax windfalls? Thank you, and what was the rate?

MR. SPEAKER: Minister of Finance, Mr. Roland.

Further Return To Question 11-15(3): Corporate Income Tax Rate

HON. FLOYD ROLAND: Thank you, Mr. Speaker. The initial amount when we had filings, one-time filings in the Northwest Territories, large filings that caused some of our problems, was 14 percent. Following that there was another amount, I believe 12 percent, but as we know now the rebasing effort that is going to be done through the federal formula financing agreement would cause us to go back into what we would call a perversity factor where we would lose more money than we would gain if we did not change our tax effort. Thank you.

MR. SPEAKER: Supplementary, Mrs. Groenewegen.

Supplementary To Question 11-15(3): Corporate Income Tax Rate

MRS. GROENEWEGEN: Thank you, Mr. Speaker. So, Mr. Speaker, I just want to confirm that when some corporations filed their tax returns in the Northwest Territories and paid taxes to our jurisdiction, some of those were received while our corporate tax rate was 14 percent. So what would have been the incentive or motivation for those companies to file with us at 14 percent if Alberta was sitting at 12.5 percent? What would have attracted those and how could we encourage more of that? Thank you.

MR. SPEAKER: Minister of Finance, Mr. Roland.

Further Return To Question 11-15(3): Corporate Income Tax Rate

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Mr. Speaker, we are unaware of what would have caused them to decide to file in the Northwest Territories, besides having a main part of their office and their infrastructure in the Northwest Territories. A company can't remove all of its earnings and pay it in another jurisdiction. There is still a portion of that they would have to pay here depending on the size of the company, where their other office locations are and the size of their earnings in other jurisdictions as well. Those one-time earnings were good in one sense and bad in another, because that has allowed the situation of overpayment to happen to us on the corporate tax side. As to what caused them to file in the Northwest Territories, we don't have that information. Thank you.

MR. SPEAKER: Final supplementary, Mrs. Groenewegen.

Supplementary To Question 11-15(3): Corporate Income Tax Rate

MRS. GROENEWEGEN: Thank you, Mr. Speaker. Then to allay peoples' fears about a mass exodus of corporate

taxpayers in the Northwest Territories, then what you are saying is it wouldn't be realistic to assume that if someone had the lion's share of their activities taking place in the Northwest Territories and had a corporate office say in Edmonton or Vancouver, that they could legally file their corporate tax return in another jurisdiction to obtain a lower rate. Could the Minister confirm that that is the case? Thank you.

MR. SPEAKER: Minister of Finance, Mr. Roland.

Further Return To Question 11-15(3): Corporate Income Tax Rate

HON. FLOYD ROLAND: Thank you, Mr. Speaker. There is a requirement that they would have to pay some portion of their taxes, depending on the size of their operation and jurisdiction. Now, the other type of income that can be filed or earnings filed would be on investment income, and that doesn't need a location or an office. They could have a small operation, an employee, a storefront operation that they could file, but that is on investment income. On the actual corporate tax side where the main earnings that we receive would require a certain portion, again, would break out the amount of operation they had in the jurisdiction that they were operating in. There is still some flexibility in there for them to file in a different jurisdiction depending on their location, but the big tax windfalls we had that I am aware of, I believe one of the companies or a number of the companies did not actually have a full operation in the Northwest Territories. That is based on investment income, and we know that as a result of stock markets and that situation. There are not a lot of companies out there that have those types of earnings to want to invest in different jurisdictions, because every company would if they had an opportunity to invest in a jurisdiction with lower corporate tax rates, if they had that flexibility I believe they would. Thank you.

MR. SPEAKER: Item 7, oral questions. Mr. Yakeleya.

Question 12-15(3): Preparing For Pipeline Development

MR. YAKELEYA: Thank you, Mr. Speaker. Mr. Speaker, as I indicated in my Member's statement, I am very concerned about the issue of benefits from the Mackenzie Valley pipeline being effectively responded to by our government. A lot of attention has been paid to the aspect of ownership interest in the pipeline by aboriginal community governments. I am certain that in the long run this will prove to be a worthy investment. I think in the short term, we can't forget the array of other potential benefits to our people. My question is for the Premier. In light of the federal government's initiative to appoint a special committee, chaired by the Deputy Prime Minister, mandated to guide issues in relation to the pipeline, what has our government done to ensure that this development proceeds in an orderly fashion, addressing all the potential opportunities or concerns that a development of this magnitude involves? Thank you.

MR. SPEAKER: Mr. Premier, Mr. Handley.

Return To Question 12-15(3): Preparing For Pipeline Development

HON. JOE HANDLEY: Thank you, Mr. Speaker. There has been a lot of concern and a lot of interest by our government on ensuring that this pipeline moves ahead,

and moves ahead in a timely fashion. Since we have gotten into the new 15th Assembly, I had a meeting with the Prime Minister in late January, and this issue was raised with him. My suggestion to the Prime Minister at the time was that the Mackenzie Valley pipeline was critical enough to all of Canada that it really needed to be directed from the central agencies of the federal government, particularly PCO and by federal Cabinet. Since that time, he has appointed the Deputy Prime Minister, Anne McLellan, as the Chair of a federal pipeline committee. Deputy Prime Minister McLellan called me last week; I have had a telephone conversation with her. I have identified with her some of the concerns that we have and we have agreed that we would maintain open communications to ensure that we are doing everything within our capability to keep this pipeline moving on schedule. So, Mr. Speaker, that is an overview of the main issues we have been dealing with. We have also worked closely with aboriginal governments on the ownership issue as well as other matters. We have also begun the process of negotiating a socioeconomic agreement. Thank you, Mr. Speaker.

MR. SPEAKER: Supplementary, Mr. Yakeleya.

Supplementary To Question 12-15(3): Preparing For Pipeline Development

MR. YAKELEYA: Thank you, Mr. Speaker. Would the Premier agree to put in place a joint committee with the lead Minister on the governance side and participation from regular Members to address and respond to issues related to the Mackenzie Valley gas pipeline?

MR. SPEAKER: Mr. Premier.

Further Return To Question 12-15(3): Preparing For Pipeline Development

HON. JOE HANDLEY: Mr. Speaker, that is certainly one consideration I think when we talked about setting joint special committees, the pipeline was one topic that was mentioned earlier on, in the early days of our government. Certainly, I will consider that. I like the idea of a joint committee, and if that's the wish of the Members of this House, then definitely we would give it favourable consideration. Thank you.

---Applause

MR. SPEAKER: Supplementary, Mr. Yakeleya.

Supplementary To Question 12-15(3): Preparing For Pipeline Development

MR. YAKELEYA: Thank you, Mr. Speaker. Further, would the Premier commit to assist, in terms of both financial and logistical support of local and regional aboriginal governments, to develop positions to negotiate things such as access and benefits agreements, protected areas, social impact responses and so forth? We really need help in our region with regard to this issue, Mr. Speaker.

MR. SPEAKER: Premier Handley.

Further Return To Question 12-15(3): Preparing For Pipeline Development

HON. JOE HANDLEY: Mr. Speaker, our interests as a territorial government are within the areas of training,

employment, contracting and so on. We are taking the lead on negotiating a socioeconomic agreement. As was the case with the communities in the areas impacted by mining, any impact benefit agreements that they were negotiating were issues that were really within their jurisdictions, so we did not contribute financially to any of the negotiations for those impact benefit agreements. That was something they worked out between themselves and the federal government, and I expect that expectation would be the same in the case of the pipeline. Thank you.

MR. SPEAKER: Item 7, oral questions. Mr. Menicoche.

Question 13-15(3): Cross-Cultural Training

MR. MENICOCHÉ: Mahsi cho, Mr. Speaker. I have a question for the Minister of Health and Social Services with regard to cross-cultural training. I am aware that years ago it used to be the practice that we gave our new employees cross-cultural training. In this particular instance, I am referencing Fort Simpson and the health and social services workers. I'm just wondering if there is a requirement or do we have a program that allows them to have cross-cultural training as they get hired into our government to work in the smaller communities.

MR. SPEAKER: Minister of Health and Social Services, Mr. Miltenberger.

Return To Question 13-15(3): Cross-Cultural Training

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, human resources offers cross-cultural training, as does the college. But as a department, we don't have a formal policy that directs cross-cultural training being a requirement.

MR. SPEAKER: Supplementary, Mr. Menicoche.

Supplementary To Question 13-15(3): Cross-Cultural Training

MR. MENICOCHÉ: Thank you very much. Just to follow up on that, I believe it should almost be standard these days, because we are experiencing quite a few difficulties, particularly with our health centre in Fort Simpson which affects all the outlying communities. I would just like to ask the Minister if he's willing to consider beefing up the cross-cultural training that I do believe the health care and frontline workers need to serve in the smaller communities. Thank you.

MR. SPEAKER: Minister of Health and Social Services.

Further Return To Question 13-15(3): Cross-Cultural Training

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, the Member has raised a point that identifies a gap and it's not necessarily one that's going to cost a lot of money, but is more a point of providing the appropriate services the best way we can. Yes, I will raise this issue with the authorities and the department, and we will look at ways that we can get more organized in a formal, ongoing way in the area of cross-cultural training. Thank you.

MR. SPEAKER: Item 7, oral questions. Ms. Lee.

Question 14-15(3): Lot Development Assistance

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker, I have a question on the budget statement, and I must preface it by saying that I do understand that the Minister of Finance has worked diligently and very hard and it was not an easy thing. I think it is a modest, conservative budget that would hopefully get us on a good financial footing in the future. I realize we're going to have lots of questions in the debates, but there's something that I want to ask a question about. It's on page 14, and this happened to me twice already, Mr. Speaker. As all other Members, when the Minister of Finance is reading the budget, we pay attention to every word and you hear words that you really like. I will read it here. It says: "Mr. Speaker, there is a shortage of affordable housing for both government and industry workers in our communities. Opening up new subdivisions and providing services to new properties is very costly. To ensure enough lots are ready for developers..."

It's like music to your ears. It's like somebody is recognizing the high cost of developing lots. Knowing what's happening in Yellowknife and many other places, wow, the government is going to do something. Then you get totally crushed because the amount is only \$300,000 and when you keep waiting and read on, you realize everything is for non-tax-based communities. So I would like to know from the Minister if he has given any thought to any possibility of any assistance going to some of those heated markets where the costs of developing lots are skyrocketing. Thank you.

---Applause

MR. SPEAKER: Minister of Finance, Mr. Roland.

Return To Question 14-15(3): Lot Development Assistance

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Mr. Speaker, in the area that the Member has highlighted, this, of course, is an initiative that we're trying to address in non-market communities where it's very difficult right now and a lot of businesses and bankers are not keen to go in because of the high cost and the shortage of dollars and things from communities because of the way they're funded. So this program, through MACA, is doing that one little bit to try to help them in those communities. Members will have an opportunity to address the concerns through this budget process with Municipal and Community Affairs, but we feel that the market communities, tax-based communities, have the ability to develop and sell lots and recoup their costs right now. That avenue isn't available in smaller communities, although we are changing how communities can finance to go forward. So this is one of the initiatives we feel could be taken to try to help them along the process. Thank you.

MR. SPEAKER: Supplementary, Ms. Lee.

Supplementary To Question 14-15(3): Lot Development Assistance

MS. LEE: Thank you, Mr. Speaker. I should add that a program similar to this, in probably the exact same kind of positive wording, was introduced in last year's budget, except that it was for about \$1 million. In the discussions of that item, we found out there were a lot more details

that had to be worked out so that money ended up not being spent, now it has been reduced to \$300,000.

Anyway, Mr. Speaker, I think the people in industry will tell you that if the government is really strapped for cash, if you create more housing for cities like Yellowknife where there is a huge shortage, you'll have more people coming to the Territories and it will give you more money. Whereas right now we have people leaving. We have even our local, aboriginal people leaving the Territories because some houses are up to \$500,000. So why wouldn't the Cabinet follow the path that was followed by the last Assembly, and that addressed the high cost of lot development in tax-based communities?

MR. SPEAKER: Minister of Finance.

Further Return To Question 14-15(3): Lot Development Assistance

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Mr. Speaker, there have been past initiatives that were tried by previous governments to enhance building in market communities that were being impacted by increased resource development. We find after a while, though, that those initiatives get adjusted to by the market and get incorporated. I speak specifically of past governments who instituted a program of giving \$10,000 additional to potential purchasers so that they could afford their new homes. We found that any subsidy that we have like that soon gets swallowed up by the system and just drives up the prices in that area.

We feel that with the land development in non-tax-based communities, one of the things that is happening is because the smaller communities are on the outskirts of development, larger centres are being able to take advantage of that development where small communities aren't. It's still very expensive to develop any kind of a lot program. At one time in previous governments, there used to be programs for municipal governments to develop land areas in their communities. That was removed and tried to be incorporated into the system. It hasn't worked successfully. This is an avenue to try to bring some development into the smaller communities. Thank you.

MR. SPEAKER: Supplementary, Ms. Lee.

Supplementary To Question 14-15(3): Lot Development Assistance

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker, I think in reading this item it's apparent that this is a very modest initiative. It is something that would be funding developers to do very technical things -- geotechnical investigations, legal and engineering surveys -- which I would argue is something that the government should be doing anyway. Why are we continuing to be discriminatory and treating non-tax-based communities and tax-based communities unfairly? I think this is the kind of thing the government should do anyway. It would reduce the cost for municipal governments who have to provide these lots. Would the Minister reconsider that? Thank you.

MR. SPEAKER: Minister of Finance.

Further Return To Question 14-15(3): Lot Development Assistance

HON. FLOYD ROLAND: Thank you, Mr. Speaker. As I stated earlier, in market communities where there's competition for developers and construction trades, there is room for that competitive spirit. Developing of lots is up to the municipalities to see what they can make available. It is expensive for them, but they do have the tools and avenues that they are able to do that. Non-tax-based or the general taxation area -- it should be correctly terminated as general taxation areas -- there is not the flexibility and the revenue for them to look at the high cost of just developing for small housing projects, whether it's two or three or four lots. This initiative, we feel, is moving in that area which will allow those communities to better house people who would come and work in their community or even long-time residents in their communities. Thank you.

MR. SPEAKER: Item 7, oral questions. Mr. Allen.

Question 15-15(3): Constitutional Questions Related To Attaining Provincehood

MR. ALLEN: Thank you, Mr. Speaker. I addressed several pertinent points to the Premier during the question period of March 16th, that was yesterday, with very little confirmation on whether he was willing to introduce a bill of intent to seek provincial status for the Northwest Territories. In review of the unedited Hansard, I feel it requires further clarification of the rights of aboriginal peoples of Canada, part II of schedule B in the Constitution Act of 1982 as it applies to aboriginal peoples in the NWT Act. So, Mr. Speaker, I'm going to ask the Justice Minister, who is the legal advisor to the Executive Council, if the Aboriginal Summit has constitutional status for negotiation on the devolution and resource revenue sharing. How is it constitutionally entrenched in the NWT Act? Those are my questions to the Minister of Justice. Thank you.

MR. SPEAKER: Minister of Justice, Mr. Dent.

Return To Question 15-15(3): Constitutional Questions Related To Attaining Provincehood

HON. CHARLES DENT: Mr. Speaker, that's considerably more detail than I have at my fingertips, so I'll take that question as notice.

MR. SPEAKER: The question has been taken as notice. Item 7, oral questions. Mr. Hawkins.

Question 16-15(3): Integrated Arts Strategy

MR. HAWKINS: Thank you, Mr. Speaker. Mr. Speaker, the honourable Member responsible for RWED brought to my attention an initiative that was called integrated arts strategy to support art and culture in the NWT. Part of this strategy is designed to bring support to the arts and craft industry. Current and immediate actions proposed in the integrated arts strategy are supported by having raw materials and equipment available for people out there. This strategy, as the honourable Member stated in his letter to me, is to be completed by early 2004. Since the time is nearing, my question for the Minister of RWED is what is the present status of this initiative and how does the Minister see this initiative being rolled out?

MR. SPEAKER: Minister of RWED, Mr. Bell.

Return To Question 16-15(3): Integrated Arts Strategy

HON. BRENDAN BELL: Thank you, Mr. Speaker. I'd like to thank the Member for bringing this question to the House and also for raising this prior to today with me. I've had a chance to discuss this with the department and, as the Member knows, our department is working with the Department of Education, Culture and Employment to roll out this integrated arts strategy, and we are optimistic that by summer we will have this integrated arts strategy and be able to articulate our vision for meeting some of the gaps that we see in current arts support and development.

MR. SPEAKER: Supplementary, Mr. Hawkins.

Supplementary To Question 16-15(3): Integrated Arts Strategy

MR. HAWKINS: Thank you, Mr. Speaker. I wanted to thank the Minister for recognizing that there are gaps in the system, because that leads me very nicely into my next question. What is the Minister's plan to ensure that the gaps are filled for supplying raw materials to the public out there who wish to continue the traditional lifestyle of the arts and craft industry? Thank you, Mr. Speaker.

MR. SPEAKER: Minister of RWED, Mr. Bell.

Further Return To Question 16-15(3): Integrated Arts Strategy

HON. BRENDAN BELL: Thank you. I will acknowledge that there are gaps in our support where the traditional economy is concerned, but I'd also like to highlight the fact that the Department of RWED does offer grants to small businesses. Arts and crafts businesses are absolutely eligible and do qualify and we have given grants in the past to the arts sector. In addition, we have the business development fund which provides contributions of up to \$25,000 for a wide range of business needs. Arts businesses would obviously qualify, as well, here.

So I think we haven't been excluding the arts and crafts sector. Can we do more? Yes, I believe we can. The Member has proposed something to do with raw materials and I will give the Member my commitment that we'll address this in some manner in the upcoming strategy.

I would say that we're not in the position to get into the game of outright subsidies for raw materials. I think that will cause us problems. Any time you get into the free market and start to distort the pricing of these products, I don't think that probably is somewhere that we want to go. I'm not proposing that we will do that, but we will discuss the availability of raw materials. Thank you.

MR. SPEAKER: Supplementary, Mr. Hawkins.

Supplementary To Question 16-15(3): Integrated Arts Strategy

MR. HAWKINS: Thank you, Mr. Speaker. Could the Minister provide all the Members of the Assembly the action plan that will show the steps to be taken to complete this initiative and how his department plans to maintain this strategy? Thank you, Mr. Speaker.

MR. SPEAKER: Minister of RWED, Mr. Bell.

Further Return To Question 16-15(3): Integrated Arts Strategy

HON. BRENDAN BELL: Yes, I will do that. The action plan was submitted to and approved by Cabinet of the past government in August 2003, and then Minister Jake Ootes tabled a response in the House in October 2003. Now we're talking about the planned development of the integrated arts strategy and we will articulate the implementation of that and I'll make sure that all Members have a copy of that. Thank you.

MR. SPEAKER: Item 7, oral questions. Mr. Delorey.

Question 17-15(3): Business Incentive Policy

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, today I'd like to bring up an issue that has been talked about for too long in the past government. Today we heard a budget address that addresses us going forward in a new direction and bringing prosperity to our country. The issue that I'm talking about, Mr. Speaker, is the BIP policy. I want to ask my questions to the Minister of RWED today, but I'm sure that this issue is going to be around now for awhile and eventually I'll have some questions for the Premier on it.

Over the life of the 14th Legislative Assembly we spent probably two years going around the Northwest Territories consulting with people, looking at draft changes to the business incentive policy and the word was back that we should not change the business incentive policy. We should leave it as is. It's a government policy and the government should administer it as such. I would like to ask the Minister of Resources, Wildlife and Economic Development, is there another move afoot to make changes to the business incentive policy? Thank you, Mr. Speaker.

MR. SPEAKER: Minister of RWED, Mr. Bell.

Return To Question 17-15(3): Business Incentive Policy

HON. BRENDAN BELL: No, Mr. Speaker. At this point there is no intention on the part of this government to change the business incentive policy. Of course, we would always listen to the suggestions of committee, should they suggest that we would consider it. But our feeling is at this point that we would not be proposing any change. Thank you.

MR. SPEAKER: Supplementary, Mr. Delorey.

Supplementary To Question 17-15(3): Business Incentive Policy

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, if there are no changes to the business incentive policy, is the Minister aware of any of the departments within the government that are putting out contracts and not applying the business incentive policy to them? Thank you, Mr. Speaker.

MR. SPEAKER: Minister of RWED, Mr. Bell.

Further Return To Question 17-15(3): Business Incentive Policy

HON. BRENDAN BELL: I am aware that the Housing Corporation has gone to the marketplace for the provision

of housing in non-market communities and the BIP is being waived on this provision of housing.

MR. SPEAKER: Supplementary, Mr. Delorey.

Supplementary To Question 17-15(3): Business Incentive Policy

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, if this is a government policy and it's to be applied government-wide, how does the Housing Corporation get to waive the BIP on a contract that they put out? Who do they get permission from? Is it from RWED or is it from the government itself, the Cabinet? Where do they get permission to waive the BIP on a contract? Thank you, Mr. Speaker.

MR. SPEAKER: Minister of RWED, Mr. Bell.

Further Return To Question 17-15(3): Business Incentive Policy

HON. BRENDAN BELL: Thank you. My understanding is that the Housing Corporation approached Cabinet in the past Assembly and made the case that the provision of housing in non-market communities had to be done in the most cost-effective manner. They had concerns that this couldn't be achieved with the BIP in place and asked Cabinet to direct that they be allowed to waive the BIP on this contract. Thank you.

MR. SPEAKER: Final supplementary, Mr. Delorey.

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, it's really unfortunate that we spent so much time on this very issue over the last four years and we have so many issues in front of us right now, big issues to deal with with this government, and I'm very much afraid that this issue is going to rear its ugly head again and take up an awful lot of our time. I'm aware of other departments that are looking at playing with the BIP, whether it's the local preference or the 15 percent on different contracts. If this government has the BIP policy and if they feel that it's an important policy to this government, then I say that we stick to it. If not, let's do away with the BIP. But let's do one or the other. Thank you, Mr. Speaker.

MR. SPEAKER: Minister of RWED, Mr. Bell.

HON. BRENDAN BELL: Sorry, Mr. Speaker. I apologize. I did miss the question, if the Member could just restate the question. Thank you.

MR. SPEAKER: Mr. Delorey, restate the question.

Supplementary To Question 17-15(3): Business Incentive Policy

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, the question was, is the Minister aware if the government still considers this policy to be beneficial to the government?

MR. SPEAKER: Minister of RWED.

Further Return To Question 17-15(3): Business Incentive Policy

HON. BRENDAN BELL: Yes, Mr. Speaker, the government does believe that this is a policy that provides

benefit to the people of the Northwest Territories, has a validity and we certainly continue to support it. Thank you.

MR. SPEAKER: Item 7, oral questions. Mr. Ramsay.

Question 18-15(3): Reductions To Departmental Travel Budgets

MR. RAMSAY: Thank you, Mr. Speaker. Mr. Speaker, my question today is for the Minister of Finance and it has something to do with the budget address that was presented to us earlier today. An omission from that, I do believe, was travel and that the government was going to go department by department and reduce 25 percent of the overall travel budget. Having gone through the draft mains the last two-and-a-half weeks, it was very difficult for me to get a firm handle on which departments were spending what in terms of travel. I know there was a 25 percent reduction, but the real numbers were very hard to get to, Mr. Speaker. It seemed to me that in order to arrive at a travel budget it was the number of employees times about \$10,000 and that's what the department arrived at in terms of a travel budget. So I'm asking the Minister if he could supply myself and other regular Members with what the real numbers are in terms of travel for each department of this government. Thank you, Mr. Speaker.

MR. SPEAKER: Minister of Finance, Mr. Roland.

Return To Question 18-15(3): Reductions To Departmental Travel Budgets

HON. FLOYD ROLAND: Thank you, Mr. Speaker. The Member is correct. We've told departments that there will be a 25 percent reduction for the upcoming year on discretionary travel. Non-discretionary travel such as medical travel, student financial assistance, those things, court appearances, court duty travel, have not been touched. So it's been discretionary travel. Those are difficult to follow through the business plans. Members will have the opportunity when each department comes forward to get specific details from them and we'll inform departments that they should be ready with that information. We could try and gather the information for past years, but for the upcoming year it would be difficult because within each department, there may be health boards and education boards and so on and it would be difficult to actually take out an actual amount that they've specified, because a lot of it is built in to either a directorate function or another wing of their department. It would be fairly difficult to get that kind of detail. I'll inform all Ministers and their departments that they should be ready with as much detail as they have when they come before Committee of the Whole with their specific departments. Thank you.

MR. SPEAKER: Supplementary, Mr. Ramsay.

Supplementary To Question 18-15(3): Reductions To Departmental Travel Budgets

MR. RAMSAY: Thank you, Mr. Speaker. Thank you, Mr. Minister, for the response. Yes, it was very difficult as a regular Member to arrive at what the real numbers were, so if the Minister can ask the deputy ministers and the other Ministers of the departments to allow us to see what the real costs are in terms of travel, I think that would be beneficial for us. I know there's a 25 percent reduction. I don't know if that goes far enough. I don't know the real

numbers, so it's very hard to make a decision of what we should do with that, Mr. Speaker.

I guess my final question is can we get the real numbers? I know he's going to ask, but I want to know if we can get the real numbers on travel, department by department. The medical travel, the student financial travel, things like that, that's not what we're trying to tackle here. We're trying to tackle the travel that's really unnecessary in this government. Thank you, Mr. Speaker.

MR. SPEAKER: Minister of Finance.

Further Return To Question 18-15(3): Reductions To Departmental Travel Budgets

HON. FLOYD ROLAND: Thank you, Mr. Speaker. We'll have that information put together, consolidated from all of the departments, and the Ministers will be prepared to respond to specific detailed questions when their departments come up. But we will pull that together. It will probably be a one-page consolidated number that we work from. Thank you.

MR. SPEAKER: Item 7, oral questions. Mr. Braden.

Question 19-15(3): Comments On The Budget Address

MR. BRADEN: Mahsi, Mr. Speaker. Also to the matter of the budget, I would address a question to the Minister of Finance. On page 8 of the budget, Mr. Roland had a discussion there about expenditures and accountabilities and transparency. The sentence, if I may quote, says, "I am considering creating legislation that will establish accountability measures and debt and deficit limits to make our financial management transparent and open to public scrutiny." I would like to ask the Minister to expand a little bit on this, Mr. Speaker, perhaps beginning with the idea of accountability measures. What would that add to the system that we have going now? Thank you, Mr. Speaker.

MR. SPEAKER: Minister of Finance, Mr. Roland.

Return To Question 19-15(3): Comments On The Budget Address

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Mr. Speaker, this is an area that we're beginning to do some work on to look at what options of a fiscal responsibility legislation that we could bring forward for Members. That's why it's worded as it is. We need to work with the Members to see what would be acceptable. Things, for example, like what the actual interest bite is -- as the terminology that's used -- or repayment of a debt would be highlighted in the budget, what type of debt that we could actually incur. One of the concerns we have is with our structural deficit that we find ourselves in is not to get into a debt that is paying for operations and maintenance costs, but more for infrastructure investment in that sense. We've highlighted that. We will be looking to do that. For example, on highway infrastructure dollars that the federal government has put on we're going to match. Those are the types of things that are starting. One is the total debt limit, what type of debt we can get into, how we account for it, and the five-year plan where at the end of a process of five years you have to come back to a balanced budget situation. Thank you.

MR. SPEAKER: Supplementary, Mr. Braden.

Supplementary To Question 19-15(3): Comments On The Budget Address

MR. BRADEN: Mr. Speaker, those are all measures that I would certainly welcome. I think the public would also. I guess I'm wondering though, in the system that we already have, to some extent that information is available. It might not be readily available, but I think we could supply it. I guess I'm curious, Mr. Speaker, when the Minister says he's considering legislation, do we need legislation to govern those things in this Assembly? Thank you.

MR. SPEAKER: Minister of Finance.

Further Return To Question 19-15(3): Comments On The Budget Address

HON. FLOYD ROLAND: Thank you, Mr. Speaker. I guess the government can put measures in place through policy and through understanding. You can put something in place. We've done it, as you can say, through our fiscal strategy to balance the books by 2006-2007. So we've informally, in a sense, headed in that direction. To actually put things in place that are measurable, that people can say you are going to be measured to and held accountable to, it would be much more forward to put it in legislation that governments coming down the road would have to, if they're going to change it, make changes in this arena on the floor that would change how it's being impacted. It's not an absolute, but it's something that I feel, and in talking to my colleagues on Cabinet, we should look forward to bringing in and setting up something that would be clearly measurable by Members of this Assembly and by the public at large. That they can see that and they can see if, in fact, we are meeting the targets that we've set for ourselves. Thank you.

MR. SPEAKER: Supplementary, Mr. Braden.

Supplementary To Question 19-15(3): Comments On The Budget Address

MR. BRADEN: Mr. Speaker, I would wholeheartedly endorse the idea that we would be able to demonstrate results against objectives for the money that we spend. The final question that I'd like to ask, Mr. Speaker, is where the Minister says he's considering creating legislation, what kind of a mechanism does he envision for determining if that's needed and then what kind of time frame for bringing it forward? Thank you.

MR. SPEAKER: Minister of Finance, Mr. Roland.

Further Return To Question 19-15(3): Comments On The Budget Address

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Mr. Speaker, as the process is set up now we would do further internal work and then I would present my Cabinet colleagues with information to see if, in fact, that is the right course we're heading on, and from their input either go back to the drawing board or make some changes. If once accepted by Cabinet it's good enough to go to the next stage, then we would go to the Members of the Assembly through the committee process to have their input if we've got it right in the legislative proposal

process. Then it kicks off, as the Member is aware, through that process. Thank you.

MR. SPEAKER: Item 7, oral questions. Mr. Hawkins.

Question 20-15(3): Upgrading Airport Security

MR. HAWKINS: Thank you, Mr. Speaker. My question today is to the Minister of Transportation. Mr. Speaker, the federal government has a strategy whereas their policy is forcing all major airports across Canada to upgrade their security to address the drastic circumstances that have happened a few years ago. One of those airports identified would be the airport in Yellowknife. Mr. Speaker, my direct question to the Minister is, who will be paying for this forced and new initiative to upgrade our airport in Yellowknife? Thank you.

MR. SPEAKER: Minister of Transportation, Mr. McLeod.

Return To Question 20-15(3): Upgrading Airport Security

HON. MICHAEL MCLEOD: Thank you, Mr. Speaker. Mr. Speaker, the Member is correct. We have been working with the federal government on some security initiatives with the Yellowknife Airport and some other airports across the North. We have submitted a budget for consideration to the federal government to improve the securities. We have received some confirmation and have been approved for a portion of those dollars, however, there's still some negotiation ongoing for areas that were not within the facility. So those discussions will continue to take place. Thank you, Mr. Speaker.

MR. SPEAKER: Supplementary, Mr. Hawkins.

Supplementary To Question 20-15(3): Upgrading Airport Security

MR. HAWKINS: Thank you, Mr. Speaker. Thank you, Mr. Minister, for your answer. As you know, any renovation would have an effect on the clients and customers that use that facility. What consultation has the Minister taken into account in regard to this renovation of that building and the effect it will have on the clients and customers that use that building? Thank you.

MR. SPEAKER: Minister of Transportation.

Further Return To Question 20-15(3): Upgrading Airport Security

HON. MICHAEL MCLEOD: Thank you, Mr. Speaker. Mr. Speaker, our consultations have been taking place with all the stakeholders. There is some concern regarding the expansion of the additional space required for security and the baggage handling, which will take a portion of the parking space. We have some of the stakeholders voicing their concerns that it will have an effect on parking, so we're looking at alternatives to how we can accommodate that. Thank you, Mr. Speaker.

MR. SPEAKER: Supplementary, Mr. Hawkins.

Supplementary To Question 20-15(3): Upgrading Airport Security

MR. HAWKINS: Thank you, Mr. Speaker. Mr. Speaker, it was only a few years ago the Department of Transportation was advocating that this airport was too

small, the building was too small. Now we're looking at expanding it in such a way that we're running into a corner. What consideration, taking that into account with this new security upgrade, was the Department of Transportation doing in that regard? Thank you.

MR. SPEAKER: Minister of Transportation, Mr. McLeod.

Further Return To Question 20-15(3): Upgrading Airport Security

HON. MICHAEL MCLEOD: Thank you, Mr. Speaker. Mr. Speaker, we have a number of options on the table that we're looking at and cost, of course, is a factor. The expansion to the facility at the current location is something that we, at this point, feel is the cheapest option we have in front of us. We are, however, looking at a long-term plan which would include moving the whole facility to a space across the airport. The dollars are not identified at this point and we're obligated to put in the security measures by a certain deadline, so we are looking at expanding the facility where it is, as is. Thank you.

MR. SPEAKER: Final supplementary, Mr. Hawkins.

Supplementary To Question 20-15(3): Upgrading Airport Security

MR. HAWKINS: Thank you, Mr. Speaker. Mr. Speaker, my last question is does the Minister see this as a waste of money that we would have to invest in the expansion of this facility to have the facility up and running by late next year, whereas we're going to have to tear it down in a couple years and build a new one? Thank you.

MR. SPEAKER: Minister of Transportation.

Further Return To Question 20-15(3): Upgrading Airport Security

HON. MICHAEL MCLEOD: Thank you, Mr. Speaker. Mr. Speaker, no, I don't see this as a waste of money or we wouldn't be doing it. Mr. Speaker, we have to do something immediately to improve the security measures at the airport. A good portion of the funding is coming from the federal government. At this point, we have no other resources to relocate the facility, which would cost probably three times as much as what we're investing now. The lifespan of this facility will be increased by potentially 15 years, so we feel it's a worthwhile investment. Thank you.

MR. SPEAKER: Item 7, oral questions. Mr. Villeneuve.

Question 21-15(3): Dealing With Bison On NWT Highways

MR. VILLENEUVE: Thank you, Mr. Speaker. I have an issue I would like to bring forward to the Minister of Resources, Wildlife and Economic Development. The issue has probably been roaming in the minds of many northern drivers and will soon be roaming in the minds of many NWT golfers and probably residents of Yellowknife if not addressed soon. This is concerning the Mackenzie Bison Sanctuary herd. As everybody is aware, the new road system has had some major developments and improvements in the last few years which has allowed drivers to reach their destinations a little quicker, which means they're going a little faster. That, along with the significant increase in the number of bison and traffic over

the last five years, I just want to ask the Minister what steps the Department of Resources, Wildlife and Economic Development is going to be taking, if any, in the near future to address the rising number of occurrences of vehicle-related accidents on our highway system. Thank you, Mr. Speaker.

MR. SPEAKER: Minister of Resources, Wildlife and Economic Development, Mr. Bell.

Return To Question 21-15(3): Dealing With Bison On NWT Highways

HON. BRENDAN BELL: Thank you, Mr. Speaker. Well, it is a very serious and potentially dangerous issue and I would like to tell the Member and assure the House that we have been in discussions for some time now with the Department of Transportation as to how to best address this issue and do what we can to keep buffalo off the highways. It would be nice if they did it on their own, but unfortunately it's nice travelling on the highways and probably relatively, if you consider going into the deep bush, bug-free compared to that. So the buffalo seem to naturally gravitate toward the highways. But we are working with Transportation to look at a number of options because it is very potentially dangerous to have them on the road. Thank you.

MR. SPEAKER: Supplementary, Mr. Villeneuve.

Supplementary To Question 21-15(3): Dealing With Bison On NWT Highways

MR. VILLENEUVE: Thank you, Mr. Speaker. Thank you to the Minister for his answer. I just want to know if the Minister is willing to commit his department to developing a strategy which will address the growing number of bison in all the sanctuaries of the NWT, which include five, I believe. Also, outside the community of Deninu Kue where the Hook Lake herd has basically developed into a herd in itself, I guess, by government standards. I'm just curious as to what initiatives the Department of Resources, Wildlife and Economic Development is going to undertake to help these communities to develop some kind of sustainable management action plan to work with these herds because as in this budget address the funding for the management of that herd is reduced significantly, by about 30 percent, when actually the herd has probably grown by the same percentage. Thank you, Mr. Speaker.

MR. SPEAKER: Minister of RWED, Mr. Bell.

Further Return To Question 21-15(3): Dealing With Bison On NWT Highways

HON. BRENDAN BELL: Thank you. Specific to the Hook Lake Wood Bison Recovery Project, that herd was developed and isolated to have a disease-free herd. I think we, as the Member indicates, have achieved that. The herd has grown nicely and we are now looking at a number of options going forward as to what the best approach might be here. I think it's critical to point out that we have approached the community of Fort Resolution to work in conjunction with them. There are a number of options on the table. It's important, though, that we pursue an option that the community feels best suits their needs, and we're prepared to do that. Thank you.

MR. SPEAKER: Item 7, oral questions. Mrs. Groenewegen.

Question 22-15(3): Maximizing Benefits Of Pipeline Development

MRS. GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, I believe that the Premier provided the right answer today when asked by the Member for the Sahtu whether or not this government is prepared to, in correspondence with the federal government's initiative, form some kind of a committee with a mandate to oversee some of the issues related to the pipeline. I think that time is of the essence on this. There are lots of communities that are waiting with a great deal of anticipation to learn how they can plug in and benefit from a lot of different benefits which may accrue to northerners as a result of the Mackenzie Valley pipeline.

So I want to talk about the appointment of such a committee, the formation of such a committee, and what might be in their mandate. I want to ask the Premier why this government would limit their interest in assisting people to issues of socioeconomic agreements, training and ownership. Those are the three that he mentioned. Why would other things be outside of that? I know from his visit to Hay River and other communities, he knows that there are other types of interest that communities have in terms of participation, and even in the environmental review process, things like that. It takes investment and finances to participate in some of these things, and I don't want to see northerners precluded from doing that. This is a very big event and it's a once-in-a-lifetime opportunity really to realize significant participation in this. So could the Premier speak to the issue of why just the three things that he mentioned would be exclusively the interest of this government? Thank you.

MR. SPEAKER: Premier, Mr. Handley.

Return To Question 22-15(3): Maximizing Benefits Of Pipeline Development

HON. JOE HANDLEY: Thank you, Mr. Speaker. Just for further clarification, the three things that I mentioned weren't meant as a comprehensive list of everything we were going to do. I think there are a lot of areas where we assist communities, whether it's in economic development or training, contracting, value-added benefits. There are a whole bunch. I didn't list them all. I was answering the question which was asked specifically with regard to impact benefit agreements and access agreements. Those are things that would flow out of the claims and so on. So those are issues that we have not historically gotten involved in; certainly not gotten involved in with the mining operations. The access and benefit agreements are things that will be negotiated, I am sure, by the aboriginal governments and communities along the pipeline right-of-way, but that's something that is not part of what we have been involved in in the mining sector. As I said, I expect that will be the same case with the pipeline. Thank you.

MR. SPEAKER: Supplementary, Mrs. Groenewegen.

Supplementary To Question 22-15(3): Maximizing Benefits Of Pipeline Development

MRS. GROENEWEGEN: Thank you, Mr. Speaker. I guess that's my point. I find that interesting, because these are our communities, these are our constituents, and I don't know why we would limit our interests in seeing benefits flow just to these things that have been

mentioned. I don't know why we wouldn't want to assist. So if a community or a corporation or an aboriginal government were interested in some of these things that the Premier has referred to, where's the office, where's the central agency, where's the access, where's the entry point, where's the window for them to get support from this government? Thank you.

MR. SPEAKER: Mr. Premier.

Further Return To Question 22-15(3): Maximizing Benefits Of Pipeline Development

HON. JOE HANDLEY: Mr. Speaker, the Department of Resources, Wildlife and Economic Development does have a section or a secretariat, division -- I'm not sure what it's called -- that deals with Mackenzie Valley development and it deals very much with the pipeline readiness. So that would be the window right now for people who are interested in information on what assistance may be made available. Mr. Speaker, I like the suggestion that was made by the Member for Sahtu today, that we set up a ministerial-lead joint committee that would look at the issues around the pipeline, and that's something that we're ready to pursue immediately. In fact, it will be, I am sure, on the agenda for our Cabinet strategy meeting tomorrow. Thank you.

MR. SPEAKER: Supplementary, Mrs. Groenewegen.

Supplementary To Question 22-15(3): Maximizing Benefits Of Pipeline Development

MRS. GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, I'm glad to hear that because that was one question I was going to ask. I was going to ask what kind of a timetable, because, as I said at the beginning of my preamble on my first question, time is of the essence. So we need to move on this fairly quickly, and we need to be very proactive. I don't think the Premier's reference to a department of which he didn't know the name in RWED is really that visible a source of support or information for communities and other governments. So I want to know what the plan is to raise the visibility of the initiatives this government is willing to take with respect to assisting people to realize the benefits from the Mackenzie Valley pipeline. Thank you.

MR. SPEAKER: Mr. Premier.

Further Return To Question 22-15(3): Maximizing Benefits Of Pipeline Development

HON. JOE HANDLEY: Mr. Speaker, I would be pleased to provide the Members with a list or a description of the mandate of the Mackenzie Valley planning group in RWED, in terms of the mandate that they have. There may be other areas that we would want to consider as a government for providing further assistance. There are certainly other parts of our government that provide assistance, through Education, MACA and other areas. So there are a lot of services that we provide to those who are interested in economic opportunities, including the pipeline but not limited to the pipeline.

Mr. Speaker, I think the best way of dealing with this...I like the suggestion of setting up a joint committee, and that may be the way of identifying what the issues are and moving forward proactively. Thank you.

MR. SPEAKER: Final supplementary, Mrs. Groenewegen.

Supplementary To Question 22-15(3): Maximizing Benefits Of Pipeline Development

MRS. GROENEWEGEN: Thank you, Mr. Speaker. I certainly do look forward to the formation and appointment of such a committee. I would also like to see though -- and I would ask the Premier if he would concur -- that the terms of reference for the mandate of this committee needs to not be restrictive in terms of where they might go in terms of identifying opportunities for this government to assist northerners regardless of where they live, and what other kinds of corporations they have in their communities to access support and help. That the terms of reference would not be restrictive and let this be decided by the committee. Thank you.

MR. SPEAKER: Mr. Premier, Mr. Handley.

Further Return To Question 22-15(3): Maximizing Benefits Of Pipeline Development

HON. JOE HANDLEY: Mr. Speaker, I think the only limitation we would have on the terms of reference for the proposed committee would be the mandate of this government. If it's within our mandate, then we deal with it. Thank you.

MR. SPEAKER: Item 7, oral questions. Mr. Delorey.

Question 23-15(3): Directions To Cabinet On The Business Incentive Policy

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, my questions are for the Premier and they're to do with my line of questioning that I had raised previously. I would like to ask the Premier what direction he's given to his Cabinet Ministers when it comes to dealing with the business incentive policy. Thank you, Mr. Speaker.

MR. SPEAKER: Mr. Premier.

Return To Question 23-15(3): Directions To Cabinet On The Business Incentive Policy

HON. JOE HANDLEY: Mr. Speaker, the direction given to Cabinet Ministers is what is in the current policies, that we follow the policies. Where there are exceptions made, then those have to come to Cabinet for Cabinet approval. Thank you.

MR. SPEAKER: Supplementary, Mr. Delorey.

Supplementary To Question 23-15(3): Directions To Cabinet On The Business Incentive Policy

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, from that answer am I to take that Cabinet is going to have a look at every contract that's going out from departments? If a department comes to Cabinet with a contract to say we want to waive the BIP on this, they're just going to be picking and choosing what projects they're going to apply the BIP to and what they aren't. Is that the direction we're going now? Thank you.

MR. SPEAKER: Mr. Premier.

Further Return To Question 23-15(3): Directions To Cabinet On The Business Incentive Policy

HON. JOE HANDLEY: Mr. Speaker, we have policies on a number of areas that we follow. If a Minister wants to make an exception to a policy, then he would have to bring that to Cabinet for approval for the exception. Thank you.

MR. SPEAKER: Supplementary, Mr. Delorey.

Supplementary To Question 23-15(3): Directions To Cabinet On The Business Incentive Policy

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, it gets pretty frustrating when on one side I have a constituent who loses a contract because of a technicality. They say it's a government contract, we have to stick to the letter of the law, we can't make any changes and he loses a contract. Then I hear that on a business incentive policy contract, as a matter of going to Cabinet we can make an exception and we'll waive the BIP on it. I think we have to make a decision in this government of whether we're going to have a business policy or not. This is a government policy, and here we have the government making changes to whether they're going to apply it or not. I'd like to hear from the Premier are we going to keep the business incentive policy and apply it across government the way it should be, or are we going to do away with it, or are we going to pick and choose? What are we going to do? Thank you, Mr. Speaker.

---Applause

MR. SPEAKER: Mr. Premier.

Further Return To Question 23-15(3): Directions To Cabinet On The Business Incentive Policy

HON. JOE HANDLEY: Mr. Speaker, we have policies, we follow the policies, but we don't follow every policy in every possible situation. There are times when it is necessary to make exceptions. If a Minister wants to make an exception to a policy, then that has to be brought to the government. In the case that the Member for Hay River North is referring to, it was a situation where we have been under pressure to provide affordable housing in the communities. In the previous government this was discussed; it was discussed at great length. There were Members on the other side and this side who said we could get housing a lot cheaper than what we're doing it for now. We don't need \$300,000 homes for people who can't afford to buy them. How do we get lower cost housing? The previous government took a look at this situation and said if we just went to the market, we know you can buy a modular home for \$60,000 or less in the South or wherever, maybe you can buy it in the North for even less than that. So let's look at it with some flexibility. We need to be open on this because the important thing is to get affordable housing into those communities.

This government took that same issue and looked at it and reconfirmed that, yes, maybe it is worth taking a look at. We did make a decision to make an exception in that case. Mr. Speaker, we can't be just bound so much to our policies that we just follow them blindly wherever they take us. There are times when we need to have a look at other ways of doing things that are affordable. In this case, we'll see whether or not this is going to work. Thank you, Mr. Speaker.

MR. SPEAKER: Time for question period has expired, but I will allow Mr. Delorey his final supplementary.

Supplementary To Question 23-15(3): Directions To Cabinet On The Business Incentive Policy

MR. DELOREY: Thank you, Mr. Speaker. Mr. Speaker, I thank the Premier for those answers, but at the same time we have a policy that government follows, and that policy was put in place to benefit northern businesses, to encourage northern business to build capacity and be able to survive in the North. I don't believe that if Cabinet is going to take a view of this now that we're going to be picking and choosing on what projects we can apply the BIP on. For two years, we've been asking what is the cost to government and how much are we saving by doing this. We have not been able to see these figures yet. We think it's saving us money, but I haven't seen any figures. Could the Premier supply me some figures that show that we have saved money by waiving the BIP on any project? Thank you, Mr. Speaker.

MR. SPEAKER: Mr. Premier.

Further Return To Question 23-15(3): Directions To Cabinet On The Business Incentive Policy

HON. JOE HANDLEY: Mr. Speaker, no, I can't show the cost of BIP or the amount of money that was saved by not using BIP in past situations. It's very difficult to pin those numbers down. The issue that we face though as a government and in this particular one that Mr. Delorey is referring to, is the need to have affordable housing. We need low-cost housing that people can afford to buy or afford to rent in the communities. That's our primary concern. How do we get there? One way of getting there is to allow people to obtain housing from wherever they can get it. That achieves our objective on housing. It may not achieve our objective on economic activity and economic support to business in the North, but we need to prioritize what the objective is. In this case, it was affordable housing. Thank you, Mr. Speaker.

MR. SPEAKER: Item 8, written questions. Mr. Hawkins.

ITEM 8: WRITTEN QUESTIONS

Written Question 3-15(3): Territorial Business Incentive Policy Application

MR. HAWKINS: Thank you, Mr. Speaker. My written question is with regard to the application of the territorial BIP policy and the exceptions that are made through their discretion.

Mr. Speaker, would the Premier, the Honourable Mr. Joe Handley, table in the House the Cabinet policy that clearly demonstrates to all Members and the public how Cabinet consistently decides if a project warrants the waiving of the BIP? Thank you, Mr. Speaker.

MR. SPEAKER: Item 8, written questions. Item 9, returns to written questions. Item 10, replies to opening address. Mr. Allen.

ITEM 10: REPLIES TO OPENING ADDRESS

Mr. Allen's Reply

MR. ALLEN: Thank you, Mr. Speaker. This is the first opportunity I've had to reply to the opening address and I

think it's important I do it at this point in the early term of our session here.

Mr. Speaker, it is not often that a small riding such as my electoral district of Inuvik Twin Lakes sets a new standard by having a turnout of electors that exceeds 153 percent during a general election. In my review of recent history, this seems to be the first of its kind in the history of Canada.

My Speaker, my riding of Inuvik Twin Lakes did not only come out in support of its four candidates, the electoral district also provided the MLA with the draft mandate that supports an agenda for change, a vision they want me to convey in this 15th Assembly. I guess there sets an example; in the past, I asked a more seasoned veteran of this Assembly two questions and he took them both as notice. I'm sure that if he understood the history of our territory, he would have an immediate reply for me. So it tells me that there needs to be a political transformation. Too often we have heard that our political system requires modernization, universality across the NWT so that we function in a...(inaudible)...I'm sure that that indoctrination remains today in the minds of many as we try to progress forward, as we have done in the Mackenzie Delta in the history of our short period extending back to the late 1800s.

With the current developments occurring across the Northwest Territories, Mr. Speaker, we have little ability other than try to react to progressive business and economic change, and that has hurt our fiscal capability of trying to deal with it. When we tried to talk about trying to develop capacity building, I think we should really look at ourselves as a territorial legislature and see if we can meet some of those objectives.

As has been expressed to me, I express to you, my colleagues in this Assembly, that we need to make ambitious changes to the way our government system is designed and intended to work. It's unfortunate that we have to continue to have examples where large businesses get benefits, yet we spent hundreds of thousands of dollars chasing a poor, marginalized person in this territory to try to recover either student financial assistance or income support or other payments that are outstanding and owed as a small debt to this government. Then we continue to see economic business and corporate development in the fields of diamond mining and oil and gas exploration across the Northwest Territories. When the immense natural resources of our wonderful land are tapped, we will not only contribute to our own prosperity but to the prosperity to the rest of Canada.

Mr. Speaker, it speaks well for the future of political and social change which has lagged behind in the pace of this business and economic process. Thus it has come upon myself and many Members of this Assembly, as duly elected Members, to embrace the challenge of modernization.

Mr. Speaker, far too often we have gotten into a discussion about our relationship with the federal government with minimal positive results. I think that's why you heard myself as a Member in the last two days talk about constitutional reform for the Northwest Territories. My constituency has asked me to mandate the Premier to build support with his western Premier colleagues and northern colleagues, prior to the

scheduled meeting in Inuvik between July 12th and 14th, to bring forth some objectives that give the NWT some of the same powers as any Canadian province, rather than remaining under the federal jurisdiction in many areas.

Mr. Speaker, too often we hear that many of our processes that were changed come under the authority of the Minister of Indian and Northern Affairs, and that any recommendations we make are only accepted if they're liked by that department. I believe the next level is to take ownership of many processes afforded to other jurisdictions, and the only way to do this is to have a rightful seat at the Confederation table, so I would ask that the Premier follow up on this suggestion. We must have the western Premiers support our vision in promoting self-government by aboriginal groups, regions and municipalities, by pressuring the federal government to move rapidly in support of our new political institutions.

Mr. Speaker, the coming years will be a time for far-ranging experimentation in governance within our North. Our new governments will be laboratories for democracy, but they must also have the powers to rise to that challenge. That means adequate funding including resource revenues in the context of devolution where programs and responsibilities are transferred, and the transfer of financial authority must accompany them.

Mr. Speaker, we must ensure that the Premier acknowledges the position expressed in this Assembly by my constituency and, therefore, work with his colleagues in advancing this modern approach with the federal government.

Mr. Speaker, our natural resources basis is for increasing contributions to the nation's economy, but we must have a fair share of that wealth as well. My constituents have stated emphatically that we need a greater share of resource revenues that will allow us to make investments in our future. We must invest in our small companies so that we can train our young people. In my talks with many people across the North, there is a huge gap in their skill levels and unfortunately we do not have training programs in place that they can tap into to further their skills, plus we are bottlenecked at the labour entry levels. These young people will eventually play a part in developing our infrastructure and the infrastructure reporting and growing economic role. Without this type of investment that is a concern that we will continue to report highly skilled labour, therefore maximizing the unemployment strategy is virtually ineffective.

My constituency agrees in principle that this government must move faster in negotiating a fair division of resource revenues so we can invest much of our share in a resource royalty fund, a system that has been successfully used in Alberta.

Mr. Speaker, in review of our budgets, we must bring our spending under control as we negotiate a realistic funding formula with the federal government. Too many federal programs are based on per capita funding, which neglects the higher costs in the North. Mr. Speaker, we must ask this government to develop a workable funding arrangement, that we have funding reflecting our higher costs and they will top up funding on a per capita basis. Now is the time to act. The current formula funding ends in March of this year, so the successor must be more equitable. With more generous funding, this does not relieve us of our obligation to get our Assembly in order.

As we have heard in the past three years, all of our expenditures have increased at a rate of 27 percent. Mr. Speaker, this is unsustainable. Spending restraints must become the norm in the GNWT operations, and I am pleased to hear that the Finance Minister will introduce some form of legislation in the near future to address that territorial-wide concern.

My constituency of Inuvik Twin Lakes is also requesting the Premier and his Cabinet to complete a comprehensive program review using zero-based budgeting to identify those programs that are already cost effective, those that require reform, those that have failed and should be discontinued. Mr. Speaker, we too often see GNWT programs duplicate those of federal and NGO programs, for example. We must amalgamate and consolidate programs in the interest of greater efficiency and lower costs.

In budgeting for the future, my constituency clearly advocates electronic budget reform. This will allow for businesses, community groups and others on the receiving end of the budget process to forward their ideas on what works and what doesn't work. We see this as a fascinating move which will allow the creation of a more open budgeting process. We must proceed to a multi-year budgeting system in order to provide a more stable, predictable fiscal framework for the subsequent two or three years. Annual financial updates will ensure the flexibility to adjust to changes in the economic climate.

Mr. Speaker, while Cabinet in the sense that they are accountable, unfortunately the system is not and that is what we are trying to address today. We want to see far-reaching reform under the Financial Administration Act. This will ensure greater financial transparency with more budgetary information available both in print and online.

If we are to provide services that truly serve, then we must provide high quality service at an affordable cost, which would require government to work in partnership with the private sector. Again, emphasis will be in the area of education and life skill development. I spoke to many constituents across the North and they said academic training is not enough, we need life skill training as well so that they can adjust to the demands of industry and the high standards that are set through unionized jobs, unionized training and unionized standards. We see examples of this in the Mackenzie Delta-Beaufort area between aboriginal groups and industry. We see industry can develop, whereas government can't coordinate, that community and regional educational facilities can deliver apprenticeship and scholarships for high paying jobs that economic development brings. These are the jobs that will build capacity in our communities and help our people pursue rewarding careers. We can support the retraining of older workers as an example through tax exempt individual training accounts that will promote lifelong learning.

Mr. Speaker, people have told me that they find our system of access and social benefits confusing and ineffective. In their observation it seems that the government gives money with one hand and takes away with the other. I have heard other Members of this Assembly raise that key question to the appropriate Minister. This fails to target those who need help the most.

Through my discussions with the experts, the proposal to vary tax, which the Minister asked me about, is an idea thought out in the U.K. In a social benefits program, they target those who need this form of help. I will ask, on behalf of my constituents, that the Finance Minister of this government liaise with the federal government to develop the negative income tax as developed by the renowned economist Milton Friedman to provide aide for those in long-term need rather than the existing tax system.

Mr. Speaker, we must commit to invest in our renewable resource sector as well. I raise this quite regularly. Our world is deemed to be so fragile and in our recent history we have seen what effects diseases such as SARS or BSE has on our economies. A comprehensive review of our renewable resource sector shows that the departments put too much emphasis on enforcement and not enough into community resource development. We must ask that the department reprofile this mandate to accommodate systemic change so that we can put people back onto the land and become resourceful again.

This common knowledge in my electoral district of Inuvik differs from the government's motive to move towards a one-rate zone that theoretically introduces the levelized rate zone of power. Mr. Speaker, although well intended, I've never believed we can make a parallel between the high rates in Colville Lake or say in this valley as large as Fort Simpson, simply because there are far fewer customers in Colville Lake than there are in Fort Simpson. The intent of introducing levelized rates should be based on setting a cushion for those hit hard by crushing power bills, by retaining the economic incentive to shift to more sustainable, environmentally-friendly power sources. Therefore, I still remain committed to support the idea of a three-tier power rate system to equalize rates for all communities, which use either gas, diesel or hydro power sources.

Mr. Speaker, through my many years in political life, I have heard that banking services in Northwest Territories communities are either poor or nonexistent. The subject is still a matter of debate when one sits at various annual general meetings of aboriginal organizations. Our government must begin to develop an NWT community bank program where each community's capital resources could be brought together and mobilized to build businesses and futures. Testability is the monumental word. We should follow the model of the Alberta Treasury Branch, which brought banking services to rural Alberta when the existing banks would not. This helped local economies grow in the process.

Mr. Speaker, what I seek on behalf of the constituents of Inuvik Twin Lakes and for the people who support me across the NWT, the government with a vision of our own possibilities. Whether you are an aboriginal who is ancestral to the North, or a southerner who sees its immensity as a canvass for your own ambitions, I ask you to share this vision.

In conclusion, Mr. Speaker, I have been guided by a small but very ambitious riding that articulated a vision of their own. I take pride in delivering this key message on their behalf today. So I call upon my colleagues in this Assembly to endorse the challenges provided herein. Mr. Speaker, it is now time to meet the challenge of not only political transformation, but to compel our political organizations to work with us in modernizing and to change the way we are governed. Thus, I have raised the

questions in the last two days and also in my Member's statement. This will ultimately make our territory wealthy and self-reliant.

In final conclusion, Mr. Speaker, I find that many instruments presented to this House should be taken and we should move forward on them. I thank you for your indulgence in listening to my reply to the opening address. Thank you.

---Applause

MR. SPEAKER: Item 10, replies to opening address. Item 11, replies to budget address. Item 12, petitions. Item 13, reports of standing and special committees. Item 14, reports of committees on the review of bills. Item 15, tabling of documents. Item 16, notices of motion. Item 17, notices of motion for first reading of bills. Mr. Roland.

ITEM 17: NOTICES OF MOTION FOR FIRST READING OF BILLS

Bill 2: An Act To Amend The Income Tax Act

HON. FLOYD ROLAND: Thank you, Mr. Speaker. I give notice that on Friday, March 19, 2004, I will move that Bill 2, An Act to Amend the Income Tax Act, be read for the first time. Thank you, Mr. Speaker.

MR. SPEAKER: Mr. Roland.

Bill 3: An Act To Amend The Income Tax Act, No. 2

HON. FLOYD ROLAND: Thank you, Mr. Speaker. I give notice that on Friday, March 19, 2004, I will move that Bill 3, An Act to Amend the Income Tax Act, No. 2, be read for the first time. Thank you, Mr. Speaker.

MR. SPEAKER: Item 17, notices of motion for first reading of bills. Item 18, motions. Item 19, first reading of bills. Mr. Roland.

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Mr. Speaker, I seek unanimous consent to proceed with first reading of Bill 1, Appropriation Act, 2004-2005. Thank you, Mr. Speaker.

MR. SPEAKER: The Member is seeking unanimous consent to deal with the motion. Are there any nays? No, there aren't. You have unanimous consent to conclude.

ITEM 19: FIRST READING OF BILLS

Bill 1: Appropriation Act, 2004-2005

HON. FLOYD ROLAND: Thank you, Mr. Speaker. I move, seconded by the honourable Member for Weledeh, that Bill 1, Appropriation Act, 2004-2005, be read for the first time. Thank you, Mr. Speaker.

MR. SPEAKER: The motion is in order. To the motion.

SOME HON. MEMBERS: Question.

MR. SPEAKER: Question has been called. All those in favour? All those opposed? The motion is carried.

---Carried

Bill 1 has had first reading. Item 20, second reading of bills. Mr. Roland.

ITEM 20: SECOND READING OF BILLS**Bill 1: Appropriation Act, 2004-2005**

HON. FLOYD ROLAND: Thank you, Mr. Speaker. I move, seconded by the honourable Member for the Deh Cho, that Bill 1, Appropriation Act, 2004-2005, be read for the second time.

Mr. Speaker, this bill authorizes the Government of the Northwest Territories to make operations expenditures and capital investment expenditures for the 2004-05 fiscal year. Thank you, Mr. Speaker.

MR. SPEAKER: The motion is in order. To the principle of the bill.

SOME HON. MEMBERS: Question.

MR. SPEAKER: Question is being called. All those in favour? All those opposed? The motion is carried.

---Carried

Bill 1 has had second reading and accordingly stands referred to Committee of the Whole. Item 20, second reading of bills. Item 21, consideration in Committee of the Whole of bills and other matters: Bill 1, Appropriation Act, 2004-2005, with Mrs. Groenewegen in the chair.

ITEM 21: CONSIDERATION IN COMMITTEE OF THE WHOLE OF BILLS AND OTHER MATTERS

CHAIRPERSON (Mrs. Groenewegen): What is the wish of the committee? We have Bill 1 before us today. Mr. Braden.

MR. BRADEN: Thank you, Madam Chair. I move that we report progress. Thank you.

CHAIRPERSON (Mrs. Groenewegen): The motion is in order. It is not debatable. All those in favour of the motion to report progress? All those opposed? The motion is carried.

---Carried

Thank you. I will now rise and report progress.

MR. SPEAKER: Item 22, report of Committee of the Whole. Mrs. Groenewegen.

ITEM 22: REPORT OF COMMITTEE OF THE WHOLE

MRS. GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, your committee has been considering Bill 1, Appropriation Act, 2004-2005, and would like to report progress and, Mr. Speaker, I move that the report of Committee of the Whole be concurred with. Thank you, Mr. Speaker.

MR. SPEAKER: The motion is in order. Do we have a seconder for the motion? Ms. Lee. To the motion.

SOME HON. MEMBERS: Question.

MR. SPEAKER: Question has been called. All those in favour? All those opposed? The motion is carried.

---Carried

Item 23, third reading of bills. Mr. Clerk, item 24, orders of the day.

ITEM 24: ORDERS OF THE DAY

CLERK OF THE HOUSE (Mr. Mercer): Orders of the day for Thursday, March 18th:

1. Prayer
2. Ministers' Statements
3. Members' Statements
4. Reports of Standing and Special Committees
5. Returns to Oral Questions
6. Recognition of Visitors in the Gallery
7. Oral Questions
8. Written Questions
9. Returns to Written Questions
10. Replies to Opening Address
11. Replies to Budget Address
12. Petitions
13. Reports of Committees on the Review of Bills
14. Tabling of Documents
15. Notices of Motion
16. Notices of Motion for First Reading of Bills
17. Motions
 - Motion 1-15(3), Appointment of Deputy Chairpersons of Committee of the Whole
 - Motion 2-15(3), Setting of Sitting Hours by Speaker
18. First Reading of Bills
19. Second Reading of Bills
20. Consideration in Committee of the Whole of Bills and Other Matters
 - Bill 1, Appropriation Act, 2004-2005
21. Report of Committee of the Whole
22. Third Reading of Bills
23. Orders of the Day

MR. SPEAKER: Thank you, Mr. Clerk. This House stands adjourned until Thursday, March 18, 2004, at 1:30 p.m.

---ADJOURNMENT

The House adjourned at 5:00 p.m.

