



# **NORTHWEST TERRITORIES LEGISLATIVE ASSEMBLY**

**3<sup>rd</sup> Session**

**Day 3**

**15<sup>th</sup> Assembly**

## **HANSARD**

**Thursday, March 18, 2004**

Pages 47 - 84

**The Honourable David Krutko, Speaker**

# Legislative Assembly of the Northwest Territories

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**YELLOWKNIFE, NORTHWEST TERRITORIES****Thursday, March 18, 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):** Please be seated. Item 2, Ministers' statements. Minister Handley.

**ITEM 2: MINISTERS' STATEMENTS****Minister's Statement 3-15(3): Report On Federal/Provincial/Territorial Meetings**

**HON. JOE HANDLEY:** Mr. Speaker, I wish to report on progress made in advancing issues of importance to the Northwest Territories at federal/provincial/territorial meetings.

A First Ministers meeting was held on January 30<sup>th</sup> in Ottawa. I provided the Members of this House with a written summary of that meeting noting that there was general agreement by Premiers and the Prime Minister that the issue of sustainability of our national health system is a priority. The Prime Minister confirmed the \$2 billion one-time funding commitment of the previous government to provinces and territories for health care. This will mean an additional \$2.6 million for the Northwest Territories. The Prime Minister agreed to convene another First Ministers meeting this summer to tackle the issue of health care reform. We will also be exploring a collaborative national approach to the enhancement of public health capacity, especially in light of the global outbreaks of infectious diseases.

In follow-up to the First Ministers meeting, federal Intergovernmental Affairs Minister Pettigrew is seeking input from the provinces and territories to shape Canada/U.S. relations. Minister Pettigrew has called for a meeting with his provincial/territorial counterparts on March 19<sup>th</sup>.

I will be absent from the House on that day to attend this important meeting. The GNWT has a number of specific issues that we want to address at this meeting, including issues surrounding continental energy, ballistic missile defence and northern foreign policy.

Mr. Speaker, in addition to progress made at the First Ministers meeting, the GNWT is participating in the newly-formed Council of the Federation. The Council of the Federation is a unique intergovernmental relations forum because it was formed out of a desire by the provinces and territories to find areas of common interest and strength to facilitate our discussions with the Government of Canada.

At the Council of the Federation meeting February 23<sup>rd</sup> and 24<sup>th</sup> in Vancouver, I was very pleased to see that the issues and agenda items of concern to the Northwest

Territories were given attention and support by my fellow Premiers.

Premiers called upon the Prime Minister to include the \$2 billion health supplement in base funding for 2004-2005, in the March 23<sup>rd</sup> federal budget. We reiterated the January 2003 plan to create a solid financial footing for health care in Canada and called on the federal government to provide sufficient funds to increase the federal share of provincial/territorial health and social program spending to 25 percent by 2009-2010. To that end, we agreed to launch a pre-budget campaign of television and print advertising to run March 8<sup>th</sup> to 17<sup>th</sup>, which generated over 270 media stories nationwide in the first few days.

The council also directed provincial and territorial Health and Finance Ministers to identify opportunities and challenges relating to health care reform and sustainability, including the important and unique challenges faced by rural and remote communities.

Mr. Speaker, the communiqué arising from the Council of the Federation meeting contained an important quote, which I would like to repeat in full. It said:

"Premiers reiterated that concluding fair devolution and resource revenue sharing agreements with northern governments will remove significant barriers to improved federal/provincial/territorial relations. A fair deal on devolution and resource revenue sharing will give northern governments what other jurisdictions in Canada already have - the authority to generate own-source revenues and control the scope and pace of resource development."

The value of this unequivocal national support for the NWT's struggle to conclude fair devolution and resource revenue sharing agreements, to at last be "masters in our own homelands," and to achieve the status of equal partners at federal/provincial/territorial tables cannot be underestimated.

Finally, Mr. Speaker, I am pleased to report that we also succeeded in having a most important and pressing issue for the Northwest Territories specifically addressed as a priority in the Premiers' follow-up letter of February 24<sup>th</sup> to the Prime Minister with the statement:

"The federal Finance Minister has also not fully addressed Canada's commitment to the three territorial premiers to deal with the inadequacies in the per capita funding formula. We strongly recommend that meaningful action be taken."

Mr. Speaker, I would like to take this opportunity to express appreciation to all the Premiers on behalf of this Assembly for their continued understanding and much-needed support, which was in evidence at the Council of

the Federation meeting. I look forward to the next meeting of the Council of the Federation on July 28 to 30, 2004, as a further opportunity to advance the NWT's interests and collaboration on national issues of concern to the people of the Northwest Territories.

Mr. Speaker, I cannot stress enough the importance of intergovernmental meetings in advancing territorial interests on the national stage. As a government, we are committed to building a strong voice at such national tables on behalf of the NWT and its people. Thank you, Mr. Speaker.

---Applause

**MR. SPEAKER:** Item 2, Ministers' statements. Mr. Dent.

**Minister's Statement 4-15(3): Aboriginal Languages Month**

**HON. CHARLES DENT:** Thank you, Mr. Speaker. Good afternoon. Mr. Speaker, on the first day of this session, Mr. Yakeleya rose to speak about celebrating Aboriginal Languages Month. He spoke with passion about his own language and culture and how important that has been shaping the person he is today.

I would also like to recognize the importance of Aboriginal Languages Month.

Mr. Speaker, this month we celebrate the important role language and culture play in the daily lives of many of our residents. Aboriginal languages provide a way for aboriginal people to maintain and express their culture, traditions and build a strong foundation for self-determination and self-government.

We have a number of dedicated individuals across the Northwest Territories who have made the maintenance and enhancement of aboriginal languages their life's work. Like those of us in this House, they recognize the importance of language and culture as a foundation for a strong and healthy future.

Mr. Speaker, the language communities play an important role in determining priorities, planning activities and ensuring that the Government of the Northwest Territories understands the needs of the various language groups. Even in these times of fiscal restraint, the language communities are working hard to bring their language to the forefront of daily life in their communities.

I would like to assure those working in the language communities that this government is committed to continued support for language activities. To meet the recommendations laid out in the report of the Special Committee on the Review of the Official Languages Act, the Department of Education, Culture and Employment is establishing two language boards. These boards will play a vital role in our ongoing efforts to maintain and enhance aboriginal languages. I am asking language communities to consider which individuals they would like to see on these boards. Mr. Speaker, a formal nomination process will be initiated by the department in the near future.

With community support, commitment and efforts, aboriginal language activities will continue to show positive results. Mr. Speaker, I join Mr. Yakeleya in urging the celebration of language and culture. Mahsi, quanna, marsi, qujannamiik.

---Applause

**MR. SPEAKER:** Item 2, Ministers' statements. Mr. Zoe.

**Minister's Statement 5-15(3): Implementation Of New Municipal Governance Legislation**

**HON. HENRY ZOE:** Thank you, Mr. Speaker. Mr. Speaker, on April 1, 2004, comprehensive changes to the Cities, Towns and Villages Act, Hamlets Act and Charter Communities Act will come into force. After years of development and consultation with community governments, the previous Legislative Assembly approved this legislation which provides municipal governments with a broad legislative framework that recognizes the important and diverse role they play in governing our communities.

Mr. Speaker, these new acts will dramatically change the rules under which municipal governments operate in the Northwest Territories. Under the new legislation, community governments will have broader bylaw-making powers. They will have the authority to plan for debt and investment, and to borrow money to support infrastructure development. In addition, the requirements for approval of activities by the Government of the Northwest Territories will be reduced, and there will be a corresponding increase in accountability of councils to the people they represent.

Mr. Speaker, these new laws also set out the purpose of municipal government and the roles and responsibilities of mayors and councils.

This legislation has been a long time coming. The process that has resulted in these acts began in 1995 when the Department of Municipal and Community Affairs and the Northwest Territories Association of Communities jointly started the municipal legislative review. The purpose of the review was to identify the changes to legislation needed to keep up with other developments in community governance. The partnership approach between my department and the Northwest Territories Association of Communities was very productive and I would like to commend the association for their insights and advice throughout the development and approval of these acts.

Mr. Speaker, I am pleased to advise that this partnership is continuing as we collaborate on preparing communities for the implementation of the new legislation. Given the comprehensive changes that are included in this new legislative framework, it is important that affected community governments are fully informed and prepared for the implications. My department and the Northwest Territories Association of Communities have worked to develop an implementation plan that provides community leaders and administrators with the information they need to operate successfully under these new acts as of April 1<sup>st</sup>.

Mr. Speaker, this new legislation will provide our communities with greater latitude to deal with the challenges and opportunities facing them. My department looks forward to supporting communities as they move forward with this exciting new legislative framework. Thank you.

---Applause

**MR. SPEAKER:** Item 2, Ministers' statements. Minister of Transportation, Mr. McLeod.

#### **Minister's Statement 6-15(3): Winter Road Report**

**HON. MICHAEL MCLEOD:** Thank you, Mr. Speaker. Mr. Speaker, I am pleased to announce that our cooler weather this winter has been favourable for the winter road system. The Department of Transportation had earlier scheduled this Tuesday for closing the Sahtu and Deh Cho winter roads. The cool weather, however, has allowed the department to get an extra week from the season and extend the closing date for the Wrigley-Tulita, Tulita-Deline and Tulita-Norman Wells winter roads until Monday, March 22, 2004. In order to comply with the Fisheries Act, the department will then begin clearing the stream crossings to make sure that no debris contaminates the waterways.

As weather conditions permit, the department will keep the Norman Wells-Fort Good Hope and Fort Good Hope-Colville Lake winter roads open for intercommunity travel on a day-to-day basis. Similarly, the Trout Lake and Nahanni Butte winter roads remain open on a day-to-day basis. Beyond Monday, March 22<sup>nd</sup>, though, these roads are subject to closure on short notice.

In the North Slave, the Wha Ti and Gameti winter roads will stay open as long as weather and travelling conditions permit. The Detah ice road will also remain open until the approaches deteriorate.

Regular maintenance on the Mackenzie Delta and Beaufort ice roads to Aklavik and Tuktoyaktuk will continue as scheduled until Friday, April 16, 2004. Thank you, Mr. Speaker.

---Applause

**MR. SPEAKER:** Item 2, Ministers' statements. Item 3, Members' statements. Mr. Braden.

### **ITEM 3: MEMBERS' STATEMENTS**

#### **Member's Statement On Clawback Of National Child Benefit Supplement**

**MR. BRADEN:** Mahsi, Mr. Speaker. I would like to take up the issue again -- one that has frequently occupied the time of this Assembly -- of this government's decision to claw back from many, many families in the Northwest Territories the national child benefit. Mr. Speaker, the Minister responsible for this area, Mr. Dent, to his credit met with the organization Alternatives North a short while ago to receive an extremely well-developed proposal and argument they are putting forward, Mr. Speaker, that this clawback should stop. The Northwest Territories is one of only five jurisdictions, I understand, in Canada that now do this. The impact, I understand, is somewhere in the neighbourhood of \$800,000 to families who right now, Mr. Speaker, are well below the poverty line.

Currently the GNWT is taking money away from those living in the deepest poverty, says the report, and those with lowest income to fund programs that a variety of people can benefit from and provide cash benefits to working families. This decision, Mr. Speaker, is an arbitrary one on the part of this government. Yet, the mothers and families who lose the benefit, in some cases,

and perhaps many cases, can't access the programs that they are involuntarily helping to fund.

Alternatives North, Mr. Speaker, goes on to say in no uncertain terms that the stigma of poverty is reinforced by this approach. It further goes on to say that the childhood programs that we do invest in, while they do certainly have merit, don't address the core goal the federal government assigned in creating the national child benefit, which is to prevent and reduce child poverty. The point is very clearly made, Mr. Speaker, that the GNWT is using money aimed at the lowest income earners to subsidize programs that are universally accessible.

I'm going to be asking for the Minister's comments on this latest argument to stop clawing back the national child benefit. Thank you, Mr. Speaker.

---Applause

**MR. SPEAKER:** Item 3, Members' statements. The Member for Sahtu, Mr. Yakeleya.

#### **Member's Statement On Land Claims Obligations**

**MR. YAKELEYA:** Thank you, Mr. Speaker. A few weeks ago we all heard the Auditor General tell us that the Department of Indian and Northern Affairs needs to do a better job implementing the land claim agreements to reflect the spirit of those documents. Mr. Speaker, we like to criticize Ottawa now and then, but in this case maybe we should invite the Auditor General to the Northwest Territories, too. The GNWT also needs to improve how they admit the land claim obligations.

The Inuvialuit final agreement was signed in 1984. The Gwich'in agreement was signed in 1992. The Sahtu agreement was signed in 1993. We have all these nice chapters on wildlife, forestry, lands and economic measures. They aren't doing us much good, Mr. Speaker. We are still waiting for the amendments to the Wildlife Act and the Forest Management Act and other legislation.

The Mackenzie Valley is about to see major developments. Things are moving fast, so we need our land claim agreements to be in full effect so we can manage our lands, resources and economics. That's what the agreements were supposed to give us. The GNWT has to change its laws to make this happen.

Mr. Speaker, I'm very happy for my Tlicho friends who were finally able to sign their agreement last year. I sure hope they have better luck than the Sahtu and Gwich'in people and that they're not still waiting around 10 years from now for this government to live up to its obligations.

At the appropriate time, Mr. Speaker, I'll be asking the Minister of Aboriginal Affairs how he plans to make sure this government is up to the letter and spirit of the land claims obligations. Thank you, Mr. Speaker.

---Applause

**MR. SPEAKER:** Item 3, Members' statements. The Member for Nunakput, Mr. Pokiak.

#### **Member's Statement On All-Weather Highway To Link Tuktoyaktuk To Inuvik**

**MR. POKIAK:** Thank you, Mr. Speaker. My Member's statement is in regard to the Tuktoyaktuk-Inuvik highway.

The Department of Transportation conducted an extensive consultation process, review and study on highway strategies along the Mackenzie Valley and came out with a report in October 1999. In the report, the department looked at three routes for the Tuktoyaktuk-Inuvik highway. In the report, the department agreed that PWC-77 alignment was the most logical route to link Tuktoyaktuk and Inuvik. This route is approximately 140 kilometres. The residents of Tuktoyaktuk expressed overwhelming support.

Mr. Speaker, given that the in-depth consultation and study is complete and the fact that there is overwhelming support in the Beaufort-Delta region, my constituents of Tuktoyaktuk are prepared to move forward on making this road a reality. The report indicates two approaches the government may take if the projects should proceed. Given that building new highways is the responsibility of the federal government, the report has discussed the option of a community construction approach. This option is to build one kilometre of road per year. It would contribute to the economic development of the region and provide training for equipment operators and heavy duty mechanics.

Taking the community construction approach would jumpstart the project by using GNWT and community resources. This approach can provide a mechanism for local access to exist in government training and business development programs, creating regional economic development with a highway construction focus.

The department should also continue to work with the claimant groups to explore their role in more detail. Any equity participation by the three groups may augment and enhance the government-sponsored activity.

Mr. Speaker, in conclusion, I believe a community construction approach is the best option for the Department of Transportation to build the Tuktoyaktuk-Inuvik highway. Thank you, Mr. Speaker.

---Applause

**MR. SPEAKER:** Item 3, Members' statements. The Member for Range Lake, Ms. Lee.

#### **Member's Statement On Crowded Classrooms In Yellowknife Schools**

**MS. LEE:** Thank you, Mr. Speaker. Mr. Speaker, as I have done regularly during my time as an MLA, I attended the parent advisory group meeting at Range Lake North School last evening. In listening to the parents, Mr. Speaker, I was reminded again -- and it is my job, I believe, to remind this House again -- about the situation of crowded classrooms in our Yellowknife schools.

Mr. Speaker, while the last Assembly made important progress in reducing the pupil-teacher ratio by legislation from some, I believe, 18:1 to about 16.5:1 and even in a shorter time frame than originally planned, this has not resulted in a noticeable improvement in actual class size as we had anticipated.

Mr. Speaker, I have seen for myself how crowded the classrooms are with too many students, especially in the upper grades 7 and 8 at Range Lake North School. When added with the pressure of having the students with varying levels of needs in attention and instruction

requirements, the teachers and students are really feeling the impact of this seriously less than adequate situation.

Mr. Speaker, I also know that this is something that is being experienced at practically all the schools in the city. As we enter into the details of our budget in earnest today and knowing what we know about the financial pressures we're in, I nevertheless believe that I will have to do my utmost to make sure that the essential programs and services as important as educating our children and the condition under which they are learning will be protected and enhanced to the fullest extent possible. Thank you, Mr. Speaker.

---Applause

**MR. SPEAKER:** Item 3, Members' statements. The Member for Hay River North, Mr. Delorey.

#### **Member's Statement On Timely Receipt Of GNWT Records Of Employment**

**MR. DELOREY:** Thank you, Mr. Speaker. Mr. Speaker, today I rise to draw attention to an apparent problem that has arisen within our government. The problem I refer to, Mr. Speaker, is the fact that several of my constituents have waited an inordinate amount of time for their record of employment from our government.

As most people are aware, Mr. Speaker, a record of employment is required by Human Resources Development Canada in order for a person to qualify for unemployment benefits. Mr. Speaker, in the employment insurance guide issued by HRDC it states that a record of employment must be issued within five calendar days of the interruption of earnings or the date that the employer becomes aware of the interruption.

Mr. Speaker, my constituents are indicating to me that they are having to wait up to two months for their record of employment. This is totally unacceptable, Mr. Speaker. These same people have families to support and they are not able to access employment insurance until they receive this document.

Mr. Speaker, one constituent wrote to me that this is the second year in a row that he has had to encounter the same problems with receiving his record of employment from the GNWT. I would like to quote an excerpt from his letter to me in this regard. It states: "I would request that you do whatever you can to correct this injustice so that no other family, man or woman have to go through this unreasonable delay in getting benefits that are rightfully theirs."

I couldn't agree more, Mr. Speaker. I believe that we owe it to our employees to ensure that this situation is rectified so that it does not happen again. Thank you, Mr. Speaker.

---Applause

**MR. SPEAKER:** Item 3, Members' statements. The Member for Nahendeh, Mr. Menicoche.

#### **Member's Statement On Road To The Northern Leaders Meeting In Hay River**

**MR. MENICOCHÉ:** Mahsi cho, Mr. Speaker. (English not provided) I would like to take this moment to reflect upon our road to the northern leaders meeting in Hay River, NWT, in the first week of April. I was pleased to be



involved in a dinner that the Aboriginal Summit hosted in January. At this informal gathering it was observed that never before had northern leaders and the whole of the GNWT MLAs gathered to discuss items of mutual concern. At the outset of the 15<sup>th</sup> Assembly, we did indeed recognize that we as the GNWT are no longer the only government in the North. Our regions are more formidable presences now. I can say that we do indeed recognize this as the GNWT.

This morning we again gathered as northern leaders with the Aboriginal Summit and the federal government. Minister Mitchell, MP Ethel Blondin and Senator Nick Sibbeston were also involved. I believe that this is another big step for us as northern leaders to focus our energies and the issues that affect us all today and the future we wish to build.

In closing, I just want to make mention that indeed our desire to have more say in how we build our North is unfolding as it should. I believe that indeed we do have an appetite for more control of our future and we can only do that on a united front. I am proud to be part of this process that we are in. The point of power is in the moment. What we do today and the decisions we will make will create our future. Mahsi cho.

---Applause

**MR. SPEAKER:** Item 3, Members' statements. The Member for Kam Lake, Mr. Ramsay.

#### **Member's Statement On Resource Development Trust Fund**

**MR. RAMSAY:** Thank you, Mr. Speaker. Today I would like to use my Member's statement to draw attention to an item that I feel very strongly about. That item is the establishment of a permanent trust fund for the residents of the Northwest Territories.

Mr. Speaker, during the election campaign a few short months ago I had the opportunity to discuss this idea with both constituents, some candidates from other ridings and, as well, with the Premier. From all accounts, it was well received.

As we are all well aware, the federal government definitely has the upper hand in taking our resource royalties from us. There is little doubt that we need to get a fair deal in terms of resource revenue sharing to be able to foster our own development as a territory. This government and the one before it and the one before that -- and I could go on and on -- and I believe each and every government over the past 20 years has been attempting to get more control over our own resources. While each government has failed to get anything substantive from Ottawa, our people are the ones who suffer and continue to pay the price. Hopefully this government has better luck in dealing with Ottawa and we do get a fair deal.

Mr. Speaker, this brings me back to the point of my statement today. While Ottawa continues to milk us on resource royalties, as they have for years, can we not tell them to start putting this money aside for us in trust so we can benefit from it in the future? Mr. Speaker, the state of Alaska has a permanent trust fund, established in 1982, that pays a dividend yearly to each Alaskan. Every year in the state of Alaska each person receives a cheque which can vary from year to year from \$1,300 to \$2,200. There

are over 600,000 residents in Alaska, Mr. Speaker, and their trust fund is based on oil and gas revenues.

The NWT is rich in oil, gas, diamonds and other precious metals and certainly a trust fund here for our 42,000 residents would only make sense. We, as a government, have to start paving the way for our future. The establishment of a trust fund would benefit the North in many ways. It would be an incentive for people to move here. It would also be an incentive for people to stay here and it would help offset the high cost of living faced by all residents of the Northwest Territories.

Mr. Speaker, I would like to 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? There are not. You may conclude your statement.

**MR. RAMSAY:** Thank you, Mr. Speaker. In closing, I would like to encourage all Members to get behind this idea and that we start telling the federal government that this money taken from our territory's soil should be set aside for our future, not wasted on billion dollar boondoggles, ad scams, computer scams, gun registries and other gluttony. Thank you, Mr. Speaker.

---Applause

**MR. SPEAKER:** Item 3, 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 was just going to use this opportunity in my Member's statement to drive home some of the concerns I made yesterday in my Member's statement in the House. Just to express some of my concerns with the government's lack of accountability with regards to increasing the number of aboriginals hired to senior management positions.

As far as I'm aware, Mr. Speaker -- and I'm sure a lot of the MLAs of previous governments are also aware -- this government is not meeting the expectations for aboriginal hiring in senior management positions and has no tools or policies in place to date to measure the results of the human resource accountability framework that was developed to address this issue in 1997. Mr. Speaker, this issue does not specifically have to do with the lack of the human resource strategy that the government has developed for all the departments to adhere to, but more directly to do with the lack of a clear, measurable way that the departments are monitored and made accountable should they not be able to meet the targets and expectations in aboriginal hiring and training for the senior management positions.

Mr. Speaker, as I indicated yesterday, this government is interested in looking at ways to increase the number of aboriginals particularly in senior management positions and to increase the overall percentage of aboriginal government employees. We all have to work together as a government on how to best proceed and to develop some tools that compel the deputy ministers, government administrators and human resource managers to be more

accountable and committed to ensuring that we can be successful to a greater degree to resolving this problem.

Mr. Speaker, I am committed to working with this government to develop a clear and concise document and/or action plan that will pave the way to a new, accountable, open and transparent government for all our constituents, especially for the men and women that are currently working in this government so that they too can feel that they are an integral component to ensuring that the needs of all the aboriginal northerners are being addressed and resolved. Mahsi, Mr. Speaker.

---Applause

**MR. SPEAKER:** Item 3, Members' statements. Member for Inuvik Twin Lakes, Mr. Allen.

#### **Member's Statement On Listening To The People**

**MR. ALLEN:** Thank you, Mr. Speaker. Since the beginning of the Third Session of this 15<sup>th</sup> Assembly I've raised, through a Member's statement, oral questions and the reply to the opening address, the wishes of my people in the riding of Inuvik Twin Lakes and their vision for change. Mr. Speaker, today my Member's statement is about listening to the people. Members of my community have articulated their frustration upon us simply because they say we are poor listeners. For example, people from the small communities consistently say that the government employees interpret our government policy as a personal tool when dealing with their concerns. Mr. Speaker, I'm convinced that this is most probable in many cases. The government employees aren't paying attention to what is said to them. What has been stressed to me is that they are sitting there planning their next response.

Mr. Speaker, this could be said about us as politicians. I've listened well to my constituents, so when I ask the Premier and his Cabinet to provide definitive answers on our constitutionality when amending procedural format I do wonder if they are listening. Mr. Speaker, we currently function under a federal statute. I've listened attentively to the Finance Minister's budget address where he inferred that many of his difficulties in dealing with the federal government on pages 6 and 7 of the address are well articulated.

Mr. Speaker, this clearly gives us some indication that we have no negotiation powers under the current constitutional powers of the NWT Act other than to be supportive to the federal system that extends right down to the grassroots level. So, Mr. Speaker, I'm asking that this government begin to listen to the people so that deep relationships are built on acceptance, understanding and being a good listener. Thank you, Mr. Speaker.

---Applause

**MR. SPEAKER:** Item 3, Members' statements. The Member for Yellowknife Centre, Mr. Hawkins.

#### **Member's Statement On Family Involvement In Sport**

**MR. HAWKINS:** Thank you, Mr. Speaker. Mr. Speaker, today I would like to acknowledge a couple of constituents of mine: Derek Graf and his father, Ron Graf. Ron happens to be an employee with the GNWT, a director of RWED. Last weekend Yellowknife hosted the NWT badminton championship. In junior division, Derek played

hard and received a gold medal in men's singles. To follow that up, Mr. Speaker, Derek also won a gold medal in men's doubles with his badminton partner and best friend Luke Coedy.

Mr. Speaker, if you thought that wasn't enough, well I have more. In the men's open division for doubles, Derek and his team won a bronze medal just placing behind his father's team, Ron Graf, who won the silver.

The purpose of this recognition, Mr. Speaker, is to recognize Derek and his father, Ron, for their determination and sportsmanship. Keeping active at all ages is important to whatever degree, but it truly is especially nice to see a family component in any sport. The only thing I can say is you have to recognize this truly must make good dinner conversation with the competitive spirit being held at home.

Mr. Speaker, I cannot stress enough that being an athlete at any level requires the development of certain characteristics, such as discipline, determination, leadership, teamwork, a sense of accomplishment and, above all, having fun. The idea here is that recreational activities keep people young, happy and healthy. To see a family participating together in this way I'm sure brings competitive moments, yet I'm sure these will be positive memories held by the family.

In closing, Mr. Speaker, I mention the Graf family as an example to demonstrate the value of active living in the NWT, and the value that helps build strong families and strong communities. Thank you, Mr. Speaker.

---Applause

**MR. SPEAKER:** Item 3, Members' statements. Member for Hay River South, Mrs. Groenewegen.

#### **Member's Statement On Implementation Of Changes To The Motor Vehicles Act**

**MRS. GROENEWEGEN:** Thank you, Mr. Speaker. Mr. Speaker, about 1,500 people die in Canada each year as a result of impaired driving and thousands more are injured. Per capita, statistics are even worse in the North. In June of 2003, the last Assembly approved amendments to the Motor Vehicles Act targeted at impaired driving. The intent of these amendments, Mr. Speaker, was to put some teeth into the Motor Vehicles Act, to create tougher sanctions aimed at getting impaired drivers off the road, and encouraging drivers with alcohol dependency issues to get help.

There are several programs available in the NWT designed to teach residents of the NWT how to use alcohol...Pardon me.

---Laughter

...how the use of alcohol and drugs impairs a person's ability to operate machinery or drive snowmobiles, all-terrain vehicles, boats and vehicles. These programs are available, Mr. Speaker, and they are effective. Members who were here during the last Assembly will remember that the amendments to the Motor Vehicles Act allows the registrar of motor vehicles to require any individuals convicted of an impaired driving offence to participate in one of these drug awareness education programs before

their licences are reinstated and they can get behind the wheel again.

I was very supportive of this amendment when it went through last June. Drug and alcohol awareness is a crucial component of the fight against drunk driving in the NWT. To my knowledge, the Minister of Transportation has yet to implement the amendments to the Motor Vehicles Act. As we wait for the Minister to do this, appalling and preventable alcohol-related accidents continue to occur on a regular basis in the NWT. Mr. Speaker, I will have questions for the Minister of Transportation at the appropriate time. Thank you.

---Applause

**MR. SPEAKER:** Item 3, Members' statements. Item 4, reports of standing and special committees. Mr. Allen.

#### **ITEM 4: REPORTS OF STANDING AND SPECIAL COMMITTEES**

##### **Committee Report 1-15(3): Standing Committee On Accountability And Oversight Report On The Review Of The Draft 2004-2005 Main Estimates**

**MR. ALLEN:** Thank you, Mr. Speaker. The Standing Committee on Accountability and Oversight report on the review of the draft mains, 2005-2005.

##### **Introduction**

The standing committees of the Legislative Assembly of the Northwest Territories met from February 16 to February 28, 2004, to review the 2004-2005 draft main estimates for each of the departments of the Government of the Northwest Territories.

The mandate of the Standing Committee on Accountability and Oversight includes the overview of the government-wide budget and fiscal framework, as well as the budgets of the Executive offices, Ministry of Aboriginal Affairs, Financial Management Board Secretariat and Department of Finance.

##### **Government-Wide Issues**

##### **Financing And Resource Revenue Negotiations With Canada**

The committee wishes to express its full support for the Premier and Minister of Finance in their endeavours to get a fair fiscal deal from Ottawa for the Northwest Territories.

Negotiations have been underway for some time on a new formula financing agreement. It is essential that Canada agree to amend the formula it uses for calculating its grant to the Government of the Northwest Territories. The current formula simply does not make sense for our territory.

The future prosperity of the Northwest Territories also depends on the outcome of the negotiations for a fair share of resource development revenues.

The committee is aware that the government is working very hard to negotiate a fair deal for the Northwest Territories. Committee urges the government to enlist the support of our Member of Parliament and Senator to join these efforts.

##### **Proposed Changes To Taxes**

In order to increase its revenues and reduce the deficit forecast for 2004-2005, the government proposed a number of changes to taxes. The Minister of Finance provided a full briefing to the committee on February 16, 2004.

Members were concerned about the impact of these tax changes on the already high cost of living and doing business in the Northwest Territories.

The committee advised the Minister it would support an increase to the corporate income tax rate. Members believe this increase is unavoidable. At the current rate of 12 percent, the GNWT is suffering a net revenue loss due to the formula Canada uses to calculate its grant.

##### **Self-Government Costs**

With the signing of the Tlicho Final Agreement last year and significant progress at other negotiating tables, self-government will soon be a reality. No one can reasonably expect that the new governments will be able to operate without an increase in the total number of dollars available to northern governments to provide programs and services. Self-government will bring many benefits to northerners, but it will also result in a loss of economies of scale, which means that government will cost more. There has been considerable discussion with the federal government about responsibility for these incremental costs.

Members strongly agree with the government's position that incremental self-government costs are the responsibility of the federal government. The committee fully supports the Minister and government in holding firmly and consistently to this position. The committee also urges the government to maintain a strong position with respect to self-government implementation costs to ensure the GNWT does not pay costs that are the responsibility of the federal government.

The Standing Committee on Accountability and Oversight recommends the government continue to hold to its position that incremental self-government costs are the responsibility of the federal government;

And further, that the government maintains a strong position with respect to self-government implementation costs in order to ensure the GNWT does not pay costs that are the responsibility of the federal government.

##### **Travel**

The committee was made aware that the 2004-2005 draft main estimates reflect a government-wide 25 percent cut in travel budgets from 2002-2003 actual spending. The total travel expenditure reduction for all departments is \$3.171 million.

While the committee applauds the government's efforts in this area, Members believe further savings are possible.

The Premier advised the committee that all international travel must be approved at the ministerial level. The committee would urge the Premier to ensure this requirement is followed strictly, and that no staff, including deputy ministers, are ever authorized to approve

international travel. The committee would also urge the Premier to ensure that the costs of any international travel are clearly justified by benefits to the Northwest Territories.

Attendance at federal/provincial/territorial Ministers meetings is another area where Members believe the government may be able to make reductions. Travel costs for these meetings include not only Ministers' travel costs, but also those of staff traveling with the Minister. While there is a clear need for the GNWT to have a strong presence at some FPT meetings such as those for Health and Finance Ministers, there are many FPT meetings that have little or no relevance to the Northwest Territories. The Premier advised committee that each FPT is assessed for its relevance. The committee urges the Premier and Ministers to ensure each FPT is warranted and has real benefit to the NWT.

Thank you, Mr. Speaker.

---Applause

**MR. SPEAKER:** Mr. Allen.

**Motion To Move Committee Report 1-15(3) To Committee Of The Whole, Carried**

**MR. ALLEN:** Thank you, Mr. Speaker. That concludes the introductory portion of the report of the Standing Committee on Accountability and Oversight. I move, seconded by the honourable Member for Yellowknife Centre, that Committee 1-15(3) be received by the Assembly and moved into Committee of the Whole. Thank you, Mr. Speaker.

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

**AN HON. MEMBER:** Question.

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

---Carried

Mr. Allen.

**MR. ALLEN:** Thank you, Mr. Speaker. I seek unanimous consent to waive Rule 93(4) and have Committee Report 1-15(3) moved into Committee of the Whole for today. Thank you, Mr. Speaker.

**MR. SPEAKER:** The Member is seeking unanimous consent. Are there any nays? No, there aren't. You have unanimous consent. Committee Report 1-15(3) is now moved into Committee of the Whole for today. Item 4, reports of standing and special committees. Ms. Lee.

**Committee Report 2-15(3): Standing Committee On Social Programs Report On The Review Of The Draft 2004-2005 Main Estimates**

**MS. LEE:** Thank you, Mr. Speaker. Mr. Speaker, I am pleased to present our first report of the Standing Committee on Social Programs. The report contains comments and observations and recommendations where appropriate on each of these departments, and will be addressed in Committee of the Whole when the detailed budget of each department is considered. That concludes my very short introductory portion of the report of the Standing Committee on Social Programs.

I move, seconded by the honourable Member for Sahtu, that Committee Report 2-15(3) be received by the Assembly and moved into Committee of the Whole. 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

Ms. Lee.

**MS. LEE:** Thank you, Mr. Speaker. Mr. Speaker, I seek unanimous consent to waive Rule 93(4) and have Committee Report 2-15(3) moved into Committee of the Whole for today. Thank you, Mr. Speaker.

**MR. SPEAKER:** The honourable Member is seeking unanimous consent. Are there any nays? There are no nays. You have unanimous consent. With that, Committee Report 2-15(3) is now moved into Committee of the Whole for today. Item 4, reports of standing and special committees. Item 5, returns to oral questions. Mr. McLeod.

**ITEM 5: RETURNS TO ORAL QUESTIONS**

**Further Return To Oral Question 9-15(3): NWT Housing Needs Survey**

**HON. MICHAEL MCLEOD:** Mr. Speaker, I have a return to an oral question asked by Mr. Menicoche on Tuesday, March 16, 2004, regarding the NWT housing needs survey.

Specifically, Mr. Menicoche inquired about the lack of allocations in Fort Liard and how the needs and allocations are determined.

Mr. Speaker, the NWT Housing Corporation has allocated three units in Fort Liard this year and there are six new houses being completed this spring for clients partaking in the corporation's homeownership programs.

Mr. Speaker, the NWT Housing Corporation bases allocations to communities on the results of the housing needs survey. The survey is used by the NWT Housing Corporation to monitor changes in housing conditions and needs. The survey findings provide the NWT Housing Corporation and communities with the information needed to make decisions on where funding should be directed to address the specific housing problems and needs identified.

Mr. Speaker, we hope to table the results of the 2004 NWT community survey later this session. Thank you, Mr. Speaker.

**MR. SPEAKER:** Item 5, returns to oral questions. Item 6, recognition of visitors in the gallery. Mr. Roland.

**ITEM 6: RECOGNITION OF VISITORS IN THE GALLERY**

**HON. FLOYD ROLAND:** Thank you, Mr. Speaker. Mr. Speaker, I would like to recognize my constituency

assistant from Inuvik, originally from Sachs Harbour, and this time I will get it right, her name is Brenda Dillon.

---Laughter

---Applause

**MR. SPEAKER:** Welcome to the House. Item 7, oral questions. Mr. Yakeleya.

#### ITEM 7: ORAL QUESTIONS

##### Question 24-15(3): Land Claims Obligations

**MR. YAKELEYA:** Thank you, Mr. Speaker. My question is to the Minister of Aboriginal Affairs. It has been 10 years since the Sahtu Dene/Metis land claim agreements were signed, and still the Government of the Northwest Territories has not yet lived up to its obligations, such as the amendment to the Wildlife Act and the Forest Management Act. I would like to ask the Minister how does he plan to ensure that the Sahtu beneficiaries receive these obligations? Thank you.

**MR. SPEAKER:** Minister of Aboriginal Affairs, Mr. Handley.

##### Return To Question 24-15(3): Land Claims Obligations

**HON. JOE HANDLEY:** Thank you, Mr. Speaker. It's true that the Wildlife Act has been under review for a long time, and we're continuing to work on it. The Minister of RWED is the lead Minister on this and I know it's his intention to complete the draft of the act by the end of this year, as well as the Species at Risk Act. The latest delay has been because of requested consultation by some of the land claim beneficiaries in the various regions of the Territories. We expect to have that done this year.

On the forestry side, the same thing has happened there, Mr. Speaker. We're moving ahead with our obligations on that side, but I don't have specific information on that with me today. Thank you.

**MR. SPEAKER:** Supplementary, Mr. Yakeleya.

##### Supplementary To Question 24-15(3): Land Claims Obligations

**MR. YAKELEYA:** Thank you, Mr. Speaker. A lot of my people in the riding of Sahtu are directly impacted by the Sahtu Dene/Metis land claim agreement. They had high hopes and they still have high hopes of some security in this agreement to fulfill our rightful place in the Sahtu region and in shaping this great territory of the Northwest Territories in Canada. I want to ask the Minister would he consider putting in place a review process with the land claim groups to address and to respond to outstanding implementation obligations of this government? Thank you, Mr. Speaker.

**MR. SPEAKER:** Minister of Aboriginal Affairs, Mr. Handley.

##### Further Return To Question 24-15(3): Land Claims Obligations

**HON. JOE HANDLEY:** Thank you, Mr. Speaker. Mr. Speaker, under section 12.1.4 there is a review process that is laid out, and one that I would expect we have been

following. As agreed, Mr. Speaker, the government shall meet with the Sahtu Tribal Council not less than once every three years to review the effectiveness of programs relating to the objectives of the economic measures section in the land claim agreement. Those sections relate to both traditional economy as well as to broader economic self-sufficiency. We will continue to honour that obligation. If we don't, then certainly there is a dispute provision in the agreement, as well, but I hope we never go there. It is our intention to honour the spirit and the intent of all of the land claim agreements. Thank you.

**MR. SPEAKER:** Supplementary, Mr. Yakeleya.

##### Supplementary To Question 24-15(3): Land Claims Obligations

**MR. YAKELEYA:** Thank you, Mr. Speaker. Would the Minister commit to assist in the regional land claims, with both financial and logistical support, to develop action plans to prioritize the implementation of the chapters of the agreement that are urgently needed to ensure that we can manage and take care of our lands in the face of a major development such as the Mackenzie gas pipeline to be delivered to the federal government?

**MR. SPEAKER:** Minister of Aboriginal Affairs, Minister Handley.

##### Further Return To Question 24-15(3): Land Claims Obligations

**HON. JOE HANDLEY:** Mr. Speaker, I would have to look at the implementation agreement with the land claim agreement to be specific in terms of our obligations on that side. But if those were built into the implementation plan, then we certainly want to honour that. In the meantime though, Mr. Speaker, we will work with people in all regions where there is economic activity to help them to be able to identify what the opportunities are, what the potential is, and we are doing that in some specific cases. For example, our government, through the Power Corporation, invested a fair bit of money helping on the hydro development, and we would be prepared to do that in other areas too if it seemed that there was good economic opportunity there. Thank you, Mr. Speaker.

**MR. SPEAKER:** Final supplementary, Mr. Yakeleya.

##### Supplementary To Question 24-15(3): Land Claims Obligations

**MR. YAKELEYA:** Thank you, Mr. Speaker. I thank the Minister. In light of the Sahtu Dene/Metis land claim agreement, we had a good meeting this morning with regard to the Aboriginal Summit and the Minister. I've been hearing that we need to work together in partnership, and I want to support the government in supporting our land claim groups; that we can jointly pursue the federal government in terms of its obligations. My question to the Minister is really that this government needs to make it a priority to fulfill its obligations under the land claim agreements and how do we demonstrate this together with land claim groups and with the federal government? Thank you.

**MR. SPEAKER:** Minister of Aboriginal Affairs, Mr. Handley.

**Further Return To Question 24-15(3): Land Claims Obligations**

**HON. JOE HANDLEY:** Thank you, Mr. Speaker. Like the honourable Member, I was also very pleased with what moved, the attitude, the commitments that were made around the table this morning in the Intergovernmental Forum meeting. I think it was an excellent beginning. I am really pleased that the federal government has now signed on to the framework agreement. I think those are all good things that mean we are making significant progress here.

Mr. Speaker, I intend, as Minister of Aboriginal Affairs, to ensure that we will always be proud to have the Auditor General or anybody else come and look at the steps we are taking in implementing the spirit and intent of all the land claim agreements, to make sure that we are doing what is right here. I think if we do that, and work in partnership with aboriginal leaders, that that bodes well for our government and our people. Thank you, Mr. Speaker.

**MR. SPEAKER:** Item 7, oral questions. Member for Inuvik Twin Lakes, Mr. Allen.

**Question 25-15(3): Update On New Housing Re-investment Proposal**

**MR. ALLEN:** Thank you, Mr. Speaker. Mr. Speaker, my question today is to the Minister responsible for the NWT Housing Corporation. It is in regard to a proposal submitted last year in regard to flat rent scale rates for public housing tenants of the Northwest Territories. The intent of that proposal is to increase this from pro forma from \$2.7 million rent recoveries to \$5.4 million, which would be reinvested back into economic housing strategies. I will ask the Minister then, would he provide this housing update of that proposal? Thank you.

**MR. SPEAKER:** Minister responsible for the NWT Housing Corporation, Mr. McLeod.

**Return To Question 25-15(3): Update On New Housing Re-investment Proposal**

**HON. MICHAEL MCLEOD:** Thank you, Mr. Speaker. Mr. Speaker, the Member is referring, I believe, to a submission to the previous Minister. I don't have that level of detail. I have not seen the document. I will have to take it as notice, Mr. Speaker.

**MR. SPEAKER:** The question has been taken as notice. Item 7, oral questions. Member for Nahendeh, Mr. Menicoche.

**Question 26-15(3): Standing Committee On Non-Tax-Based Communities For The 15<sup>th</sup> Assembly**

**MR. MENICOCHÉ:** Thank you, Mr. Speaker. I believe this question will be directed to the Premier. I have before me the 14<sup>th</sup> Legislative Assembly final report of the Special Joint Committee on Non-Tax-Based Community Affairs. What strikes me in this report is that it recommended the establishment of a standing committee on non-taxed based communities. I am wondering if the government has looked at that and are willing to proceed with that in the 15<sup>th</sup> Assembly.

**MR. SPEAKER:** Mr. Premier.

**Return To Question 26-15(3): Standing Committee On Non-Tax-Based Communities For The 15<sup>th</sup> Assembly**

**HON. JOE HANDLEY:** Thank you, Mr. Speaker. That is a decision of the Legislative Assembly, not a decision of our government. So it would be up to all of us to make that decision. Thank you.

**MR. SPEAKER:** Supplementary, Mr. Menicoche. Okay. Item 7, oral questions. Mrs. Groenewegen.

**Question 27-15(3): Motor Vehicles Act Amendments – Mandatory Drug And Alcohol Awareness Training**

**MRS. GROENEWEGEN:** Thank you, Mr. Speaker. Mr. Speaker, in June of 2003, the last Assembly approved amendments to the Motor Vehicles Act and put some teeth into the existing legislation. The changes allowed for tougher sanctions aimed at getting impaired drivers off the road, and encouraging drivers with alcohol dependency issues to get help. The amendments allowed the registrar of Motor Vehicles to require individuals convicted of impaired driving offences to participate in drug awareness education programs before their licence would be reinstated. Mr. Speaker, I would like to ask the Minister of Transportation, does the Minister intend to implement the amendments to the Motor Vehicles Act, approved in the House last June? Thank you.

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

**Return To Question 27-15(3): Motor Vehicles Act Amendments – Mandatory Drug And Alcohol Awareness Training**

**HON. MICHAEL MCLEOD:** Thank you, Mr. Speaker. Mr. Speaker, the Member is quite correct. The former Minister of Transportation presented a bill to the Legislative Assembly in February of 2003. The bill was passed in June of 2003, and the department planned for the legislative changes to come into force early in 2004, and the introduction of regulations to the novice driver program in 2005. However, the funding for implementation and ongoing support is reduced; therefore, we have deferred the bill coming into effect. The amendments to the bill include strengthening the roadside prevention provisions and introducing an automatic 90-day suspension, provide for impoundment of vehicles while suspended, and require an offender as a condition of licence renewal reinstatement to purchase an impaired driving assessment package.

Mr. Speaker, we do not have included a requirement for the driver to take an education program, there is no education component. However, we do have, as part of the impaired driving package, a requirement to do a medical assessment and that is the extent of the legislation. We plan to have this legislation in place by January of 2005. We have identified our revenues and we are confident we will put them in place. Thank you.

**MR. SPEAKER:** Supplementary, Mrs. Groenewegen.

**Supplementary To Question 27-15(3): Motor Vehicles Act Amendments – Mandatory Drug And Alcohol Awareness Training**

**MRS. GROENEWEGEN:** Thank you, Mr. Speaker. Mr. Speaker, I would like to thank the Minister for that update. I would like to know, Mr. Speaker, would the Minister

consider asking the registrar to require mandatory participation in a drug and alcohol awareness program before their licence is reinstated? I don't believe this is something that would have to be included in legislation. This is something that could be introduced as a policy. Would the Minister consider asking the registrar to require that on a mandatory basis? Thank you, Mr. Speaker.

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

**Further Return To Question 27-15(3): Motor Vehicles Act Amendments – Mandatory Drug And Alcohol Awareness Training**

**HON. MICHAEL MCLEOD:** Thank you, Mr. Speaker. Mr. Speaker, as I indicated just now, the legislation requires a driver to obtain a driver's medical assessment. We will consider, however, the suggestion made by the Member to have an education component and also to make it mandatory. It may be something we will consider incorporating in this legislation. Thank you.

**MR. SPEAKER:** Supplementary, Mrs. Groenewegen.

**Supplementary To Question 27-15(3): Motor Vehicles Act Amendments – Mandatory Drug And Alcohol Awareness Training**

**MRS. GROENEWEGEN:** Thank you, Mr. Speaker. In considering that, the Minister may also wish to take into account that these types of programs are not available in smaller centres and would probably require a mobile awareness program, so it would require some financial resources. With the upcoming prospect of these new regulations being put in place, I would like to ask the Minister if he would consider looking for and identifying funds which could finance this. It is easier to send people for such an awareness program if it is available in their community, but obviously it is probably only available in a few communities on a formal basis, but it could be done very easily as a mobile program. So could the Minister commit to trying to identify financial resources to back up such a program? Thank you.

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

**Further Return To Question 27-15(3): Motor Vehicles Act Amendments – Mandatory Drug And Alcohol Awareness Training**

**HON. MICHAEL MCLEOD:** Thank you, Mr. Speaker. Mr. Speaker, the mandatory requirement was something that was considered when this legislation was being drafted. It is something that other provinces and jurisdictions have in place. We had considered it. The difficulty with this whole concept was the limited facilities and programs that we have now. We will take it upon ourselves to look at what the options are on how we can accommodate the amendment that the Member is suggesting. Thank you.

**MR. SPEAKER:** Final supplementary, Mrs. Groenewegen.

**Supplementary To Question 27-15(3): Motor Vehicles Act Amendments – Mandatory Drug And Alcohol Awareness Training**

**MRS. GROENEWEGEN:** Thank you, Mr. Speaker. Another aspect of this mandatory education awareness program might be for somebody who is knowledgeable in such a program to actually go into the small communities

and train someone or some agency within that community to deliver that, as opposed to sending people into the community to do it. It could be something that could be added on to an already existing function within the community; sort of a train-the-trainer type program. Would the Minister seek out the curriculum or format of these programs and see if it would be viable to train people in the small communities to deliver this on behalf of those requiring it with suspended driver's licences? Thank you.

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

**Further Return To Question 27-15(3): Motor Vehicles Act Amendments – Mandatory Drug And Alcohol Awareness Training**

**HON. MICHAEL MCLEOD:** Thank you, Mr. Speaker. We will certainly take the recommendation from the Member very seriously. We will look at the curriculum that is required. We also have to look at the cost of implementing this whole concept. We also have to look at the availability of resources. So we will certainly commit to that. Thank you.

**MR. SPEAKER:** Item 7, oral questions. The honourable Member for Kam Lake, Mr. Ramsay.

**Question 28-15(3): Permanent Trust Fund For Residents Of The NWT**

**MR. RAMSAY:** Thank you, Mr. Speaker. Mr. Speaker, my question goes back to my Member's statement that I had earlier, and it is for the Premier. Where does the Premier see the establishment of a permanent trust fund for the residents of the Northwest Territories? Where does he see that fitting into his agenda in the next four years? Thank you.

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

**Return To Question 28-15(3): Permanent Trust Fund For Residents Of The NWT**

**HON. JOE HANDLEY:** Thank you, Mr. Speaker. In principle, I certainly agree with the notion of setting up a trust fund or a heritage fund or something that ensures that the wealth we have in a particular year or years can benefit future generations. In order to have the ability to contribute to a trust fund, we have to have the dollars to put into it. I hope that within the life of this government that we are there, that we have settled devolution and resource revenue sharing and we are in a position where we can have our NWT trust fund or heritage fund. Thank you.

**MR. SPEAKER:** Supplementary, Mr. Ramsay.

**Supplementary To Question 28-15(3): Permanent Trust Fund For Residents Of The NWT**

**MR. RAMSAY:** Thank you, Mr. Speaker. Mr. Speaker, what is stopping the Premier and this government from communicating to Ottawa that the money they are taking from us should be set aside for us in the future? Thank you.

**MR. SPEAKER:** Mr. Premier.

**Further Return To Question 28-15(3): Permanent Trust Fund For Residents Of The NWT**

**HON. JOE HANDLEY:** Mr. Speaker, the negotiations that we have with the federal government are three-way negotiations between ourselves, the Aboriginal Summit and the federal government. The Aboriginal Summit, in late January, advised us that they wanted to hold off any further negotiations until April because they were selecting a new negotiator. So we have not had an opportunity to raise this with our northern partner, governor, that's on this. As soon as negotiations resume, then I will be asking that we put this on the table for consideration. But it is not something that we can do unilaterally, we have to work with the other partners. Thank you.

**MR. SPEAKER:** Supplementary, Mr. Ramsay.

**Supplementary To Question 28-15(3): Permanent Trust Fund For Residents Of The NWT**

**MR. RAMSAY:** Thank you, Mr. Speaker. Thanks to the Premier for his response. I know he mentioned it, but I would like to get a commitment from him that he will raise this with our partners and that it will be on the agenda. Thank you.

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

**Further Return To Question 28-15(3): Permanent Trust Fund For Residents Of The NWT**

**HON. JOE HANDLEY:** Thank you, Mr. Speaker. Yes, I will raise it with the Aboriginal Summit when we have the opportunity to have both sides meet at negotiations. Thank you.

**MR. SPEAKER:** Item 7, oral questions. The honourable Member for Hay River North, Mr. Delorey.

**Question 29-15(3): Delayed Receipt Of Record Of Employment Forms**

**MR. DELOREY:** Thank you, Mr. Speaker. Mr. Speaker, my questions today are for the Minister responsible for the Financial Management Board Secretariat, Mr. Roland. They are to do with my Member's statement with regard to a record of employment. As I have stated in my Member's statement, this has gotten to be a bit of a problem. I have received complaints from a number of my constituents now that have experienced this, and the length of time it takes for them to get their record of employment after being employed with the GNWT. I would like to ask the Minister if he is aware of this problem and if there have been other complaints about this before. Thank you, Mr. Speaker.

**MR. SPEAKER:** Minister responsible for the Financial Management Board Secretariat, Mr. Roland.

**Return To Question 29-15(3): Delayed Receipt Of Record Of Employment Forms**

**HON. FLOYD ROLAND:** Thank you, Mr. Speaker. Mr. Speaker, I am aware of the problems in the area of records of employment. I have, in fact, dealt with a number of cases that have come across my desk. It is something that I have asked the staff to look at in trying to shorten time frames and meet our requirements. Part of the problem is that each department in the regions and communities have that information and have to initially put

out the forms and send them into our department. So we are going to be working on trying to improve that. Thank you.

**MR. SPEAKER:** Supplementary, Mr. Delorey.

**Supplementary To Question 29-15(3): Delayed Receipt Of Record Of Employment Forms**

**MR. DELOREY:** Thank you, Mr. Speaker. As I stated in my Member's statement, the rules under HRDC are that records of employment have to be submitted within five days of the termination of employment. Do those rules apply to the territorial government? Are they the same as they are for other employers? Thank you, Mr. Speaker.

**MR. SPEAKER:** Minister responsible for the Financial Management Board Secretariat, Mr. Roland.

**Further Return To Question 29-15(3): Delayed Receipt Of Record Of Employment Forms**

**HON. FLOYD ROLAND:** Thank you, Mr. Speaker. Yes, they do apply to us. Thank you.

**MR. SPEAKER:** Supplementary, Mr. Delorey.

**Supplementary To Question 29-15(3): Delayed Receipt Of Record Of Employment Forms**

**MR. DELOREY:** Thank you, Mr. Speaker. Mr. Speaker, do the records of employment all come from FMBS for the Government of the Northwest Territories or do other departments put them out? Do they all come through the same department? Thank you, Mr. Speaker.

**MR. SPEAKER:** Minister responsible for the Financial Management Board Secretariat, Mr. Roland.

**Further Return To Question 29-15(3): Delayed Receipt Of Record Of Employment Forms**

**HON. FLOYD ROLAND:** Thank you, Mr. Speaker. Mr. Speaker, my understanding of the process is that when the employee is going to leave, they inform their immediate supervisor in the department of whatever department they are working for, and that initiates the process of getting the paperwork done, then it flows through to FMBS. Thank you.

**MR. SPEAKER:** Final supplementary, Mr. Delorey.

**Supplementary To Question 29-15(3): Delayed Receipt Of Record Of Employment Forms**

**MR. DELOREY:** Thank you, Mr. Speaker. Mr. Speaker, as I noted in my Member's statement as well, this is a hardship for some folks that have a family and if they are not getting this record they can't draw employment insurance. So could I get a commitment from the Minister that he will communicate that to all of the departments to try and speed this process up so that we rectify this problem? Thank you, Mr. Speaker.

**MR. SPEAKER:** Minister responsible for the Financial Management Board Secretariat, Mr. Roland.



**Further Return To Question 29-15(3): Delayed Receipt Of Record Of Employment Forms**

**HON. FLOYD ROLAND:** Thank you, Mr. Speaker. Yes, I understand that it does cause some hardship to those families that don't have a lot of funds to use between jobs. We will be working with the departments to ensure that we pick up on that process and improve on it. Thank you.

**MR. SPEAKER:** Item 7, oral questions. Member for Great Slave, Mr. Braden.

**Question 30-15(3): Clawback Of National Child Benefit Supplement**

**MR. BRADEN:** Mr. Speaker, my questions this afternoon are for the honourable Minister of Education, Culture and Employment in relation to the issue of the clawback on the national child benefit supplement. Mr. Speaker, to illustrate this briefly, a single parent in Yellowknife with two kids, receiving social housing and on income support loses the equivalent of about \$2,700 a year because of our government's clawback. My information is that leaves just under \$10,000 for this family of three to look after their necessities. What justification can the Minister provide to this single parent for keeping the national child benefit supplement from them? Thank you, Mr. Speaker.

**MR. SPEAKER:** Minister of Education, Culture and Employment, Mr. Dent.

**Return To Question 30-15(3): Clawback Of National Child Benefit Supplement**

**HON. CHARLES DENT:** Thank you, Mr. Speaker. Mr. Speaker, the national child benefit supplement has three purposes to it, as posed by the federal government. One is to create attachment to the workforce, another is to reduce child poverty, and the third is to reduce overlap and duplication of programs and services. I can tell the Member that I was at the table when this was initially set up and that one of the biggest concerns from the federal representatives there was in fact making sure that the program was aimed at people who are working and to ensure that there was an attachment to the workforce. The way that this was approached when we set it up was that around the table there was general agreement that while that would be the main target, that nobody who was collecting income support would be in any way worsened in their condition by the implementation of the national child benefit. That was one of the basic tenants of the way that the program was set up, and it was in fact accomplished by the way that we've done it in the Northwest Territories. So nobody is getting any less than they were before the NCBS came into place. Those who are working get the territorial worker's supplement, a cash payment to families which is funded by some of the money that is paid to northerners through the NCBS.

We have a situation now where we have two programs that are funded by the monies that are over and above what people were getting on income support. As the Member pointed out, I had a very strong argument put to me by the social agencies in town that we should make the change. I haven't been able to find a way to fund those two programs and still accommodate that. So at this point, we haven't made any change to the program.

**MR. SPEAKER:** Supplementary, Mr. Braden.

**Supplementary To Question 30-15(3): Clawback Of National Child Benefit Supplement**

**MR. BRADEN:** Thank you, Mr. Speaker. I appreciate the explanation, it is a multi-layered issue. The Minister explained that one of the core principles that the federal government had behind this is it wanted to help stimulate development and inclusion in the workforce, but our program, our own income support program, recognizes that staying at home to raise a family is recognized as a productive choice, just as productive to our society as being out there working. So does it not stand to reason, Mr. Speaker, that income support clients who make this productive choice should be entitled to the full benefit of the national child benefit supplement? Thank you.

**MR. SPEAKER:** Minister of Education, Culture and Employment, Mr. Dent.

**Further Return To Question 30-15(3): Clawback Of National Child Benefit Supplement**

**HON. CHARLES DENT:** Thank you, Mr. Speaker. In comparison to other jurisdictions, the amount of support that is provided to a parent who is staying home to look after children is very good in the Northwest Territories. The feeling is that the program, as it's designed, in fact, does accommodate that desire. For instance, those jurisdictions like Newfoundland which have allowed the straight flow through, even though there is a high cost of living in many of the smaller communities in Newfoundland and Labrador, their level of support is nowhere near what we provide to individuals living in the Northwest Territories.

One of the issues here is how much money is needed in order to get by. The program as it stands right now is one that accommodates people by saying if you come to the table with a certain level of funding in hand and you need twice that amount to get through the month, we'll provide the difference. That's what we look at as what people need. That's how the program has been approached to this point.

Having said that, I agreed that I will review the program with the Members of the Standing Committee on Social Programs and I am prepared to discuss with them what other options we might have. Thank you, Mr. Speaker.

**MR. SPEAKER:** Supplementary, Mr. Braden.

**Supplementary To Question 30-15(3): Clawback Of National Child Benefit Supplement**

**MR. BRADEN:** Mr. Speaker, yes, the Minister's commitment to have a look at the broad application of the program is a welcome one. As a Member of that standing committee, I look forward to engaging in that. But in the meantime, the Minister's answers have made it very clear that, for now, there's not going to be any budging on this issue. So I'd like to ask that at least this aspect of it, if we're not going to be making any moves to get off this clawback kick of ours -- Alternatives North reports that over the past two years the NCBS has increased something like 17 percent the size of its allotment -- to what extent has the GNWT increased our provisions of support to income support clients? Have we kept pace, at least, with what the federal government is doing? Thank you, Mr. Speaker.

**MR. SPEAKER:** Minister of Education, Culture and Employment, Mr. Dent.

**Further Return To Question 30-15(3): Clawback Of National Child Benefit Supplement**

**HON. CHARLES DENT:** Thank you, Mr. Speaker. I can't answer if it's been on the same percentage that the NCBS has increased, but in fact the food rates have increased this winter to reflect increased costs. We do an annual survey now and adjust the food basket rates on a regular basis rather than waiting until we get way behind. I would be quite prepared to provide the Member with what the percentage increase might be in the program.

I can also say that I've had some discussion with the department, and the fact that the NCBS has increased is one of the aspects we're considering and will be discussing as part of the overall approach that we might possibly take when we come forward to committee.

**MR. SPEAKER:** Item 7, oral questions. The Member for Yellowknife Centre, Mr. Hawkins.

**Question 31-15(3): Raising Revenues Through The Sin Tax**

**MR. HAWKINS:** Thank you, Mr. Speaker. Mr. Speaker, if I may draw your attention to page 4 of the budget address, there's a quote in there that says current projections show this virtually unchanged at \$70 million. That refers to our deficit. Now it also points out, going a little further into the quote, it says, from the Finance Minister yesterday, we project a \$46 million operating deficit for 2004-2005 and that was with some very classy intervention with raising some taxes, creating some revenues, finding some money. But the obvious question that has caused me some concern is, has the Finance Minister considered looking at any avenues other than the bread-and-butter basics of what people have to call their personal income. The personal income, being the pay cheque, is the only main source that people can have for getting money. So did the Finance Minister consider raising revenues through the sin tax?

**MR. SPEAKER:** Minister of Finance.

**Return To Question 31-15(3): Raising Revenues Through The Sin Tax**

**HON. FLOYD ROLAND:** Thank you, Mr. Speaker. We did look at a number of tax revenue options and fee options. We've gone forward with a number of them in this budget so that we can have revenue come to this government during this upcoming fiscal year. The areas of the cigarette and alcohol taxes and fees were looked at. We are highest already, for example, on the cigarette taxes compared to other jurisdictions right now. We are also amongst the highest in the alcohol products markups for the Government of the Northwest Territories. So those were not looked at as areas of increases. They were increased in two previous years. Thank you.

**MR. SPEAKER:** Supplementary, Mr. Hawkins.

**Supplementary To Question 31-15(3): Raising Revenues Through The Sin Tax**

**MR. HAWKINS:** Thank you, Mr. Speaker. I guess the next question that follows up is will the Minister address this in the next upcoming budget? Thank you.

**MR. SPEAKER:** Minister of Finance.

**Further Return To Question 31-15(3): Raising Revenues Through The Sin Tax**

**HON. FLOYD ROLAND:** Thank you, Mr. Speaker. Mr. Speaker, we will again be going back to the table and looking at all the options we have before us. Right now we've highlighted reductions going forward, we're dealing with the tax initiatives upfront and depending on what happens in our discussions with the federal government, we will once again have to look at all our avenues as a government. Right now, again, we're highlighting reductions for the two upcoming years of \$20 million in each of the two fiscal years going forward. Thank you.

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

**Question 32-15(3): Non-Insured Health Benefits – Growing Deficit**

**MRS. GROENEWEGEN:** Thank you, Mr. Speaker. Mr. Speaker, my questions today are for the Minister of Health and Social Services. We spent a lot of time in this Chamber talking about the devolution of powers and authorities to the territorial government and I remember that it wasn't so many years ago that the Department of Health was devolved from the federal government to the territorial government. Over the years, many other departments and many other responsibilities have come from the federal government to the territorial government.

Mr. Speaker, recently, I had occasion to find out that the deficit from the NIHB, the non-insured health benefit, the deficit from that program, which we deliver on behalf of the federal government, continues to grow and be a burden to this government as we try to administer it and manage it on behalf of Inuit and status First Nations people. I'd like to ask Minister Miltenberger what the current status is of that deficit and what his department is doing to address this through negotiations with the federal government. Thank you.

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

**Return To Question 32-15(3): Non-Insured Health Benefits – Growing Deficit**

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Speaker. Mr. Speaker, there are two main program areas that we administer programs on behalf of the federal government: the non-insured health benefits component, which is about \$5.9 million a year, recently up to about \$7.3 million or \$7.4 million; and the big ticket item for us under DIAND is the health services to Indian and Inuit people. That's one where we've been running an annual deficit, which is about \$22 million. So we have had some relief from the federal government. They've acknowledged under NIHB that it is under-funded, so we have a commitment from them to up the base to \$7.3 million or \$7.4 million, I believe, which is a bit of good news for us, but there's still about \$4.7 million outstanding. The big ticket item is the DIAND one.

Also, we're constantly running arrears with DIAND just on the way they pay. They hold back money. They make you go through many hoops to get the money that they are

going to pay in addition to not paying for millions. So it's a very frustrating process in the system. Thank you.

**MR. SPEAKER:** Supplementary, Mrs. Groenewegen.

**Supplementary To Question 32-15(3): Non-Insured Health Benefits – Growing Deficit**

**MRS. GROENEWEGEN:** Thank you, Mr. Speaker. Mr. Speaker, does the Minister see any relief in even the administrative delays and are the carrying costs of this...Does he see any further relief for this in the future and what's his immediate intention to do to address it? Thank you.

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

**Further Return To Question 32-15(3): Non-Insured Health Benefits – Growing Deficit**

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Speaker. Mr. Speaker, at the staff level we have almost around-the-clock, year-round processes and tables going with the federal government. It also, as the Premier has indicated, is an issue of national significance. Minister Pettigrew was up here a couple of months ago. The issue of health was raised with him. We've suggested things like it would make sense to take DIAND health programs and put them under Health Canada where they belong, where they can be administered with some consistency and with some possible greater efficiencies. We've successfully negotiated and got the federal government to acknowledge that there's no need for holdbacks.

So we are continuing to press. There's also ongoing pressure at the political tables because this is an issue that affects all jurisdictions that administer programs for Indian and Inuit people, which is almost every jurisdiction in the country. So we are having some small success, but it still remains a program that is problematic. Thank you.

**MR. SPEAKER:** Supplementary, Mrs. Groenewegen.

**Supplementary To Question 32-15(3): Non-Insured Health Benefits – Growing Deficit**

**MRS. GROENEWEGEN:** Thank you, Mr. Speaker. Mr. Speaker, for the public record, is it a program and service that's being delivered by our government on behalf of some of our constituents that is problematic enough that the territorial government would ever consider handing it back to the federal government? Has that been considered or discussed recently? I'm referring to I'm sure what are some of the Premier's comments which were made out of absolute frustration with the negotiations recently and I just want to know for the record what the status of any considerations might be to just hand the whole thing back to the federal government. Thank you.

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

**Further Return To Question 32-15(3): Non-Insured Health Benefits – Growing Deficit**

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Speaker. This issue has had some discussion in many forms. As a government, we look at all the options and try to control our costs. To continue to deliver a program or programs for the federal government that we are losing

money on, for example, the program for Indian Affairs we've spent \$8.5 million more than we're going to get back last year, so the amount that we're losing is growing, that it's not a sustainable kind of process and can we legitimately expect ourselves as a territory and our constituents to tighten their belts and have other programs cut because the federal government arbitrarily refuses to pay. Yes, it is an issue that is there. We're going to look at all options. We've also been instructed to look at the numbers, look at the impact. There would have to be lots of discussions, of course, to do that, but I think clearly we want to send a signal that we don't mind administering the programs. But we can't rob other program areas to cover those costs, as the Finance Minister has indicated as he seeks to storm the debt wall. This is one of the areas where there's money on the table that belongs to us. Thank you.

**MR. SPEAKER:** Final supplementary, Mrs. Groenewegen.

**Supplementary To Question 32-15(3): Non-Insured Health Benefits – Growing Deficit**

**MRS. GROENEWEGEN:** Thank you, Mr. Speaker. Mr. Speaker, on behalf of our constituents, who are the beneficiaries of this particular programming, I would like to have the Minister's assurance that the level of service is not going to be diminished or affected by these shortfalls and by the lack of response from the federal government. I'd like to know from the Minister, as well, does he see any other scenario? We've heard about the possibility of these services being delivered, the money flowing through, for example, the aboriginal governments as opposed to this government. Would he see that as any solution to the problem or would that, in fact, complicate the issue by having a dual health care system and, in fact, drive our costs up? Thank you.

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

**Further Return To Question 32-15(3): Non-Insured Health Benefits – Growing Deficit**

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Speaker. Mr. Speaker, as my colleague knows, having been in the 13<sup>th</sup> and 14<sup>th</sup> assemblies, especially with division, when you make two out of one you never do it for the same costs. The more administration and the more different program areas or delivery mechanisms we create, the greater the costs that take away from the ability to deliver the program. The issue for us, the fundamental issue is that we are delivering programs on behalf of the federal government that are under funded that they refuse to acknowledge. We had some small relief with the non-insured health benefits, but that is the big issue. I want to assure the Member and her constituents, all our constituents, that there's no intention of this government to lessen the services we currently provide to our people, our citizens. But we do have a serious disagreement with the federal government and it's one that's very high on our agenda as we try to bring some relief to this growing debt just on the health side. Thank you.

**MR. SPEAKER:** Item 7, oral questions. Member for Range Lake, Ms. Lee.

**Question 33-15(3): Federal Government Honouring Commitments To The Non-Insured Health Benefits Program**

**MS. LEE:** Thank you, Mr. Speaker. Mr. Speaker, I wonder if I could just continue asking questions to the Minister of Health and Social Services on the same topic that the honourable Member for Hay River South has been pursuing. This is something that's been curious to me, as well. I don't know the long and whole background of this issue, but I do know that we have upwards of \$30 million in disbursements or reimbursements from the federal government outstanding that has incurred as a result of this government providing services to aboriginal residents in our territory that they are entitled to. We're falling behind. Thirty million dollars is almost half of our deficit. I'm just wondering, why is it that there has been no progress made in dealing with this outstanding amount with the federal government? Thank you, Mr. Speaker.

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

**Return To Question 33-15(3): Federal Government Honouring Commitments To The Non-Insured Health Benefits Program**

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Speaker. Mr. Speaker, there are a number of issues that constantly bedevil this process. The federal government challenges a lot of the expenditures. We, as a territory, have some programs and services that are higher or greater than the federal government wants to pay for. They refuse and disallow those invoices. The program was only funded at 95 percent, so there's a five percent deficit that we deal with yearly because there's a cap set on what they're going to pay. There's a whole host of reasons and, as we know from many of our other negotiations with the federal government, when they want to, the wheels of federal bureaucracy grind very slowly and fine and progress is often glacial in resolving issues. That's one of the situations we're also faced with. Thank you.

**MR. SPEAKER:** Supplementary, Ms. Lee.

**Supplementary To Question 33-15(3): Federal Government Honouring Commitments To The Non-Insured Health Benefits Program**

**MS. LEE:** Thank you, Mr. Speaker. I wonder if the Minister could advise as to whether or not this Cabinet, this government or any previous government has ever considered launching a legal action against the federal government to put more added pressure and to express our seriousness about the impossible situation and the urgency to resolve this claim. Thank you, Mr. Speaker.

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

**Further Return To Question 33-15(3): Federal Government Honouring Commitments To The Non-Insured Health Benefits Program**

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Speaker. Mr. Speaker, there was a court case initiated in the past that got the federal government to the table and had some basic changes made. Since that time things have once again accumulated and we have, for example

with the non-insured health benefits, the lack of recognition on the federal government's part in terms of things like dental days, obsolete rates that they refuse to modernize, reflection of cost-of-living increases, population growth. There's a whole number of fundamental issues that we constantly argue and debate with the federal government about and they're very slow to respond or acknowledge, even though we've had many audits and evaluations in terms of the costs, and are they legitimate. Thank you.

**MR. SPEAKER:** Supplementary, Ms. Lee.

**Supplementary To Question 33-15(3): Federal Government Honouring Commitments To The Non-Insured Health Benefits Program**

**MS. LEE:** Thank you, Mr. Speaker. I'd like to know more about what result came about the last time the GNWT took the federal government to court on this issue. The Minister mentioned that they did come to the table. Can the Minister advise as to exactly what they came to the table with? Was this government able to get any money out of that, any concessions on the rules, anything like that? Thank you.

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

**Further Return To Question 33-15(3): Federal Government Honouring Commitments To The Non-Insured Health Benefits Program**

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Speaker. Mr. Speaker, we as a government did not get everything we asked for. There was an out-of-court settlement. We signed an agreement that resulted in the GNWT getting 95 percent of the expenditures for insured medical services for Inuit and Indian residents up to agreed upon maximum. So we have an agreement, there was an out-of-court settlement, but it didn't meet all our needs and the gap has once again grown. Thank you.

**MR. SPEAKER:** Final supplementary, Ms. Lee.

**Supplementary To Question 33-15(3): Federal Government Honouring Commitments To The Non-Insured Health Benefits Program**

**MS. LEE:** Thank you, Mr. Speaker. Mr. Speaker, I'd like to ask the Minister whether or not, given the seriousness of this issue on our financial situation and the importance of this issue in our ability to deliver health care programs to our residents in the future, what efforts has the Minister, if any, made to bring this to the attention of our partners and all the aboriginal government leaders? Would this not be something that he should consider bringing into a territorial agenda so that there is as aggressive an action on this issue as there is currently being mobilized for devolution and the pipeline and everything else? Because I do believe this is as important as all the other issues. What efforts has he made to bring this to that level of attention? Thank you.

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

**Further Return To Question 33-15(3): Federal Government Honouring Commitments To The Non-Insured Health Benefits Program**

**HON. MICHAEL MILTENBERGER:** Thank you, Mr. Speaker. Mr. Speaker, the Member is correct. This is an issue that has to be moved to as many tables as possible. That is, in fact, what we are in the process of doing. As I indicated and the Premier has indicated in this House, health issues like this one are on our agenda. The role of the federal government, their lack of response, the fact that they only fund 16 percent down from I think it's 18, way down from the 25 recommended by Romanow. We've talked about this with our territorial colleagues. We've met with the former Minister of Health collectively. The new Minister of Health has agreed to meet with us again on this issue. We have officials, as well, pushing at different tables on non-insured health benefits and their relationship with DIAND. The Premier, as well, has raised the issue at his meetings with the Prime Minister. We're also pushing the federal government, as I've indicated earlier, to in fact consolidate their health programs so that they can be rationalized. We can come up with a better, more efficient and effective way to deliver programs and that they get funded in a way where there's not this bureaucratic fragmentation between federal departments which are truly like two solitudes in the same government. Thank you.

**MR. SPEAKER:** Item 7, oral questions. The Member for Inuvik Twin Lakes, Mr. Allen.

**Question 34-15(3): Supporting Resource Development In Small Communities**

**MR. ALLEN:** Thank you, Mr. Speaker. I hope I find a Minister that doesn't take my question as notice. I certainly want to raise that point with the Speaker. Today, Mr. Speaker, in the context of my Member's statement and also the replies to the opening address, I want to ask the Minister of RWED if he's willing to work with his department to change the philosophy from one of enforcement to one that supports resource development in the smaller communities across the Northwest Territories. Thank you, Mr. Speaker.

**MR. SPEAKER:** Just a point in regard to how the questions are answered. The Minister has the responsibility to either answer the question, take the question as notice, or not answer the question. Those are the three processes. If they take your question as notice, that's their prerogative. I have some power, but I don't have the power over that.

---Laughter

Minister of RWED.

**Return To Question 34-15(3): Supporting Resource Development In Small Communities**

**HON. BRENDAN BELL:** Thank you, Mr. Speaker. I appreciate your procedural advice. I think I'll heed some political advice and answer the man's question here today...

---Laughter

---Applause

...to make sure that we keep things on the right track. I think it's a very interesting question and the Member is mentioning our philosophy of enforcement as it relates to the protection of the environment and the protection of wildlife. Of course, we have obligations in that regard that flow from land claims. It's very important to realize and to work with communities to help them realize where there are economic development opportunities that might not immediately be obvious.

I believe as a government we have an obligation and a responsibility to try to help communities pursue those so they can be self-sustaining. Not everybody is going to want to work in the mining industry. Not everyone is going to want to be in oil and gas. I think it's not immediately obvious always that there are markets out there for many products that we traditionally harvest in the North and could continue to do so and it can be very lucrative.

So, yes, our department is certainly willing to work with people in the communities to help them realize these opportunities and I certainly look forward to good suggestions coming from that side of the House from many of the very entrepreneurial Members who've spent some good time thinking about this. Thank you.

**MR. SPEAKER:** Supplementary, Mr. Allen.

**Supplementary To Question 34-15(3): Supporting Resource Development In Small Communities**

**MR. ALLEN:** Thank you, Mr. Speaker. I'm very pleased to hear that the Minister is prepared to work with us in trying to address some of the key questions that are raised consistently by our constituents. Again, it goes back to my statement yesterday about how we want to put people back on the land to become resourceful again. So I'm going to ask the Minister if he's prepared to work with the Minister of ECE to develop an initiative that would influence people to move back on the land and not only develop land skills, but also to help in the recovery process of many of their social problems that are consistent with a number of the questions other Members have asked in the past. I would ask the Minister if he's prepared to work with the Minister of ECE to introduce some new initiatives that would support that. Thank you.

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

**Further Return To Question 34-15(3): Supporting Resource Development In Small Communities**

**HON. BRENDAN BELL:** Thank you, Mr. Speaker. I'll certainly sit down with my Cabinet colleagues and specifically Minister Dent to discuss this issue because I think it's very important that we support people who want to pursue traditional lifestyles and want to live on the land. Obviously, though, you have to have some means to sustain yourself. You have to have some ability to have an income. I think that I am certainly very proud of the work that we've done for the hunting and trapping, specifically the trapping community. I think our Mackenzie Valley fur pricing program, the prime fur bonus, helps and goes a long way toward helping trappers making a living at this pursuit. I think it's by far probably the best program in the country in this regard.

I know it's important for us to help people get back on the land if that's what they choose, but we have to recognize that it will be about economic development programs

because most people simply can't sustain themselves without some ability to pursue an income. I think we need to work very closely as a government, as a Cabinet, but it will be about a lot of the programs that this department is responsible for delivering. I think a lot of that responsibility will come on my shoulders as Minister of this department. Thank you.

**MR. SPEAKER:** Supplementary, Mr. Allen.

**Supplementary To Question 34-15(3): Supporting Resource Development In Small Communities**

**MR. ALLEN:** Thank you, Mr. Speaker. I'm pleased to hear that and my final question to the Minister then is, is he willing to put more money toward the marketing aspect of that resource development in support of the trappers? Once they're on the land they're self-sustaining, as we know as previous trappers, hunters and food gatherers. So I'm going to ask if he's prepared to put money into the marketing aspect of that sector of the economy. Thank you, Mr. Speaker.

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

**Further Return To Question 34-15(3): Supporting Resource Development In Small Communities**

**HON. BRENDAN BELL:** Thank you. We do rely on southern auction houses to sell the furs, and I know the Member is very aware of that. I think we recognize that we had some communication problems initially with helping people in the territory understand some of the recent changes we've made to the programs. Sometimes that's because there's turnover at the local level and we tried to address that by putting together a communications package and making sure that our renewable resource officers have this information and can speak with community members. I think it's also about making sure that in the large markets in southern Canada or the United States, people have an understanding and a recognition of just how valuable our Mackenzie Valley furs are. That's why we've tried to make sure that our fur pricing bonus is available for the finest furs so that when people see products from the Northwest Territories they're impressed and it creates demand and that will allow us to keep these trappers doing what they do best, as the Member has said. Once they're on the land they are sustainable.

So I think we need to work with southern auction houses to continue to develop this genuine Mackenzie Valley fur program, to make sure that there is a demand and there is a premium for furs coming from the Northwest Territories. I have asked the department to carefully look at many of our programs and see if we can't take a look at some of the rationale for doing these, make sure that the programs we're delivering are still our highest priority programs.

I have no illusions and no belief that we're going to find a lot of new money, so I've asked the department to look at some of the money we're currently spending and if we're spending money in priority areas that no longer seem to make sense, then I'd like to adjust it and move it into some areas that we know are important to us going forward. I do believe there will be a lot of profile on oil and gas and on mining and that needs a lot of our support, but largely economic issues will drive that. If we truly believe that we're going to and it's important to have a diversified economy, we need to put more money into some of these

other activities and I'll certainly work to continue to do that. Thank you.

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

**Question 35-15(3): Fair Treatment Of Tax-Based Communities**

**MR. HAWKINS:** Thank you, Mr. Speaker. Yesterday in the budget address there was a line item of \$300,000 directed at assisting land-use planning studies, new technical investigations and other items related to development. Mr. Speaker, my question to the Minister of Finance is when will tax-based communities receive similar treatment? Thank you.

**MR. SPEAKER:** Minister of Finance.

**Return To Question 35-15(3): Fair Treatment Of Tax - Based Communities**

**HON. FLOYD ROLAND:** Thank you, Mr. Speaker. Mr. Speaker, the arrangements we have now with tax-based municipalities are such that they have advantages in dealing with developing lots in their communities through financing and so on. This measure we've taken, although small, is an initial step to try to help the general taxation communities with their ability to develop some of those lots and encourage some development in those small communities that are right now not feeling much from the spin-off effects of other development around the territory. Thank you.

**MR. SPEAKER:** Supplementary, Mr. Hawkins.

**Supplementary To Question 35-15(3): Fair Treatment Of Tax-Based Communities**

**MR. HAWKINS:** Thank you, Mr. Speaker. My next question to the Minister of Finance is does he recognize that \$300,000 is merely a drop in the bucket for any land-use planning in any type of development, and does he note how far \$300,000 goes? Can he give us examples of how that money will be spent fairly amongst all the non-tax-based communities?

**MR. SPEAKER:** Minister of Finance.

**Further Return To Question 35-15(3): Fair Treatment Of Tax-Based Communities**

**HON. FLOYD ROLAND:** Thank you, Mr. Speaker. Mr. Speaker, that is a small amount of money but it is a start, and we need to start working in that area to help the small communities in our territory start doing some of this land development. The Department of Municipal and Community Affairs has the detail as to how they will allocate those dollars in a number of the communities. I am sure the Member will be able to get that detail as we go through the budget process. Thank you.

**MR. SPEAKER:** Supplementary, Mr. Hawkins.

**Supplementary To Question 35-15(3): Fair Treatment Of Tax-Based Communities**

**MR. HAWKINS:** Thank you, Mr. Speaker. Then at this time I'll ask the honourable Member if he will provide a briefing note to all Members. Thank you.

**MR. SPEAKER:** Minister of Finance.

**Further Return To Question 35-15(3): Fair Treatment Of Tax-Based Communities**

**HON. FLOYD ROLAND:** Thank you, Mr. Speaker. Yes, we will have that information provided to Members when they go through the Department of Municipal and Community Affairs budget.

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

**Question 36-15(3): Formal Process For Receiving The Public's Suggestions For Fiscal Restraint**

**MRS. GROENEWEGEN:** Thank you, Mr. Speaker. Mr. Speaker, my question is for the Minister of Finance also with regard to the budget address. It was very interesting listening to all the feedback that came in following the budget address yesterday in the media and to hear the Finance Minister being interviewed last night on Northbeat and on CBC this morning, and to hear the people's responses on the budget address. Overall, on balance, it seemed like it wasn't that unfavourable.

But nestled in the budget address, kind of in an inconspicuous place under fiscal strategy, it states 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 budget by 2006-2007, which the Finance Minister clearly indicated he was committed to doing. That is a significant amount of money. We certainly all know as politicians that a lot of our people have a lot of ideas about how this government could spend more money. But, Mr. Speaker, I maintain that those same people also have a lot of ideas about how this government could save money and spend less money in certain areas.

So I would like to know what the Finance Minister has planned in terms of any kind of formal dialogue. Certainly through our constituents and through Members you will get input and feedback on that, but being as we are embarking on what could be some difficult economic times, some difficult fiscal times, does the Finance Minister have any plan to receive and document and respond to those kinds of suggestions which I'm sure people will come forward with? Thank you.

**MR. SPEAKER:** Minister of Finance.

**Return To Question 36-15(3): Formal Process For Receiving The Public's Suggestions For Fiscal Restraint**

**HON. FLOYD ROLAND:** Thank you, Mr. Speaker. Mr. Speaker, I would gladly receive input from residents across the Territories on what we could do to save dollars for government and for the people overall as taxpayers. Mr. Speaker, one of the problems we had again was the timeline and choosing to come forward and have a full budget by the end of this fiscal year -- that's the end of this month -- which put us under some severe time constraints as to what we could do. One of the processes I will follow, besides the fact that we will be working with Members and the northern leaders next month as we lay out and give the information we have about our fiscal situation, is to consult with northerners and through chambers of commerce and other groups, seeking more input in what might be achieved through our budget reform process. Thank you.

**MR. SPEAKER:** Supplementary, Mrs. Groenewegen.

**Supplementary To Question 36-15(3): Formal Process For Receiving The Public's Suggestions For Fiscal Restraint**

**MRS. GROENEWEGEN:** Thank you, Mr. Speaker. Mr. Speaker, I think we have a tendency sometimes to look for big-tickets items, items that are in the hundreds of thousands and millions of dollars where we can save money. I think where our constituents and people in the public service could help us is in areas involving smaller amounts and smaller adjustments where the impacts won't be felt as greatly, but added all together they would make a significant difference, as well. That's why I think it's important to have some mechanism set up where these kinds of suggestions can be channelled and properly considered and responded to. So I would look forward to the Minister coming forward with something like that. Otherwise it's just possible to lose those suggestions in the fray of day-to-day business. Thank you.

**MR. SPEAKER:** I would like to recognize the clock that time has lapsed for question period, but I will allow the Member to finish her questions. Minister of Finance.

**Further Return To Question 36-15(3): Formal Process For Receiving The Public's Suggestions For Fiscal Restraint**

**HON. FLOYD ROLAND:** Thank you, Mr. Speaker. In the interim, before setting up a formal process, I will commit to starting a process from within my office. If the Members are aware and have suggestions themselves or know of constituents who have some suggestions, they can contact my office directly. I will start a log as to what suggestions are being put forward, and respond to those that would send in their suggestions. So I'll start from my office and we'll work forward from there. Thank you.

**MR. SPEAKER:** Thank you. At this time, I would like to recognize the people in the gallery and thank them for coming today. It's nice to see our gallery filled with students who show interest in the political process. To the other people who are in the gallery, welcome.

---Applause

Item 8, written questions. Item 9, returns to written questions. Item 10, replies to opening address. Item 11, replies to budget address. Item 12, petitions. Item 13, reports of committees on the review of bills. Item 14, tabling of documents. Item 15, notices of motion. Item 16, notices of motion for first reading of bills. Item 17, motions. Mr. Allen.

**ITEM 17: MOTIONS**

**Motion 1-15(3): Appointment Of Deputy Chairpersons Of Committee Of The Whole, Carried**

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

WHEREAS there is requirement for the naming of two Members to hold the positions of deputy chairpersons of Committee of the Whole;

AND WHEREAS it is desirable to appoint two Members;

NOW THEREFORE I MOVE, seconded by the honourable Member for Frame Lake, the honourable Member for

Nunakput, Mr. Calvin Pokiak, and the honourable Member for Kam Lake, Mr. David Ramsay, be appointed as deputy chairpersons of the Committee of the Whole.

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

Item 17, motions. Mr. Hawkins.

**Motion 2-15(3): Setting Of Sitting Hours By Speaker, Carried**

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

I MOVE, seconded by the honourable Member for Kam Lake, that the Speaker be authorized to set such sitting days and hours as the Speaker, after consultation, deems fit to assist with the business before the House.

Thank you, 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

Item 18, first reading of bills. Item 19, second reading of bills. Item 20, consideration in Committee of the Whole of bills and other matters: Bill 1, Appropriation Act, 2004-2005; Committee Report 1-15(3): Standing Committee on Accountability and Oversight Report on the Review of the Draft 2004-2005 Main Estimates; and, Committee Report 2-15(3): Standing Committee on Social Programs Report on the Review of the Draft 2004-2005 Main Estimates, with Mrs. Groenewegen in the chair.

#### **ITEM 20: CONSIDERATION IN COMMITTEE OF THE WHOLE OF BILLS AND OTHER MATTERS**

**CHAIRPERSON (Mrs. Groenewegen):** I will call Committee of the Whole to order. Before us today we have Bill 1, Appropriation Act, 2004-2005; Committee Report 1-15(3): Standing Committee on Accountability and Oversight Report on the Review of the Draft 2004-2005 Main Estimates; and, Committee Report 2-15(3): Standing Committee on Social Programs Report on the Review of the Draft 2004-2005 Main Estimates. What is the wish of the committee? Mr. Allen.

**MR. ALLEN:** Thank you, Madam Chairperson. I would suggest that the committee consider Bill 1, Appropriation Act, 2004-2005, and Committee Report 1-15(3). Perhaps we can begin with general comments on the Appropriation Act to be followed by consideration of this from the Department of Finance and should we conclude that, then commence the Financial Management Board Secretariat. Thank you, Madam Chairperson.

**CHAIRPERSON (Mrs. Groenewegen):** Does the committee agree that we will commence with that order after a short break?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you.

---SHORT RECESS

**CHAIRPERSON (Mrs. Groenewegen):** I will call the committee back to order. We are on Bill 1, Appropriation Act, 2004-2005. Are there any general comments with respect to the appropriation act? Does the committee agree then that we proceed with the Department of Finance?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** Would the Minister provide us then with his opening comments?

**HON. FLOYD ROLAND:** Madam Chair, I am pleased to introduce the main estimates for the Department of Finance for the 2004-2005 fiscal year.

The 2004-2005 main estimates for the Department of Finance request a total expenditure budget of \$7.354 million. The department's 2004-05 expenditure requirements are 30.1 percent, or \$3.167 million less than in 2003-2004. The net decrease is a result of:

- 1) reduced insurance premium costs of \$1.624 million resulting from the government's self-insurance initiative, implemented last year;
- 2) implementation of the loss prevention and risk control program associated with the self-insurance program, requiring a reinvestment of \$330,000 of the premium reduction;
- 3) a sunset of \$175,000 to reflect the completion of the data collection activities of the 2004 community survey;
- 4) increases of \$116,000 resulting from changes to the collective agreement with the Union of Northern Workers;
- 5) an \$80,000 negative target adjustment reflecting government expenditure reduction measures; and,
- 6) a decrease to our short-term interest cost estimates of \$1.734 million as a result of changing estimates of the government's cash requirements.

Mr. Chairman, over the last 10 years, the GNWT faced rising property insurance costs, despite a declining trend in our losses over this period. Last year, the government faced a 20 percent increase in premiums to maintain existing levels of coverage. The Department of Finance undertook a review of alternative ways to address property risk, which concluded that raising the government's deductible amounts, and self-insuring losses below those amounts, was a more cost-effective approach. Adopting this approach has significantly reduced premium costs and this is reflected in the reduced requirements of the department. However, because the GNWT is bearing more of the risk associated with property loss, a more active loss prevention and risk



control program is required. A portion of the premium savings will be reinvested in strengthening this program.

The department also expects much lower short-term interest costs in the upcoming fiscal year. The timing of prior year adjustments to formula financing adjustments and income tax collections means that our overall cash position is much better than was forecast this time last year.

The expenditure budget in the main estimates is accompanied by a departmental revenue budget of \$820.097 million; an increase of 4.72 percent over the 2003-2004 main estimates amount. This amount includes the taxation measures I announced in the budget address.

The key priorities of the department in 2004-05 will include finalizing discussions with Finance Canada on changes to the post-2004 formula financing agreement; implementing any tax changes approved by the Legislative Assembly; providing taxation and formula financing input to resource revenue sharing discussions with Canada and aboriginal governments; continuing fiscal and taxation input to self-government negotiations; reviewing the government's medium to long-term borrowing requirements, and developing a strategy to meet these needs; implementing the loss prevention and risk control program to reduce the risk of property loss to the government; finalizing the results of the community survey and making the results widely available to communities; updating the information needed to assess the impacts of development on the NWT; identifying the issues to be considered in a possible review of the Liquor Act; and continuing to administer the liquor system in accordance with the Liquor Act and with community standards and preferences.

Madam Chair, I would be pleased to respond to any questions the committee may have.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Minister Roland. At this time, I would like to ask the committee that oversees the Department of Finance if they have any comments. Mr. Allen.

**MR. ALLEN:** Thank you, Madam Chair. Briefly, yes. The committee met with the Finance Minister on February 18, 2004, to review the draft 2004-05 main estimates for the Department of Finance.

The department is proposing a \$3.167 million decrease in operations expenses from the 2003-04 main estimates. This is primarily due to savings realized from its new self-insurance program and an anticipated reduction in interest expenses for short-term borrowing.

4. Regulating the insurance industry and liquor sales, distribution and consumption to contribute to the well-being of communities and residents.

Members believe the reference to the distribution and consumption of liquor and the wellbeing of communities and residents in the same sentence is highly inappropriate. The committee recommends this statement be reworded in the 2005-2008 business plans. Madam Chair, this concludes the review of the Department of Finance. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Allen. At this time, I will ask if the Minister would like to bring witnesses in.

**HON. FLOYD ROLAND:** Yes, Madam Chair.

**CHAIRPERSON (Mrs. Groenewegen):** Does the committee agree?

**SOME HON. MEMBERS:** Agreed.

**CHAIRPERSON (Mrs. Groenewegen):** All right. Then I will ask the Sergeant-at-Arms if she will bring the witnesses in to the witness table.

For the record, Mr. Minister, would you please introduce your witnesses?

**HON. FLOYD ROLAND:** Madam Chair, to my right is the deputy minister of the Department of Finance, Ms. Margaret Melhorn, and to my left is Mr. Mel Enge, director, finance and administration.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you. At this time, I will ask the committee if they have any general comments on the Department of Finance estimates. Mr. Braden.

**MR. BRADEN:** Thank you, Madam Chair. There are a couple of things I would like to follow through on, starting with a few things that Minister Roland told us about in his opening remarks. Specifically to the information he provided saying among the priorities for the coming year are going to be identifying the issues to be considered in a possible review of the Liquor Act. This is something that this government should be looking at as a fairly high priority, Madam Chair. The Liquor Act has been around for some time now and I have a sense from amongst people who are clients, if you will -- Liquor Act vendors and outlets -- that there are a number of things that they would like to see modernized in there.

Personally, Madam Chair, I am coming from more of a social orientation where I see so much evidence of the abuse of liquor in our society. Yet, I don't see much evidence, at least from this government, of where the mandate is to really take on the duty of promotion and awareness and prevention. I believe our government is falling far short of what we should be doing in this area. I believe that revisions to the Liquor Act would be something that we could use to address both the issues, as I say, of vendors and merchants in the way it's administered on their part. They need this, Madam Chair, to be able to run their businesses efficiently and profitably. Also our society, I believe, desperately needs this government to adopt a far more aggressive attitude towards prevention and awareness in general. So I would like to ask the Minister, on that point, to identify the issues to be considered in a review of the Liquor Act. Thank you, Madam Chair.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Braden. Minister Roland.

**HON. FLOYD ROLAND:** Thank you, Madam Chair. The review of the Liquor Act is something we are in agreement with. It is a high priority for us. It is in need of a revision and review. That's why we have highlighted it and are going to be moving forward with the process we established as Cabinet and committee in the Legislative Assembly. The Liquor Act itself will require work and some of the areas Mr. Braden has just touched on are areas we have to deal with as a government as a whole. I don't want to say another part of our government needs to

take direction. As a government, we need to set that direction. That direction will be very limited in what we can do in the Liquor Act.

We can, for example, in the Liquor Act give more control to communities who can set direction in their communities as to what they would like to see. But for running establishments and things of that nature, that is more of a business orientation. We can establish penalties and how they are monitored. For the social side of things, overall as a government, we need to take, as the Member stated, a more proactive role in how we would deal with some of those social impacts. The room for it in the Liquor Act would be very limited in the sense of giving power and authority to those closer to the ground. We need to see if it would be best dealt with by giving control to communities and regions. That's something we can look at.

We do set limits on what can be done such as hours of operation, special occasion permits, setting up a monitoring system. The enforcement side of it is there. The Liquor Board acts as the judge with those companies that would find themselves being before them if they have not followed the rules that were established. So we are fairly limited to those areas. Thank you, Madam Chair.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Roland. Mr. Braden.

**MR. BRADEN:** Thank you, Madam Chair. I appreciate that within the bounds of the Liquor Act, as we know it, it is set up as a piece of business, administration law and, to some degree, covers control and enforcement. But in the course of reviewing a number of the departments in the social envelope leading up to this budget, Madam Chair, it just gets reinforced that liquor plays such a large part in the damage and the violence, abuse, and the unnecessary hurt and death that occurs in the NWT. We hear indications from our medical professionals, from our justice professionals, from our mental health and education people.

I don't see any evidence, Madam Chair, of our departments really taking this on, from a proactive and a preventative point of view. So many of our measures are reactive in the sense of trying to enforce, control or punish, rather than prevent. This is where I would like to see a review of the Liquor Act go, Madam Chair.

I would like to encourage the Minister and his Cabinet colleagues to broaden the review so that we can take a look in a much more holistic way at how we, as a government, administer liquor both as a legal substance -- it's been around for a long time and we are not going to shake it -- but the way we deal with it, manage it and help young people make decisions about this stuff. We just aren't doing enough. I would encourage the Minister to take up this as part of the mandate. Please do not just restrict it to a piece of business and tax legislation. Please go further. That's my plea and comment for now. Thank you, Madam Chair.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Braden. Would the Minister like to respond?

**HON. FLOYD ROLAND:** Thank you, Madam Chair. Again, the Member stated a number of correct and obvious things that we, as a government, face on a daily basis as a result of liquor in the Northwest Territories.

Even though we do have the ability to restrict liquor in communities -- there are some communities that are dry and don't allow any alcohol -- that still doesn't prevent individuals from finding a way to bring the product in to the communities and sometimes at great risk. They will travel many miles by boat or snow machine to find the product and bring it back into their communities, so they can have access as they want it. They will face the wrath of law by breaking the rules in their community, even those set by their own leaders. So it's a difficult place and it's difficult to try to incorporate those areas within this type of legislation. I understand where the Member is coming from though. As a government, we need to take a very serious look at what we will do as a government to try to encourage younger generations and even the older generations to be more proactive in how they take and treat alcohol in their communities and how it impacts the residents.

As we go through this process looking at the Liquor Act, we will look at the structures and how we operate right now under the existing program. I will have discussions with my Cabinet colleagues on whether there is another avenue we can take on the social side of things. I think it would be very difficult in trying to incorporate this without creating a really confusing piece of legislation, but we need to address that as a government and go forward. I am looking for how we can deal with that issue. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Roland. We are on general comments on the departmental estimates for the Department of Finance. Ms. Lee.

**MS. LEE:** Thank you, Madam Chair. I have a question on his opening statement, Madam Chair. Perhaps I should begin by commenting and congratulating the Minister for putting a very positive face on some parts of what was not the good-news budget he delivered yesterday. I do believe though it is a good budget in that the Minister has made his best efforts to grapple with our current financial situation.

There is no question that we have to work together to address some of these difficult issues, so that if some good news were to happen from the federal government or in any other areas, we will find ourselves in a position where we could do more things. It is always good to be in a position of having that room to work with, rather than being overly optimistic and having spent on the assumption of getting something and then end up not getting it.

One of his key objectives for the department on page 2 of his statement is to finalize the discussions with Finance Canada on the formula financing. We do know that this agreement expires in a couple of weeks, and I am assuming that the existing agreement will operate until such time as the new one comes into place. I know that the Minister was quite optimistic when he first went down to meet with his federal counterpart to work out this agreement, but he wasn't as happy when he came back with it. So I am wondering, for the record, what it was that this government was hoping to get from the federal government under this new formula, and what is the stumbling block that is getting in the way of us achieving the kind of agreement that the Minister was looking for. Thank you, Madam Chair.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Ms. Lee. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Madam Chair. There were a number of areas that we've built the business case on for meeting with our federal counterpart, and there were areas that we also worked with our other northern jurisdictions, the Yukon and Nunavut. One of the critical areas was the adequacy argument, as we call it. That term adequacy can be defined by any number of groups to meet their definition but, in our case, it was to deal with the five percent cut to our base that happened in 1996 and to have that restored. We feel that it has been restored in all of the other jurisdictions through the CHST transfers. In our case, because CHST transfers didn't affect us the same way, the federal government came in and said we'll take it out of your base to be treating you the same as every other province. By doing that, they impacted us in a couple of ways; one, when all the reductions across Canada were happening, that further impacted us because part of our formula is based on provincial and local spending patterns. So we had that to deal with on top of the five percent reduction to us. We feel that since then, the provinces have been brought back up to the number of 1996 CHST transfers, but that hasn't had the same effect on our expenditure base, and we've put that as our argument and one of the critical areas.

One of the other arguments and one that we continue to have is on the rebasing exercise of the formula. We feel that we are not getting the appropriate response out of the federal government and just the system itself isn't working as it was designed we feel, and the rebasing measures, our tax effort on residents. The federal government takes a measurement of all of the provinces and territories and comes up with an average in a number of areas. They measure us to that and they say that they feel that we can raise so much revenue here in the Northwest Territories based on those measurements they take across the other jurisdictions and we fall short of it and we take a penalty because of it.

The last rebasing exercise happened in 1992-93. It is supposed to happen every five years, but because of the creation of Nunavut, that threw out the numbers that we had as the Government of the Northwest Territories and Nunavut didn't have any numbers to go on. So it was agreed to by all parties that we would forego the rebasing exercise and redo that, and we are now up to that stage where we will be rebased. We accept that rebasing has to happen, but when you look at the numbers of 1992-93 to the rebasing year that we have solid numbers on, I believe 2001, 2001 is the final year of that exercise where they are using the figures. Let me be correct here, 2000-2001 figures, compared to '92-93 figures. We can show that in fact the Government of the Northwest Territories over those years has increased its tax effort by increasing rates and bringing in more revenue, and in fact over that time provinces have reduced their tax efforts. So we feel that, in taking that into consideration, we should actually have closed the gap between what the federal government considers is our tax effort and what we actually bring in for revenue. We feel that we should have closed that, and by closing that gap we should see a positive outcome to the rebasing exercise but, unfortunately, that is not the case. So we continue to put our business case forward and our arguments forward and are hoping for resolution to that area.

The other factor was on the GDP ceiling. Again, that was instituted back in 1990. What that did was if there were large spending patterns in jurisdictions, that would have meant a higher increase for us, that capped us, and that significantly impacted us in past years. That is the one area we can say we have got a positive result on. The federal government has agreed to remove that ceiling in other jurisdictions through the equalization formula the provinces get, so they have treated us in the same manner there.

One of the other areas we are working on is trying to enhance the economic incentive within our formula. Right now, for every dollar we earn in the Northwest Territories through our own source revenues, we get to keep 20 cents of that dollar. We are trying to bring that number up and work with the federal government. As we see it right now, with any new revenues we are getting we are losing a lot of those revenues through the formula back to the federal government. So that was one of the other key areas we were working on with the federal Finance department. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Roland. Ms. Lee.

**MS. LEE:** Thank you, Madam Chair. Further to that, I believe in his budget statement, Madam Chair, the Minister stated that under the proposal being put forward by the federal government on our financing formula, we would only see an increase in the base in the amount of \$7.6 million, which is about one-third of what I believe this government is hoping to be able to achieve; about \$18 million more annually than what the federal government is proposing. So I would like to ask the Minister whether or not that \$7.6 million to the base that the federal government is proposing is for every year going back to 1996.

Also, further to that, somewhat of a separate question, what is the time frame that we are looking at in terms of obtaining this new formula financing with the federal government? Are we looking at the next three months, six months, or does the Minister foresee this going for a long period of time due to many of the disputed points that the two governments have? Thank you, Madam Chair.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Ms. Lee. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Madam Chair. The \$7.6 million mentioned in my budget address is starting in 2004-05 and moving forward from there, slightly escalated going forward. If we are to meet the target that we had hoped to get, you would have to add another \$18 million to that. That is what we feel would have been the number based on our adequacy arguments. That is why we say we are \$18 million short of that. We worked, again, with the federal Finance and meeting with the federal Minister, Mr. Goodale. We are hoping to have an agreement by the end of March, and there was some commitment to try to achieve that. With our disagreement on what was put forward initially in the meeting in Ottawa, there was a commitment to go back and discuss the options further. If we don't get an agreement by the end of March, there is an option to carry on with the existing agreement on an annual basis and that is one of the options. We are hopeful that we would get some news from Ottawa in the very next few days or within a week or so. We know the federal budget comes out on the 23<sup>rd</sup> of this month, and

we know that will have an impact on what we can expect. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Roland. Under general comments, next I have Mr. Menicoche.

**MR. MENICOCHÉ:** Thank you very much, Madam Chair. In regard to the opening remarks and the budget address, the Minister speaks about reallocating \$15 million from low priority spending to invest in higher priority areas. If I can ask the Minister, what specifically is referenced with that?

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Menicoche. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Madam Chair. The area the Member is speaking about, reallocations are from within all the departments. They would find money from within areas that they felt they could give up. In our effort to reduce our expenditures as well as knowing that there is demand for increased expenditures, instead of just taking that right out of the budget a lot of that was refocused to what is considered to be higher priority items. So within our Department of Finance, there is little of that because ours is focused on revenues and managing that end of it, but within each department there has been different amounts given up by the departments to reinvest in other areas they felt were critical, but there were also sunsets to programs. Within this department, as I stated in my opening remarks, we have reduced our expenditures from previous years by 30 percent.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Roland. Mr. Menicoche.

**MR. MENICOCHÉ:** Thank you, Mr. Minister. I am wondering overall, budget wise, I am new to this process and I am wondering if you could shed a little bit of light on why the budget was at \$960 million when we came to the 15<sup>th</sup> Assembly, and why there wasn't a lead up to kind of striving to balance our budget, instead of the predicament that we find ourselves in, which is fine, because I believe it is manageable because I like to look on the bright side too. If the Minister can give me a little bit of history of why the budget was at \$960 million without the forced growth issues. It seems that we had planned on a budget that was a deficit even before I got here I guess.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Menicoche. Could I just remind Members that they are to address the questions through the Chair and not directly to the Minister in the form of a direct question. We are all new; don't worry, I just wanted to mention that. It is a bit of a strange process, but it is what we do. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Madam Chair. I guess my focus is from the start when we took office and moving forward, previous expenditure patterns by government were made on their assumptions of what they might expect and where they could possibly end up and hoping for new sources of revenue. The amount -- I believe you will find it in the budget address -- that the gap between when we first took office, the potential deficit we might have gotten if we didn't change anything and closing that gap from almost \$80 million on our revenue side versus the expenditure side to bring it down to where we would come in with a \$46 million deficit. As you will become accustomed to as we go through this process, the

cycles of budget planning start well in advance of the timeline we are now setting down. We are sitting with the final product before us, but the cycle of budget preparation starts early in the spring, in June. We will be getting back to work here in trying to find the next \$20 million, as I have stated in the budget address, and try to find more revenues as well. Hopefully the majority of that with the agreement from Ottawa, but as I have seen here we are taking what we have and starting to work from the aspect of what we have on the books today and, as Ms. Lee stated earlier, if we do happen to come up against some windfalls or new and unexpected revenues then we would truly be in a position to benefit from them.

One of the big impacts that we have had, that was a result and now passed on to us is, for example, the corporate tax situation that is paid to us from the federal government. It is collected by the federal government and then paid to us, and they use prior year's numbers to pay us on the upcoming year. There was a couple of large windfalls made in previous governments, and the federal government used the previous year's numbers and said you know you made this much money in corporate tax in that year and we are going to pay you according to that thinking that that's what would happen. Well, unfortunately that didn't happen. They came in later on in the year and informed us that in fact our corporate tax earnings were substantially lower and we had been overpaid. That is part of the problem now; having to deal with that overpayment and try to adjust our budgets accordingly. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Roland. Mr. Menicoche.

**MR. MENICOCHÉ:** Thank you, Madam Chair. I think my next question would be let's say the windfalls or the extra bonus revenue that we receive, are government the ones who spends it or does it come before the House so we can have some input? I am just wondering how that process works.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Menicoche. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Madam Chair. The normal process is the one we are going through now. The departments would highlight their requirements for expenditures, whether it be the O and M side or the capital side. If there are requirements for further funding that is over and above what has been identified in the budget process, then the government would have to come forward through a supplementary and request either more revenues for this particular area within the department, or if it is in fact a reduction come in with a negative supplementary. Again, identifying exactly what area from within the budget of the department it would be removed from. Although, for example, we are putting before you the planned expenditures of each department, throughout the year there could be a number of things happen that would either cause them to need more money than has been identified and if that is the case, a supplementary would come in and add to that going forward. So there is an exercise; it would require at the end of the day the approval of the House in doing that. Approval is needed for the main estimates and approval is needed in the House as well for the supplementary appropriations that come before this House.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Roland. Mr. Menicoche.

**MR. MENICOCHÉ:** Thank you, Madam Chair. I am just trying to get a concept of whether we should get our bonus revenue because it is tax time and that we get an extra \$20 million. What guarantee do we have that it is put into the cash surplus and not spent before it gets to the House?

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Menicoche. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Madam Chair. Again, through the exercise, if we receive new revenues we would have to change our estimates within Finance to show that there are increased revenues that came forward, and then it is the direction of government if in fact we want to set that money aside for future activities or for a potential part of repaying of whether it be a deficit or expenditure. Again, that would require approval of the House. Any money that comes and flows in has to be accounted for whether it is just in revenue in establishing a reserve that would pay out a certain amount. We've got a number of them; for example, our supplementary reserve. We've set aside some money knowing that there will be some cost overruns or unplanned events that may occur, we try to budget that in to a certain degree. Not that I am encouraging use of that; in fact, I will be encouraging departments to not use that avenue, but there are areas and times when unexpected events happen and we will have to find the dollars for that. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Roland. Mr. Menicoche.

**MR. MENICOCHÉ:** Thank you, Madam Chair. My next question is with regard to when Ottawa announces a new initiative that is cost shared 50/50. I think that's what kind of gets us into trouble, because we don't have the other 50 cents to chip in to begin with, yet we take the opportunity to do it. Does that also come before the House, where we can have input into an initiative that's good but we just can't afford?

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Menicoche. I just noticed that I didn't reset the clock at the beginning of Mr. Menicoche's general comments, so you're getting a bonus today. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Madam Chair. With the cost-sharing initiatives by the federal government, to match those dollars that would be over and above what we have in the budget, then we would have to come forward with a plan and ask for approval of those expenditures. Right now all the money identified in the budget, for example on our capital acquisition plan, is identified for specific projects, and if there is a new program that comes up between now and the end of this fiscal year that would require new money even though it was cost shared, we would have to identify that money and come forward to committee and then to this House for approval of any new dollars. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Roland. Next I have Mr. Allen and then Ms. Lee. Mr. Allen.

**MR. ALLEN:** Thank you, Madam Chair. I want to again raise the profile of some of my correspondence I had with the Minister in terms of new tax initiatives; not tax changes to increase personal tax and other methodologies that were suggested. I think it's important to concentrate basically on pages 6 and 7 of the Finance Minister's address yesterday, and try to conceptualize where he wants to fit it into the opening remarks today.

I believe we all recognize the difficulty he has with Finance Canada in trying to come to a conclusion on the formula financing agreement; we're all aware of that, territory-wide. I'd just like to raise the point to the Minister that we're certainly concerned from a constituency perspective. I think we've heard a lot about our inherent costs in trying to meet the obligations of this government to deliver appropriate and sustainable program service delivery. That's why I raised the point -- and I will reiterate that in my correspondence to the Minister -- that we should really look at Bill C-48 as a mechanism to deal with aboriginal self-government, to see if they would cost share many of those program service deliveries as they have the capability, as well as through land claim agreements and other funding agreements with the federal governments.

Somehow it bypasses our government coffers and sometimes in treaty entitlements, for example, and other different modes, we see the people in the Western Arctic make huge announcements on human resources training and employment that goes directly to aboriginal groups. So certainly I want to speak a bit on some of those processes, and later on I will ask the Minister some questions on the validity of those transfers and how they will affect our fiscal situation.

I strongly believe that we have very little capability in negotiating directly with Finance Canada, Madam Chair. I think we need to find a way as we continually hear different departments respond to questions of what causes us to have increased costs to this government. Certainly recognizing his points in the budget address, respectfully I feel somewhat compelled that we need to look at different methodologies to address Finance Canada and see if we can somehow put them on the block here where we can somehow force the issue.

I think myself, as well as other Members of this Assembly, are concerned that as long as we are in a deficit budgeting process, we will continue to be under pressure from the constituents to try to introduce new initiatives that would help the Minister overcome some of those deficits. I look at some of the areas in terms of how we will deal with other local governments and also aboriginal governments, and we talk about how we should work together in trying to get some departments looking at putting people back onto the land so they become resourceful again, for example. It's a very minute investment that will return greater net results, simply because there will be less pressure on social expenditures.

It has also been raised to me many times -- and I raised it again yesterday in my reply to the opening address -- we really need to look at a comprehensive review of our programs and services and look at some of the efficiencies and some of the cost analyses of trying to reform them. At some point, I'll ask the Minister if he will take a lead role in looking at this in the context of the costs and will he look at his discussions with the federal government in trying to deal with our fiscal situation.

I realize it's long term, but I still think we need to plant the seed today so he can incorporate it into his 2005-2008 business plans and modify his tax system to truly address some of the key problems we have. I don't beg to differ on the Minister's budget speech, but certainly, in a helpful way, hopefully we could work as an Assembly and try to look at issues such as zero-based budgeting, for example, and tax rate initiatives is another example, giving older workers the ability to retrain so they can become productive in their small communities. It worked well in the past; I think there's still the possibility it will work well again in the future.

Also I think in terms of the fiscal strategy, Madam Chair, we really need to ask you to deal with that at the Circle of Northern Leaders meetings so that they understand precisely where we're at to know their capabilities to support their own initiatives as they come to us quite often.

If I may speak briefly before I conclude, Madam Chair, when we talk about devolution, I'm still concerned about the proposed transfer of dollars in terms of the cash quantum. In my many meetings with my colleagues from the Yukon, they always emphasize that we should not go into the devolution process or the resource revenue sharing process without some definite and very definitive legal obligations. I think quite often we use the word "a covenant." That would establish precisely what our entitlements are. So I just want to say that I think being helpful in the long-term discussions, we need to look at that as one of the very important aspects of the future negotiations and the fiscal framework agreement with the federal government in terms of how you articulate the need for resource revenue sharing and also trying to find solutions to the many problems we are confronted with.

So, Madam Chair, to the Minister again, hopefully you find my suggestions helpful and we will be able to work with you in the context of your trying to resolve our fiscal and our financial problems, not only today but as we go towards your objective of having a balanced budget by 2006-2007. With that, I conclude my statement, Madam Chair. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Allen. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Madam Chair. The Member raises a number of ideas and points of discussion, and I would agree with him on a number of them. Our formula financing agreement is a very difficult process in terms of trying to have the federal government agree with our arguments and situations. We have continued to work and put our best-case scenarios and business cases forward.

What seems to be becoming more of a norm now is to have any movement require political decision, and we need to continue to do that. I think that's how we can work with our northern leaders; if we can get everybody understanding and working with the numbers that we have available to us, they can help us when it comes down to making our arguments in Ottawa and going forward on that basis. So, yes, to establish the understanding with the northern leaders as to our fiscal situation is critical in building our argument. It not only impacts on the delivery of existing programs and services, but it also impacts on what they would like to see growth in, or to see expand or support their initiatives.

Right now we're having a very difficult time just keeping what we have going. In fact, we're having to now make those decisions of what areas we can look at foregoing in the sense of continuing on, and then put that money into higher-placed priorities. That exercise will continue.

As I stated earlier, we will begin the next budget process in the very near future. I will be counting on Members as well as northern leaders to try to help find ways of using the dollars we do have in a more effective and efficient manner. That would require looking at all our existing programs and services and having to make some tough choices. But if we're going to meet our goals and become more sustainable in the future and have something for our children, we're going to have to make those choices. Building a team to do that, going forward with all the leaders and people in the Territories, is going to be critical to that.

On the tax initiatives, I'm looking for areas that we can improve our tax system. When I took this job, I didn't take it with the idea that all I would do is go after existing resources and the people in the Territories and tax them. That wasn't the goal that I had stepped into the job with, but unfortunately it is the reality with the short time frame that we have available to us.

Again, looking at what we have available to us under taxation and the authority we have, we will continue to investigate those. We will be looking at alternatives in the future if our estimates or our assumptions don't pan out with formula financing, then we will have to start expanding and broadening our vision in where we might be able to get new revenues from. But that is something we're going to have to go into and go into cautiously and make sure we have the right tools and the right agreements in place.

As the Member stated, using the Yukon as an example, we have to ensure that if we continue down that path of devolution and get an agreement on resource revenue sharing, we must get the best deal possible for NWT residents. We don't want to get into a deal where we can stand up and wave a deal we have in the air, but it really means nothing to the resources that flow to the North. We have to continue to work with that in mind: what benefits the future of northern residents. That would require having a solid effort coming from all fronts in the Territories. I think gone are the days that we can go it alone and take that stance. Self-governments are becoming more and more a reality, they are emerging, we have to find ways of working together. After all, we are all working together for the benefit of 43,000 people in the Northwest Territories. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Roland. I had Ms. Lee, Mr. Yakeleya and Mr. Delorey. Ms. Lee has indicated that she would defer to the Members who haven't spoken yet, so I'll go next to the Member for Sahtu, Mr. Yakeleya.

**MR. YAKELEYA:** Thank you, Madam Chair. I hear from my honourable Members that you go through the Chair, so I'll say it again, Mr. Roland...

---Laughter

Excuse me. Sorry about that. I have a question for the Minister, Madam Chair. Like my honourable colleague from Nahendeh, I am also new at this process here and

sometimes it seems like it's my first day in school here in front of the principal. However, I am going to continue on with the process and just take the words from the Minister of Indian Affairs that I'm in a learning experience, a learning process. So I'm going to take his advice and his words from this morning.

I want to ask a question regarding the budget address that you made yesterday with regard to preparing our communities to face the realities of the fiscal obligations of the Northwest Territories that we have, the responsibility. We are preparing ourselves in the House here when we go through the exercise of deciding a strategy for the department to prepare our people in the small communities; the down-to-earth, day-to-day people who pay taxes, go to work, who come to talk to us as the Members of the Legislative Assembly, in terms of educating and helping them to also deal with this reality. They will get mad at us. Why are you increasing our payroll? Why are you increasing the corporate taxes? How come the Northwest Territories is so rich in its resources, yet Ottawa is taking a whole bunch of it?

So in plain English, in plain language, how do we educate and help our people get on our side and say that there's a bigger picture here and how do we work all together? That's going to be our responsibility, I guess, in terms of helping our people in the smaller communities understand the process that we have been undertaking yesterday and today. Thank you, Madam Chair.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Yakeleya. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Madam Chair. There are a number of avenues that we will take and use to get the information to people and continue to provide them with the information to ensure that they feel that they're getting all that is required to understand our situation. I think that started in a large way yesterday by doing the budget address and highlighting that message to our people in the Territories of the impacts of what this budget means to them. As we go through this process in the next two-and-half weeks, as Members ask questions of departments and ask for the detail, that information then can flow through this process, with the media, through phone calls to people back home.

I agree; it's the bread-and-butter issues that people are worried about. It's not the fancy documents or the Bill 1 Appropriation Act that really means something to them. What it means to them is, at the end of the day when they sit down at the supper table, they can still afford to feed their children, still afford to pay their bills. That's something that we've taken and considered as our first step in this process, is to try to mitigate the impacts on residents in the Northwest Territories. For example, as I've mentioned in the payroll tax, we're increasing the payroll tax but we're also adjusting the two lowest brackets to reduce the impact on residents in the Northwest Territories, especially those with incomes lower than \$66,000. As well, we are increasing the cost-of-living tax credit through that process, again to minimize the impact on those with low incomes in the Northwest Territories. We looked at a number of other initiatives and, based on comments from Members, we decided that they were not wise to move forward with because of the impacts they would have on residents.

So through this process we are starting to get the information out, get the message out, this is what the budget means, this is the impact in their communities. At the end of the day, what my message will be to people in the Territories is although we are making difficult choices, we are making them so that we can in fact protect what we have built up in the Northwest Territories over the years. For example, we have invested a lot of money in educating our children in the Northwest Territories, and we invest a lot of money for adult education, and we want those people to benefit from the jobs that are available here in the Northwest Territories. So if we go through this exercise and start to look at cutting so drastically that we undermine all of the work of the years before in trying to build up residents so that they can take those jobs, I think that is one of the things we need to keep in mind.

This whole exercise is not going to be a pleasant one. There will be some times I think we will find a silver lining in the clouds, so to speak, that we get some good things done. We are still spending \$1 billion. The budget has grown by just over \$20 million from the prior year. So we are continuing to invest in important initiatives. It has not just been a *carte blanche*, cut exercise. We are trying not to do that. We need to be more systematic, more surgical in what we do. As one of the Members, I think Mr. Allen, talked about a zero-based exercise; well, that may be a tool that we'll need to use to try to find and be more surgical in what we can find for revenues out there and still deliver programs and services for the people. That is why we continue to put our arguments forward to the federal government, is to ensure that we continue to build up the population of the North so that they can better take on the responsibilities they have as parents, as teachers and educators, as health care providers, and that is the message we need to continue to get out. Whatever we can do to help get that message back home to individuals will happen. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Roland. Mr. Yakeleya.

**MR. YAKELEYA:** Thank you, Madam Chair. The people in the small communities and the communities around here can surgically skin a moose pretty well. We know how, we have the creative initiatives and, as Mr. Roland said, they want to surgically look at the budget here. Giving the people in our regions some flexibility in terms of looking at the fiscal realities in our communities, we could do some good work in terms of how to save money, how to share cost money, and how to put money to good use. I think there could be some incentives for communities to go through that exercise. I think we are big enough now and we have enough training.

I think the point that Mr. Allen was leading to, and I would like to talk to, is the aboriginal governments, the communities, and this government looking at how we could deal with the formula financing with Ottawa. What they are doing is just not right in taking our dollars out of here and giving us back only a few pennies. It has to stop. People are saying that, why don't you guys stop it, you are government, do something about this otherwise we are going to continue holding our hand out. If we do this, then the communities are going to continue doing this too, holding their hand out for one of the programs we want to take over and they need the dollars to back it.

Madam Chair, just a comment in terms of supporting the Minister in all of his initiatives to go get the dollars out of

Ottawa. Senator Nick Sibbeston wanted to do a name change and I said you know we should be calling ourselves Robin Hood because Ottawa is robbing from our land. That is all I have to say. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Yakeleya. Mr. Roland, do you want to make any response to those mostly comments, not too many questions there?

**HON. FLOYD ROLAND:** Thank you, Madam Chair. I will keep it short. I agree with what the Member is saying. We need to continue to find ways and work together in the Northwest Territories. I think that is the northern leaders' aspect of how we can work together and put our arguments forward to Ottawa and can benefit all of the residents of the Northwest Territories. It is not about us and them, it is about we, how we can together work and go forward and put that business case in Ottawa about the revenue situation.

Again, as I stated, as a government we will have to look at our own power we have now to do things. We don't have the power for royalty revenues. What we do have is an ability to tax and we have to look at all that is available to us to ensure that in one form or another that we, the residents of the Northwest Territories, are benefiting from large development and ensuring that our people in the Territories are getting jobs and training so that they can take advantage of some of those higher paying jobs. So we will have to work on that and I will count on the support of Members. If there are ideas out there or support for some ideas, we need to work on those together to see what is the best way to bring some of these things forward. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Roland. Next on my list I have Mr. Delorey.

**MR. DELOREY:** Thank you, Madam Chair. Just a few comments. Everybody is tying the opening comments and the budget together. I just wanted to mention a few things. The Minister is right when he says that yesterday was the first step, especially in these initiatives for revenue generating by putting it out there in the budget. It seemed to be accepted fairly well yesterday, I didn't hear too much in the Great Hall afterwards.

However, I did get about three calls today that are very concerned about the government starting to introduce taxes. As soon as you mention taxes, we can do all of the explaining we want, but what the people out there see is added costs to the cost of living. I can see that taxes are not good, they are no good at any time and I know that we don't want to do it. It becomes an act of does it benefit us enough to make it worthwhile doing. A lot of these we are hoping they are going to bring in some revenues to the government and we've put some projections out there. But I am really concerned when we look at the personal income tax. I think we are looking at hopefully generating close to \$1 million with that. If it includes any administration whatsoever, we are doing it for absolutely nothing. We are just putting taxes out there just to, I think, upset a lot of the people. I certainly have some concerns in going back to my constituency and talking to them about increased taxes. I know we've tried to do as much as we can to mitigate the effects on lower income families, but if we have to give it all back to make it feasible, then there is not much sense in doing it. So I don't know how much administration cost there will be, added

administration costs if any, but I will tell you from the way I look at it, it wouldn't take very much to totally mitigate anything that we are going to gain from those taxes. I don't think we have started to hear back yet from our constituents as to what they think on these taxes. I think we have already heard from one large corporation that says they will be filing their taxes outside the Territories because they have an office somewhere else. That could be possible and we would lose there with corporate taxes.

My question is on the cost of insurance premiums. This is an industry that seems to be running out of control, this insurance. I don't think that our government has a lot of say into the insurance industry but, again, I see that you identify \$1.624 million of savings in insurance premiums, and then you go on in the next page to say that because of taking on the responsibility for self-insuring, the government is taking on a lot more for risk, and a portion of that savings will be re-enlisted into strengthening this program of risk control. Again, if we are going to be setting up a whole bureaucracy again now for risk management, how much is that going to cost us if we are saving \$16 million and we spend \$2 million? Do we have any idea what we are looking at when we say a portion of this premium will be put back to risk management because of the added risk that the government is taking on? Again, are we really doing this to save money or are we just going to spend it somewhere else? Thank you, Madam Chair.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Delorey. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Madam Chair. Before I get into that specific issue, there were a number of comments the Member made about our revenue-generating initiatives. Yes, they are difficult and nobody likes the idea of increased taxes or new taxes, but if we don't get it from the corporate citizens of the NWT or Canada, then we end up focussing on the private individual which would be much more difficult.

The fact is the federal government measures our tax effort and because we are not measuring up to what they think we can generate for revenue in the Northwest Territories, we are penalized on that. So we have to take some steps in that area to ensure that we are going to protect the revenue base that we do have. It's not a good thing. As I stated earlier, it's not something I came into the job looking at as a target, but it is part of the puzzle we have to put together in trying to move forward and protect the programs we have for residents in the territory.

On the administration side of it, because these are existing programs, there are no increases in the administration. The federal government collects the taxes for us and remits them back to us. It would be a different case if we did that all on our own, but because the federal government does that for us it lessens the impact of administration.

On the specific question of insurance premiums, it is an area where we have been hit hard. As I have stated, we reduced our loss record over the last number of years, but our premiums were still jumping significantly. So there was an exercise done to see what we can do to mitigate those costs. We've identified a savings of \$1.6 million, but from that \$1.6 million, we are taking \$330,000 and reinvesting it in the area of risk management. To achieve that level of savings, we've had to increase our own



deductible. We've increased it a significant amount and by doing that, we have to now make sure we are managing and ensuring that our risk loss control measures are adequate so we don't end up losing a lot of our facilities. So we've had to step it up on that side, but we've seen that as an ongoing savings. We just need to make sure we have the right monitoring in place so we don't lose out and end up paying our own deductible if we don't take care of our facilities.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Roland. Mr. Delorey.

**MR. DELOREY:** Thank you, Madam Chair. Is all of the government under the self-insurance program now? Are all government assets under self-insurance programs now? Thank you, Madam Chair.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Delorey. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Madam Chair. All government assets are covered under our insurance program. We are self-insured for the first \$10 million, but we do buy insurance for over and above that. So on an annual basis, if we had losses of some small equipment in a community or region of a few hundred thousand dollars, we would end up paying for the full shot of replacement. That would happen until we hit the \$10 million figure. Then we would kick into our insurance program that we paid for. So it's a cumulative amount. It's not going to be on every case, but it adds up to that first \$10 million we would end up having to pay for. So if we had some losses of buildings or infrastructure of \$1 million or \$2 million, we would end up paying for that up front until we hit the \$10 million figure. Once we hit that figure, then our insurance program kicks in. That's where we have our savings. That's why we feel it's important to increase our risk side of our equation to make sure that we don't end up paying a lot more. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Roland. Mr. Delorey.

**MR. DELOREY:** Thank you, Madam Chair. In the area of our fiscal arrangement with Canada on the formula financing agreement, I know that we are in the process of renegotiating that. I don't know what the timelines are or where we are in finalizing that, but I would like the Minister to tie in...The first bullet is finalizing the discussion with Finance Canada and changes to the formula financing agreement, then the fourth and fifth paragraph deals with providing taxation for formula financing input and resource revenue sharing discussions with Canada and aboriginal governments. There are two bullets that contain fiscal taxation input to self-government negotiations. How do those bullets tie together with negotiating the formula financing agreement with Canada?

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Delorey. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Madam Chair. The first one, finalizing discussions with Finance Canada on our formula financing agreement, that's strictly with ourselves right now, the GNWT with the federal government. There have been some discussions with aboriginal governments saying they would like to be involved in the process. Finance Canada is not willing to have that approach taken, so we have continued as a

territorial government to take that on as our own initiative as it results in the transfers to this government to operate existing programs and services.

Providing taxation and formula financing input to revenue resource sharing discussions with Canada and aboriginal governments and the next bullet, continued fiscal taxation input to self-government negotiations, those are tied together. Self-government tables are discussing taxation initiatives, sharing tax room. The federal government has agreed, for example, with the Tlicho to look at giving up some tax room to them and that then puts the pressure on us to look at what we are doing in the Northwest Territories and how that would impact on us in the Northwest Territories. So there is that ongoing side of the taxation with self-government discussions. There is talk right now at a number of the tables of taking the tax room available and using it for net benefit for their own programs and services. What we say is we would look at tax sharing, but along with that tax sharing comes the burden that's with it now, running existing programs and services. The territorial government right now, as we all know -- that's why we are having to reduce programs and reallocate dollars -- can't afford what we are doing today. So we have little to no tax room to give up.

We say if they want to take some of the tax room, then they have to take the corresponding amount of burden with that and moving forward in those directions. It's still very early in the discussions, but that's something we have to be prepared to look at as the territorial government. Again, what agreements the aboriginal governments make with the federal government can have an impact on us, and we are going to the federal government and discussing with them those potential impacts and asking them to be ready to mitigate those impacts on the GNWT when they give up the tax room and give up some net fiscal benefit to aboriginal governments. We have to be the backstop because we don't have the dollars to continue programs and services if the federal government foregoes some of those taxes. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Roland. Mr. Hawkins.

**MR. HAWKINS:** Thank you, Madam Chair. First I want to make an observation. When a Member has a very good question, I seem to hear the click and it appears the Minister is reading from notes. So I have to compliment his staff on his excellent replies back.

Madam Chair, I just happened to notice under expenditures and categories, it does cause me some concern when I read under grants and contributions, 42 percent of the budget goes to grants and contributions. When we are scrambling to make adjustments with our payroll tax and just tax in general on people, it causes me some stress that we could have evaluated our grants and contributions just that little bit closer if we start looking at playing with our taxes.

Madam Chair, if I may, one thing I noticed earlier in the budget is we talked about reallocation of \$15 million from low priorities to high priorities. If the Minister would do me the honour of telling me what were the low priorities in general and some specifics and telling me some of the high priorities. My concern is are we losing some very valued programs which were referred to as the low priorities? Thank you, Madam Chair.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Hawkins. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Madam Chair. I would like to thank the Member for complimenting the people here with me, as they have worked hard to prepare the documents now and the main estimate the Member uses. As well, I would like to inform the Member I have been referring to the opening remarks I have made and I actually thanked my people here with me because they have worked hard to make sure I had the information to go over and make myself very familiar with this. So it is a team effort. Like what I have been saying about the process we are going to go in, it's a team effort.

The grants and contributions area that the Member has raised -- and I believe he's referring to the summary of the main estimates document -- that funding goes to health boards, education boards, through block funding to municipal governments. That funding, a very large amount of that, goes directly to providing frontline services to individuals in the territory. So Stanton Health Board, Inuvik Regional Health Board, the Sahtu one that is being created, that is going to frontline workers in hospitals and health care workers, social workers, education authorities are getting those dollars, municipal governments are getting transferred those amounts through block funding arrangements. So a lot of that is in there.

In the area of losing some critical programs, unfortunately, because of our situation, as departments review their funding allotments, they are going to have to look at the programs they deliver and some of those are going to be offered up as potential areas of savings. Any reduction of programs is going to affect residents in a way that is not liked and won't be supported by those individuals or groups that see those reductions. But, unfortunately, that is where we are today; having to face those kinds of decisions and going forward. In fact, we are going to be facing more of those. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Roland. Mr. Hawkins.

**MR. HAWKINS:** Thank you, Madam Chair. I notice three-and-a-half minutes of my time was lost there by hearing that that money is being allocated to health, education and municipal areas. We didn't get any comments on what some of the low priorities were. While I am at the mike, I would also like to get some of those examples and references rather than just programs. The honourable Minister references that a five percent cut hasn't been restored. We are arguing that we want \$18 million of the five percent. I think he knows what I am referring to. Is there any indication that our government is being led on or is there any indication that our government has a chance of getting this five percent cut restored? I would hate to see our Minister spend valuable time on this topic if we have no hope of getting this money back. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Hawkins. Mr. Hawkins, you didn't lose three-and-a-half minutes and you can spend many, many more. We can come back to you after your 10 minutes is gone. I can reassure you, it's not limited to 10 minutes. Mr. Roland.

**HON. FLOYD ROLAND:** Thank you, Madam Chair. In the area of formula financing, that is something that is critical to our government in trying to come up with new

revenues that we have put forward. Specifically on the five percent reduction area, I believe we have a very good business case. I have had a discussion with the federal Finance Minister on this area. He's told me two things that he is not going to stray from; one is he will not bring in a deficit and, two, he will treat everybody equitably.

For me, there are a few messages that aren't so positive; one, we are running a deficit and, two, equity is a concern to us because we are not the same as Alberta, B.C. or Ontario. It's a principle we have to live by and on that one, I think we can show that it is equitable that we get that five percent put back into our base because they have brought the numbers back up to 1996 numbers. That hasn't occurred in our case because CHST again doesn't impact us the same way as it does in provinces.

With the jurisdictions having their numbers brought up in that case, it's only right in having equitable treatment to have that restored to our base. I don't think it's a lost cause and I guess I will bring in my hockey experience. You don't quit playing the game until the final buzzer goes and that's my intention. If we have a chance of getting some new revenues through our solid arguments, then we will continue to put them forward. There will come a time in some of these other initiatives we have that we are going to have to say it's not achievable in this time and we must look at other initiatives. There are times when we are going to have to look at what we are doing as a government and decide at that point if we should further travel down that trail or change our direction. Thank you.

**CHAIRPERSON (Mrs. Groenewegen):** Thank you, Mr. Roland. Mr. Hawkins.

**MR. HAWKINS:** Thank you, Madam Chair. Thank you, Mr. Minister. The Minister indicated that next year we would have to be a little more aggressive, to the tune of \$20 million. I am looking for a forecast of what we may expect. Is it the Minister's intent that we could be looking at hiring freezes, wage freezes, discussions with the unions on drastic changes? He set out a very passionate and aggressive target for himself, which I admire. In his position, you have to be good. So I am waiting with glee to see some of these ambitious projects. Are hiring freezes, wage freezes or discussions with unions some of the examples we will be looking forward to seeing?

There was a 20 percent government cut in travel and, as I see it, this was the low fruit bearing from the tree. It was dangling there. What I saw here is we have just over a \$3 million reduction travel, but student travel and medical travel was not cut. Even though those two areas were not cut, does it still reflect an across-the-board total of travel with the Government of the Northwest Territories and its related programs? Does that still reflect a trueness of 25 percent, or is it the intent that every department that gave up money was 25 percent? Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Hawkins. Mr. Minister.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. The \$20 million forecast is yet to be discussed in the future budget. I will be going to Members and as the Member for Hay River South had asked earlier about potential options or suggestions, we are looking for suggestions to go forward. We have to look at all avenues that we spend our money on, all programs and services delivered by our

government that we have flexibility in. We are going to have to look at those. Core programs and services are going to have to be maintained because some of those are required. They are statutory obligations that we have to meet minimum standards. Those things we are going to do.

There are a lot of programs we do run that are of our own development or are enhanced from the territorial level that we are going to have to look at. We will be coming back to Members with some of those suggestions. Mr. Hawkins has mentioned a number of potential options out there and all those things can be looked at. If this House is willing, that direction is where we go. Those are options on the table. We are going to have to look at every envelope we have to find the savings.

The direction given to departments for travel they were to reduce travel by 25 percent. So departments went back, looked internally and found 25 percent of their travel. Some departments did not take it purely out of travel, but they found some of that money because their budgets are tight in a possible area of funding, either a vacant position or something to try to find that money. They went back and found what would be equivalent to 25 percent of their travel budget. That's travel that's discretionary; that's the key component of that. Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Minister, and thanks for your questions, Mr. Hawkins. We will now move to Ms. Lee.

**MS. LEE:** Thank you, Mr. Chairman. I have some questions on the opening statement with regard to the insurance issues. I need to know more about this. On the first page, we are seeing a reduction in the amount of \$1.6 million plus, because of a reduction in premium costs. Later on, we also see a decrease in our short-term interest costs because of changing estimates of the government's cash requirements. I don't understand this, because from all indications that we have seen we are still borrowing a lot. So I would like to know more details about what this is about. Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Ms. Lee. Mr. Minister.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. That is a difficult area. Insurance, to start with, there is a savings there of \$1.26 million because of the premium amount we've managed to reduce. But by doing that, we've increased our potential loss just because we're going to pay the first \$10 million deductible in that area. We feel that by developing this risk loss area of \$330,000 that we can ensure that we don't have a substantial amount of loss. It's not just a pure exercise saving money that we have to do a first loss assessment to ensure we protect our assets.

The area of short-term interest cost estimates, \$1.7 million, it was estimated that we would be needing more money for our shortfall and then having to go to borrow. Because of the funding flow that we get from Ottawa and the timing, for example, the timing of our tax payments from Ottawa, the timing of a number of the other payments that are delivered to us, we are right now in a cash positive way temporarily, but we feel that will carry through the year. That again doesn't impact on our actual deficit position; that's the cash flow. The money you have in your bank, but the money is committed. So right now

we're in a positive cash position, but the money is committed and we know we're going to overspend our revenues and at the end of the day end up incurring a deficit that we've estimated of \$40 million. The way in which we get into the cash position versus a deficit position is fairly complicated, but hopefully that provides some information for the Member.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Minister. Ms. Lee.

**MS. LEE:** Thank you very much. I think we're getting there. I have a follow-up question, Mr. Chairman. On the first, the premium cost has been reduced by \$1.6 million. What is the entire amount of the premium?

My second question is if the short-term interest cost savings that we are getting in the amount of \$1.7 million, could we rely on that as something that's going to stay a savings for the rest of this fiscal year? How temporary is that? Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Ms. Lee. Mr. Minister.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. The insurance cost, the total premium we're estimating to spend this fiscal year in 2004-05, is \$2.030 million. So we've made a significant savings of what would have been required if we didn't make those changes. Again, that's \$2.030 million as the premiums we've estimated this year.

Again our cash position, short-term borrowing, there are a number of factors that flow in there and can impact on that. If we find ourselves not meeting some of our targets or not implementing some of our revenue options, not implementing some of the potential savings through reallocation of dollars or over expenditure in a number of areas, we could end up finding ourselves going back and borrowing money. So right now our estimates are based on how the cash flows, how much money we have coming in, the timing of payments from Ottawa on the taxes. We feel that we're safe at this point, that we can identify that as a savings. We're hoping that we don't have to go into that area of borrowing.

Mr. Chairman, as well, just further to that, the insurance premiums are finalized later in the year and we'll have the final numbers in June. So what we're putting in is an estimate and we're hoping that that number is accurate. Again, because of the timing of that, we had to put in our best numbers and this is what we feel it will come out as, but if there are any changes we will come forward and notify the House. Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Minister. Ms. Lee.

**MS. LEE:** Thank you, Mr. Chairman. I've been commending the Minister for two days now for working with realistic numbers, and now I'm being told here we're working with best numbers. So I hope his best assumptions work out here, because the reduction of the insurance premium from \$2 million to \$1.6 million is quite drastic.

Having said that, I have further questions about insurance in general, understanding that this department not only takes care of the insurance coverage for the government and taking care of the risk management of government

assets, but also it regulates the insurance industry and such. I have a question about whether or not your risk management includes the NGOs or any arm's-length agencies or maybe even school boards and health boards. Sorry; I shouldn't combine those. Does your risk management work apply to any of the NGOs, because we understand that some of the NGOs that operate under finances or mostly getting money from the government, they are going through difficult times as well. I would like to know if the government has any say in that.

Perhaps I could just pose my second question in case I run out of time. In the Minister's budget, there was \$1.9 million allocated for northern communities' insurance exchange. May I get some more information on that item, as well? Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Ms. Lee. Two questions to you, Mr. Minister.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. The insurance amounts do cover health boards, education boards. Communities have their own system, and that's the \$1.9 million that the Member referred to. That is within Municipal and Community Affairs, and that's to cover their changing insurance program and working with the Association of Communities. So that is included in that, and you will be able to get more detail on that through the Municipal and Community Affairs department when we go through their draft mains.

Again, for non-government organizations on the insurance side of our program, normally they would self-insure because they are outside of the government and are receiving funding through contracts. But as an example, shelters have difficulty paying increased insurance, and they do get funding through the Department of Health and Social Services to cover a lot of that. That's one area they're grappling with right now, is how to deal with those increased insurance costs. I know they're working with the Department of Health and Social Services on that one, in that particular instance anyway. Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Minister. Ms. Lee.

**MS. LEE:** Thank you, Mr. Chairman. Taking advantage of the remaining seconds, could I ask the Minister for more information about the involvement of the government in terms of helping out the NGOs with their insurance coverage? The Minister made reference to shelters. More specifically, I'm wondering if this section of the government, the Finance department and the insurance management division, is engaged in analyzing the situation and looking at options for the government and the NGOs as to how to address the high insurance costs and how to mitigate that cost perhaps. Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Ms. Lee. Mr. Minister.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. The avenue that we work with insurance is strictly with our own assets right now, in setting up that environment and covering our assets with the insurance program that we've put up. We would be prepared to work with the Department of Health and Social Services if they were to come forward and ask for some assistance in looking at what options might be out there. Right now they are working internally, and I know that just because of the

situation that I'm aware of from my constituency. So it's not from knowledge through the department itself, but I am aware of that. We would be prepared to work with other departments and deal with NGOs if they were to come forward requesting some assistance. Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Minister. I don't have anybody else on my list, so I will make one last call for general comments.

**SOME HON. MEMBERS:** Detail.

**CHAIRMAN (Mr. Ramsay):** Okay, detail. The wish of the committee is detail. We'll now turn to page 3-7 in your main estimates binder. Page 3-7 is the department summary, operations expense, total operations expense. We will defer consideration of that and go into the activity summary on page 3-9. Operations expense under directorate. Total operations expense, \$1.336 million. Ms. Lee.

**MS. LEE:** Thank you, Mr. Chairman. May I get a breakdown on that \$305,000 under other expenses, please? Thank you.

**CHAIRMAN (Mr. Ramsay):** Thanks, Ms. Lee. Mr. Minister.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. In the area of other expenses for this budget would fall under...Travel is one of the areas that's in there. For the detail, I will have Ms. Melhorn provide some of that information.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Minister. Ms. Melhorn.

**MS. MELHORN:** Thank you, Mr. Chairman. For the directorate, that budget item includes items such as travel, materials and supplies, computer services and other miscellaneous administrative expenses of the division.

**CHAIRMAN (Mr. Ramsay):** Thanks, Ms. Melhorn. Ms. Lee.

**MS. LEE:** Thank you, Mr. Chairman. May I get the corresponding numbers to those four items that the deputy minister mentioned? Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Ms. Lee. Ms. Melhorn.

**MS. MELHORN:** Thank you, Mr. Chairman. I was kind of summarizing; there are quite a few numbers broken down between the finance and administration area and the deputy minister's office. We could provide the detail out of the numbers, in hard copy.

**CHAIRMAN (Mr. Ramsay):** Thank you, Ms. Melhorn. We will allow you to provide that information to the Member and to the committee in hard copy. Thank you. Ms. Lee, did you have another question? Any other questions on page 3-9?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Ramsay):** Page 3-11, treasury, operations expense, total operations expense, \$4.472 million. Questions? Ms. Lee.

**MS. LEE:** I would like to pose the same question under other expenses, \$3.1 million. May I get a breakdown? Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Ms. Lee. Ms. Melhorn.

**MS. MELHORN:** Thank you, Mr. Chairman. The bulk of that other expense is detailed on page 3-12. Bank fees, short-term debt and insurance premiums. The remainder is a similar type of expenditures that I identified previously: travel, contracts, other administrative expenses.

**CHAIRMAN (Mr. Ramsay):** Thank you, Ms. Melhorn. Will that information be provided in hard copy, as well, for the committee?

**MS. MELHORN:** If it is the wish of the committee, yes.

**CHAIRMAN (Mr. Ramsay):** Thank you, Ms. Melhorn. Ms. Lee.

**MS. LEE:** Thank you, Mr. Chairman. The insurance premiums in the amount of \$2.030 million. Is that the same insurance premium that the Minister was mentioning in which we were going to see a reduction of \$1.6 million? Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Ms. Lee. Mr. Minister.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. The \$2.030 million is the figure we will be paying this fiscal year. That's our estimate, and again it will be revised when we get the final numbers in June. In previous years, if you look at the 2003-2004 main estimates, there we paid \$3.6 million. So that's what we had initially paid, and through this exercise we feel that we will be safe in the area of \$2.030 million.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Minister. Mr. Menicoche.

**MR. MENICOCHÉ:** Thank you, Mr. Chairman. I don't know if I'm preceding the committee, because I'm looking at page 3-12, if you will permit me. At the bottom it says the above amounts reflect only program delivery costs and does not include corporate and administrative costs. I'm just wondering where do the corporate and administrative costs of the department show up.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Menicoche. Mr. Minister.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. Mr. Chairman, I am told that that comment on the bottom reflects the fact that the people that deliver, for example, the insurance premiums and so on are not included in that amount. Maybe for the sake of getting accurate information so that I don't get it wrong and confuse Members, I'll have Ms. Melhorn give that detail.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Minister. Ms. Melhorn.

**MS. MELHORN:** Thank you, Mr. Chairman. What that sentence means is that for example under insurance premium, that reflects only the cost of the insurance premiums and doesn't reflect the other costs of delivering the government's insurance program, which includes the salaries of the staff who administer the program and the

other costs associated with that. Similarly to the bank fees or the short-term debt, it doesn't include the costs of the staff who do cash management.

**CHAIRMAN (Mr. Ramsay):** Thank you, Ms. Melhorn. Mr. Menicoche.

**MR. MENICOCHÉ:** Thank you, Mr. Chairman. I was just wondering where it would show up if it's an actual cost to the budget.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Menicoche. Mr. Minister.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. That would show up on page 3-11 under compensation benefits for treasury, as well as there would be some of it included in the other expenses section, as Ms. Melhorn stated, and we will provide that detail. The majority of other expenses adds up to the \$2.6 million on page 3-12. But on 3-11, it gives the wages and compensation benefits as highlighted on that page, then there would be some others included in other expenses. Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Minister. Ms. Lee.

**MS. LEE:** Thank you, Mr. Chairman. On page 3-11, if we are still on that, the deputy minister mentioned that the details for \$2.6 million is on the next page, but may I get a breakdown on the details on the difference between \$3.1 million and \$2.6 million? Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Ms. Lee. Mr. Minister.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. Yes, we will provide that information.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Minister. Treasury, operations expense, total operations expense, \$4.472 million.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Ramsay):** Page 3-15 of the main estimates, fiscal policy, operations expense, total operations expense, \$818,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Ramsay):** Mr. Braden.

**MR. BRADEN:** Thank you, Mr. Chairman. In the fiscal policy area, the department's responsibility, among the many responsibilities, is to work out the formula financing agreement with Canada. An issue that dogged us over the last few years was trying to settle down, Mr. Chairman, the results of the national census and how that impacts federal transfer payments to the Government of the NWT. I wanted to take this opportunity to ask if that whole issue of how many people live in the Northwest Territories has finally been settled at least as far as it relates to the amount of revenue we get from Ottawa. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Braden. Mr. Minister.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. Yes, that issue has been dealt with. We are not happy with the

under coverage, but we are happy that through our own exercise and providing those numbers to Ottawa that we actually increased the coverage and we are not under covered as much. To that extent, we feel we have done what we can. Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Minister. Mr. Braden.

**MR. BRADEN:** Thank you, Mr. Chairman. I won't belabour the results, but at least we have something we can move forward on now. So that we can avoid this in the future, Mr. Chairman, have we talked to the folks at either the census office or Revenue Canada to see if we can sort out the criteria for this, so that we don't have these arguments about whether or not a community was counted accurately? This was a real frustration for us in the last government, Mr. Chairman. I think it caused us at least a year if not two of uncertainty in our financing situation with Ottawa. It was several millions of dollars that were at issue. If we can sort out how we do the counting, can we then arrive at more stability? Do we have that sorted out so that it won't happen again? Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Braden. Mr. Minister.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. We have been working with Stats Canada to ensure that what happened in 2001 does not reoccur in 2006. So we have begun our discussions with Stats Canada in working with them to ensure that the under coverage that occurred in 2001 doesn't occur again. We are being proactive in working with them in how we feel the previous one didn't work for us. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Minister. Ms. Lee.

**MS. LEE:** Thank you, Mr. Chairman. I would like to have the breakdown of other expenses of \$147,000. If at all possible, I would like to have this read into the record, just to be clear. I am not looking for accounting for every dollar of what is planned under these other expenses areas. So I would like to know the general categories like the Minister mentioned earlier, such as travel, materials and supplies and computers. I am looking for approximate figures under whatever headings they are using. I could put every other department that is going to appear over the next 10 days that I will be asking this question on every other expense item and I would appreciate it if they would come prepared to have that read into the record. I understand if they are circulated afterwards we still get the information, but it's not the same as having it read into the record while we are debating the issue. So having given that notice, may I ask the Minister if he has a breakdown of other expenses at this time? Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Ms. Lee. Mr. Minister.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. Yes, I do have that information. Under fiscal policy, travel and transportation, 2004-05 is \$52,000; materials and supplies, \$16,000; purchased services is \$14,000; contract services, \$55,000; fees and payments, \$2,000; computers, hardware and software, \$8,000.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Minister. We are back on page 3-15, fiscal policy, operations expense, total operations expense, \$818,000.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Ramsay):** We are now on page 3-17, Bureau of Statistics, operations expense, total operations expense, \$728,000. Ms. Lee.

**MS. LEE:** Thank you, Mr. Chairman. May I have a breakdown on the \$73,000?

**CHAIRMAN (Mr. Ramsay):** Thank you, Ms. Lee. Mr. Minister.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. Mr. Chairman, for Bureau of Statistics, travel and transportation, \$20,000; materials and supplies, \$27,000; purchased services, \$7,000; contract services, \$5,000; other expenses, \$5,000; computer hardware and software, \$9,000.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Minister. Any other questions on page 3-17?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Ramsay):** Information on page 3-18 is active positions. Any questions?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Ramsay):** Detail of work performed on behalf of others. Any questions?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Ramsay):** Page 3-20, information item, Liquor Commission revolving fund.

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Ramsay):** Ms. Lee.

**MS. LEE:** Thank you, Mr. Chairman. I have a question on the increase in the income under liquor sales. May I ask the Minister as to whether or not the increase projected for this year is a result of consumption or could it be because of an increase in taxes that we had introduced? Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Ms. Lee. Mr. Minister.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. It's a combination, one of the increased sales amount and the increase of the product itself. This budget doesn't identify increased mark-ups by our government. So the reasons for the increase shown here are volume sales, as well as increased costs of the product from suppliers. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Minister. Ms. Lee.

**MS. LEE:** Thank you, Mr. Chairman. I wasn't clear on the Minister's answer as to exactly what the increased revenue is that the government is getting as a result of the increase in taxes.

**CHAIRMAN (Mr. Ramsay):** Thank you, Ms. Lee. Mr. Minister.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. The increase in revenue of liquor sales on page 3-20 is not a result of taxes. It is a result of increase of volume sales and increase of the product from the suppliers. Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Minister. Ms. Lee.

**MS. LEE:** Thank you, Mr. Chairman. Could the Minister advise us as to what the increase was from the increase in taxes on alcohol? Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Ramsay):** Thank you, Ms. Lee. Mr. Minister.

**HON. FLOYD ROLAND:** Is the Member looking for prior year increases in taxes? This budget, 2004-05, doesn't show any increase for increase in taxes. It only shows increase in volume sales as well as the cost of product. Previous years, is that what the Member is looking for?

**CHAIRMAN (Mr. Ramsay):** Clarification, Ms. Lee.

**MS. LEE:** Thank you, Mr. Chairman. Yes, I appreciate that. It was only months ago, about six months ago, that one of the last things we did in the last Assembly was to raise the tax on tobacco and alcohol. Am I wrong? I want to know what was the income generated as a result of that tax increase. Did I dream this? I am sure we passed an increase in sin tax before we dissolved. Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Ms. Lee. Mr. Minister.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. The last increase took place April 1, 2003. As a result of that, we estimated approximately \$1 million as a result of that increase. So the last increase, April 1, 2003, was a 10 percent increase in mark-ups. We estimated a net result of approximately \$1 million.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Minister. Ms. Lee.

**MS. LEE:** Thank you, Mr. Chairman. So that increase as a result of taxation does not go into the revolving fund. It goes into our general revenue. Does it go in here? Where would that show up on this page?

**CHAIRMAN (Mr. Ramsay):** Thank you, Ms. Lee. Mr. Minister.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. The Liquor Commission revolving fund shows the liquor sales income, so the cost of product, the increase of our mark-ups shows here. What you see on the bottom of the page, you've got your income, your operating expenses and then a surplus. What goes back into general revenues falls under page 3-22 and it shows it going into general revenues from Liquor Commission net revenues. The amount under surplus, the \$20.853 million goes back into general revenues.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Minister. Ms. Lee.

**MS. LEE:** Thank you, Mr. Chairman. So the net revenue is in the amount of \$20 million after taking out the expenses.

I have another question. Where does the money that the Liquor Board gets from the fines and whatever the inspectors do when they go out to bars and give fines to establishments, does that money go into the revolving fund as well and they are available to be used as expenses prior to it being accounted for at the end as part of the surplus or whatever?

**CHAIRMAN (Mr. Ramsay):** Thank you, Ms. Lee. Mr. Minister.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. Under the operating results, if you go to 3-20, Liquor Commission revolving fund, operating results under income, the last item, Liquor Licensing Board revenue, that is made up of a couple of things. There is a fee charged to all the licensees and that fee is incorporated there, as well as the fines that occur. Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Minister. Mr. Delorey.

**MR. DELOREY:** Thank you, Mr. Chairman. Just following up on that question where you talk about fines. These wouldn't be fines that go through the courts then, would they?

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Delorey. Mr. Minister.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. No. The fines that would fall under here are by the Liquor Licensing Board that they would impose at their hearings. This is what is incorporated here, not when an individual goes to court. This is through the Liquor Licensing Board and the hearings they have held and when they put fines on establishments. Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Minister. Mr. Delorey.

**MR. DELOREY:** Thank you, Mr. Chairman. I don't know if any penalties or fines that are levied ever do have to go through the court before they are paid, but if there was a fine associated with the Liquor Commission that had to go through a court system and there was a fine established, then would it go to general revenues or go back into the revolving fund?

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Delorey. Mr. Minister.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. As a result of a Liquor Board review or hearing and a fine being put on an establishment, the establishment would have the ability to appeal and could go to court, but because that fine was established under the Liquor Act, it would end up coming back in here and this is where it would show up. If it is the result of a Liquor Board hearing and an establishment gets fined, if they appeal they can go to court and appeal it, but at the end of the day if that ruling holds, because it started under the Liquor Act, this is where the money would show.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Minister. Mr. Delorey.

**MR. DELOREY:** Thank you, Mr. Chairman. I wanted to make another comment and I don't know if it's totally appropriate on this page. I meant to do it under general comments and I didn't. One Member was talking about the importance of looking at our Liquor Act and the review of the Liquor Act. I may come from a bit of a different approach than what he says, but I was wondering if the Minister could tell me has there been any money appropriated towards the review of the Liquor Act? You mentioned that it's a high priority to look at the Liquor Act. How big of a review are we looking at making here? Has there been any money appropriated towards that yet and what is the plan? Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Delorey. Mr. Minister.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. Mr. Chairman, the Liquor Act review would be a substantial one. It hasn't been changed for a number of years. There was an exercise done through the 12<sup>th</sup> Assembly and the changes were not incorporated at that time. That bill did not proceed, so we are looking at a fairly extensive review through this process. There hasn't been any money allocated at this time for that review. Through the previous Assembly, there was some money spent on doing the initial work to look at what could be incorporated in that. That amount has been financed from within internal allocations, so there hasn't been any money set aside for this. The work that's been done has been done from internal resources and there hasn't been any money incorporated for the review process itself. Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Minister. Mr. Delorey.

**MR. DELOREY:** Thank you, Mr. Chairman. I would certainly encourage the department to do everything they can from internal sources to look at the problem areas in the Liquor Act and see what changes we can make. I know that a lot of the things that are in the Liquor Act now probably would have a lot more impact on residents just if they were enforced. We hear about it on the radio quite often now where they are starting to enforce the Liquor Act a little bit more to establishments that serve alcoholic beverages and that sort of thing. I don't think we have to go to multi hundred thousand dollar reviews to make some of the changes that might help.

The other part is as far as educating the public, I don't know if a review of the Liquor Act would do that. We can probably put a lot more pressure on the education system or Health and Social Services because that's probably where the education end of it would come anyway. I would certainly like to be involved in looking at what's wrong with the Liquor Act before we go into a review that's going to cost us hundreds of thousands of dollars. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Delorey. Mr. Minister.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. As our process works, we would come forward to Cabinet with what we felt was needed and if it was agreed at that point, we would go to committee and see if that is something committee Members agreed to move forward and proceed on that basis. If there is not support for such an intensive review, then those comments would come back to us and we would look at the issue again within

Cabinet. But we haven't gotten to the stage yet of even a proposal. It's just some work going on to look at areas and how we can begin to tackle this process. Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Minister. It's about five minutes to 6:00 and I don't know what the wish of the committee is. We have a few more minutes here, we have two other speakers on our list. We can start with Mr. Hawkins, and then I have Mr. Yakeleya and we will try to conclude this. Is that the wish of committee? Agreed?

**SOME HON. MEMBERS:** Agreed.

**CHAIRMAN (Mr. Ramsay):** Mr. Hawkins.

**MR. HAWKINS:** Thank you, Mr. Chairman. Referring to page 3-20 under other income, \$180,000, we see quite a substantial change. Could the Minister supply me with some information on a breakdown in that regard? Thank you very much.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Hawkins. Mr. Minister.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. We can endeavour to get that information for the Member. I believe the majority of that is related to the recycling initiative. Right now we do have a fee that we charge to customers that buy our products, and that's the money that's accounted for. Just for information, the numbers that we do have come out of the Liquor Commission report and would refer to 2003 numbers. So we wouldn't be able to give the absolute number for this year, but it's an estimate that they feel that will come up. There are some for import permits identified in the 2003 number. The bottle deposit program is \$76,000...No, I don't think that's right. We're going to have to get the numbers and provide them to the Member. What I have here is not accurate. Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Minister. Mr. Hawkins.

**MR. HAWKINS:** Thank you, Mr. Chairman. Speaking on that note, I do appreciate the fact of the breakdown of what other income means, as well as the actual breakout of the numbers, but you did bring me to another subject under other income when you referred to the deposit of bottles. I assume the deposit of the bottles, that fee goes back into a fund that pays out people when they return the bottles. Is that correct?

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Hawkins. Mr. Minister.

**HON. FLOYD ROLAND:** Sorry, Mr. Chairman. I will have Ms. Melhorn respond to that as I wasn't able to catch the full question.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Minister. Ms. Melhorn.

**MS. MELHORN:** Thank you. There isn't a separate fund kept, but just the money is refunded to those who bring the bottles back.

**CHAIRMAN (Mr. Ramsay):** Thank you, Ms. Melhorn. Mr. Hawkins.

**MR. HAWKINS:** Thank you, Mr. Chairman. That's good news. Who maintains ownership of the bottles once the



money has been refunded? Who retains ownership once the bottles are returned for money? Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Hawkins. Mr. Minister.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. Once the bottles are returned to the depot, they would be the property of the depot they were returned to. The allocation, from my understanding, is broken out from there and divvied up amongst the communities that have the depots. They receive the bottles and would either crush them at their locations or send them south to further recycling. Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Minister. Mr. Hawkins.

**MR. HAWKINS:** Thank you, Mr. Chairman. Maybe if the Minister could elaborate a little further, and I'll set this out clearly so I completely get a good picture of this. As I see it, we get a deposit on the bottle, the bottle goes out, gets returned, the deposit is returned to the customer who returns the bottle, but we leave the bottles with the depot. Do we pay the depots a contracting fee, is that why we leave them the bottles? I would think that we would take the bottles and do something with them if that's the case. How does the depot make their money? Do we pay them separately on contract and the bottles become an extra? I'm looking for a little clarity on that one. Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Hawkins. Mr. Minister.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. Mr. Chairman, my understanding of the process is we offer contracts to depots for that operation, but then they also receive the bottles and can pay out the fees that they would earn from those collections. They collect the bottles, get a fee at the local depot, and then would pay the group that brought that forward and then would send their product on. Again, through our organization, they would get some funding for that. Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Minister. Mr. Hawkins.

**MR. HAWKINS:** Thank you, Mr. Chairman. I'm going to apologize for this one because it could be because it has been a long day, but I don't think I quite understood the answer. Like I said, I stress it could be because it's a long day. Are they getting a fee for service and the bottles are being left within as an incidental? For example, are they able to do what they wish with the bottles, or is that incorporated in the fee for service? Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Hawkins. Mr. Minister.

**HON. FLOYD ROLAND:** Thank you, Mr. Chairman. To do this right, I'll have to provide the Member with an actual accounting breakdown from the centre back to...When you pick up your product at the store you pay a fee. How that money is collected and then how local depots operate from that point forward we will supply that information. Thank you.

**CHAIRMAN (Mr. Ramsay):** Thank you, Mr. Minister, and thanks, Mr. Yakeleya, for foregoing your question. In accordance with our rules, I will recognize the clock and

rise and report progress. Thank you, Mr. Minister, and thanks to your officials for joining us today. We will resume our consideration of your estimates tomorrow. Thank you once again.

---Applause

**MR. SPEAKER:** I would like to call the House back to order. Can I have the report of Committee of the Whole? Mr. Ramsay.

#### ITEM 21: REPORT OF COMMITTEE OF THE WHOLE

**MR. RAMSAY:** Thank you, Mr. Speaker. Your committee has been considering Bill 1, Appropriation Act, 2004-2005, and Committee Report 1-15(3), and would like to report progress. Mr. Speaker, I move that the report of Committee of the Whole be concurred with.

**MR. SPEAKER:** Is there a seconder for that? Mr. Miltenberger. The motion is in order. To the motion.

**AN HON. MEMBER:** Question.

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

---Carried

Item 22, third reading of bills. Mr. Clerk, orders of the day.

#### ITEM 23: ORDERS OF THE DAY

**CLERK OF THE HOUSE (Mr. Mercer):** Mr. Speaker, there is a meeting of the Accountability and Oversight committee tomorrow morning at 9:00 a.m., and a meeting of the Board of Management tomorrow at 2:30 p.m.

Orders of the day for Friday, March 19<sup>th</sup>:

1. Prayer
2. Ministers' Statements
3. Members' Statements
4. Returns to Oral Questions
5. Recognition of Visitors in the Gallery
6. Oral Questions
7. Written Questions
8. Returns to Written Questions
9. Replies to Opening Address
10. Replies to Budget Address
11. Petitions
12. Reports of Standing and Special Committees
13. Reports of Committees on the Review of Bills
14. Tabling of Documents
15. Notices of Motion
16. Notices of Motion for First Reading of Bills

17. Motions
18. First Reading of Bills
  - Bill 2, An Act To Amend The Income Tax Act
  - Bill 3, An Act To Amend The Income Tax Act, No. 2
19. Second Reading of Bills
20. Consideration in Committee of the Whole of Bills and Other Matters
  - Bill 1, Appropriation Act, 2004-2005
  - Committee Report 1-15(3), Standing Committee on Accountability and Oversight Report on the Review of the Draft 2004-2005 Main Estimates
  - Committee Report 2-15(3), Standing Committee on Social Programs Report on the Review of the Draft 2004-2005 Main Estimates
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 Friday, March 19, 2004, at 10:00 a.m.

---ADJOURNMENT

The House adjourned at 6:05 p.m.