



NORTHWEST TERRITORIES LEGISLATIVE ASSEMBLY

3rd Session

Day 35

15th Assembly

HANSARD

Monday, February 14, 2005

Pages 1191 - 1224

The Honourable Paul Delorey, Speaker

Legislative Assembly of the Northwest Territories

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Published under the authority of the Speaker of the Legislative Assembly of the Northwest Territories

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YELLOWKNIFE, NORTHWEST TERRITORIES**Monday, February 14, 2005****Members Present**

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

ITEM 1: PRAYER

---Prayer

SPEAKER (Hon. Paul Delorey): Good afternoon, colleagues. Happy Valentine's Day to all of you, especially to the Members from out of town who may not be at home with their favourite valentine this evening, including yours truly. Orders of the day. Item 2, Ministers' statements. Item 3, Members' statements. The Member for Range Lake, Ms. Lee.

ITEM 3: MEMBERS' STATEMENTS**Member's Statement On National Childcare Program**

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker, today I would like to speak in favour of the National Childcare Program. Mr. Speaker, I am very excited about the debate going on across the country that has put this issue on top of the national agenda. This is long overdue, and I strongly urge the federal government and all provincial and territorial governments, including this government, to apply all of their energy and commitment necessary to make this happen once and for all.

Mr. Speaker, a recent survey has shown that, in Canada, more than 50 percent of children are taken care of by a person or persons other than their own parents; a huge jump in only a very short time. I venture to say that the percentage is even higher in a city like Yellowknife where the cost of living is very high and most families cannot afford to not have a double income and where most families do not have extended families to rely on for childcare needs.

Mr. Speaker, over the years, I have heard from my constituents and women of my generation about the need for the government to step in and give the working parents a financial break with the high cost of raising their children, whether they choose to do it themselves or obtain the service of others. I believe that any national childcare program must have appropriate flexibility for families to make the choices that work for them. Whatever this works out to be, it has to be one that puts in place good quality early child education, not just a babysitting service at a basic minimum level. In the end, Mr. Speaker, I really believe this is about our society making it clear once and for all that we really value the importance of good early education for all of our children that we, as a society -- whether it is done by parents staying at home or by those who we pay to do it -- value the work of childcare because it is about our children and their future. The work of childcare and those who do it have been undervalued and underappreciated by the governments for too long, and it is time now to say no more, Mr. Speaker.

Mr. Speaker, I really see much opportunity for this in the North as well. I am sure Minister Dent and the Cabinet see it as well. We need to implement a spectrum of quality early childcare education that begins as early as...Mr. Speaker, may I seek unanimous consent to finish my statement?

MR. SPEAKER: The Member is seeking unanimous consent to conclude her statement. Are there any nays? There are no nays. You may conclude your statement, Ms. Lee.

MS. LEE: Thank you, Mr. Speaker. May I just conclude by saying that I really see this debate as an opportunity for all of us in the North. It is an opportunity to implement a spectrum of quality early childcare education that begins at the age of one, not at the age of five, so that we give our children a real head start in life. There is just no more important work for us to do. In closing, Mr. Speaker, I know that Minister Ken Dryden is a huge hero to the hockey fans all across Canada, but, oh boy, if he could score this one in the net, I know he will be a hero to all Canadians for ever and ever. Thank you, Mr. Speaker.

---Applause

MR. SPEAKER: Thank you, Ms. Lee. Members' statements. The honourable Member for Range Lake, Mr. Ramsay.

Member's Statement On Secondary Diamond Industry

MR. RAMSAY: Thank you, Mr. Speaker. Today I am again going to use my Member's statement to talk about diamonds and the future of our secondary industry here in the Northwest Territories.

The Northwest Territories, as most of us know, produces 14 percent of the world's total production of diamonds by value. Our diamonds place Canada at number three in the world in terms of production by value. We have the diamonds. We must continue to forge ahead, trying to get all that we can for the economy and for the future of the Northwest Territories. I am still trying to understand why this government stood by and watched a deal to save Sirius go off the tracks. I would suggest, Mr. Speaker, that it is tantamount to leaving the scene of an accident. The GNWT stood by and watched the train wreck unfold. I believe that BHP has reneged on all of its implied or specific obligations and undertakings to the Northwest Territories with respect to the secondary industry. It has never supplied the 10 percent share of its productions that it was committed to, often under the false excuse that the buying company did not have the financial wherewithal to complete the transaction.

The Sirius factory had initially negotiated a 5,000 carat monthly supply which was agreed to, but subsequently, that was unilaterally decreased to 2,500 carats a month by

the producer. The people of the Northwest Territories cannot and should not accept this behaviour by the diamond mines. One would have expected that the mines would be interested in maintaining a good working relationship with the Government of the Northwest Territories. I see us as partners in trying to develop the secondary industry here. No one is asking the producers to give away their diamonds. They have only been asked to sell diamonds to manufacturers who want to be here doing business in the Northwest Territories. Mr. Leviev wanted to be here, and now he won't be. We are going to be paying a heavy price for it. It would seem clear that the producers here in the Northwest Territories are not interested in a successful secondary industry. Why does BHP Billiton charge local manufacturers some five to six percent higher prices for the goods in Yellowknife than they charge in Antwerp for comparable sales?

Mr. Speaker, I know I asked the Finance Minister questions on this topic last week. At the appropriate time on today's order paper, I will have some specific questions for the Minister of Resources, Wildlife and Economic Development. Thank you.

---Applause

MR. SPEAKER: Thank you, Mr. Ramsay. Item 3, Members' statements. The honourable Member for Inuvik, Twin Lakes, Mr. McLeod.

Member's Statement On Need For Rental Controls

MR. MCLEOD: Thank you, Mr. Speaker. Later today, at the appropriate time, I will be tabling, on behalf of the residents of Inuvik, a petition related to the need for improved rent control legislation to protect the residents of the Northwest Territories from unreasonable rental increases. Our economy is booming, particularly in Inuvik and Yellowknife. With the boom, the price of rental accommodation is rising on an annual basis. Some of these increases are for legitimate things like power and electricity costs, but some increases, Mr. Speaker, seem to be only to take advantage of an over-stimulated economy. One of the problems is that as rental rates rise more and more, the working people will have a problem in making their rent payments and may have to rely on the social safety network.

Mr. Speaker, for this reason and for others, I urge the Department of Justice to examine the Residential Tenancy Act and make sure that it protects tenants from unreasonable rent increases while ensuring that landlords have the ability to recover their costs. Thank you, Mr. Speaker.

---Applause

MR. SPEAKER: Thank you, Mr. McLeod. Item 3, Members' statements. The honourable Member for Nahendeh, Mr. Menicoche.

Member's Statement On NWT Housing Corporation Rent Scale

MR. MENICOCHÉ: Mr. Speaker, today I want to talk to you about the Housing Corporation mortgage guidelines. They aren't making sense. I think it is time the Housing Corporation reviews them. Mortgage within the Housing Corporation is based on income. If your income goes up, your mortgage goes up. A constituent of mine has a

mortgage with the Housing Corporation. Last year, the constituent was fortunate enough to receive an arts grant of \$5,000 from this government, Mr. Speaker. This raised her income and her mortgage went up. My constituent went out and used the grant money to buy art supplies related to her art project; it wasn't used to supplement her income. The next year the Housing Corporation raises the mortgage and the grant money has all been spent. Now my constituent is deeper in the hole than before she got the grant.

Why is this government giving with one hand and taking with the other? Mortgages from the Housing Corporation should come with little warning signs, like cigarette packages, that say, "Warning, this mortgage may be detrimental to your financial health."

Furthermore, Mr. Speaker, if you own your own business, the better the business does, the higher your mortgage goes up. I have to wonder what incentive is there to work harder and try to make a better life for yourself in this country and territory. The higher your income, the more money the federal government will take and if you have a Housing Corporation mortgage, your mortgage will climb higher too.

Mr. Speaker, with these guidelines, isn't the Housing Corporation saying to people sit home on your hands and keep your income low, because the more money you earn the higher your mortgage will go? That is a real disincentive, Mr. Speaker, and that is real shame, because we all know that active, well-employed people make better lifestyle choices and, as a consequence, make better contributions to their community.

SOME HON. MEMBERS: Hear! Hear!

MR. MENICOCHÉ: In honour of Valentine's Day, Mr. Speaker, I'm asking the government to have a heart.

SOME HON. MEMBERS: Have a heart.

MR. MENICOCHÉ: It is time both the government and the Housing Corporation reviewed their financial policies and guidelines. Happy Valentine's Day and thank you, Mr. Speaker.

---Applause

MR. SPEAKER: Thank you, Mr. Menicoche. Item 3, Members' statements. The honourable Member for Yellowknife Centre, Mr. Hawkins.

Member's Statement On Cultural Awareness Training For Teachers

MR. HAWKINS: Thank you, Mr. Speaker. Many teachers who are new to the North get off to a very rough start in our northern communities, because they do not understand our northern culture. This is a highly stressful situation for them, Mr. Speaker, and it's often very disruptive to the community and the students-at-large. It prevents teachers from developing a relationship with parents, students in the community, and the general wellbeing of everyone, which causes a serious effect on the work that needs to be done. This is a highly negative situation that we need to learn from very quickly and to change.

Mr. Speaker, at present, there is no cross-cultural training program provided to the teachers by our government in

the communities. District education authorities and councils take on this task by themselves. This needs to be a government project led by the government in a way that we can ensure that our southern hires, although that sometimes has to happen, get cultural training for our northern people. We need this done.

Mr. Speaker, our government doesn't provide funding to district education councils directly related to funding to ensure that these teachers get cultural awareness training. Mr. Speaker, later this afternoon, I will have questions for the Minister appropriate with regard to implementing cultural training, not unlike the Government of the Yukon does as well as the Government of Alaska does to ensure that their teachers teach their students appropriately. Thank you, Mr. Speaker.

---Applause

MR. SPEAKER: Thank you, Mr. Hawkins. Item 3, Members' statements. The honourable Member for Nunakput, Mr. Pokiak.

Member's Statement On Recognition Of Nunakput Residents

MR. POKIAK: Thank you, Mr. Speaker. Today I would just like to wish my wife, Mrs. Pokiak, back home all the best for Valentine's Day, along with my family. It's really tough being away from home, but we are down here working for the people and representing people of the NWT and our constituents.

I got a call this morning, Mr. Speaker, with regard to a long-time resident of Holman, requesting that I recognize Mr. Gary Bristow, the former mayor of Holman. They will be recognizing him with a supper tonight. On behalf of the people in Holman, Gary Bristow, we wish you the best of luck in the future.

Also, as the Premier said on Friday, Mr. Speaker, I would also like to recognize Mr. Andy Carpenter, Sr., who has done outstanding work for the Inuvialuit, both in negotiating...(inaudible)...with regard to the environment and wildlife. Mr. Carpenter deserves something very special and I wish him well in his endeavours. Thank you, Mr. Speaker.

---Applause

MR. SPEAKER: Thank you, Mr. Pokiak. Item 3, Members' statements. The honourable Member for Great Slave, Mr. Braden.

Member's Statement On Resource Revenue Sharing

MR. BRADEN: Mahsi, Mr. Speaker. A brand new day, this is what Newfoundland and Labrador Premier Danny Williams is proclaiming today.

During the ceremonies that were held earlier today, Mr. Speaker, to sign a new resource deal between his province and Ottawa, Prince Edward Island was also involved in that same historic deal, Mr. Speaker. After weeks of contentious debate, this province, Newfoundland and Labrador, is going to get \$2 billion. Over the next eight years, they are going to be able to keep every dollar of their potentially enormous wealth coming off of their offshore energy fields. Mr. Speaker, they are going to escape the dreaded clawback from Ottawa and they will even get to keep the coveted safety net of equalization

payments if their economy falters. It's a great deal for Newfoundland and Labrador and Prince Edward Island, Mr. Speaker, a bold and progressive step by the Prime Minister in recognizing the right and duty that each province has to protect their own resources.

How familiar this all sounds, for here we are in the NWT like those other two provinces watching billions of dollars, our legacy, shipped out of the NWT in the diamond packets and the oil and gas pipelines while Ottawa returns a paltry eight percent to us. Ottawa stands to reap billions from our lands over the next two decades. We are told that the Prime Minister understands our plight and that there are talks underway to redo the formula financing agreement and get a framework deal in place for resource revenue sharing by this spring.

I am concerned, Mr. Speaker, that with just about every other province now jumping on the bandwagon and declaring their demands for the same thing, that our situation is going to be left behind again in the face of overwhelming demands from other provinces.

On Friday, Mr. Speaker, the Premier said we must have a resource revenue sharing agreement in place before the pipeline is completed. I want to put my faith in the Premier and the Prime Minister to deliver, but we have a very brief time to make this work. In failing this, I am absolutely committed to supporting the words of our Premier in our interest for resource sharing. Thank you, Mr. Speaker.

---Applause

MR. SPEAKER: Thank you, Mr. Braden. Item 3, Members' statements. The honourable Member for Hay River South, Mrs. Groenewegen.

Member's Statement On Property Assessment And Taxation Act

MRS. GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, the Property Assessment and Taxation Act is nearly 20 years old. A lot has happened in our territory since the act was passed in 1987. Land claim agreements have been signed, we've divided from Nunavut and there's been a tremendous surge in resource development with much more on the horizon. The Property Assessment and Taxation Act has not kept pace with these changes with our policy goals or with best practices across the country.

In the last few years, there seems to have been a general consensus that it needs to be rewritten and updated. There have been band-aid amendments from time to time to deal with specific issues, but the act has never been revisited. In March of last year, I welcomed indications to the Committee of the Whole that MACA would be doing a full review of the act.

Like other taxation legislation, PATA, as it's called, is a policy instrument. It needs to be designed to complement our view on things like what school and community programs and infrastructure we want to have and how we would pay for it, what share industry, small businesses and residents should pay and what defines agricultural land assessment and which sectors of our economy need a break so they can grow to their potential.

There was a need to bring clarity to the process of assessing larger parcels of land within the NWT, especially lands related to agriculture. Practically speaking, it needs to be written in a way that allows taxpayers and administrators to make sense of it. Mr. Speaker, at the appropriate time today, I will be asking the Minister of Municipal and Community Affairs, for an update on this important initiative. Thank you, Mr. Speaker.

---Applause

MR. SPEAKER: Thank you, Mrs. Groenewegen. Item 3, Members' statements. The honourable Member for Sahtu, Mr. Yakeleya.

Member's Statement On Deline Seniors' Home

MR. YAKELEYA: Thank you, Mr. Speaker. Mr. Speaker, over the weekend, I had the pleasure and opportunity to meet and speak with some very special people. I visited the Aven Centre in Yellowknife, a place for elders. I would like to say hello to Art and the gang right now at the Aven Centre.

Mr. Speaker, what I witnessed at this place in Yellowknife is the elders are being looked after, programs are in place for them and the staff have the capacity to take care of the elders here in Yellowknife.

Mr. Speaker, we, in the Sahtu, have long waited to have such a home for elders in this capacity. Mr. Speaker, we have such a place in Deline. The Ministers responsible for the Housing Corporation and Health and Social Services are fully aware of the building. Mr. Speaker, we are spending thousands of dollars each year maintaining these beautiful facilities. We are sending elders out of the region to be looked after and, Mr. Speaker, we have our elders in some of the really good homes outside our region, however, it's about high time that we keep our elders at home in their region.

Mr. Speaker, our elders will continue to play an important role in our lives, either by advising us in our personal lives or providing guidance in our professional lives. Mr. Speaker, when will this government have a change of heart and let the people in the Sahtu, especially our elders, know that the Deline seniors' home will be in operation to take them and that we can keep them home like other regions do in the Northwest Territories? Mahsi.

---Applause

MR. SPEAKER: Thank you, Mr. Yakeleya. Item 3, Members' statements. The honourable Member for Mackenzie Delta, Mr. Krutko.

Member's Statement On New Novel By Robert Alexie

HON. DAVID KRUTKO: Mr. Speaker, I would like to announce that one of my former constituents, Robert Arthur Alexis, along with Penguin Books of Canada, will be releasing his second novel, *The Pale Indian*, this month. Robert was born and raised in Fort McPherson and served as sub-chief and then chief of Tetlit Gwich'in of Fort McPherson. Robert was also instrumental in assisting the Gwich'in to realize their claim in 1992. He served two terms on the Gwich'in Tribal Council as vice-president and is currently with the Gwich'in Land and Water Board in Inuvik.

Robert's first novel, *Porcupines and China Dolls*, which depicts the effects of residential school on a people, was published by Stoddart in 2002. The book received rave reviews across Canada. Unfortunately, Stoddart went into receivership shortly after. *Porcupine and China Dolls* did not get the exposure to the public that it should have.

The Pale Indian, so I'm told, takes place in the fictitious community of Aberdeen in the not-so-fictitious Northwest Territories. I have also been informed, Mr. Speaker, that *Porcupines and China Dolls* would be re-released sometime this year, also by Penguin.

At this time I would like to congratulate Robert on the hope he continues for many more years to come with his stories well into the future. With that, thank you very much.

---Applause

MR. SPEAKER: Thank you, Mr. Krutko. Item 3, Members' statements. The honourable Member for Tu Nedhe, Mr. Villeneuve.

Member's Statement On Improved Communication From Public Service Required

MR. VILLENEUVE: Mahsi, Mr. Speaker. I just want to wish everybody in the House and the general public a happy Valentine's Day today, Mr. Speaker.

I rise today to speak about the need for improved communications within the government system and to the public in general from our public service, Mr. Speaker. I know this is not a new issue, but I'm particularly concerned about communications in departments like Education, Culture and Employment and Health and Social Services where the need to relocate to another community or perhaps down south is primarily determined by the type of communication that is received, be it positive or negative. These changes can have a large impact on people's lives here in the NWT.

Mr. Speaker, I know that it is always in one's best interest to wait until a decision is received in writing from any government department that the request is being made to before making any decisions to either relocate, make changes to your employment status or whatever the case may be which could have a large impact on one's living arrangements or financial status. Mr. Speaker, this is not always the case as there are situations that arise where people are not notified of their requests until the last minute, or in cases where members of the public decide to phone in to the department or visit the office and get a verbal response to their request. Many people take these as the final decisions and carry on only to find out later, after they have relocated or rearranged their lives based on this verbal confirmation, that this is not the decision that they have received by mail later on and it is, in fact, the very opposite of what they initially received verbally.

The point I want to make, Mr. Speaker, is we have to make sure that everyone in the government and public service who has a direct contact with the public to inform of their applications or requests are not communicating any misleading information to their clients and should inform the clients that they cannot make any rash decisions until they have formal written consent from the proper authorities. Mahsi, Mr. Speaker.

---Applause

MR. SPEAKER: Thank you, Mr. Villeneuve. Item 3, Members' statements. Item 4, returns to oral questions. Item 5, recognition of visitors in the gallery. Item 6, oral questions. The honourable Member for Hay River South, Mrs. Groenewegen.

ITEM 6: ORAL QUESTIONS

Question 372-15(3): Property Assessment And Taxation Act Review

MRS. GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, in follow up to my Member's statement about the Property Assessment and Taxation Act, I will direct my questions to the Honourable Michael McLeod, Minister of MACA. Mr. Speaker, in March 2001, the Territorial Farmers' Association received correspondence from this government indicating that a major overhaul was about to start sometime in 2002 and that the work would involve organizations like the Territorial Farmers' Association in that process. The TFA, Mr. Speaker, is still awaiting contact from this government on this issue. Mr. Speaker, my question is can the Minister tell us whether the department is working on a comprehensive review of the Property Assessment and Taxation Act and will this work include input from organizations such as the Territorial Farmers' Association? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mrs. Groenewegen. Minister of Municipal and Community Affairs, Mr. McLeod.

Return To Question 372-15(3): Property Assessment And Taxation Act Review

HON. MICHAEL MCLEOD: Thank you, Mr. Speaker. Mr. Speaker, we have received several requests from communities to do a comprehensive review on the PATA. At this time, we intend to do a review over the long term. However, for the immediate future, we are only looking at doing several amendments. We are going to look at the issue of exemptions to land where land is granted through a land use permit and we are also looking at some technical amendments. We haven't been able to commit to when we will do a comprehensive evaluation or review on the whole act itself. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you. Supplementary, Mrs. Groenewegen.

Supplementary To Question 372-15(3): Property Assessment And Taxation Act Review

MRS. GROENEWEGEN: Thank you, Mr. Speaker. Given the number of concerns I have heard about PATA over the years and indications that were given just one year ago that the department was working on a full review, I am surprised at the Minister's response. I would like to know why the department is backing away from a comprehensive review of this act. He referred to some minor amendments. I would like to know if any of those minor amendments will have a positive impact for those people using parcels of land that are indicated as agricultural. Thank you.

MR. SPEAKER: Thank you, Mrs. Groenewegen. Mr. McLeod.

Further Return To Question 372-15(3): Property Assessment And Taxation Act Review

HON. MICHAEL MCLEOD: Thank you, Mr. Speaker. We are not backing away from the commitment of doing a review of PATA. We are intending to do it in the future. At this point, we have focussed on a couple of issues. We are still doing some research. We have hired a consultant to do some work on assessing some works and mobile equipment policies that need to be dealt with in that area. Again, at this point, we haven't made that commitment. We would like to see that done. There has been a request from a number of organizations and communities. So we realize it's a priority. However, we have still some discussion to do before we make that commitment. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. McLeod. Supplementary, Mrs. Groenewegen.

Supplementary To Question 372-15(3): Property Assessment And Taxation Act Review

MRS. GROENEWEGEN: Thank you, Mr. Speaker. Thank you, Mr. Minister, for that response. The second part of my question was could the amendments that you are looking at to the act include a response to the concerns raised by people involved in agricultural activities south of the lake? There are some major impediments to them being involved in agriculture given the Property Assessment and Taxation Act as it stands now. Could amendments also encompass their concerns? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mrs. Groenewegen. Mr. McLeod.

Further Return To Question 372-15(3): Property Assessment And Taxation Act Review

HON. MICHAEL MCLEOD: Thank you, Mr. Speaker. At this point, the amendments the Member is requesting us to take a look at haven't been included as part of what we are planning to do. My understanding is our department has been having discussions with the Territorial Farmers' Association, so I will certainly reconsider that request. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. McLeod. Your final supplementary, Mrs. Groenewegen.

Supplementary To Question 372-15(3): Property Assessment And Taxation Act Review

MRS. GROENEWEGEN: Thank you, Mr. Speaker. That is good to hear and when the consultant that has been hired is considering amendments to this, I would like to ask the Minister if he could commit to putting out a consultation paper or perhaps holding workshops in Hay River for meeting with the Territorial Farmers' Association to ensure that their input is registered and is reflected in any amendments that come forward. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mrs. Groenewegen. Mr. McLeod.

Further Return To Question 372-15(3): Property Assessment And Taxation Act Review

HON. MICHAEL MCLEOD: Thank you, Mr. Speaker. Mr. Speaker, I'm not sure if I can commit to having the consultant work on the request the Member is asking us to look at with the farmers; however, I will consider looking at it as a separate issue. I believe the consultants that have been brought online have already done a lot of work in one area and most of the report is concluded. So it would have to be a separate issue, but we certainly will look at it. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. McLeod. Item 6, oral questions. The honourable Member for Range Lake, Ms. Lee.

Question 373-15(3): Meetings With Ministers Responsible For Day Care

MS. LEE: Thank you, Mr. Speaker. I'd like to ask questions in furtherance today on day care programs, Mr. Speaker, and my questions go to Minister Dent. Mr. Speaker, we're all aware of the weekend meetings that were held with his provincial counterparts and other territorial Ministers responsible for day care, including the federal Minister Dryden. Could the Minister update us as to what transpired at that meeting and what seem to be the points of agreement that they still have to reach? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Ms. Lee. The Minister of Education, Culture and Employment, the Honourable Charles Dent.

Return To Question 373-15(3): Meetings With Ministers Responsible For Day Care

HON. CHARLES DENT: Thank you, Mr. Speaker. Mr. Speaker, there was a good deal of progress made at the meetings on Friday. My provincial and territorial colleagues and the federal Minister went quite a ways towards finalizing what we think will be the wording in a draft agreement. What remains as the biggest stumbling block right now is the money, and without knowing what sort of commitment we're going to see in the federal budget, there was unwillingness for Ministers around the table to move the process any further. So really the stumbling block right now is money and its allocation. Thank you.

MR. SPEAKER: Thank you, Mr. Dent. Supplementary, Ms. Lee.

Supplementary To Question 373-15(3): Meetings With Ministers Responsible For Day Care

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker, I can appreciate that the money might be a factor in something like this, but putting that aside I would like to get a more clear picture from the Minister as to what the GNWT's position is as to what this National Childcare Program should look like. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Ms. Lee. Mr. Dent.

Further Return To Question 373-15(3): Meetings With Ministers Responsible For Day Care

HON. CHARLES DENT: Thank you, Mr. Speaker. Mr. Speaker, the NWT, like most jurisdictions, is willing to

accept the accountability provisions as long as there is adequate money. The problem we face right now is if the money flows to us through the CST and comes only in a per capita basis, the costs to report on what we are doing would take up an awful lot of the amount of money that we would get. As Members of this House know, if we get funding flowed to us on a solely per capita basis, we will not get enough money to make a significant difference in the childcare field. So our position is that there has to be base funding plus a per capita, and we're asking for base funding of .51 percent, which would amount to about \$5 million. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Dent. Supplementary, Ms. Lee.

Supplementary To Question 373-15(3): Meetings With Ministers Responsible For Day Care

MS. LEE: Thank you, Mr. Speaker. First of all, I would like to know if the Minister was to get the money that he's looking for or somewhere near to that, what is the plan of this government in terms of putting in its own money? Is there any plan for the government to put in its own money? I'll leave it at that for this question. Thank you.

MR. SPEAKER: Thank you, Ms. Lee. Mr. Dent.

Further Return To Question 373-15(3): Meetings With Ministers Responsible For Day Care

HON. CHARLES DENT: Thank you, Mr. Speaker. Mr. Speaker, this government already puts millions of dollars into early childhood programs and we will continue to invest in early childhood. Whether or not we would increase our funding is something we would have to take a look at. Without knowing what the amount of money is that we're looking at, it's difficult to advance any plans. We are quite ready to move forward and we had hoped that we would get some signals from the federal government on Friday that would help us advance our plans so that we would be prepared to move things forward. The federal Minister has indicated that in all likelihood the money will ramp up. In other words, we won't start to see the money flow in equal amounts each year; it will be a gradual increase, which means that we will have some time to develop the plans to take advantage of the money as it starts to flow.

MR. SPEAKER: Thank you, Mr. Dent. Your final supplementary, Ms. Lee.

Supplementary To Question 373-15(3): Meetings With Ministers Responsible For Day Care

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker, there are so many questions to this and the details to work out and the debates to have, perhaps the Minister could make a statement in the House about where the government's position is. But in the interim, could I get the information from the Minister as to whether we're looking at a nationally run child day care program, or are we looking at tax benefits or are we looking at 50/50 funding? Putting aside the dollar commitments that the federal government is willing to give, because we do hear numbers flowing around, what is this government's position as to what this childcare program will look like that will best benefit the people of the NWT? Thank you.

MR. SPEAKER: Thank you, Ms. Lee. Mr. Dent.

Further Return To Question 373-15(3): Meetings With Ministers Responsible For Day Care

HON. CHARLES DENT: Thank you, Mr. Speaker. Mr. Speaker, childcare is an area of exclusive provincial and territorial responsibility. We're not talking about a national system, we're not talking about something that would be the same in all jurisdictions. For instance, Quebec already has a system that is the envy of everybody else in Canada and they're putting billions of dollars into that. Our system is starting from a different point, as is every other system in Canada. So what we're talking about is a program where the federal government would assist the provinces and territories to improve on the systems that we currently have. We've agreed on the vision as a national priority and what each of our systems should look like. Ours will continue to be an individual system and we will build on the strengths of the system that we have in the Northwest Territories. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Dent. Item 6, oral questions. The honourable Member for Sahtu, Mr. Yakeleya.

Question 374-15(3): Long-Term Care Facility In Deline

MR. YAKELEYA: Thank you, Mr. Speaker. Mr. Speaker, the elders' long-term care home facility in Deline has been closed for a number of years. To date the government continues to pay operating and maintenance costs on the facility, but have yet to determine its use. Mr. Speaker, it's really hard to imagine an empty building in a community when there are not enough buildings to administer programs and services that people have daily access to in larger centres. My question today is for the Minister of Health and Social Services. Will the Minister tell me why the elders' long-term care home facility in Deline is closed?

MR. SPEAKER: Thank you, Mr. Yakeleya. The Minister of Health and Social Services, the Honourable Mr. Miltenberger.

Return To Question 374-15(3): Long-Term Care Facility In Deline

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, this goes back quite a few years, but there was a determination made sometime after the facility was built that it wasn't needed for the purpose it was designed. Therefore, it was no longer used. Thank you.

MR. SPEAKER: Thank you, Mr. Miltenberger. Supplementary, Mr. Yakeleya.

Supplementary To Question 374-15(3): Long-Term Care Facility In Deline

MR. YAKELEYA: Thank you, Mr. Speaker. Mr. Speaker, would the Minister tell me what are the operating and maintenance costs associated with this facility? Thank you.

MR. SPEAKER: Thank you, Mr. Yakeleya. Mr. Miltenberger.

Further Return To Question 374-15(3): Long-Term Care Facility In Deline

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, my colleague, the Minister responsible for the Housing Corporation, has just indicated to me that the mortgage payments are over \$22,000 a month. Thank you.

MR. SPEAKER: Thank you, Mr. Miltenberger. Mr. Yakeleya, supplementary.

Supplementary To Question 374-15(3): Long-Term Care Facility In Deline

MR. YAKELEYA: Thank you, Mr. Speaker. Mr. Speaker, will the Minister tell the Legislative Assembly what the department has considered for the use of this facility in Deline?

MR. SPEAKER: Thank you, Mr. Yakeleya. Mr. Miltenberger.

Further Return To Question 374-15(3): Long-Term Care Facility In Deline

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, I'm aware of the interest in the region and in Deline for the use of that facility and, as a government, it's a facility that we built and we're funding to pay the mortgage on. We have looked at it with its potential for a long-term care facility and a number of months ago, as we were doing our review of facilities across the NWT, there was an initial review done of the facility where it was indicated to us that it would cost about \$3 million to upgrade the facility to the current code and standards for a long-term care facility. Thank you.

MR. SPEAKER: Thank you, Mr. Miltenberger. Your final supplementary, Mr. Yakeleya.

Supplementary To Question 374-15(3): Long-Term Care Facility In Deline

MR. YAKELEYA: Thank you, Mr. Speaker. Mr. Speaker, surrounding that, we have...(inaudible)...in Deline. It is costing \$22,000 a month, according to the Minister, for the mortgage and they are looking at it. Will the Minister tell me when the department expects to make a decision on the future use of this long-term care facility in Deline and have our people come to stay back in our region? Thank you.

MR. SPEAKER: Thank you, Mr. Yakeleya. Mr. Miltenberger.

Further Return To Question 374-15(3): Long-Term Care Facility In Deline

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, the constructive use for that facility is on the government agenda. As I have discussed with the Member, if there is a clear understanding in the Sahtu region, for example, that there would be political support for one regional care centre, then that would go a long way to assist in making it clear for the government on what the wishes of the people in the Sahtu are. If every community in the Sahtu is going to be wishing or demanding or asking for a long-term care facility, then it will be a very difficult circumstance. Those are the circumstances at present. Thank you.

MR. SPEAKER: Thank you, Mr. Miltenberger. Item 6, oral questions. The honourable Member for Great Slave, Mr. Braden.

Question 375-15(3): Resource Revenue Sharing Agreements

MR. BRADEN: Thank you, Mr. Speaker. My questions this afternoon are to the Premier, and they relate to the amazing deal that was signed earlier today with two of the Maritime provinces on their resource sharing deals. I wanted to ask, Mr. Speaker, just what parallels are there between the deals that Newfoundland and Labrador and Prince Edward Island have and the deal that we are seeking with Ottawa for our resources? Where are the similarities? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Braden. The honourable Premier, Mr. Handley.

Return To Question 375-15(3): Resource Revenue Sharing Agreements

HON. JOE HANDLEY: Thank you, Mr. Speaker. The deal as signed today is actually with Newfoundland, Labrador and Nova Scotia, not P.E.I. P.E.I. is not involved in this. As the Member may remember or recall, several years ago, Premier Hamm in Nova Scotia was touring across Canada raising this issue of the unfair distribution of the off-shore tax royalties. This is an arrangement that was negotiated for several years, and it came to a head last June during the federal election. So it is a long-standing one. It did not go on, I don't believe, as long as our discussions on resource revenue and royalties sharing have, but it has gone on a long time.

In our case, we have, in this government, worked out an agreement with the Prime Minister to come to an agreement-in-principle this spring and a final agreement in 2006. As I have said before in the House, I intend to keep the Prime Minister to his word on that. If we begin to slip and start to see time passing, if we have no agreement-in-principle and that we can see that the federal government, for some reason, is dragging its feet on it, then, yes, there may be very close parallels to what the people in this territory would want to do and what happened in Nova Scotia and Newfoundland/Labrador. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Handley. Supplementary, Mr. Braden.

Supplementary To Question 375-15(3): Resource Revenue Sharing Agreements

MR. BRADEN: Thank you, Mr. Speaker. I appreciate the Premier's correction. Indeed, it was not Prince Edward Island, but Nova Scotia that kind of also claimed that it has a brand new day. Mr. Speaker, I would like to continue following through with this. What we know to date, does this deal with these two provinces help the NWT's case or could it, in fact, hurt us? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Braden. The honourable Premier, Mr. Handley.

Further Return To Question 375-15(3): Resource Revenue Sharing Agreements

HON. JOE HANDLEY: Thank you, Mr. Speaker. On the face of it, it helps us because it sets a precedent that we can follow. But as the Member again may have noticed in the papers in the last few days, that Ontario are now raising some concern because they feel that the Prime Minister has done a one-off deal with two provinces that is unfair to Ontario, and that they're going to end up having to pay more than their share in equalization as a result of this. So on that front, there clearly has to be some discussion among the Premiers and with the Prime Minister to figure out how all of this is going to work.

There are other provinces that share the same kinds of concerns as we do. Saskatchewan, for example, has made it clear that they intend to try to work out a similar deal for themselves. So it helps us, but on the other hand it does create the possible imbalances that could work against us. But as far as I'm concerned, we have a deal with the Prime Minister -- a deal on devolution and resource revenue sharing -- and I intend that we will stick to that deal. We will honour it and we will trust him until he shows us, for some reason, that he's not going to live up to it. If that happens, then we're ready to take more drastic action. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Handley. Supplementary, Mr. Braden.

Supplementary To Question 375-15(3): Resource Revenue Sharing Agreements

MR. BRADEN: Mr. Speaker, thank you very much. I do know -- and it's Valentine's Day so my heart is with the Premier and with the Prime Minister, too -- their promise is to see a deal that is going to mean net fiscal benefit. I've heard this from the Premier, I've heard this personally from the Prime Minister, that is where I want to go. But, Mr. Speaker, with suddenly these new demands coming from the provinces, there are many more provinces and they're a lot bigger than we are. While we have this understanding with the Prime Minister, do we also have this understanding with the provinces and are they going to keep us on their radar screen, as well? Thank you.

MR. SPEAKER: Thank you, Mr. Braden. The honourable Premier, Mr. Handley.

Further Return To Question 375-15(3): Resource Revenue Sharing Agreements

HON. JOE HANDLEY: Mr. Speaker, we intend to stay on the radar screen. I can tell the Member that I am very much aware of what's happening. I spoke with Premier McGuinty on Saturday regarding Ontario's concerns, and I have his assurance that he's not trying to do anything that's going to undo our deal, nor is he trying to do anything that's going to somehow compromise what we're asking for. So I have registered our concerns with him and assured him that I'll be watching very closely what happens, and the arguments that Ontario is putting forward. If they are in any way seeming to interfere in our agreement, then I'll certainly let him know further. But I will be in contact and continue to be in contact with Premier McGuinty and other Premiers as these various scenarios unfold. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Handley. Your final supplementary, Mr. Braden.

Supplementary To Question 375-15(3): Resource Revenue Sharing Agreements

MR. BRADEN: Mr. Speaker, I applaud the Premier for taking the initiative to phone Premier McGuinty. That tells me that he's doing his job.

Where I wanted to follow through now is in the answer to a previous question. Mr. Speaker, the Premier said that we may need to take more drastic action. I wanted to ask what actions are available to us, or what courses of action are available to us to really ensure that we will stay on the radar screen and we will achieve a fair resource revenue sharing deal? Thank you.

MR. SPEAKER: Thank you, Mr. Braden. The honourable Premier, Mr. Handley.

Further Return To Question 375-15(3): Resource Revenue Sharing Agreements

HON. JOE HANDLEY: Mr. Speaker, we have agreed to a process with the Prime Minister, we agreed to achieving an AIP this spring and a final deal in 2006. When that begins to fall apart, then we will look at what the alternatives might be.

At this point, Mr. Speaker, I don't want to start laying out possible scenarios; they're going to be seen as threats and I don't think our counterparts in this deal are going to view that very well. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Handley. Item 6, oral questions. The honourable Member for Kam Lake, Mr. Ramsay.

Question 376-15(3): Sale Of Diamond Processing Plant

MR. RAMSAY: Thank you, Mr. Speaker. Mr. Speaker, last week I questioned the Finance Minister at length in terms of the Sirius deal that has gone off the tracks, and the potential loss to the Government of the Northwest Territories in that regard. Today I wanted to concentrate on the Resources, Wildlife and Economic Development angle in this fiasco. I know the Minister was listening intently last week when I was questioning the Finance Minister, so I would like to ask him some specific questions. I guess the first one is what his department knew and specifically what the diamond projects division's involvement was with the proposal with the Leviev Group, with the receiver, any involvement that they might have had in this and why they didn't step in to try to help things out. Thank you.

MR. SPEAKER: Thank you, Mr. Ramsay. The honourable Minister of Resources, Wildlife and Economic Development, Mr. Bell.

Return To Question 376-15(3): Sale Of Diamond Processing Plant

HON. BRENDAN BELL: Thank you, Mr. Speaker. Let me first state that I share the Member's concern and disappointment that we weren't able to see a deal between the Leviev Group of Companies and BHP Billiton, Rio Tinto Diamonds. I was very enthusiastic when I learned of Leviev's interest. It is obviously a very

credible world player. I think we are looking for stability in this local industry. I believe somebody of Leviev's calibre would be able to deliver that stability. Let me say that we have been involved in every stage of this process from soliciting interest in bids. We saw a number of those come forward. The department did put together some discussions with various groups who had eventual interest in the assets for sale and the sale of the factory as a going concern. Then the receiver handled the valuation of the proposal stage and came back to Cabinet with a discussion around what the best proposals were. Obviously, Leviev came to the top.

From that stage, we were involved on a weekly basis in discussions. My division was with both Rio Tinto and BHP and the Leviev Group of Companies. We were very disappointed when the eventual deal was not to be made. I would like to remind Members that although we have the socioeconomic agreements, and although the producers have expressed their support for the industry, we cannot force the marriage of any two companies. This is, and will be, a commercial deal, when it is finally done. Our ability to influence the exact partnership is limited. Thank you.

MR. SPEAKER: Thank you, Mr. Bell. Supplementary, Mr. Ramsay.

Supplementary To Question 376-15(3): Sale Of Diamond Processing Plant

MR. RAMSAY: Thank you, Mr. Speaker. Mr. Speaker, I would like to ask the Minister of Resources, Wildlife and Economic Development why there is a six percent mark-up over what the producers charge here in Yellowknife, as opposed to sales of comparable goods in Antwerp. I would like to know why that six percent mark-up exists. Thank you.

MR. SPEAKER: Thank you, Mr. Ramsay. Mr. Bell.

Further Return To Question 376-15(3): Sale Of Diamond Processing Plant

HON. BRENDAN BELL: Thank you. One of the difficulties, obviously, with diamond pricing is that it is not as other commodities that are traded on an open system where you can see the actual value of product very easily. There have been some suggestions by the local industry that they believe they may be charged more than what customers in Antwerp are charged. We really have no way of knowing. The prices charged in Antwerp are commercial deals between site holders and the producers. They are confidential. We have no way to compare those prices to the prices that our local industry is being charged here. I can't comment one way or another. I have no way to verify if, in fact, there is any difference in the pricing. Thank you.

MR. SPEAKER: Thank you, Mr. Bell. Supplementary, Mr. Ramsay.

Supplementary To Question 376-15(3): Sale Of Diamond Processing Plant

MR. RAMSAY: Thank you, Mr. Speaker. Mr. Speaker, I would like to ask the Minister of Resources, Wildlife and Economic Development about a consultant that the diamond projects division has in Europe, whose reason for being is to try to achieve our goal of more northern employees in the secondary diamond industry and also to

increase the potential of the Northwest Territories as a diamond centre. Mr. Speaker, I could speak of him by name, but I won't in the House. I am sure the Minister knows who I am talking about, but it is at a substantial cost to this government. If we are not receiving a benefit from having this consultant in place, then why do we retain this consultant? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Ramsay. Mr. Bell.

Further Return To Question 376-15(3): Sale Of Diamond Processing Plant

HON. BRENDAN BELL: Thank you, Mr. Speaker. I think the Members of the House heard late last week the Finance Minister indicate that we had to take stock of our government's role in supporting the secondary industry, and make some determinations around how we can be most effective as a government to bolster the industry and to support every aspect of the industry. We aim to have that discussion and that analysis going forward. Obviously, we have had the immediate issues of the two factories to deal with here over the summer, into the fall and into the winter. So we have been working through that. But we will have to make some determination around the amount of resources we need, the horsepower we need, the expertise and intelligence we need to draw on from the international community. This is an industry that is very much a global one. We do have to have some understanding of what is going on in Israel, India and in New York in order to effectively understand how we can crack this industry, not only for the Northwest Territories, but for the country. So in the coming weeks and months, we will be taking stock of our resources and making a determination at that point as to what type of resources we need to employ. Thank you.

MR. SPEAKER: Thank you, Mr. Bell. Your final supplementary, Mr. Ramsay.

Supplementary To Question 376-15(3): Sale Of Diamond Processing Plant

MR. RAMSAY: Thank you, Mr. Speaker. I would like to ask the Minister how many of these so-called diamond industry expert consultants have the diamond projects division and the Government of the Northwest Territories got on stream. Where are they located? How much is it costing the government to retain these consultants? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Ramsay. Mr. Bell.

Further Return To Question 376-15(3): Sale Of Diamond Processing Plant

HON. BRENDAN BELL: Thank you, Mr. Speaker. That is a significant amount of detail that the Member is looking for. I will certainly provide that in writing in follow-up. Off the top of my head, the suggestion would be that, internationally, I think we have two diamond consultants who provide us with intelligence and also do some evaluation work for us and administer our certification program which is, as the Member knows, very important to the government. One is located in Israel, the other in Antwerp; and somewhere in the neighbourhood of \$200,000 a year U.S. would be my best guess. I will get detailed information for the Member. Thank you.

MR. SPEAKER: Thank you, Mr. Bell. Item 6, oral questions. The honourable Member for Nahendeh, Mr. Menicoche.

Question 377-15(3): NWT Housing Corporation Rent Scale

MR. MENICOCHÉ: Thank you very much, Mr. Speaker. My questions today are for the Minister responsible for the Housing Corporation. In my Member's statement, I spoke about some of the inconsistencies that the constituents are experiencing with how the Housing Corporation reviews and applies the level of rent scale. I am just wondering if the Minister can tell me what guidelines we are using today. How do we determine who pays what rent and at what levels, Mr. Speaker? Thank you.

MR. SPEAKER: Thank you, Mr. Menicoche. The Minister responsible for the Housing Corporation, the Honourable Mr. Krutko.

Return To Question 377-15(3): NWT Housing Corporation Rent Scale

HON. DAVID KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, with regard to the rent, it is based on format of thresholds for low income tenants who pay a lot less than people who are in the high income range. So it is based on the amount of income that you receive. It is calculated through a phase-in approach, that I mentioned, by way of the rate scale system that we have, which was supposed to be phased in over four years. We are now in the second year of a four-year phase-in, so we are now looking at readjusting that to phase in over this year and next year, which, as it stands right now, is basically 30 percent this year and 10 percent next year, but I know that is an issue with the Member. That is the process of how we evaluate it. It is based on the amount of income that a tenant receives. The higher the income that you have, the higher the rent you pay.

MR. SPEAKER: Thank you, Mr. Krutko. Your supplementary, Mr. Menicoche.

Supplementary To Question 377-15(3): NWT Housing Corporation Rent Scale

MR. MENICOCHÉ: Mr. Speaker, thank you very much. Perhaps the Minister can answer for me, when does the corporation expect to review some of the guidelines that currently exist to make it more reflective of the needs of today, of our constituents, and, indeed, of our clients who are using the Housing Corporation programs? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Menicoche. Mr. Krutko.

Further Return To Question 377-15(3): NWT Housing Corporation Rent Scale

HON. DAVID KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, with regard to the way the Social Housing Program is delivered, it is a social program that is delivered through CMHC -- which are national programs that are delivered across Canada for social housing -- where, as an agent of CMHC, we, as the territories, along with Nunavut, probably have one of the leaner rate scales in the country. Again, it is a national standard that we follow. Again, this is social housing. It is designated for low income tenants, but also we accommodate people

who want to move into social housing with the awareness that, as a high earner, you will be paying more for those units. Social housing is for those clients who receive low income. That is why we have a rate scale that is set through income thresholds. That is how we determine your rates. It is a national program that is across Canada, which is delivered by way of social housing through CMHC. We are delivering the program similar to other jurisdictions in Canada.

MR. SPEAKER: Thank you, Mr. Krutko. Supplementary, Mr. Menicoche.

Supplementary To Question 377-15(3): NWT Housing Corporation Rent Scale

MR. MENICOCHÉ: Thank you, Mr. Speaker. I'm just wondering if the Minister was speaking about national guidelines as well. I guess I was looking more for how we get an appeals process going because that's the real problem here, Mr. Speaker. A lot of the issues I'm hearing are that the Housing Corporation is not responsive; how do we get them to understand my unique circumstances? Like in the case I was talking about in my Member's statement, Mr. Speaker, how does that person appeal the process, is the question. Thank you very much.

MR. SPEAKER: Thank you, Mr. Menicoche. Mr. Krutko.

Further Return To Question 377-15(3): NWT Housing Corporation Rent Scale

HON. DAVID KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, as everyone knows, rate increases are based on the tenant's act, which is an act which is enforced through the Department of Justice. At this time, in order to increase any rent, you have to give three months' notice. If you're not satisfied with that decision, you appeal that to the tenancy officer who is there to oversee the tenant's act. That's the appeals process that you go through. You appeal a decision you don't like or an eviction that you receive through the tenancy officer who is responsible for enforcing the tenant's act. Again, that follows the Department of Justice.

MR. SPEAKER: Thank you, Mr. Krutko. Supplementary, Mr. Menicoche.

Supplementary To Question 377-15(3): NWT Housing Corporation Rent Scale

MR. MENICOCHÉ: Thank you very much, Mr. Speaker. I believe that some of the tenants are aware that if they do have rent problems, that there is a tenancy officer who they can deal with and bring their concerns to. But I was thinking of the Housing Corporation programs in general, Mr. Speaker. Is there an appeal process? I know our current housing act is very old, it's from about 1978. I believe it's time to review it. There's just no room for an appeals system in that current structure. I would just like to get the Minister's assurance that they will take the time to look at that act and review it and update that act is what I'm really after, Mr. Speaker. Will the Minister do that? Thank you very much.

MR. SPEAKER: Thank you, Mr. Menicoche. Mr. Krutko.

Further Return To Question 377-15(3): NWT Housing Corporation Rent Scale

HON. DAVID KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, presently we are reviewing the mandate of the Housing Corporation and this is one of the areas we can focus in. Because we haven't concluded that review, this is something we'll definitely bring back to the department to look at and see if there are ways we can revise how we determine rents and rates. I'll bring it back to the Member. Thank you.

MR. SPEAKER: Thank you, Mr. Krutko. Item 6, oral questions. The honourable Member for Yellowknife Centre, Mr. Hawkins.

Question 378-15(3): Cultural Awareness Training For Teachers

MR. HAWKINS: Thank you, Mr. Speaker. Mr. Speaker, I rise with the question with regard to cross-cultural training. Mr. Speaker, I look forward to the day that we don't have to talk about southern hires versus northern hires, but, with that in note, Mr. Speaker, Alaska has a policy on new teachers coming to their territory to take Alaskan history. The Yukon territory has a policy and statutes that refer to Yukon history as a requirement for teachers to teach in their area. So, Mr. Speaker, more specific to the Northwest Territories, if Alaska and the Yukon government can both do something like this, can the Minister of Education, Culture and Employment tell me if the Northwest Territories has a policy or any type of legislation mechanism that requires southern hire teachers to take a cultural awareness program and training? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Hawkins. The Minister of Education, Culture and Employment, the Honourable Mr. Dent.

Return To Question 378-15(3): Cultural Awareness Training For Teachers

HON. CHARLES DENT: Thank you, Mr. Speaker. Mr. Speaker, the Department of Education, Culture and Employment does have a Teacher Induction Program, and one of the goals of that program is to transmit the culture of the system to the new and beginning teacher. So, yes, that is something that we do try and do through the department. That's also partly the responsibility of the various boards across the Territories. I have spoken to the chairs of all of the divisional education councils and the DEAs in Yellowknife about the importance of cultural awareness and cross-cultural training. In fact, I've held up examples of where I have seen good examples of it practiced in the Northwest Territories, and we've discussed some of those examples around our tables when we meet twice a year. Thank you.

MR. SPEAKER: Thank you, Mr. Dent. Supplementary, Mr. Hawkins.

Supplementary To Question 378-15(3): Cultural Awareness Training For Teachers

MR. HAWKINS: Thank you, Mr. Speaker. Thank you, Mr. Minister, for that information. Mr. Speaker, my next question would be who funds this training at the divisional education authority level? Who is responsible for that? What consistent approach does the department have in

the creation of a module that would lead to a clear definition of cultural training for the Northwest Territories? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Hawkins. Mr. Dent.

Further Return To Question 378-15(3): Cultural Awareness Training For Teachers

HON. CHARLES DENT: Thank you, Mr. Speaker. Mr. Speaker, for instance, the Tlicho or Dogrib Community Services Board takes every teacher out on the land before school for a week for a community hunt. Almost all of the regions, in fact all of the regions do some form of cultural awareness. So it's best handled at the board level because each region has a different culture that needs to be appreciated. Each of the boards take the lead on providing the detailed cultural awareness programming and that's accommodated through the transfers they are provided to operate the boards in each region.

MR. SPEAKER: Thank you, Mr. Dent. Supplementary, Mr. Hawkins.

Supplementary To Question 378-15(3): Cultural Awareness Training For Teachers

MR. HAWKINS: Thank you, Mr. Speaker. Not every region shows an excellent example, like the Tlicho region, I have to emphasize. Mr. Speaker, we don't have a mandated policy or module system that looks at the territory as a whole. We don't have anything that looks at the history of the Northwest Territories. Mr. Speaker, I am not talking about bringing southern people here and converting them. I just want to make sure they are aware of the cultural issues, aware of our history so they respect it. That's the issue of getting that base education, so when they go into a specific region they can get that. So, Mr. Speaker, I guess really what responsibility does the territorial government have on this issue? Just a moment ago, you said we do this and now you are saying it's left in the hands of the education authorities. So who pays for this at the educational authority level in the example you said? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Hawkins. Mr. Dent.

Further Return To Question 378-15(3): Cultural Awareness Training For Teachers

HON. CHARLES DENT: Thank you, Mr. Speaker. Except in Yellowknife, all of the education authorities get all of their money from the Government of the Northwest Territories. So who's paying for it? By and large, it's this government. All of the boards are encouraged to make sure there is relevant cultural awareness training provided to all of their new teachers. They do that and it's something I have discussed with the DECs largely because we see it as important to retention. I am satisfied that every board in the Northwest Territories is undertaking activities in this area. What we have done is encouraged them to strengthen that area. As part of the Teacher Education Program at Aurora College, one of the modules is about cultural awareness and there is also extensive training done through the Teacher Education Program on the Northwest Territories history and cultures, including land claims and treaties. So we have a system that accommodates this. It's encompassed in the social studies programs as well, so our curriculum supports the

teachers learning and understanding, then passing that on to their students. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Dent. Your final supplementary, Mr. Hawkins.

Supplementary To Question 378-15(3): Cultural Awareness Training For Teachers

MR. HAWKINS: Thank you, Mr. Speaker. I appreciate the Minister pointing out the fact that it's included in some of the funding, but essentially it's a wrap-up of offloading of responsibilities, Mr. Speaker. You could say anything that the education authorities do links back to funding of the Government of the Northwest Territories. Of course it does, but it's not specific funding derived for cross-cultural training. You also said the city of Yellowknife is exempt from that or I didn't hear it clearly that they get direct money for our city for our education authorities. Mr. Speaker, in the state of Alaska, they do their training at the college level and they create modules of base training. Would the Minister consider creating a program that would deliver consistent programming so all teachers could access the history and values of the Northwest Territories in the principles of the education system? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Hawkins. Mr. Dent.

Further Return To Question 378-15(3): Cultural Awareness Training For Teachers

HON. CHARLES DENT: Thank you, Mr. Speaker. As part of our Teacher Education Program, that is, in fact, done by the college right now. That's part of the Teacher Education Program. Mr. Speaker, we run a system of education in the Northwest Territories where local control is considered very important, so schools can reflect local culture, the local wishes of parents. So the funding is handed from this government to the boards by way of formula and there aren't a lot of ways in which we control that. We have the Education Act which sets out how things have to be done. We have an accepted curriculum, we have standards, but we allow boards to make their own decisions about how to undertake programs. The Tlicho may think that it's important for all teachers to go out on the land for a week and do a community hunt. In the Sahtu region, they may have a different approach. We have to recognize that's the right way to do it. The monies that are provided for this sort of training are given to the boards. It's part of the formula that is allowed to the boards and we allow them to choose how to best provide that sort of training. Thank you.

MR. SPEAKER: Thank you, Mr. Dent. Item 6, oral questions. The honourable Member for Nunakput, Mr. Pokiak.

Question 379-15(3): Medical Travel Policies

MR. POKIAK: Thank you, Mr. Speaker. On Friday I made a Member's statement with regard to escorts and patients and the lack of communication between the departments. There have been quite a number of problems between the escorts and patients travelling back and forth to my home communities in my region there. The question I have for the Minister of Health and Social Services is who is responsible for communications for medical travel for the departments for the escort of medical patients outside of their home communities? How does the department

ensure that the patients are safely returned home, other than having to wait for being on stand-by when they are supposed to get home? Thank you.

MR. SPEAKER: Thank you, Mr. Pokiak. The honourable Minister of Health and Social Services, Mr. Miltenberger.

Return To Question 379-15(3): Medical Travel Policies

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, there are staff who deal with medical travel in Inuvik as well as at Stanton; as well, we have people on the ground in Edmonton at the Government Health Authority to assist, as well, with patients who go South. Thank you.

MR. SPEAKER: Thank you, Mr. Miltenberger. Supplementary, Mr. Pokiak.

Supplementary To Question 379-15(3): Medical Travel Policies

MR. POKIAK: Thank you, Mr. Speaker. I guess the question that I have for the Minister, Mr. Speaker, is I'm really unsure that his department makes sure the patients, when they travel back and forth from their home communities, are taken care of with regard to their travels. Thank you.

MR. SPEAKER: Thank you, Mr. Pokiak. Mr. Miltenberger.

Further Return To Question 379-15(3): Medical Travel Policies

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, I can appreciate the Member's concern for his constituents. I want to assure him that the system is designed to try and provide as painless a process as possible for people to travel in time of need. If the Member would be willing to share with me outside of this House the specifics of the cases he mentioned in this House, I'd be happy to check on those with him and on his behalf so we can ensure that we can address some of the concerns that he raised. Thank you.

MR. SPEAKER: Thank you, Mr. Miltenberger. Supplementary, Mr. Pokiak.

Supplementary To Question 379-15(3): Medical Travel Policies

MR. POKIAK: Thank you, Mr. Speaker. I'd be willing to share that information with the Minister. Another thing I mentioned on Friday in my Member's statement is with regard to a patient who was shortly discharged a day after his...

MRS. GROENEWEGEN: Surgery? Surgery?

MR. POKIAK: Surgery, yes. Apparently he went home shortly afterwards; he was discharged the second day. Thank you, Mrs. Groenewegen. Who determines the outcome of the patients travelling shortly after or a day after their surgery? Thank you.

MR. SPEAKER: Thank you, Mr. Pokiak. Mr. Miltenberger.

Further Return To Question 379-15(3): Medical Travel Policies

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, the discharge of patients is a medical decision that's done by the doctors and the staff in the facility. The issue of the stand-by and the travel arrangements are dealt with by the staff I've already touched on. I'll look at the issue of stand-by, but I look forward to the other more specific information from the Member. Thank you.

MR. SPEAKER: Thank you, Mr. Miltenberger. Your final supplementary, Mr. Pokiak.

Supplementary To Question 379-15(3): Medical Travel Policies

MR. POKIAK: Thank you, Mr. Speaker. I think the question I have for the Minister is if you had seen this person who was in pain when he returned home, it was very clear when I met him in Inuvik that he was in pain. He just got out of surgery the day before, they sent him back home to Inuvik, and again he was one of those unfortunate people who had to be on stand-by again, Mr. Speaker. Will the department ensure that prior to the release of outpatients, that they are able to travel without any pain? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Pokiak. Mr. Miltenberger.

Further Return To Question 379-15(3): Medical Travel Policies

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. If the Member will provide me with the specifics, we'll make every effort to ensure that this doesn't happen again and that we can ensure pain-free travel for our constituents. Thank you.

MR. SPEAKER: Thank you, Mr. Miltenberger. Item 6, oral questions. The honourable Member for Range Lake, Ms. Lee.

Question 380-15(3): NWT Childcare Spending

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker, I'd like to ask some more questions to Mr. Dent about the national childcare debate that's going on and the meetings that he attended over the weekend. Mr. Speaker, lest there be any opinion out there that we have this huge functioning child day care program in the NWT given the Minister's answers earlier, I think it should be a very clear understanding that we don't have that. What we have is a very basic minimum, income tested day care subsidy. I don't know if anybody has noticed the careful skating around that the Minister did in answering my question when I asked him how much money we spend on day care. He said we spend millions on early childcare, which is not the same thing, Mr. Speaker. I noticed that and I'm sure the good ears out there have, too.

So, Mr. Speaker, I just want to ask the Minister how much money we're actually spending on day care in the North; or childcare, as we define them in a narrow sense. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Ms. Lee. The Minister of Education, Culture and Employment, Mr. Dent.

Return To Question 380-15(3): NWT Child Care Spending

HON. CHARLES DENT: Thank you, Mr. Speaker. Mr. Speaker, if we're talking just about day cares, I can answer the question. In terms of 2004-05, the funding for early childhood programming is \$1.989 million. It's important to remember that the program that we're talking about with the federal government is not for day care. It is an Early Learning and Childcare Program that they are interested in investing in. This is not just aimed at day cares. It's quite clear from the federal point of view that that's not what this is about. We are working together to try to come up with a system that improves on early learning opportunities for children across all of Canada.

I wasn't trying to skate around the issue with the Member. I was trying to make sure that everybody understood it that every province and territory is at a different place right now. The goal of the federal contribution is to help all of us improve on where we are. The federal government isn't offering, with \$5 billion, enough for all of us to come up even with what Quebec is offering right now. I did say Quebec is offering what is seen clearly in Canada as the best system. There's no way with what's going into this program that across Canada we could achieve that. The goal is to make sure that we have the same vision, the same goals, and that we agree that we're trying to accomplish many of the same things across Canada, and the federal government will contribute to help improve on what we're doing now. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Dent. Supplementary, Ms. Lee.

Supplementary To Question 380-15(3): NWT Child Care Spending

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker, I don't believe that I disagree with the elements of what the Minister has said. I do believe that this is a debate larger than just day care, as in babysitting or day care units. I am glad that the federal government and provincial governments are engaged in bigger discussions overall about what we as a society and the government is prepared to do in terms of taking care of our children and how much funding and the role that the government can play. I think that the Quebec model is an example that we should try to follow to the extent as much as possible.

I guess, Mr. Speaker, maybe I should just ask how much is the Minister talking about? He mentioned earlier that the federal government formula, as it's presented now, amounts to...The Minister suggested that he's asking for .51 percent. What would that work out to in dollars if he gets that plus base funding or plus per capita? Thank you, Mr. Speaker.

MS. LEE: Thank you, Ms. Lee. Mr. Dent.

Further Return To Question 380-15(3): NWT Child Care Spending

HON. CHARLES DENT: Thank you, Mr. Speaker. Mr. Speaker, the base funding that the small jurisdictions are seeking would amount to \$5 million a year each. That would be over and above the per capita. If we were to get straight per capita money...and again, this is if the money were flowing at \$1 billion a year. We know it likely won't; there will be a number of things that come out of this

money, so we're probably not talking about \$5 billion in total that will be split between the provinces and territories. But if it were \$1 billion for any one year that was being split between all the provinces and territories, the amount that this territory would see from per capita funding would be somewhere between \$1 million and \$1.3 million. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Dent. Supplementary, Ms. Lee.

Supplementary To Question 380-15(3): NWT Child Care Spending

MS. LEE: Thank you, Mr. Speaker. As the questions and answers on this topic suggest already, there are so many things about this program and this debate that we need to know and talk about. I'd like to know from the Minister if you could advise us as to who is advising him about what the GNWT's position is. Has he done consultation with the stakeholders out there? This has been pretty quiet until he snuck up in the national media and he went to Vancouver over the weekend. Where is he getting his position from? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Ms. Lee. Mr. Dent.

Further Return To Question 380-15(3): NWT Child Care Spending

HON. CHARLES DENT: Thank you, Mr. Speaker. Mr. Speaker, we're not talking about redesigning the program yet because we have no idea what sort of money we're talking about or what the deal is going to look like that we sign with the federal government for the money to flow to us. Not until we know what sort of emphasis we sign on to with this agreement, but we're starting to get a better understanding. As I told the Member in a previous series of questions, the provinces, territories and federal government have moved the wording in the agreement quite a ways along, but there are some people who are not satisfied with it. As recently as today, Ontario is in the Globe and Mail saying that they want a bilateral deal. They don't want to sign the same deal as everybody else. Alberta has proposed that, as has Quebec. We're not sure yet where we're going to end up with this or what exactly the deal is going to look like with the federal government. Until we do, we don't know what we can move forward on here. We think we're starting to get a clear understanding, but when we know what the money is, then we'll have the problem of deciding how to spend it and that will involve some degree of consultation. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Dent. Your final supplementary, Ms. Lee.

Supplementary To Question 380-15(3): NWT Child Care Spending

MS. LEE: Thank you, Mr. Speaker. I know the Minister means well, but I'm not sure I agree with his approach and the government's approach on how they're going about it in terms of speaking about the GNWT's position at the national table on childcare or day care or early childhood education or however we want to phrase this. I don't think it's the proper thing to just go and say we'll see what the federal government is asking or we'll see where we end up. I think we'll have a better chance of getting it where you want to, if you know where you want to be before you start. So I'd like to know from the Minister if you could

make a commitment to make appropriate consultation with those who are involved in this and to also provide the Members of this House in writing about where the government's position is so far in this debate. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Ms. Lee. Mr. Dent.

Further Return To Question 380-15(3): NWT Child Care Spending

HON. CHARLES DENT: Thank you, Mr. Speaker. Mr. Speaker, I could have an open consultative process, but at the end of the day there may be no deal. We would spend the money on a consultation without knowing if we're even going to get one dollar to spend on this program. At this point, until we see the money in the budget, we don't know the terms and conditions or when it's going to come down. So, no, I'm not prepared to advance the prospect of going out on a consultation to try and find out how we should spend this. Because of the nature of the agreement, I can't even share with the public what the draft is right now. We've been told that there's no deal until everybody agrees on the points of the deal. So I don't have a lot of detail that I can take out to talk about.

The federal government has come to the table for the first time ever and said we're prepared to invest in early learning and childcare. They've advanced a number of conditions and positions and we're at the table saying hey, we want some money. This is a good deal. This is the first time ever that they've come to the table like this. It's a great opportunity. But because it's their money, they get to set the details out. So we're waiting to find out what those are, and then we'll try and work our program to fit around what they insist on. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Dent. Item 6, oral questions. The honourable Member for Sahtu. Mr. Yakeleya.

Question 381-15(3): Long-Term Care Facility in Deline

MR. YAKELEYA: Thank you, Mr. Speaker. Mr. Speaker, my question is to the Minister of Health and Social Services and it's on the old seniors' home in Deline. I would ask the Minister, given that today is Valentine's Day, has he had a change of heart in terms of the facility in Deline? The old people really want a facility opened in the region. I understand from speaking to the Minister of Housing that there are some proposals being developed to have a facility looked at and see its use and viability. Given the numbers by the Minister of \$22,000 of a mortgage payment and the facility was closed down in 1994, almost 10 years, will the Minister look at directing his department to help people in Sahtu to do a proposal for the department and get a contract?

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

Return To Question 381-15(3): Long-Term Care Facility in Deline

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, I will work with the Member and the people of Sahtu, as well as the Minister of Housing to see what is the best use that can be made of that facility. Thank you.

MR. SPEAKER: Thank you, Mr. Miltenberger. Supplementary, Mr. Yakeleya.

Supplementary To Question 381-15(3): Long-Term Care Facility in Deline

MR. YAKELEYA: Thank you, Mr. Speaker. Mr. Speaker, I thank the Minister. I would ask the Minister if he would look at some dates in terms of when the people in the Sahtu can foresee the opening of a seniors' facility and quit paying the \$22,000 a month and put it to good use. Would the Minister commit to some time frame within the life of this government? Thank you.

MR. SPEAKER: Thank you, Mr. Yakeleya, Mr. Miltenberger.

Further Return To Question 381-15(3): Long-Term Care Facility in Deline

HON. MICHAEL MCLEOD: Thank you, Mr. Speaker. Mr. Speaker, it would be my hope that this time next year we won't be having the same discussion. Thank you.

MR. SPEAKER: Thank you. The time for oral questions has expired; however, I will allow the Member to finish his supplementary questioning. Mr. Yakeleya.

Supplementary To Question 381-15(3): Long-Term Care Facility in Deline

MR. YAKELEYA: Thank you, Mr. Speaker. I really don't know how to take that answer, Mr. Speaker. Let's hope for the best. Thank you.

---Laughter

MR. SPEAKER: Thank you, Mr. Yakeleya. I didn't hear a question there. The time for oral questions has expired. Mr. Pokiak.

MR. POKIAK: Thank you, Mr. Speaker. At this time I would like to request unanimous consent to go back to item 5, recognition of visitors in the gallery.

MR. SPEAKER: The Member is seeking unanimous consent to return to item 5, recognition of visitors in the gallery. Are there any nays? There are no nays. We will return to item 5, recognition of visitors in the gallery. Mr. Pokiak.

REVERT TO ITEM 5: RECOGNITION OF VISITORS IN THE GALLERY

MR. POKIAK: Thank you, Mr. Speaker. At this time, I would like to welcome my brother Randall Pokiak, and my niece, his daughter, Devalynn. It's good to see them down here. It's not often people travel from back home to come to Yellowknife. They had the good patience to sit down for an hour and listen to all of this. Thank you.

---Applause

MR. SPEAKER: Thank you. Indeed, welcome to the Legislative Assembly. Item 5, recognition of visitors in the gallery. Item 7, written questions. Item 8, returns to written questions. Item 9, replies to opening address. Item 10, replies to budget address. Item 11, petitions. The honourable Member for Inuvik Twin Lakes, Mr. McLeod.

ITEM 11: PETITIONS**Petition 3-15(3): Rental Controls In The NWT**

MR. MCLEOD: Mr. Speaker, I would like to present a petition dealing with the matter of rental controls in the Northwest Territories. Mr. Speaker, the petition contains 884 signatures of Inuvik residents and, Mr. Speaker, the petitioners request that the Government of the Northwest Territories enact and enforce rental controls in the NWT.

MR. SPEAKER: Thank you, Mr. McLeod. Item 11, petitions. Item 12, reports of standing and special committees. Item 13, reports of committees on the review of bills. Item 14, tabling of documents. The honourable Minister of Finance, Mr. Roland.

ITEM 14: TABLING OF DOCUMENTS**Tabled Document 100-15(3): GNWT Business Plans, 2005-2008**

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Mr. Speaker, I wish to table the following document entitled GNWT Business Plans, 2005-2008. Thank you.

MR. SPEAKER: Thank you, Mr. Roland. Item 14, tabling of documents. The Minister of Education, Culture and Employment, Mr. Dent.

Tabled Document 101-15(3): Aurora College Annual Report 2003-2004

HON. CHARLES DENT: Thank you, Mr. Speaker. I wish to table the following document entitled Aurora College Annual Report 2003-2004. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Dent. Item 14, tabling of documents. The honourable Minister of Resources, Wildlife and Economic Development, Mr. Bell.

Tabled Document 102-15(3): A Management Plan For The Bathurst Caribou Herd

HON. BRENDAN BELL: Mr. Speaker, I wish to table the following document entitled A Management Plan for the Bathurst Caribou Herd. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Bell. Item 14, tabling of documents. The honourable Member for Yellowknife Centre, Mr. Hawkins.

Tabled Document 103-15(3): Letters Between Northern Premiers And Prime Minister Re Ballistic Missile Defence System

MR. HAWKINS: Thank you, Mr. Speaker. It's not often I rise to give an A plus to our Premier. I'd asked the Premier to write a letter to the Prime Minister with regard to my ballistic missile concerns and I have two letters to table. The first one is a letter jointly written between the Premiers of the Yukon, of course the Northwest Territories and the Government of Nunavut, as well as the response from the Prime Minister of Canada to this letter. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Hawkins. Item 14, tabling of documents. Item 15, notices of motion. Item 16, notices of motion for first reading of bills. Item 17, motions. The honourable Member for Tu Nedhe, Mr. Villeneuve.

ITEM 17: MOTIONS**Motion 26-15(3): Appointments To Standing Committees And The Board Of Management, Defeated**

MR. VILLENEUVE: WHEREAS Robert McLeod has been elected as the Member for Inuvik Twin Lakes;

AND WHEREAS a number of changes to standing committee and Board of Management appointments have been recommended by the Striking Committee;

NOW THEREFORE I MOVE, seconded by the honourable Member for Range Lake, that the following appointments be rescinded:

- a) Mr. Robert Hawkins, Member for Yellowknife Centre, to the Standing Committee on Social Programs;
- b) Mr. Robert Villeneuve, Member for Tu Nedhe, to the Board of Management as an alternate; and
- c) Mr. Norman Yakeleya, Member for Sahtu, to the Standing Committee on Governance and Economic Development as an alternate.

AND FURTHER that the following appointments be effected:

- a) Mr. Robert Hawkins, Member for Yellowknife Centre, to the Standing Committee on Governance and Economic Development;
- b) Mr. Robert McLeod, Member for Inuvik Twin Lakes, to the Standing Committee on Accountability and Oversight, to the Standing Committee on Social Programs, and to the Standing Committee on Governance and Economic Development as an alternate; and
- c) Mr. Norman Yakeleya, Member for Sahtu, to the Board of Management as an alternate.

Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Villeneuve. The motion is in order. The motion is on the floor. To the motion.

AN HON. MEMBER: Question.

MR. SPEAKER: Question is being called. The honourable Member for North Slave, Mr. Zoe.

Motion To Amend Motion 26-15(3), Defeated

MR. ZOE: Thank you, Mr. Speaker. Mr. Speaker, I'd like to make an amendment to Motion 26-15(3).

Mr. Speaker, I move, seconded by the honourable Member for Nunakput, that Motion 26-15(3) be amended by striking out that portion of the resolution following "Range Lake that", and substituting:

"Mr. Robert McLeod, Member for Inuvik Twin Lakes, be appointed to the Standing Committee on Accountability and Oversight and to the Standing Committee on Governance and Economic Development."

Thank you.

MR. SPEAKER: Thank you, Mr. Zoe. Motion on the floor to amend. To the amendment. Mr. Zoe.

MR. ZOE: Thank you, Mr. Speaker. With no disrespect to the Striking Committee, Mr. Speaker, the honourable Member for Twin Lakes is the only Member who is not appointed to any of the standing committees and there is a vacancy particularly to the Accountability and Oversight committee and to Governance and Economic Development committee. That's the reason that I'm making this amendment to this motion, so that we can deal with that particular Member to sit on these various committees. Mahsi.

MR. SPEAKER: Thank you, Mr. Zoe. To the amendment. The Member for Tu Nedhe, Mr. Villeneuve.

MR. VILLENEUVE: Thank you, Mr. Speaker. I just got up to let the Members know that I cannot support the amendment to the motion due to the fact that there is a lot of other concerns that the Striking Committee, in drafting up the original motion, did take into consideration and that this amendment doesn't really address a lot of those issues. It's just basically a status quo amendment to a motion, where the original motion is basically taking more consideration about regional balances and working together as Accountability and Oversight committee members, as was discussed this morning, and I think that the amendment to the original motion is just too cut and dried for me. It doesn't take into a whole lot of variables that we were discussing in our meetings. Therefore, I can't support it. Thank you.

MR. SPEAKER: Thank you, Mr. Villeneuve. The honourable Member for Range Lake, Ms. Lee.

MS. LEE: Thank you, Mr. Speaker. I would just like to make a very short comment on this amendment. I will not be supporting this amendment, Mr. Speaker, for two reasons. The first one is that it basically does away with the intent of the motion. So it is a very strong amendment and if the Members support the amendment, basically they could vote against the first one. The reason why I think that is more preferable than supporting this amendment is it does away with the work of the Striking Committee, which I think is a very important element to consider, Mr. Speaker.

AN HON. MEMBER: Hear! Hear!

---Applause

MS. LEE: Mr. Speaker, if the Members do not agree with the original amendments, I think the right thing to do is to send the work back to the Striking Committee. It is a working committee, it's a standing committee, it's a respected committee that has been set up by Members to do this work. So I really think that this is interfering with the process that's very well established and it is not respectable of the Striking Committee that was set up by Members to do Members' work. I would like to also urge the Members in voting on this, to consider what precedent this might be setting. We would not want to see a situation where decisions made by the Board of Management or Accountability and Oversight committee or Social Programs committee, any of the work that the standing committees do here that makes it such an important part of our work being revisited in this House in this way. I would urge the Members if they do not support the first motion not to vote for the amendment, but vote

against the first one and send the work back to the Striking Committee where it belongs. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Ms. Lee. The honourable Member for Kam Lake, Mr. Ramsay.

MR. RAMSAY: Thank you, Mr. Speaker. Mr. Speaker, I'm going to speak in favour of the amendment that's before us today. I thank the Member for North Slave for bringing it here today, for one apparent reason: the regional balance that we should try to maintain. The convention is that Cabinet Members are split up on a regional basis and I feel quite strongly that our standing committees and the structure that the standing committees take should also have that convention in mind when committee assignments and our appointments are made. It is absolutely with no disrespect to the Striking Committee or the Striking Committee members that I'm supporting this amendment. I think they were faced with a difficult decision, having a new Member come into the House. The other thing is we still haven't really heard -- and I know Regular Members aren't privy to what the discussions are on the Striking Committee and that's their business -- but there are three members of the Striking Committee and there are 11 Regular Members, Mr. Speaker, and if the Striking Committee makes a decision, why can't we question it? That's what this amendment is and I do support the amendment, and I'm not in favour of the motion. Thank you.

MR. SPEAKER: Thank you, Mr. Ramsay. To the amendment.

AN HON. MEMBER: Question.

MR. SPEAKER: Question is being called. All those in favour of the amendment? All those opposed to the amendment? The Chair notices that there is a tie to the amendment. Rule 60(3) states that in the case of a tie, the Speaker or Chair of Committee of the Whole shall cast the deciding vote and may state reasons. In general, the principle applied to amendments is that decisions should not be taken except by a majority and that where there is no majority, the main motion should be left in its existing form. I, therefore, vote against the amendment and declare the amendment defeated.

---Defeated

Is there any further discussion on the main motion?

AN HON. MEMBER: Question.

MR. SPEAKER: Question is being called on the main motion. All those in favour? All those opposed? The Chair recognizes that there is a tie on the floor. Rule 60(3) states that in the case of a tie, the Speaker or Chair of Committee of the Whole shall cast the deciding vote and may state reasons. In general, the principle applied to motions is that where no further discussion is possible, decisions should not be taken except by a majority. I, therefore, vote against the motion and declare that the motion is defeated.

---Defeated

MR. SPEAKER: Item 17, motions. Item 18, first reading of bills. Item 19, second reading of bills. The honourable Minister of Finance, Mr. Roland.

ITEM 19: SECOND READING OF BILLS**Bill 21: An Act To Amend The Public Service Act**

HON. FLOYD ROLAND: Thank you, Mr. Speaker. I move, seconded by the honourable Member for Mackenzie Delta, that Bill 21, An Act to Amend the Public Service Act, be read for the second time.

Mr. Speaker, this bill amends the Public Service Act to provide for an appointment of staffing review officers who will hear appeals of appointments made by competition, and to authorize the enactment of regulations governing such appeals. Provisions pertaining to the present Staffing Appeals Committee are repealed. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Roland. There is a motion on the floor. The motion is in order.

AN HON. MEMBER: Question.

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

---Carried

Bill 21 has had second reading and Bill 21 stands referred to a committee. Item 19, second reading of bills. The honourable Minister of Education, Culture and Employment, Mr. Dent.

Bill 22: An Act To Amend The Education Act

HON. CHARLES DENT: Thank you, Mr. Speaker. I move, seconded by the honourable Member for Deh Cho, that Bill 22, An Act to Amend the Education Act, No. 2, be read for the second time.

Mr. Speaker, this bill amends the Education Act to provide that the Minister shall prescribe the hours of instruction for the academic year for kindergarten, subject to a minimum threshold of 485 hours. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Dent. There is a motion on the floor. The motion is in order.

AN HON. MEMBER: Question.

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

---Carried

Bill 22 has had second reading and stands referred to a committee. Item 19, second reading of bills. Item 20, consideration in Committee of the Whole of bills and other matters. Before I go into Committee of the Whole, by the authority given to me as Speaker by Motion 2-15(3), I hereby resolve the House into Committee of the Whole to sit beyond the hour of adjournment until such time as the committee is ready to report progress, with Mr. Ramsay in the chair.

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

CHAIRMAN (Mr. Ramsay): I would like to call the Committee of the Whole to order. Under consideration in Committee of the Whole today we have Bill 15, Tlicho Community Services Agency Act; Bill 16, Northwest

Territories Business Development Investment Corporation Act; Bill 18, An Act to Amend the Territorial Court Act; Bill 19, Appropriation Act, 2005-2006; Committee Report 9-15(3), Standing Committee on Accountability and Oversight Report on the Review of the Draft 2005-2006 Main Estimates; Committee Report 10-15(3), Standing Committee on Governance and Economic Development Report on the Review of the Draft 2005-2006 Main Estimates; and, Committee Report 11-15(3), Standing Committee on Social Programs Report on the Review of the Draft 2005-2006 Main Estimates. What is the wish of committee? Mr. Menicoche.

MR. MENICOCHÉ: Thank you, Mr. Chairman. The committee wishes to review the Appropriation Act, 2005-2006.

CHAIRMAN (Mr. Ramsay): Thank you, Mr. Menicoche. On Friday, we left off on general comments with Mr. Pokiak. As he is not here, I suggest we take a short recess.

SOME HON. MEMBERS: Agreed.

---SHORT RECESS

CHAIRMAN (Mr. Ramsay): Good afternoon and welcome back, Committee of the Whole. We had general comments and I will open the floor now to general comments. Is committee ready for detail? As we agreed, the Department of Finance is the first up, with Mr. Roland. I would like to ask the Minister to provide his opening comments on the departmental estimates for the Department of Finance.

HON. FLOYD ROLAND: Mr. Chairman, I am pleased to present the Department of Finance's main estimates for the fiscal year 2005-2006.

The Department of Finance, through its responsibilities for revenue generation and management, and information gathering and distribution, plays an important role in ensuring the government is able to deliver its programs and to make informed decisions.

For 2005-06, the Department of Finance has identified a total expenditure budget of \$7.9 million, or 7.4 percent more than in the 2004-05 main estimates. The increase is composed of:

- \$530,000 for increased insurance costs resulting from the transfer of responsibility for health boards' liability insurance from the Department of Health and Social Services;
- \$306,000 in reductions;
- \$120,000 to gather and make available statistical information and analysis on the impacts of resource development;
- \$120,000 in limited-time funding to help ensure that the 2006 census accurately measures the population of the NWT;
- \$80,000 to conduct a review of the Liquor Act; and
- \$2,000 transferred from Public Works and Services related to computer chargebacks.

The GNWT has seen large increases in its insurance costs over the last few years. However, the insurance market stabilized substantially in 2004 for most types of coverage. As a result, the GNWT does not expect to see an increase in its property insurance premiums in 2005-06 over 2004-05 levels. Liability coverage, however, is still increasing in cost. The department recommended the consolidation of the liability policies of the health and social services authorities into the general policy of the government. This change will add \$530,000 to the department's costs, but will save more than \$700,000 in health board costs, for an overall cost savings. In order to implement this change, \$530,000 will be transferred to Finance's budget in 2005-06 from the Department of Health and Social Services. I would note that, in the absence of this transfer, the department's 2005-06 expenditure budget would increase only .02 percent over 2004-05 levels.

The department's main estimates include \$306,000 in expenditure reductions, or 4.15 percent of Finance's 2004-05 main estimates budget. This includes the elimination of two positions within the department, reductions in budgets for contract services, employee related costs, travel costs, casual wages and computer equipment, and the elimination of some statistical publications produced by the Bureau of Statistics.

In identifying potential areas of reduction, the department was constrained by the fact that over 50 percent of its budget funds wages and salaries, and a further 36 percent funds the non-controllable items of insurance premiums and interest costs. Therefore, only 14 percent of the budget funds controllable, non-salary costs. All of these reductions will affect the department's core business to a greater or lesser degree. The main focus of the department is raising revenues and reduced resources will affect its ability to pursue this task.

The department has included three new initiatives in its 2005-06 main estimates. The first is the inclusion, on an ongoing basis, of \$120,000, approved in 2004-05 in Supplementary Appropriation, No. 1, for the Bureau of Statistics to develop and provide access to information on the economic and social impacts of resource development.

Secondly, a further \$120,000 is included, on a one-time basis, to fund the bureau to work with Statistics Canada on the 2006 Census. Given the importance of accurate population numbers for our fiscal position and our program planning, this is a sound investment.

The third new initiative of the department is one-time funding of \$80,000 to undertake a review of the Liquor Act. This initiative has been called for by Members and by the public. However, we heeded cautions that this should not be a large, expensive process. The total cost of this project has been budgeted at \$160,000, half of which will be funded internally by the department in the current fiscal year.

The business plan includes a forecast of departmental revenues for 2005-06 of \$946.707 million. These revenue estimates include the results of the October 26, 2004, First Ministers' meeting, which resulted in increases to our formula financing grant. The Department of Finance, as the lead revenue department of the government, accounts for about 90 percent of the total GNWT revenues forecast for 2005-06. The department will be focusing significant

efforts in 2005-06 on the work of the federal Expert Panel on Equalization and Territorial Formula Financing. The negotiation of a fair resource revenue sharing agreement with Canada will also be a priority.

The main estimates do not identify any increased borrowing costs for 2005-2006, but we anticipate increases after 2006-2007 as we take into account the requirement set out by the federal government to repay them the \$290 million corporate income tax overpayment that we received in 2002-2003. If the funding levels identified in our medium-term fiscal framework are confirmed, then it is likely that no increases in interest expense will be required until late in the government's business planning period. However, this is based on the assumption that the government restrains its spending and uses a significant portion of the new funds available from the formula for debt repayment. The greater our spending, the more we will have to borrow and the greater our interest costs will be.

I would be pleased to respond to any questions the committee may have. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ramsay): Thank you, Mr. Roland. I'll go to Mr. Menicoche for comments.

MR. MENICOCHÉ: Thank you very much, Mr. Chairman. The Standing Committee on Accountability and Oversight had reviewed the Department of Finance and is pleased to provide the following comments.

Department Of Finance

Insurance

The GNWT and NWT residents alike have experienced steep increases in insurance premium costs over the past few years driven primarily in the downturn in the worldwide insurance industry. According to information provided by the Department of Finance, GNWT insurance premiums increased by 57 percent from fiscal year 2001-02 to 2002-03. In early 2003, the department undertook a review of alternative ways to address property risks for the GNWT which resulted in the decision to raise the deductible amount to \$10 million and self-insure losses below that amount. In conjunction with this, a loss control program was implemented and funded by part of the premium savings. This approach has significantly reduced premium costs for the GNWT, resulting in a net decrease in insurance premiums for the year ending March 31, 2004, and only a slight increase for the year ending March 31, 2005. Members were pleased to note that insurance premiums, at least in the area of property insurance, are under control.

Unfortunately, NWT residents continue to struggle with rising insurance premiums. Some Members noted that many NWT residents, in particular small business owners, have expressed that escalating insurance costs is a substantial burden to their business. Surveys conducted by the Canadian Federation of Independent Business, which include the NWT, echo this concern. Three-quarters of businesses have cited insurance rates as a topic showing impact on business.

During the review of the 2005-2006 Draft Main Estimates, the committee had opportunity to discuss a problem of escalating insurance costs with the Minister of Finance and his officials. Members raised the issues of possible

GNWT intervention in the insurance industry with the aim of mitigating rising insurance costs which are a substantial burden to most NWT residents, especially small business owners, and it was pointed out that a number of jurisdictions across Canada have taken this type of action.

Members of the committee were pleased with the Minister's commitment to contact the Canadian Federation of Independent Business, as well as other jurisdictions, to discuss possible GNWT participation and efforts that are already underway to deal with escalating insurance premiums. Members look forward to further discussions about this issue with the Premier, no later than the spring session of this Legislature.

2006 Federal Census

The GNWT and the federal government were in disagreement over the results of the 2001 census. The issue is of crucial importance to the GNWT as formula financing agreements which determine the amount of transfer money from the federal government are closely tied to population. To resolve the issue, the GNWT undertook its own census. After much negotiation, the GNWT and the federal government were able to reach an agreement which saw the addition of approximately \$100 million of federal funding for the GNWT. This money would have otherwise been lost had the GNWT not intervened.

Members were pleased to see the Department of Finance allocate \$120,000 in one-time funding for the NWT Bureau of Statistics to work with Statistics Canada to ensure the next federal census accurately reflects the NWT's population. The initiative is aimed to ensure the difficulties encountered during the last census and the resulting financial implications will not be repeated.

Some Members did raise the concern that perhaps the GNWT was taking on the responsibility and cost that should be borne by the federal government. However, given the potential financial loss should the situation of the last census be repeated, the committee is of the opinion that it is good investment. The committee supports the department's proactive approach to working collaboratively with Statistics Canada on the 2006 census.

The committee further notes that the quality of a census is ultimately dependent upon the way that questions are asked, and that efforts be made to communicate the value and importance of the census to residents. Members point out that communities have been known to be resistant to sharing personal information with government officials. This hurdle will have to be overcome for the 2006 census to be a success.

Recommendation

The Standing Committee on Accountability and Oversight recommends that the Department of Finance focus on the communication elements of the 2006 census so that NWT residents are made aware that the 2006 census is vitally important to the NWT and its residents.

Review Of The NWT Liquor Act

The Standing Committee on Accountability and Oversight was pleased to note the department's initiative to review the NWT Liquor Act in order to identify appropriate legislative changes. The act has not been reviewed since

1994 and is currently considered by many to be inadequate. Members were very disappointed that more details were not available at the time of the draft main estimates review.

Subsequent to the meeting, the standing committee received additional information and notes that an initial report, that will include recommendations on potential issues, will be considered. This will be completed by April 30, 2005. The initial report will also include a review of the recommended legislative changes and proposed consultation process. A final report will be provided to the Department of Finance by November 30, 2005.

Members have noted the Minister's commitment to ongoing discussions with the committee as the initiative progresses. The committee looks forward to further dialogue as the reports are completed. Thank you very much.

CHAIRMAN (Mr. Ramsay): Thank you, Mr. Menicoche. I'd like to ask the Minister if he wishes to bring in witnesses at this time and ask if the committee agrees that we bring in some witnesses. Mr. Roland.

HON. FLOYD ROLAND: Yes, Mr. Chairman, I would.

CHAIRMAN (Mr. Ramsay): Is the committee agreed that we entertain the witnesses at this time?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Ramsay): Thank you. I'd like to ask the Sergeant-at-Arms to gather the witnesses and have them seated. Thank you.

Thank you, Mr. Sergeant-at-Arms. Welcome, witnesses. I'd like to ask the Minister to please introduce your witnesses.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. To my right I have the deputy minister, Margaret Melhorn, and to my left I have Mr. Mel Enge, the director of finance and administration.

CHAIRMAN (Mr. Ramsay): Thank you, Mr. Roland. Welcome, Ms. Melhorn and Mr. Enge, to the proceedings this afternoon. I'd like to now go on to general comments on the departmental estimates from Members. General comments, Ms. Lee.

MS. LEE: Thank you, Mr. Chairman. I would like to just say a few things about the budgeting process in general. It's not specifically to the Department of Finance, but it is relevant in that it is the department that puts the estimates together. First of all, I want to thank the Minister for breaking down the budget books into different categories under other expenses. I appreciate that the department and the Minister took the advice of the Members. I guess the government didn't want to be asked on each item all over again like the way we did last time. Nevertheless, I do really appreciate the changes that the Minister has undertaken.

The second thing are the budgets in general; I was thinking over the weekend about how we spent the last week with the Minister of Finance delivering his budget, by and large, a very positive or as positive as a government budget can get. I think it's pretty good. I think the Minister should be very pleased and proud of the response not only from this floor, but from outside. When you really look

at it, the budget is a lot more personal than talking about fiscal responsibility framework or how much money goes into deficit and what is our overall debt and how much debt can we get into. It's not about that. The budget is really about how we spend our public money for the benefit and interest of those people who are out there expecting us to do good work for them. For many people in the communities it's about our quality of life, their quality of life or what services are available and what kind of education we're getting in schools and what we can do with our recreational time. For the children it's about what are our adults and leaders doing to make sure that we're taken care of and we get benefits; not benefits, but that we get good health care and our future is being looked after by those who should know better than us, looking at it from a child's point of view.

The line of questions that we had, for example, last Friday about a lack of an indoor gymnasium in Nahanni Butte, it's not an isolated incident. For me over the weekend I just thought that that was sort of everything here should boil down to a level that intimate. It's about the measure of our work here and the budgets that we pass. I've been here...This is my fifth budget. Years down the road after I'm long gone I'm not going to be judged on whether I supported fiscal responsibility framework. Nobody would care about...Well, I mean, I guess for some policy people they might.

---Laughter

But it will be about to what extent did I do, as a Member of this Legislature and this government, to improve and enhance the lives or make it more meaningful to those we serve. That was just my thought over the weekend.

On that note, I still don't get what role the Minister of Finance plays in deciding what goes into these books. I don't know how it looks to you over there, but from here and from what I've seen over the years, some Ministers seem to get projects a lot more easily than others. How does an indoor gymnasium in Nahanni Butte rank? When you go around and duke it out around the FMBS table, how does that rank? Does it need the Minister of MACA to come and vie for -- I don't want to call them the little guys, but I say that with affection...

---Laughter

I mean the little guys in Nahanni Butte; I mean the children of Nahanni Butte. Who is speaking for the children of Nahanni Butte or youth or who need the indoor facility in Nahanni Butte versus an indoor facility in Kakisa as opposed to office renovations on the 12th Floor of the Northwest Tower? I don't know if there have been renovations there, but how does that work? I'll just stop it there and see if the Minister could give us that answer. Thank you.

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

HON. FLOYD ROLAND: Thank you, Mr. Chairman. The number of comments Ms. Lee has made with regard to the budget exercise as we go through; one, is from within the Department of Finance. We like to accept the opportunity for any kind words that Members share with us, but the changes the Member has spoken to about other expenses being now included in the budget document were part of the FMBS process. I think it's

again listening to what Members want and trying to accommodate what we can through this process.

The Member is also right about the quality of life issues that residents face and this budget process, but I would say that the responsibility policy issue is one that directly would impact and has impacted in the past on programs and services available to clients in the Northwest Territories to the people we represent and serve. I guess as we see this budget coming forward and presenting it with the fiscal responsibility policy as a cornerstone of it, if we can secure and build a solid foundation going forward, then hopefully those programs and services that Members speak about can continue and be enhanced as we go forward, instead of looking for ways of squeezing the government for more dollars and trying to rearrange how we spend that money. That's one of the issues I guess I would go to.

For the capital planning process that is used, it is one that is fairly difficult. In light of our fiscal challenges of the past, that was one of the areas that was reduced. Things have changed. Initially when programs or capital programs were looked at by departments, there were criteria that established what a community would be eligible for and what departments could put in for requests. As the system works today, each department would work through their system and build their capital planning by going out to their regions and asking for their regional manager's input, and it would work its way up to headquarters and then the deputy ministers of each department would then collect that information and share it. Then it would go into a ranking system.

There was a list of five areas that are part of the process that is used and the safety of people and assets are one of those included. What we found ourselves in the last couple of years as the Members of the 15th Assembly and as FMBS and Cabinet Ministers would review the plan as it would come forward to us. As we looked at it, it became an increasing concern for us to see that there were many more projects that were not making the list that were of a critical nature, because of the amount of money that we had to be able to apply to the capital program. So decisions had to be made as to what were the most critical. Departments would have to defend what ones they wanted on that project and define why they were important.

Hopefully, as we go forward and set this fiscal policy in place and have increased the amount of capital spending that's going to start happening, we can once again start looking at that criteria and hopefully there won't be as many projects that would sit on that list that we call a red-flag list of each department. The red-flag list is the one where each department would bring forward their list of projects, and those would be the ones that didn't make the initial cut and they still felt it was of a nature that should be dealt with. We'd either tell departments to go back and redo their numbers to see if other projects could be put off for a year or, at the end of the day, we'd have to decide if we could try to find more money from other sources.

It's still an area we have to improve on but, as I stated earlier, with the fiscal responsibility policy and with the intent now to fund 50 percent of our capital program through an operational surplus and the rest through debt management, I think we would be able to start turning that around as we go forward. Thank you.

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

MS. LEE: Seven seconds left; holy. Sorry; I had so many questions.

---Laughter

Maybe I'll just end with one. I'm still not clear though. I know there are criteria for capital funding, safety, protection of assets and such, but how does an indoor facility, which I would think is pretty essential if there are no other facilities in that community for a place to meet or play indoor sports for children -- and I understand there are three or four communities in the North that have that problem -- how does that rank? Why does that rank behind changing the carpets in an office in Yellowknife? I really believe this is not just a Yellowknife...I mean, I don't think I'm here just to speak for Yellowknife issues in a narrow sense. I do believe that the youth and the concerned citizens in Range Lake would want me to speak for people of all the Northwest Territories. How do we rank as a government? Why is it that we cannot make a decision? Why can't we, as a people sitting around this room, say okay, we need to build two or three community halls in small communities for children before we spend...I could tell you; I have sat here and approved and seen renovation projects in offices amounting to \$1 million in any given year. How could we make that possible? Thank you.

CHAIRMAN (Mr. Ramsay): Thank you, Ms. Lee, for squeezing that question in. A reply, Mr. Minister.

HON. FLOYD ROLAND: Thank you, Mr. Chair. Mr. Chair, the capital planning process falls within the responsibility of the Financial Management Board Secretariat. I can commit to the Member that we will, as we go through that secretariat's budget, be able to get into more detail around that area, the process and so on. Just for the record at this point, there are a number of areas, if it is building maintenance and so on, that will fall into other areas of the budget on the O and M side more than it would the capital planning process. I understand where the Member is coming from and I am to be prepared to sort of give more information on the capital planning process as we deal with the FMBS budget. Thank you.

CHAIRMAN (Mr. Ramsay): Thank you for that, Mr. Minister. I have got Mr. Menicoche next. Mr. Menicoche.

MR. MENICOCHÉ: Thank you very much, Mr. Chair. I just want to follow up on the capital planning process. The Minister did mention that it is under FMBS, but, at the same time, the Department of Finance has some of the purse strings in terms of the funding that flows over what is tied to definitions and a certain amount of goals, like green infrastructure. I am sure that our Department of Finance does have some leeway in defining what green infrastructure is. Late last week, I said -- well, it will actually come to me in a dream, Mr. Chair -- that I wasn't too far off when I said there is nothing greener than building a gymnasium for the community of Nahanni Butte. I think it is green infrastructure. If you really think about it, it is an appropriate definition for it. So if the Minister can reflect on that.

I, too, am concerned about the capital planning process. Yes, it is community driven, but, in this case, particularly of the Nahanni Butte gymnasium, the community has

been screaming for over a year now and it hasn't even advanced one year in the capital planning process. That concerns me, too, about the validity of our process. What is really going on? If we have a process here, why isn't anything moving or anything being heard? That kind of concerns me, Mr. Minister. I think I will just end there for now, Mr. Chair.

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

HON. FLOYD ROLAND: Thank you, Mr. Chair. Mr. Chair, again, the Department of Finance's main function is to try and ensure that we have enough revenues for the government to operate. Within the FMBS, that is where a lot of the spending decisions, the policy of government becomes formulated and also that of Cabinet. Our main goal within the Department of Finance is to try to ensure that we have as much revenue as possible to run the programs and services we have at the same time as the Department of Finance would try to see some of our other critical areas, as I have highlighted, on the insurance area and so on. I don't disagree with the Member's concerns. Again, when we look at the capital planning process, since it has been asked here -- and I will probably end up having to respond to it anyway through FMB -- there were a lot of other projects that have been put on hold or have been put off from year to year; schools, and things of that nature, health centres that have been delayed.

I think, as a government, we have been coming around to addressing the issue of community shortfall in the area of an infrastructure, and the Municipal and Community Affairs department has worked with the communities in coming up with a new deal for community governments. There might offer an opportunity of our government working closer with the communities to try and see some of their projects that they see as critical, having the opportunity to move faster than they had through our typical process. Thank you.

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

MR. MENICOCHÉ: Thank you very much, Mr. Chair. I thank the Minister for those answers. I just wanted to indicate to the Minister, it says there is a process there and it concerns me that it doesn't appear to be working, I guess not at this stage. Maybe I have to be here a little bit longer to see something moving, I guess, Mr. Chair. In terms of that, I just want to make the government aware that that is something that is concerning me. I don't know if it needs reviewing or anything like that, but I know that the government does have a heart. They do see that need that I have been addressing for quite some time now.

If I can just switch gears for a little bit here and talk about devolution and resource revenue sharing, I just want to get the Minister's thoughts on that. For me, what is happening in Newfoundland, there is a \$2 billion plus windfall, but that is over eight years and if you divide that out, it is around \$250 million a year. Of course, it is not being clawed back. What type of resource revenue sharing does the Minister see for our government? I keep telling people that it sounds good when you say it, and you build big headlines around it, but in actual money, I think somebody was saying it is less than \$200 million a year for our coffers. It is not very much because, in order to be self-sustaining, we need, at the minimum, \$1 billion

a year just to run our government. I was wondering what the Minister's view on resource revenue sharing is. What will we actually get? I really think it is a myth that we will be getting \$1 billion to run our government. The people really think that is going to happen. I just want to, for the record, set it straight, that I don't think that is what we are talking about here. If I can get the Minister's comment on that, Mr. Chair.

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

HON. FLOYD ROLAND: Thank you, Mr. Chair. Mr. Chair, as a government, we have looked at the requirements that we are going to need as we go forward in coming up with the funding levels that are required by departments to either continue with their level of services or try to enhance them, especially when we look at the economy that we have. A heated economy is one that is good, that helps with employment and business and so on. There is also the other side of it where there is an increased cost to provide services, whether it is just normal day-to-day services in the community or the negative side when communities and individuals would have more cash on hand. We see sometimes the negative side of that. We are impacted on the social program side. What we have tried to do as a government, and specifically to resource revenue sharing, is to ensure that the package we have worked on with our partners in the North is to ensure that we have a net fiscal benefit or a gain of dollars from Ottawa through the development of our non-renewable resources.

Right now, Ottawa receives approximately 96 percent of every dollar that is gained through the extraction of non-renewable resources in the Northwest Territories. We look at that avenue and say that a fair share of that should remain in the North so that we, as governments in the North, can fund our programs and services. What we have talked about net fiscal benefit, when you look at our formula financing arrangement, is that for every dollar we raise in the North, we also lose a bit of our transfer payments. For every dollar, we lose approximately 80 cents in transfers. What we are talking about through this royalty revenue sharing process is to ensure that a portion of that remains in the North without a clawback criteria, then the rest of the money there would fall into the normal formula financing arrangements.

Now, I say this based on our old formula financing. We also are aware that at this time there is work ongoing through the equalization panel and formula financing table that the federal government has set up, and we are not sure what the treatment of own-source revenues will be treated like, or the impact of tax effort. For example, right now, in our existing formula, tax effort and own-source revenues and population are just a couple of the things that are taken into account.

With that in place we worked on the revenue sharing side, again based on the development of non-renewable resources in the Northwest Territories, taking a percentage of that, having the money remain in the North so that we can deal with the costs of development impact here in the North and better deal with those impacts, as well as better planning in the sense of knowing what the future may hold on the fiscal side as we develop our budgets. We are aware of other jurisdictions of provinces, what they receive as a part of their development of the non-renewable resources in their jurisdictions, and we use

that as a comparison and try to ensure that we get some of that, but our goal is to ensure that there is a net fiscal benefit attached to this; that any new money we receive through any changes in how the royalties are dealt with, we do not lose through a clawback factor within a formula. Thank you.

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

MR. MENICOCHE: That's okay.

CHAIRMAN (Mr. Ramsay): Ms. Lee.

MS. LEE: Thank you, Mr. Chairman. On the Minister's opening statement, I have another question on the topic of insurance. The Minister's statement speaks of increased funding of \$530,000 for increased insurance cost. My question is not specific to that issue, but insurance in general. The AOC committee report spoke about the collaborative effort going on between the AOC members and the Minister to try to look at the rising cost of insurance and the whole general topic that I think we will be discussing more. My question to the Minister is whether or not there are any programs in the government that try to help NGOs in dealing with the insurance costs.

I think this item here is insurance cost for health boards, but we know that there are a lot of groups in the Territories that deliver public programs or public service programs on behalf of the government, or that otherwise would be provided by the government. A lot of those have huge liability insurance implications. I am thinking of shelters, where there is more than usual potential for liability issues to arise. I would like to know the current state of government policy, if there is any, about liability insurance for those NGO groups. Thank you.

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

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Mr. Chairman, what I have laid out in my opening remarks is the transfer of liability coverage from the health board authorities to the government policy. That is a change that would see an overall savings for the boards. In the other matter of insurance and liability for non-government organizations, for the most part our policy doesn't include non-government organizations. There may be a couple of exceptions, but I am aware...For example, the example that Ms. Lee has used in the area of shelters; the government funds, through its contribution agreements to non-government organizations, that cost of covering insurance to a certain degree. I am aware that some of the shelters were finding it rather difficult to get insurance a couple of years ago. I know that the Department of Health and Social Services was working with them in that area. Thank you.

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

MS. LEE: Thank you. I'm glad that the Minister does understand what I am trying to say here, because I do believe that we were in the House when these questions came up. I can't remember exactly when -- probably in the last two years and I don't know exactly which group had applied for it -- but I do believe that the Minister of Health and Social Services, then and now, made an exception to those NGOs who are engaged in activities

that makes it really hard to obtain insurance and if they did then their insurance costs are just exorbitantly high.

I think another example I could think of -- maybe not quite exactly the same -- would be the midwifery program in Fort Smith. I think that is one of the examples where the government has to step in and take some extraordinary or unusual process put in place so that these programs, that the government supports, that the government is behind, that the government believes in, go ahead. My question is, knowing that we know that the government does do this, and seems like on a case-per-case basis, on an extraordinary case basis, I am wondering if there is any intention on the part of the government to set up any kind of policy on that or to get some more consistency. Or is it the plan of the government to keep on doing the status quo and look at a different case on its own merit and on a case-by-case basis? Thank you, Mr. Chairman.

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

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Mr. Chairman, we are prepared to work with the other departments if they find that the non-government organizations -- or NGOs, as we call them -- are finding difficulties in those areas and their contributions are continuing to go up for coverage in those areas. We are willing to work with, for example, Health and Social Services, to see what areas we may be able to assist them with. But we haven't, at this point, come up with a plan to change the way we do things. Our first goal is to ensure that we are able to insure both from a properties side and cover our premiums, as well as a liability side, for the GNWT. Once we have stabilized that, then we can work with departments to see what other areas we may have to look at. We are willing to work with other departments; they are aware of that. We haven't set up a plan right now to deal with NGOs as a group altogether. Thank you.

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

MS. LEE: Mr. Chairman, thank you. I thank the Minister for that answer. Staying on the same topic of insurance, but not exactly the same as I have been asking about. The committee's report on the insurance speaks about the fact that the government has changed its deductible amount to \$10 million to decrease the premium cost, but at the same time accepting more risks. For the record, could I ask the Minister whether the government has undertaken an analysis of the cost and benefit picture, of changing this risk versus cost and what their findings are so far? Thank you.

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

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Mr. Chairman as the Department of Finance looked at the cost for insurance and providing the level of coverage that we initially put in place, in 2003 an actuarial report was done to look at the cost-benefit analysis of providing the existing level of services that was there. It was felt at that time and the numbers that we had run through, affirmed that, in fact, changing the way we did our insurance and increasing the deductible would make sense. A part of that was also developing the risk loss management side of things and to ensure that while we were making this step

we weren't going to be taking big losses on the other side when we looked at that deductible amount. So, yes, we did do some work in that area. Thank you.

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

MS. LEE: Sorry; I didn't hear there from the Minister, on balance, if the government is ahead or not. I think our findings are that the insurance premium did still go up. It's just probably not as much as it could of if the change in the policy did come about. But is it possible for the government, or is the government engaged in doing a cost-benefit analysis where we say okay we take this much on premiums, these things happen over the years that cost us this much, and if we had a different kind of insurance package there's X amount being covered? So now that we have this new kind of package we only have parts of X covered, but in the end...I guess I'm just doing a skeleton cost-benefit analysis here. So could the Minister give us any idea for the year ending March 31, 2005, where we are on that cost-benefit analysis?

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

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Mr. Chairman, since changing over -- it's only been two years since we've done this change -- we've already noted there are considerable changes. For example, if we had not made the change from our previous policy for 2003-04, we would have been paying approximately over \$5 million for our insurance, and to date it would have been in the area...I'll get Ms. Melhorn to get into the detail.

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

MS. MELHORN: Thank you, Mr. Chairman. For the 2003-04 insurance year, our losses plus our insurance premiums were slightly more than \$4.3 million. Under the old insurance coverage approach, we would have paid much higher premiums and our losses plus premiums would have exceeded \$5 million. So we actually benefited from the change in the policy by \$700,000. For 2004-05 our current losses to date are about \$823,000 -- losses plus premiums -- and if we had continued with the previous approach on the lower deductible, our losses plus premiums would have been \$2.2 million. So in both years the change has been a cost benefit.

CHAIRMAN (Mr. Ramsay): Thank you, Ms. Melhorn. Ms. Lee, your time has expired. Do you have another short question you would like to get in? Ms. Lee.

MS. LEE: Thank you. That gives us a \$1.5 million savings. Will the Minister consider using that money to build an indoor gym in Nahanni Butte?

--Laughter

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

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Mr. Chairman, as part of our program when you go through reduction scenarios, these savings are taken into consideration as we lower our budget numbers. For the 2003-04 year into the 2004-05 there was a reduction target set, as well as in this budget exercise we're going

through. So we don't hang onto the money. What money we don't use goes back into the consolidated revenue fund. Thank you.

CHAIRMAN (Mr. Ramsay): Thank you, Mr. Minister. Thanks, Ms. Lee, I'll come back to you. I've got Mr. Braden. Mr. Braden.

MR. BRADEN: Thank you, Mr. Chairman. I've got a couple of areas that I would like to explore. One of them is the ongoing challenge that we have to manage our debt and the plan that's been outlined in some detail on restructuring our whole financial management situation. The other area concerns the Department of Finance's jurisdiction over our liquor system.

Mr. Chairman, the business plans for 2005-08 and the budget document that the Minister presented last Thursday outlined a little bit of a scary situation for us on our overall debt situation. Everyone, of course, Mr. Chairman, is familiar with the \$300 million debt wall that was set by Ottawa several years ago and that we have to try to live with. Now due to the taxation and clawback scenarios -- I won't go into the detail -- we're going to be pushing a debt of \$295 million in 2006-07, if I read this correctly, Mr. Chairman, leaving us about \$5 million free board, which is not very much even for our government. So I wanted to ask the Minister, given that there are negotiations, discussions, hopefully a framework coming together for a new fiscal relationship with Ottawa, are we going to be able to see this through before we do virtually hit this debt wall in the coming fiscal year? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Pokiak): Thank you, Mr. Braden. Mr. Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Mr. Chairman, I guess just for the record as laid out in the budget address in the attached document and information to that, we're looking at 2007-08 as going up to the \$295 million total debt that we would have in place. It's our goal as we follow through this process and as Members have endorsed their fiscal responsibility policy, to approach the federal Finance department and work with them on dismantling the debt wall and remove that arbitrary figure of \$300 million and deal with our fiscal situation as a percentage of our revenues as lined out in that fiscal responsibility policy. I think that before we get to the time when we get that close to the debt wall, hopefully we'll have a couple of things happen. One; that we will have agreement by the federal Finance department that they will work with us on the fiscal responsibility policy and establish a new debt equation, I guess is the way to call it. Two; with the ongoing work with the Premier and the Prime Minister, and the Prime Minister's commitment around devolution and revenue sharing, that we would, in fact, be able to establish a new stream of dollars that would help us again in that area and stabilize our funding situation.

So there are a couple of things there. I think the first and most critical part is to work with our federal counterparts in ensuring that they see that what we're putting together in our fiscal plan is that we've developed it, it is a sound one, and that they would agree that the fiscal responsibility policy is an adequate process to allow us to develop our budgets for the Government of the Northwest Territories. Thank you.

CHAIRMAN (Mr. Pokiak): Thank you, Mr. Minister. Mr. Braden.

MR. BRADEN: Mr. Chairman, I see this as all quite doable. I'm already on record as being a strong supporter of the new finance program as outlined so far by the Minister, and I certainly hope we do get Ottawa to see us through this. In the event that we don't, has the department got a plan B? This debt wall is a serious matter. There's no real question in my mind that it is going to be something that we will have to pay back. The rules are very straightforward, but I do like to know that we do have some backstop, if you will, if things don't go the way we would like them to go at the right time. So is there a plan B that we're looking at? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Pokiak): Thank you, Mr. Braden. Mr. Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. I guess, number one, we're hopeful and fairly confident that federal Finance will see what we are putting together as an appropriate one and they would endorse and work with us on that avenue. Looking at the picture, if things don't change, then, yes, we are going to have to look at our fiscal strategy once again in how we would go forward to ensure we don't go over our debt that we're aware of and have to make some adjustments necessary. There are a couple options in that. One is working with federal Finance again about that repayment plan that they do have set up in all jurisdictions and work on that issue, as well as looking at our fiscal picture as a Government of Northwest Territories, once again, and trying to do whatever necessary to ensure we don't hit the debt wall. We've taken a fairly strong stand on our fiscal picture to date. We've managed it very well, I believe, as we've come together as Members of the 15th Assembly and hopefully that will account for some good work with the federal Finance people to see what we're putting together is actually a viable way of doing business in the Government of the Northwest Territories. But there are a couple of other options that we could work on. Our goal though, ultimately, is have the fiscal responsibility policy accepted and adopted by the federal government. Two is that we have a devolution revenue sharing agreement in place and new revenue flowing to the government, and go on that basis. But you're correct; if those things are not happening as quickly as we've planned, then we're going to have to look at a couple of other options that I've just mentioned. Thank you.

CHAIRMAN (Mr. Pokiak): Thank you, Mr. Minister. Mr. Braden.

MR. BRADEN: Thank you, Mr. Chairman. I believe it's in the Minister's opening remarks that he addressed the review of the NWT Liquor Act, which we're now engaged in over a two-year program, which will have a budget of \$160,000 attached to it. Again, I would reiterate my support and my approval of reviewing this really critical piece of legislation. From my perspective, Mr. Chairman, it is far more important that we delve into this from the perspective of liquor's impact on our society and the social consequences of it more so than the fiscal business side of it. But to the review that we're engaging in here, the Minister indicated that the department is heeding cautions that it should not be a large expensive process. I certainly don't advocate anything being any larger or more expensive than it needs to be, but could the Minister give us a bit of an outline based on this description here? Just

what kind of parameters are being placed, what kind of criteria are envisioned for the scope and the scale of this review? Thank you.

CHAIRMAN (Mr. Pokiak): Thank you, Mr. Braden. Mr. Minister.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Mr. Chairman, I guess a bit of history is our goal to try to make sure this gets done and get a legislative proposal back to Cabinet for April 2006. As laid out in the information we supplied, we hope to have this next review phase completed by 2005 for further review. Some of the things we are aware of and know that there's significant work for impacts to people in the Northwest Territories around this area and the terms of reference as we're going forward doesn't necessarily just deal with the issue of finances or dollars and cents, in a sense, of what we do. But we have a fair bit of work in how things would go down.

We discussed liquor sales, liquor licensing, local options, and those are things that, for example, what should the community's role be. Should it be more than it is now? Should the Minister be deciding if a community would have a special prohibition, as we call it, or a time period where they didn't want any alcohol at all, or should that decision be made at a community level? We are also touching on the societal problems, the social problems as part of it, and also looking at the liquor regulations in comparison to other jurisdictions across Canada.

As well, again, another area is the eligibility to consume and illegal sales aspect of where we're going. Then another key, sort of critical area, as a Government of the Northwest Territories is dealing with the emerging self-governments that are happening, dealing with aboriginal self-governments in that area. So those are some of the key areas we're looking to touch on as we go forward.

It's not going to be an easy job. We're trying to contain those costs and we're very aware, once we get to the next process, that it's going to take on a new life in a sense, because as we prepare for legislative proposal and meet with committee members on this and then discuss the work we've done and if we get to the draft legislation process, that, as well, Members will be taking that out to the public review. So there are a number of options that could come out of this as we go forward. Thank you.

CHAIRMAN (Mr. Pokiak): Thank you, Mr. Minister. General comments, Ms. Lee.

MS. LEE: Thank you, Mr. Chairman. I have a question on the collection of payroll taxes and other taxes that the department is responsible for in just general terms. Can the Minister tell us about what sort of mechanisms are in place to make sure that those who are supposed to pay taxes pay, and those employers who are supposed to hand in those taxes do? What mechanisms do we have to know that if somebody is not doing it, that they are notified in an expeditious manner? Last fall I had two calls; I can't give names of the employers or the companies because they don't want to be revealed. In one case a business that employs a lot of aboriginal people -- it's a business that's been around for a long, long time -- kept getting notices asking if they wanted to be registered to pay payroll tax. One is a lot younger than the other, but in two instances two different businesses were called upon by telephone by a government employee asking them if they want to register to pay, or to

submit payroll taxes when they've been around for a long time, and they had been paying taxes and such. So that just raises questions about what sort of system is in place to make sure that we keep tabs on businesses to make sure we know who is out there, we know who is supposed to pay taxes, we know when they are not paying taxes. So I'd like to know how many people work in this section and how do we ensure there are as few errors as possible? Thank you, Mr. Chairman.

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

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Mr. Chairman, in the area of the payroll tax, we work with at least one other organization and that is the one that would register companies. We work with the WCB to see how many employers there are in the Northwest Territories, because that is who registers companies.

The Member has also touched on a couple of cases. We have had a number of scenarios that have developed in the North around the collection of taxes overall. There was a case that was going before the courts around the jurisdiction of taxation with governments in general; not just the Government of the Northwest Territories, but governments in general. A number of groups had decided that they were going to wait for the outcome of those cases before they would participate within our taxation initiatives. So that may be one of the areas the Member has referred to.

We try to work with groups voluntarily initially, but if that doesn't happen then we go down other avenues. For further detail on that, I will have Ms. Melhorn respond to some of that as we follow through the process of collecting payroll tax.

CHAIRMAN (Mr. Ramsay): Thank you, Mr. Minister. Ms. Lee. Ms. Melhorn; sorry.

MS. MELHORN: Thank you, Mr. Chairman. Just to follow up on the Minister's response, we do work with the WCB, and we work with RWED who has programs and information packages for new businesses. To ensure that anyone starting up a new business is aware of the requirements, we have information pamphlets. If we are aware of businesses operating in the Northwest Territories, and we are not aware that they have registered, we will follow up with them to ensure that they are registered and remitting payroll tax. Over the last year we have made a fairly significant effort to review our files, to eliminate businesses that are no longer operating in the Northwest Territories and to follow up on businesses which may not have registered. As the Minister indicated, our first efforts will be to encourage businesses and organizations that have employees, to register and to comply with the act voluntarily. That is where our focus is right now.

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

MS. LEE: Thank you, but the questions that have been brought to me have to do with businesses that have been in existence for quite a few years, and that had been submitting taxes and payroll taxes. Now, two or three years later -- in one case, it is still a very rapidly growing business -- they might have been employing 10 people three years ago and are now employing 300 people. They

are advertising; they have a strong presence in the city as well as in the surrounding communities. They have been called twice within a span of two months asking if they were going to be remitting taxes. They said, of course, we are going to be paying payroll taxes or, of course we...It was done in a way that raised a question in their mind, of how the government is keeping track of people that are paying taxes. Why would there be any reason to believe that they would not be submitting any taxes and how does the government keep track? Maybe I should ask how do you know when the business goes out of business, or how do you know when the business is supposed to pay taxes?

Ms. Melhorn indicated that the department keeps track of new companies registering. I wouldn't think that every fiscal year you would be calling everybody to ask if they were going to be paying taxes. In general terms, what sort of mechanisms are there for checks and balances, to make sure that you are keeping track of businesses that are ongoing, as well as making sure that a new business is registered? I would certainly think or hope that you are not calling everybody and asking are you going to be filing taxes.

Are there inspectors out there? Is there a computer program that helps this section to do this job? I would like to have some more solid information about how, from a layperson's point of view, this work is done. Thank you.

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

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Mr. Chairman, we do have programs and staff who track, as Ms. Melhorn stated, new businesses as well as older businesses in a number of ways. Without knowing the specifics of what the Member is raising, it is difficult to respond in a very specific fashion. There are times when an older company in the Northwest Territories changes ownership or registers a different portion of a company and receives a new GSN number, as we call it; a government services number, I believe is the term. That could get some calls happening. Again, initially to inform people that they need to register and hopefully they will follow through that process.

As well, if we find companies that are avoiding that, there are avenues that we use to ensure that they do end up registering. It is something that everybody has to follow in the Northwest Territories; it's not a voluntary choice. We try to use the kinder approach initially; based on that, we get into the side of enforcement, making sure that companies do register. We do have people on staff who review the files, and that is what they are doing now, is going through some of the files and ensuring that the companies are still registered and, again, there may have been change in ownership or directorship that may have changed some of the relationship and trying to make sure that we are staying on top of it. There are avenues that we do use, and we are continuing to try to improve on our methods about that. Thank you.

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

MS. LEE: Could I just ask a question on how many people are employed by the government who actually look at making sure that people pay taxes? I don't know what they are called; inspectors. How many people are actually

employed full time to make sure that employers pay the taxes that they are supposed to?

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

HON. FLOYD ROLAND: Thank you, Mr. Chairman. I believe within treasury is the area that we work on the taxation side. Total for the taxation side, I believe that we have 6 people who would work in that area. Two specifically to do with the payroll tax. Seven -- I'm actually corrected on that -- seven people work in that treasury branch that work on the taxation side; two specific to payroll tax. Thank you.

CHAIRMAN (Mr. Ramsay): Thank you, Mr. Minister. I have Mr. Braden next on the list. Thank you. We will go to Mr. Pokiak. Mr. Pokiak.

MR. POKIAK: Thank you, Mr. Chairman. I just have a couple of questions for the Minister. In his opening remarks, he talks about the significant efforts in 2005-2006 on the Expert Panel on Equalization and Territorial Formula Financing. My question to the Minister is how far are you with this panel? When can we find out exactly how the negotiations are going with regard to the formula financing? Thank you.

CHAIRMAN (Mr. Ramsay): Thank you, Mr. Pokiak. Mr. Minister.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Mr. Chairman, the work is very dependant on the federal government and when they make final appointments to the panel. We are expecting that that would happen in the very near future. Once that is done, we expect to receive a copy of the terms of reference that would apply to that. There is a draft terms of reference right now, but we are also aware that they are beginning to work on setting up a schedule of where they would go and appear, but it is still early and we are waiting for, I believe, final appointments to that panel. Thank you.

CHAIRMAN (Mr. Ramsay): Thank you, Mr. Roland. Mr. Pokiak.

MR. POKIAK: Thank you, Mr. Chairman. Does your department work along with the drafted terms of reference right now or is that taken care of by the government? Thank you.

CHAIRMAN (Mr. Ramsay): Thank you, Mr. Pokiak. Mr. Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Mr. Chairman, the Panel on Equalization and Territorial Formula Financing is a federal initiative and they're working on the terms of reference. There's also another panel that's being worked on by the Council of the Federation, that being the Premiers of all provinces and territories. They're looking at another aspect of the fiscal imbalance, both vertical and horizontal. It's somewhat different than the work that's being undertaken by the federal equalization panel as it gets up and going. There are a couple of initiatives that are happening and are beginning to be moved on. We're expecting that within the year we'll have some recommendations to work with. Thank you.

CHAIRMAN (Mr. Ramsay): Thank you, Mr. Roland. Mr. Pokiak.

MR. POKIAK: Thank you, Mr. Chairman. I'm just wondering, I want to talk a little bit about my next question, which is with regard to the \$290 million repayment on the corporate income tax. What plans are in place in order for us to repay that amount of money back? Thank you.

CHAIRMAN (Mr. Ramsay): Thank you, Mr. Pokiak. Mr. Roland.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Mr. Chairman, the initial plan is one of the federal government's. They have a structured repayment plan that every jurisdiction would operate under in the area of taxes collected on behalf of jurisdictions. This one's specifically the repayment plan from the Canadian Revenue Agency. It is a three-year repayment plan base that uses population figures. The first two years, because of our population the amount is very low, but the third year is full payment. We have yet to finalize that with federal Finance. We're aware again of the conditions that do apply. That's why we've recognized it and are also recognizing it in our fiscal framework going forward. Thank you.

CHAIRMAN (Mr. Ramsay): Thank you, Mr. Roland. Next I have Mr. Braden.

MR. BRADEN: Thank you, Mr. Chairman. Further to our discussion about the liquor review which is about to really get started, by my understanding. The Minister had responded and given some of the areas that the review or act covers now and, of course, that would be contained in the review. Where I'd like to go with this question as well as in terms of the scope and how inclusive and how broad this investigation is going to go. One hundred sixty thousand dollars over two years is not a lot of money from my point of view, Madam Chair, related to the overall size of the impact of the Liquor Act. I'm wondering if the kind of consultation and involvement that the Minister envisions is potentially not going to be as broad as it might be. Are we potentially choking this review back by not giving it some more funding? This is where my original question was prompted, Madam Chair, is when the Minister said we heeded cautions that this should not be a large, expensive process. I'm just trying to find out, are we going to be potentially closing off some areas of public involvement for the sake of cost and maybe even time? Thank you.

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

HON. FLOYD ROLAND: Thank you, Madam Chair. Madam Chair, the area of the Liquor Act, I guess is not an absolutely new issue. This is something that's been looked at for awhile as being a concern to the government, as well as members in other organizations, because of the impact of alcohol and alcohol abuse in the Northwest Territories. Unfortunately, we have a lot of statistics that show that we're one of the jurisdictions with the highest consumption rates. That impacts on our ability to deliver services and provide services to residents. It's something that is of concern.

We've been looking at this initiative and went back and looked at some of the work that's been done. There was a review done a number of years ago. In 2003 another

report was undertaken about the Liquor Act itself, and from that report there was an initiative taken to then go to the phase we're in now and we've hired a company to enter into this process we're going into now. A steering committee has been formed and includes Finance, Justice and the Liquor Licensing Board and the consultant that's been successful with the RFP that was issued. They begin to look at some further issues about where we need to go with this. There are a number of other areas we can use. Those that are directly impacted and affected through the Liquor Act itself, whether it's in the sales or service end of it as well as from the community end, there's going to be opportunity for residents to put their information and feedback into this in the next process. There will be community visits, as well. Not every community will get a visit from this group, but there will be community visits. From there we'll begin to look at the options of how far we go in reforming the Liquor Act and its regulations and going forward, looking to develop the legislative proposal and coming back to committee members with that.

We're just starting to enter into the next portion. We have followed through with the RFP and have hired a company to begin this process. We've put the steering committee together from Finance, Justice and the Liquor Licensing Board and are beginning that work. Again, hopefully we'll have the initial report given to the steering committee by the end of April this year. Then going from there and seeing how much further we need to go with a final report given to myself and the Department of Finance by November 2005. Then we'll need to decide at that point how to frame up the legislative proposal and bring it forward to Cabinet and Members. Thank you.

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

MR. BRADEN: Thank you, Madam Chair. That's a good review and certainly looks after that one for me right now. Then, Madam Chair, we can look forward to a potential revision and renewal, a modernization of the way we manage liquor. In the meantime, Madam Chair, this department still continues the mandate to look after the liquor management and the way public awareness programs are implemented. There is in the business plan an outline of this mandate that the liquor licensing and enforcement areas and Liquor Commission encourage responsible use of alcohol through regulation, education of staff in licensed premises and public awareness programs promoting responsible use of alcohol by NWT residents.

I'm wondering if the Minister could advise the committee, Madam Chair, of two things: some detail on the type of public awareness programs that are in place now promoting responsible use of alcohol; and what kind of fiscal investment, perhaps as well as from an HR point of view, what is our investment in promoting public awareness programs and the responsible use of alcohol? Thank you, Madam Chair.

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

HON. FLOYD ROLAND: Thank you, Madam Chair. There are a number of areas that we do work with in conjunction with other departments; for example, Health and Social Services, in some of the awareness areas, as well, in general. For example, the liquor stores that are operational do labelling on the bags, as well in the

Northwest Territories we have bottles that are labelled to make people aware that consuming alcohol, especially while pregnant, is not a good thing. So we do that bit of work.

The other area of education and training, as the Member touched on, is in the area with the Liquor Licensing Board which is part of their process. As they deal with companies and those who are set up with licences to sell alcohol in the Northwest Territories, they do reviews from time to time on their operations and make recommendations to the companies that they do serve training in areas of that nature.

We don't have a particular program or budget line that would deal through a broad sense with alcohol education, if it's in schools, for example, and so on. But we do work with Health and Social Services in that area. Thank you.

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

MR. BRADEN: Thank you, Madam Chair. It's not really a very impressive list given the impact that alcohol and its abuse has across our society. A number of the things that the Minister has outlined here really are quite passive and non-interactive. A label on a bag, a label on a bottle. Is that really communicating? Is it really working with people to persuade them of the consequences of abuse and helping them to make more responsible decisions? I really think we have badly undershot the responsibility we have. If we have undertaken in the mandate that it's the Department of Finance's job to look after public awareness programs promoting the responsible use of alcohol, we have sadly understaffed and under-resourced this mandate. We've certainly not taken it up from a political position. I just see so little being done in this area, Madam Chair. I would look at the work that this government has undertaken through the Department of Health and Social Services and the tobacco reduction mandate. Superb work there. The WCB has also been a big part of that and some community governments, as well.

Where I see such an amazing change in society's attitude toward tobacco and the impacts that it has, we have chronically missed the responsibility and the opportunity to do something much more aggressively about alcohol. Madam Chair, I'll stop there because I hope these are the kinds of things that we will see engaged during the review of the Liquor Act. I believe and I hope what we're going to hear from the public is that somebody somehow has got to take a far more aggressive action to better manage alcohol in our society. I'll leave it at that. It's more of a comment and maybe a rant, Madam Chair. I welcome the Minister's comments, but I'm not really asking a question there. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Braden. We are in general comments. I'll take that as a comment. Next on the list I have Ms. Lee.

MS. LEE: Thank you, Madam Chair. I wasn't going to comment more, but this issue that Mr. Braden has been discussing has prompted me to say something here so that it's on record. I was going to wait until the Minister's work is done in April or May when this initial report on this review comes hopefully to AOC to discuss it, but this is such a huge issue. I know Mr. Braden is very passionate about this issue. I'm not sure if what Mr. Braden is calling

for, which I think is necessary, should be placed and that debate should take place by way of this review. I think the way we manage or not manage well the use of alcohol and all the accompanying problems and concerns and issues that we have due to addiction or abuse of alcohol and the impact that it has on our citizens should be a discussion that we have among ourselves. I'm not sure if that's a mandate of the Liquor Licensing Board to do this. I think the fact that the Liquor Licensing Board is under the Department of Finance says a lot, because it was really meant to process alcohol through the system. It was never meant, it seems to me, that they were supposed to engage in any kind of public relations or promotion or campaign about how to use liquor responsibly. I understand that they do this work to the limited degree of putting labels on bottles to prevent or dissuade pregnant women from drinking or people to not drink too much. I mean, the Liquor Licensing Board engages in how much taxes to charge. It's a very limited thing and I just had a problem from the beginning in calling for a review to be done in this way.

I see this \$80,000 allocated under this department as a response from the government to the concerns being raised by a Member who is very passionate about it, but by any measure I think that's too little money, probably, to get the job done, but maybe a lot of money to do a lot of damage because you don't have enough money to do the right thing. I think we are probably force feeding our responsibility as a Legislature in discussing the real issues at hand here about use and abuse of alcohol. I think that debate should take place in this House amongst ourselves and in a big way in society. I don't think it's the role of the Liquor Licensing Board or the Finance department who is in charge of this Liquor Act to do that.

I also think that the Liquor Act, the way it's written, gives very specific powers to the Liquor Licensing Board. They should not have any power to speak about whether people should use or abuse alcohol. I have a very different view. I think somebody has to do it; I don't think it's the Liquor Licensing Board that has to do that. I think they have a very limited mandate now and they do work within those limited guidelines.

I understand from this side of the floor we're giving the Minister mixed messages, but I'm prepared to wait until the Minister comes back with an initial review. I'm thinking that would have done enough work for us to make the next set of decisions and actions about where to go from here. I certainly hope that this review will consist of going back to all the studies that were done and compiling them together and presenting us with what issues we need to look at and how to conduct further consultation and have a debate.

I thought I should just put this down as an opinion of at least one Member about where I stand on this review before it went too far down. I'm going to, I'm sure, have further comments on that when we get the results of that review back in May. Thank you, Madam Chair.

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

HON. FLOYD ROLAND: Thank you, Madam Chair. Madam Chair, the Member is right; the role we play now from within the Department of Finance and the NWT Liquor Act is not as broad as some of the areas. We know, for example, as a government, the impact that

liquor has on our communities and families is much broader than the act itself. As a government, we're going to have to deal with and come up with a way of dealing with this as we've heard earlier about what programs are being run through Health and Social Services, like the anti-smoking campaign. Those are things as a government-wide issue we have to start wrestling with and trying to see if we can do things in respect to how people in the North deal with that issue and how we, as a government, would go forward dealing with that issue.

The Liquor Act itself comes right down to the fact of the operations of the Liquor Licensing Board, the relationship that they would have with establishments in ensuring that there are some rules and regulations in place and the sales of the product here. As well, part of this work will entail and we're expecting that the consultant will review existing research and studies on the impact of alcohol on the social behaviour in other jurisdictions. That is a part of it that's going to happen. Again, we're looking for what's happened in other jurisdictions in Canada with respect to the retail and regulatory side of the liquor systems and maybe some recommendations on appropriate change that can be looked at, as well as our enforcement side.

So the Liquor Act itself deals more with the mechanics, operations, enforcement side of things; punishment and provisions, for example. But we're aware there is a social impact. There is going to be some of that looked into as we go forward. I think in the broader scope as a government we're going to have to start to deal with that issue besides sort of after the fact coming up with treatment programs. That is one of the pieces, but I guess we're going to have to take more of a proactive role as a government. But the Liquor Act review is narrower in some of the areas, but we'll touch on some of those comparisons in other jurisdictions. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Roland. Any further general comments on the Department of Finance? Okay. Everybody is indicating we should proceed with the detail. Under Finance in your budget binder, page 3-13, directorate, operations expenditure summary, \$1.351 million.

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Page 3-14, directorate, active positions, information item. It goes on to page 3-15, as well. Mr. Braden.

MR. BRADEN: Thank you, Madam Chair. I know that page 3-10 is there for information only, but I do have a couple of questions on that.

CHAIRPERSON (Mrs. Groenewegen): Okay. Thank you. We'll come back to that after we've gone through the rest of the detail. Mr. Braden.

MR. BRADEN: Thank you, Madam Chair. That will be fine.

CHAIRPERSON (Mrs. Groenewegen): Thank you. Activity summary, treasury, operations expenditure summary, \$4.863 million.

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Pages 3-20 and 3-21, treasury, active positions.

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Fiscal policy, operations expenditure summary, \$745,000.

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Page 3-24...oh, I'm sorry. Committee, I'm going by what I'm hearing and I'm hearing people shouting agreed. That's a very agreeable group on this side. I'm sorry. I'll slow down then. I'll read it slower, but when you've had a chance to note the page and if you have any questions, please indicate. Page 3-24, information item, fiscal policy, active positions.

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Carrying on to page 3-25.

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Page 3-27, activity summary, Bureau of Statistics. Mr. Menicoche.

Committee Motion 20-15(3) Recommendation To Communicate Elements Of The 2006 Census, Carried

MR. MENICOCHÉ: Thank you, Madam Chair. I have a committee motion. I move that this committee recommends that the Department of Finance focus on the communication elements of the 2006 census so that NWT residents are made aware that the 2006 census is vitally important to the NWT and its residents. Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Menicoche. To the motion. Ms. Lee.

MS. LEE: Thank you. Just to shed some light on this issue and why the committee members felt that it was important to make this motion, is that during the discussions we were informed that in some communities people do not know why people knock on the door and they're asking who lives in your house and who you are and such. This is private information and strangers' questions that might be construed in the wrong way and we have to be sensitive to community concerns, and the people in our communities who are not always trusting of outsiders coming in to ask questions about private information. We felt that it was really important that the government expend some energy and some money to inform the public. Maybe we could do a public campaign about what they are when the time comes that has a GNWT logo on it rather than a census logo, which is not as familiar to our people. Considering that our funding mechanisms depend so heavily on the results of census, I think that there is a gap there that this government can do better to the benefit of this government and our financial picture. That's just the background of this recommendation.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Ms. Lee. The motion has been distributed. The motion is in order. To the motion.

SOME HON. MEMBERS: Question.

CHAIRPERSON (Mrs. Groenewegen): Question has been called. All those in favour of the motion? All those opposed? The motion is carried.

---Carried

---Applause

Page 3-27, activity summary, Bureau of Statistics, operations expenditure summary, \$941,000.

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Bureau of Statistics, active positions, pages 3-28 and 3-29.

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Page 3-30, information item, work performed on behalf of others, \$3,000.

SOME HON. MEMBERS: Agreed.

CHAIRPERSON (Mrs. Groenewegen): Page 3-31, information item, liquor revolving fund. Mr. Menicoche.

MR. MENICOCHÉ: Thank you, Madam Chair. Recently, I was thinking about our revolving fund and how it is handled in Alberta. They actually set up an AADAC commission to actually address...I believe that their funds come out of liquor, gambling and those types of revenues. I was just wondering if it was time for our government to start looking at setting up a commission to address our alcohol needs that are out there. The question was, who pays for the advertising for the 1-800 numbers for people with addictions and treatment needs? I think it is time for our government to start looking at that particular area, Madam Chair. If I can get the Minister to comment with respect to that, I would be very happy.

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

HON. FLOYD ROLAND: Thank you, Madam Chair. Madam Chair, as we mentioned earlier in the year on educational awareness on some of the activities, the Liquor Licensing Board is where this would fall under now. The Liquor Commission doesn't have a very big education role in a sense of what happens. It is something we could look at and look at how some of these things should flow. As we go forward, should we be as a government overall, or should it be within the Liquor Commission and start reviewing that as to how do we further educate or provide information out there? But the roles right now are very limited in what we can do and in the responsibilities that fall in this area. Again, it is something we continue to work with in the Department of Health and Social Services. Thank you.

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

MR. MENICOCHÉ: Thank you very much, Madam Chair. I think "being limited" you are being too generous; non-existent, Mr. Minister, especially in terms of the goals and objectives of the liquor board and the commission. I would say that these boards and commissions should take a more active role in consolidating our alcohol and drug addictions needs as we go forward here in the future. I would like to get a commitment from the Minister that he

will continue to look at this and see how we can better organize our government to address the needs that are coming up in the long term, Madam Chair.

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

HON. FLOYD ROLAND: Thank you, Madam Chair. I guess the big thing we have to do and commit to is working with our partners, in a sense, the Department of Health and Social Services. Right now, they have the mandate for the health side of it, with the addiction side, addictions programming, and work with them and how we may enhance that communication going forward. We are prepared to sit down as a government to look at this and deal with that. There are a number of examples right now where Health and Social Services has been at the forefront when it comes to addictions awareness, the impacts of drinking while pregnant, fetal alcohol syndrome and effects, those programs. So we, as a government overall, need to start looking at how we get that information out and provide sort of the educational side of it from our government. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Roland. Anything further, Mr. Menicoche? Mr. Menicoche.

MR. MENICOCHÉ: I am satisfied with the answer, Madam Chair.

---Laughter

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

MR. MENICOCHÉ: I was contemplating a different subject altogether there. I am glad that the Minister is willing to look at this whole area, because I believe it is something new that the government has to address, especially with the onslaught of developing at an increased pace. It is not only diamonds. Now we have oil and gas that has been looming. Actually, the oil and gas has been there. It is just that development of a pipeline, as our communities grow and the demographics change as it seems like people are moving to larger centres and stresses are increasing. We have to be there for our people. That is just a point I would like to make. One of the ways we can do it as a government is to be more responsive and set up a more responsive agency or commission to our addictions needs, Madam Chair. Thank you very much.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Menicoche. I have Ms. Lee.

MS. LEE: Thank you, Madam Chair. I wanted to ask a question to the Minister about the review of the Liquor Act in light of this section here on this budget.

Mr. Menicoche mentioned the example of AADAC in Alberta where not only do they do that, I think that commission is responsible for the roles that our liquor board or Liquor Licensing Board -- I think it is combined -- the work that our liquor board does and the Liquor Commission. Also, AADAC funds money for at least three alcohol and drug treatment programs in Alberta. They fund the Poundmakers in part and they fund the Henwood. They also fund alcohol and drug treatment in northern Alberta. They also do a lot of publications. I am

just wondering if the terms of reference for the review that is being undertaken has the mandate to look at that bigger picture. I had a cursory review of the terms of reference. It is written very technically. It is a process-oriented paper. I am still not clear about exactly what that review has been asked to do and whether or not their mandate has enough power to go abroad and say okay, maybe we are not doing enough on....If we are going to do it, we should do it right, and we should open that up. Thank you.

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

HON. FLOYD ROLAND: Thank you, Madam Chair. I guess, just to be clear, that the Alberta Liquor Commission -- and that comparison is being mentioned right now -- is different than the AADAC commission or the commission on alcohol and drug use in Alberta. As a government, we would have to look at what we need to do and commit to working with our partners as an overall government. What we have to show here on this page 3-31, when you look at the surplus that comes out of the liquor revolving fund, that goes directly into the consolidated revenue fund. So this fund does not stay there and continue to grow. It gets put back into the government coffers to be used for programs and services in that area. Thank you.

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

MS. LEE: Thank you, Madam Chair. To put it another way, does the review of the Liquor Act that is currently underway, that the Minister has mentioned in his opening statement, does that review include reviewing the role and mandate of the Liquor Commission as it currently exists? Thank you.

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

HON. FLOYD ROLAND: Thank you, Madam Chair. It is the Liquor Act that involves the Liquor Licensing Board and the process there. So, yes, that will look at it as we go through this process. As well, the review that's happening will do a comparison to other jurisdictions, the practices in those other jurisdictions. Thank you.

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

MS. LEE: Thank you, Madam Chair. Once again, I will just wait to see what the initial review of that is and make further comments. On page 3-31 that we are on, the figures show that the revised estimate for 2004-05 is less than what was projected in the main estimates. For next year, we are looking at a lesser amount being budgeted than this current year. Are we looking at a downward trend in the consumption of alcohol, or what is the basis for reducing this budget? In particular, why is there an almost \$900,000 difference between what was estimated for this year and what seems to be the actual amount for this year? Thank you.

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

HON. FLOYD ROLAND: Thank you, Mr. Chairman. The reason it's down is there has been a drop in liquor sales

from what was estimated the previous year. There are a number of factors that play into that. One is as we've looked at it; there is a reduction in liquor sales in some of the establishments. So that is one of the areas that is causing that to drop, as well as we can say maybe some of the programs that are out there are starting to have some effect on the consumption. Right now we are seeing a drop in the sales and are going forward on that basis. Thank you.

CHAIRMAN (Mr. Ramsay): Thank you, Mr. Minister. That's good, Ms. Lee? There is nobody else on the list. We are on page 3-31.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Ramsay): Page 3-32.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Ramsay): Page 3-33. Mr. Yakeleya.

MR. YAKELEYA: Thank you, Mr. Chairman. Has there been any thought about regionalizing the liquor board staff? Thank you.

CHAIRMAN (Mr. Ramsay): Thank you, Mr. Yakeleya. Mr. Minister.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Mr. Chairman, the Liquor Commission is in one community right now and there's no intention of breaking that further out, beyond what level of service is provided to date. Thank you.

CHAIRMAN (Mr. Ramsay): Thank you, Mr. Minister. Mr. Yakeleya.

MR. YAKELEYA: Thank you, Mr. Chairman. I will cross my fingers hoping that some potential development happens in the Northwest Territories. Does the Minister foresee the possibility of regionalizing some of the staff members in terms of the increase of resource development down the Mackenzie Valley? Would he consider putting some part-time people in the regions to assist in the operations? Thank you.

CHAIRMAN (Mr. Ramsay): Thank you, Mr. Yakeleya. Mr. Minister.

HON. FLOYD ROLAND: Thank you, Mr. Chairman. The 12 identified positions, including the casual, are ones for the support of the operation of the Liquor Commission. What is not included in that is the sales end of it, the warehousing and so on. That has all been privatized. So that's where there are liquor outlets, contracts let out and they have their own staff through the contracts. We also have contract liquor inspectors who are in different communities and have been working to recruit more. There was some difficulty in having liquor inspectors in all the communities that have sales, but that is something we have been working to improve. So there are two ends of it; one is the administrative support role, which is a small crew that work in this area. Again, we don't see much changing in that area because there isn't going to be much growth in there. The changes that will happen are if there are more outlets. In that case, there will be contracts and through those contracts they will be able to hire staff for their operations. Thank you.

CHAIRMAN (Mr. Ramsay): Thank you, Mr. Minister. To page 3-33, liquor revolving fund.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Ramsay): We will now go back to page 3-10, revenue summary. Mr. Braden.

MR. BRADEN: Thank you, Mr. Chairman. I appreciate committee going back to this to help sort out a few things. What I wanted to look at was some of the considerable variances in one area. In the corporate income tax for this current year, 2004-05, we opened the year with an expectation of \$31.75 million in corporate income tax revenue. The revised estimates for the same year show us at some \$46.33 million. That's about a 50 percent increase within this current year in more corporate income tax. That's a lot more revenue, Mr. Chairman. I am sure the Minister of Finance knows that. I wonder if we can get an explanation of the considerable jump, 50 percent, from forecast to revised. Thank you.

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

HON. FLOYD ROLAND: Thank you, Mr. Chairman. In the area of the corporate income tax, the changes that we see from the main estimates to the revised main estimates are mainly due to the way the federal government had done its estimations. It has changed the way it has done its estimations on a national basis for the corporate income tax. As a result of that, it has improved our position substantially. Thank you.

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

MR. BRADEN: Thank you, Mr. Chairman. So this is not just a one-time thing, an adjustment. It's a new ongoing way of calculating tax. Thank you.

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

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Again, it's a process that they've used and in our situation we would consider it, as probably every other jurisdiction, an improved estimation of where the corporate income tax would be for the fiscal year we would be in. Again, as the numbers become solidified as we actually get to count the returns that have been filed and so on, there could be further adjustments, but this is based on estimations that are made using the new way the federal government is doing it, which has changed our revised estimates. We are hoping that it continues to go forward. The estimations will, again, until they get changed again by the federal government, but this is a new methodology or new forecast on numbers. It's something we hope that will continue. Again, it all gets adjusted to actuals when the filings are made. Thank you.

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

MR. BRADEN: Thank you, Mr. Chairman. The other variance I would like to look into is also in the taxation area and it's on the personal income tax side. We have a revised estimate for this current year of just over \$56 million, Mr. Chairman. That's going to drop to somewhere around \$40 million next year and I am just wondering

about that variance. It's a considerable spread. In this case, a decrease in revenue and I am looking for an explanation there. Thanks.

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

HON. FLOYD ROLAND: Thank you, Mr. Chairman. Mr. Chairman, that drop is related to the implementation of our cost of living tax credit. So that's why you see a significant change there. It's the increase that we have put in place through our first budget process and gets implemented now. As that implementation occurs, we see the drop in our personal income tax. Thank you.

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

MR. BRADEN: That will do. Thank you, Mr. Chairman, and thank you, Mr. Minister.

CHAIRMAN (Mr. Ramsay): Thanks, Mr. Braden. Page 3-10, revenue summary.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Ramsay): We'll go back to the department summary, pages 3-7, 3-8 and 3-9. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Ramsay): Page 3-7, operations expenditure summary. Under department summary, \$7.900 million. Agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Ramsay): Does the committee agree that consideration of the department's estimates is concluded?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Ramsay): Okay, I'd like to thank the Minister and thank you, Mr. Enge and Ms. Melhorn. What is the wish of the committee? Mr. Menicoche.

MR. MENICOCHÉ: Mr. Chairman, to rise and report progress.

CHAIRMAN (Mr. Ramsay): Is that a motion?

MR. MENICOCHÉ: A motion to report progress.

CHAIRMAN (Mr. Ramsay): Thank you, Mr. Menicoche. The motion is in order. To the motion. The motion is not debatable. All those in favour? All those opposed? The motion is carried.

---Carried

I will now rise and report progress.

ITEM 21: REPORT OF COMMITTEE OF THE WHOLE

MR. SPEAKER: Could I have the report of Committee of the Whole, please? Mr. Ramsay.

MR. RAMSAY: Thank you, Mr. Speaker. Your committee has been considering Bill 19, Appropriation Act, 2005-2006, and Committee Report 9-15(3), and would like to report progress with one motion being adopted. Mr.

Speaker, I move that the report of Committee of the Whole be concurred with.

MR. SPEAKER: Thank you, Mr. Ramsay. Do we have a seconder to the motion? The honourable Member for Sahtu, Mr. Yakeleya. There is a motion on the floor. The motion is in order.

AN HON. MEMBER: Question.

MR. SPEAKER: All those in favour? 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 will be a meeting of the Accountability and Oversight committee tomorrow morning at 9:00, and a meeting of Caucus at 10:30 a.m. Orders of the day for Tuesday, February 15th, at 1:30 p.m.:

1. Prayer
2. Ministers' Statements
3. Members' Statements
4. Returns to Oral Questions
5. Recognition of Visitors in the Gallery
6. 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 20, Supplementary Appropriation Act, No. 3, 2004-2005
19. Second Reading of Bills
20. Consideration in Committee of the Whole of Bills and Other Matters
 - Bill 15, Tlicho Community Services Agency Act
 - Bill 16, Northwest Territories Business Development and Investment Corporation Act

- Bill 18, An Act to Amend the Territorial Court Act
- Bill 19, Appropriation Act, 2005-2006
- Committee Report 9-15(3), Standing Committee on Accountability and Oversight Report on the Review of the Draft 2005-2006 Main Estimates
- Committee Report 10-15(3), Standing Committee on Governance and Economic Development Report on the Review of the Draft 2005-2006 Main Estimates
- Committee Report 11-15(3), Standing Committee on Social Programs Report on the Review of the Draft 2005-2006 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. Accordingly, this House stands adjourned until February 15, 2005, at 1:30 p.m.

---ADJOURNMENT

The House adjourned at 5:55 p.m.