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The Honourable Paul Delorey, Speaker

Legislative Assembly of the Northwest Territories

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YELLOWKNIFE, NORTHWEST TERRITORIES**Monday, February 21, 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. Zoe

ITEM 1: PRAYER

---Prayer

SPEAKER (Hon. Paul Delorey): Good afternoon, colleagues. Welcome to another week of work on behalf of the people of the Northwest Territories. Item 2, Ministers' statements. The honourable Premier, Mr. Handley.

ITEM 2: MINISTERS' STATEMENTS**Minister's Statement 86-15(3): Northern Strategy**

HON. JOE HANDLEY: Thank you, Mr. Speaker. Mr. Speaker, I rise today to provide an update on the Northern Strategy. As Members know, this initiative represents an important opportunity for the Northwest Territories. The work we do now and over the next couple of months has the potential to shape the future of our territory for generations to come.

We start from the premise that a strong Northwest Territories is in the best economic, social and security interests of Canada and all Canadians. It is in this spirit that I participated with the Prime Minister and Premiers Fentie and Okalik in the launch of the Northern Strategy framework last December. It is also in this spirit that we intend to work towards a comprehensive Northern Strategy that addresses the priority issues facing this territory.

Over the next few months, through our consultations on the Northern Strategy, we have a real chance to reach common agreement on actions required to advance the priorities of the North generally and the Northwest Territories specifically. We are in a period of unprecedented economic development in the Northwest Territories, development that not only benefits our territory but the country as a whole. This development provides a unique opportunity to make the Northwest Territories a self-reliant territory.

The importance of the Mackenzie gas project to the long-term strategic interest of the Northwest Territories and the socioeconomic future of our people and communities cannot be overstated.

Let me be clear, Mr. Speaker, the Government of the Northwest Territories fully supports this project. We support the work of the Aboriginal Pipeline Group in negotiating and taking an equity position in this project, the type of participation that would have been unheard of in the past projects of this magnitude. We support the negotiations between the Producers' Group and aboriginal organizations to negotiate access and benefit agreements that provide specific benefits to aboriginal people along the pipeline route. We support and remain fully committed to the joint panel process established to review it and to

ensuring that northerners fully benefit from this development. We support and are partners in the work being done through programs such as the Aboriginal Skills Employment Program to train our residents to obtain employment in the oil and gas field.

But, Mr. Speaker, more remains to be done to prepare our territory for the pipeline and other oil and gas development. The people of this territory want to be sure our communities are ready for large-scale development, such as the Mackenzie Valley pipeline. This means investing in our communities and people to prepare for and help mitigate the infrastructure and social pressures that will accompany this development.

Even without the development of a pipeline, we know the program needs of our population for health care, housing, education and for other key social programs to continue to grow. The additional needs created by our rapidly expanding economy place an increased demand on our resources. The long-term implications for our territory are serious.

Mr. Speaker, these issues are not new. The Government of the Northwest Territories has consistently identified these issues as priorities over the past several years. We have clearly spelled out these challenges to the federal government at every available opportunity. The Northern Strategy is a valuable vehicle to reinforce this message and garner federal support and investment.

While Members of Cabinet will lay out more of the specifics about our response to the Mackenzie Valley pipeline project tomorrow, I want to spend some time discussing the piece of the puzzle that remains to be completed, a fair devolution and resource revenue sharing agreement.

---Applause

Mr. Speaker, resolving this issue will ensure that northerners are the primary beneficiaries of the development of their resources. This means the federal government must step up to the plate and deliver on the Prime Minister's personal commitment at the launch of the Northern Strategy. This commitment was confirmed in his letter to me of February 9, 2005: "...to working collaboratively with the Government of the Northwest Territories and the Aboriginal Summit to secure an agreement-in-principle on the devolution of lands and resources this spring and targeting conclusion of a final agreement in 2006." I believe this is a firm signal of Prime Minister Martin's commitment to the North.

Mr. Speaker, northern control of northern resources is the principle at the heart of our participation in the Northern Strategy. We believe any effective, sustainable strategy for the North must be based on the transfer of responsibility for northern lands and resources from the

federal government to northern governments. Equally important, this transfer must be accompanied by an agreement that makes northern governments the primary beneficiaries of the revenues generated by these northern resources.

---Applause

While the issue of northern control of its resources is at the heart of the Northern Strategy, the strategy goes well beyond this issue. The strategy is based on a number of key goals and objectives:

- strengthening governance, partnerships and institutions;
- establishing strong foundations for economic development;
- protecting the environment;
- building healthy and safe communities;
- reinforcing sovereignty, national security and circumpolar cooperation;
- preserving, revitalizing and promoting culture and identity; and,
- developing northern science and research.

Mr. Speaker, these goals and objectives are not meant to be exhaustive. They are meant to be a starting point for the discussion with northerners on the elements that will comprise a final strategy.

The framework agreement I will table later today lays out examples of the objectives that may be pursued under each specific goal. For example, we have been working for many years to reach agreement with the federal government to remediate contaminated sites across the territory, to identify and protect sensitive environmental areas under the Protected Areas Strategy and to increase the use of cleaner energy sources such as hydroelectricity, natural gas and new technologies. We believe the Northern Strategy can confirm the commitment of and set a time frame for both governments to resolve these issues.

In our view, the initial goals and objectives set out in the Northern Strategy framework are consistent with many of the priorities contained in the strategic plan developed at the beginning of our term. Members of Cabinet are prepared to speak in more detail to these specific priorities during debate on this strategy.

Mr. Speaker, when completed, the Northern Strategy will be comprised of two sections. The pan-territorial section will focus on matters that span all three territories such as sovereignty, security and climate change. The second section will deal with issues specific to individual territories such as those that I have spoken about today.

In order for the strategy to be successful, the federal government will need to make new, long-term investments in the North. The Government of the Northwest Territories will continue to insist that the Northern Strategy include resources to implement agreed upon actions.

Mr. Speaker, I want to take a moment to speak about the \$120 million fund the federal government announced at

the launch of the development of the Northern Strategy. The GNWT share will be \$450 million. We anticipate this funding will be available in June or July.

These funds may be drawn down and used at the sole discretion of each of the three territories. It is our intention to utilize this funding to address urgent community needs. Over the coming months, we will be consulting with Members of this Legislative Assembly on the priority areas for investment. We are also committed to consulting aboriginal leaders with respect to decisions about where the money can best be used.

Mr. Speaker, I am very much looking forward to hearing the views of the Members of this Legislative Assembly on the Northern Strategy. Over the next several months, we will also be meeting with aboriginal governments, stakeholder groups and the general public to get their input on all aspects of the Northern Strategy.

Consultations with stakeholder groups will be initiated from my office in the days and weeks ahead. In addition, an advertising campaign and information package is being prepared that will be available to stakeholders and the general public in March. It is our hope that a draft document can be ready for discussion at the Circle of Northern Leaders' meeting scheduled for April 2005 in Inuvik.

We also intend to collaborate closely on these consultations with the Minister of Indian and Northern Affairs, the Honourable Andy Scott; and our Member of Parliament, the Honourable Ethel Blondin-Andrew. I am pleased that Minister Scott will be travelling to the Northwest Territories next month and will be joining Minister Blondin-Andrew and myself in a series of consultations on the Northern Strategy. I am also optimistic we will see more federal Ministers paying attention to issues of concern to the Northwest Territories over the coming months.

Mr. Speaker, the Northern Strategy is a positive development for the Northwest Territories. I believe we have already begun to see some public awareness changes due to this initiative. Northern issues are receiving quite a bit of attention recently. With the recent Canadian Public Affairs Channel documentary on the Northwest Territories aspirations for greater self-reliance, the possibility of Peter Mansbridge coming North with 'The National' next month and even the humorous coverage on the 'Monday Report' with Rick Mercer, our message is getting out to Canadians.

Mr. Speaker, the Prime Minister has made the Northern Strategy a major personal and political commitment. We have worked hard to get this commitment. I believe we must now work together to identify and move forward with our priorities for the Northwest Territories. The Northwest Territories is our home and it is up to us to shape its future. Mahsi, Mr. Speaker.

---Applause

MR. SPEAKER: Thank you, Mr. Handley. Item 2, Ministers' statements. The honourable Minister of Resources, Wildlife and Economic Development, Mr. Bell. Sorry; I recognize Mr. Hawkins.

Motion To Move Minister's Statement 86-15(3) Into Committee Of The Whole, Carried

MR. HAWKINS: Thank you, Mr. Speaker. Mr. Speaker, I move, seconded by the honourable Member for Nahendeh, that Minister's Statement 86-15(3) on the Northern Strategy be moved into Committee of the Whole for consideration. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Hawkins. The motion is on the floor. The motion is in order. All those in favour? All those opposed? The motion is carried.

---Carried

Minister's Statement 86-15(3) is ordered into Committee of the Whole. Item 2, Ministers' statements. The honourable Minister of RWED, Mr. Bell.

Minister's Statement 87-15(3): Western Energy Alliance

HON. BRENDAN BELL: Thank you, Mr. Speaker. Mr. Speaker, I am pleased to provide a brief report to the Legislative Assembly on the meeting I attended with fellow western and northern Ministers of Energy on Friday, February 18, 2005, in Calgary, Alberta. The Western Energy Alliance was formed by Premiers at the Western Premiers' Conference in Inuvik in July 2004. The Premiers directed Energy Ministers to meet and pursue the objectives of an energy alliance to ensure that the collective energy interests of western provinces and northern territories are advanced to the maximum benefit of our citizens.

At the meeting, chaired by Alberta, Ministers discussed energy supply and demand issues of common interest. Several priority areas were identified and will form the basis of our ongoing collective work.

The Ministers agreed in principle to raise awareness of northern and western Canada as a secure supplier of oil, natural gas and electricity to Canada, North America and international markets, both currently and for many years to come. This speaks to my colleagues' understanding of the critical role to be played by the Mackenzie gas project and NWT oil and gas resources. Mr. Speaker, all agreed that Canada's North will play a key role in the continental energy solution.

Mr. Speaker, Energy Ministers also agreed to pursue increased harmonization of energy-related regulations, to improve regulatory efficiency and to reduce barriers to development. Regulatory harmonization remains a priority and northern gas development will serve as a benchmark to be monitored and measured as we assess our progress. Mr. Speaker, this is an issue of interest to the Northwest Territories as we work to increase certainty in the North through the devolution of responsibilities over lands and resources.

In addition, Mr. Speaker, Ministers also agreed to communicate with their federal counterpart, the Minister of Natural Resources Canada, regarding a commitment to meaningful provincial and territorial participation in international energy discussions and negotiations. As Members know, energy issues constitute current provincial and future NWT jurisdiction and, as such, should not be left solely to the federal government.

Mr. Speaker, I am very encouraged by the spirit of cooperation amongst Ministers of Energy. There was much discussion of the unique context of the three territories and a firm commitment was made to assist the NWT in developing our energy resources to the maximum benefit of our residents.

Mr. Speaker, I am very pleased to announce today that the Ministers of Energy of Manitoba, Saskatchewan, Alberta, British Columbia, Yukon and Nunavut have agreed to hold the next Western Energy Alliance meeting in Inuvik this June.

---Applause

This meeting is timely for the NWT, and will occur in association with the Inuvik Petroleum Show. We have strong allies in advancing the energy interests of the residents of the NWT. I look forward to further cooperation with my colleagues to ensure the effective development of our collective energy resources. Thank you, Mr. Speaker.

---Applause

MR. SPEAKER: Thank you, Mr. Bell. Item 2, Ministers' statements. Item 3, Members' statements. The honourable Member for Range Lake, Ms. Lee.

ITEM 3: MEMBERS' STATEMENTS

Member's Statement On Record Profits In The Insurance Industry

MS. LEE: Thank you, Mr. Speaker. Over the weekend, I caught a news item on TV that really got me worked up, Mr. Speaker. That is the report that the insurance industry made a record profit of \$4.2 billion in 2004. I must agree with the Consumer Association of Canada, Mr. Speaker, this is just plainly obscene, especially in light of the fact that we have all been suffering for a number of years now from the skyrocketing insurance rates on everything from vehicles to houses, not to mention the cost of doing business for our small businesses.

All along the way, we were lead to believe that we all had to suffer collectively because the insurance industry was on the verge of collapse from too many claims from the disaster of 9-11, from massive natural disasters like hurricanes in Florida and other calamities around the world that we all had to pay for. Then they had the audacity to announce a record \$4.2 billion in profit. Mr. Speaker, we must ask where is the limit to this obscenity? How long do our young drivers, especially young male drivers, have to pay all of their pay cheques practically to drive their first car? How long do real estate agents have to spend all their time trying to find coverage for home buyers? Mr. Speaker, I can tell you that even the insurance brokers in town that I talked to during my door-to-door campaign thought things were out of control because it was certainly no fun for them to be the bearer of bad news to small businesses about skyrocketing premiums. They had to tell the small businesses that their premiums were going up by 300 percent. That could possibly put them out of business. This government, and therefore the taxpayers, have been paying through their nose as well. In fact, this government has to raise the liability deductible to \$10 million in order to control our premiums, Mr. Speaker.

I say it is now time for us to collectively stand up and say that we are not going to take this anymore. Mr. Speaker, at the same time that they are reporting this process, in 2004, 94 percent of the small businesses in the North have listed rising insurance premiums as one of the most negative factors affecting their business. Later on today, I am going to be asking the Minister responsible some questions. Thank you, Mr. Speaker.

---Applause

MR. SPEAKER: Thank you, Ms. Lee. Item 3, Members' statements. The honourable Member for North Slave, Mr. Zoe.

Member's Statement On NWT Literacy Strategy

MR. ZOE: Mahsi, Mr. Speaker. Mr. Speaker, in my Member's statement today, I would like to talk about the Northwest Territories Literacy Strategy. I want to put on record my support for this strategy. I believe it is going to be fundamental to the well-being of the North. Mr. Speaker, communication is vital. Every individual should have the ability to read and write, and it is the responsibility of this government to provide the tools to achieve these essential skills.

Mr. Speaker, without reading and writing skills, something many of us take for granted, people have a difficult time finding employment and doing many day-to-day tasks. Mr. Speaker, literacy not only affects individuals, but it also affects society as a whole. Societies that invest in literacy programs and services reduce poverty, unemployment, income support and criminal activity. Literacy programs improve the individual, family and community.

Mr. Speaker, the Northwest Territories Literacy Council has been very successful. The strategy develops and delivers a wide range of community-based programs addressing the literacy needs of community members. The funding also supports training, online learning and resource development for adult literacy practitioners. Funding also goes towards successfully promoting the Northwest Territories Literacy Week and Family Literacy Week.

Mr. Speaker, current funding is barely enough to deliver the programs and services presently available. Additional money should be invested into the Northwest Territories Literacy Strategy to further support programs and services and campaigns, which otherwise might not survive.

For years, I have heard this government identify the need to develop a literacy strategy in the Northwest Territories, and now when we experience an economic boom, Mr. Speaker, this government should consider increasing investment into the programs that are necessary to ensure that northerners take advantage of such a prosperous time.

MR. SPEAKER: Mr. Zoe, your time for your Member's statement has expired.

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

MR. SPEAKER: The Member is seeking unanimous consent to conclude his statement. Are there any nays?

There are no nays. Mr. Zoe, you can conclude your statement.

MR. ZOE: Thank you, colleagues. Mr. Speaker, people who can't read and write will not be offered jobs in today's market. Again, they fall through the cracks. As I stated earlier, Mr. Speaker, I believe this strategy is fundamental to the North and the well-being of our society. In no way should we be letting our guard down on the NWT Literacy Strategy funding. If anything, we should be increasing the funding to prepare people to take advantage of our current economic situation. Reading and writing skills are critical to human development and lifelong learning. At the appropriate time, Mr. Speaker, I will be addressing some questions to the Minister of Education, Culture and Employment. Mahsi.

---Applause

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

Member's Statement On Gymnasium For Nahanni Butte

MR. MENICOCHÉ: Mr. Speaker, it has been 72 hours since I spoke about the Nahanni Butte and their need for a community gymnasium.

---Applause

I am not convinced that we are being heard. Perhaps a statistical approach is needed. Mr. Speaker, the statistics are not good. In Nahanni Butte, only 30 percent have graduated from high school since 1989. Both Fort Liard and Nahanni Butte have the highest rate of violent crime, which is over three times that of the rest of the Territories. The rate of juvenile crime is also higher for these two communities than elsewhere in the NWT. Core housing needs in Nahanni Butte are double those in the rest of the Territories.

The percentage of one-parent families is double that of the rest of the Territories. Nahanni Butte also has more dependent children per adult than the rest of the NWT, Mr. Speaker. All of these children have very little to do and nowhere to go, Mr. Speaker. They hang around outside the band office, and then they hang around outside the store. This is how entire childhoods are being spent.

But I believe and know, Mr. Speaker, that the addition of a gymnasium could do a lot to turn those statistics around. During the winter, kids could be inside playing games, learning new skills and learning to feel better about themselves. Adults could play games with their children. The community could organize indoor events and keep everybody moving, Mr. Speaker. We are told, time and time again, by this government that physical activity is the answer to all of our problems. Well, let's put that statement to the test and build this gymnasium in Nahanni Butte. Thank you, Mr. Speaker.

---Applause

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

Member's Statement On Birth Of Granddaughter

MR. POKIAK: Thank you, Mr. Speaker. Mr. Speaker, yesterday was a very important day to my family, when a new baby girl weighing nine pounds and one ounce came into this world.

---Applause

Mr. Speaker, I am speaking about my daughter, Letitia, and her boyfriend, John, who are the proud parents of their new baby girl. My wife, Lucille, and sons, Darren and Bertram, are proud to be grandparents and uncles.

---Applause

We welcome the baby girl to our family. I can't be there today with them, but my thoughts and prayers are with my wife, Lucille, sons, Darren and Bertram, and Letitia and John and the new addition to our family.

On another note, Mr. Speaker, Lucy Dilton, our mental health worker for Tuktoyaktuk, was recognized by the Department of Health and Social Services on February 5, 2005, for over 10 years of service. Congratulations, Lucy.

In closing, Mr. Speaker, the Nasagaluak brothers, Eli, Billy and Joe, of Tuktoyaktuk returned recently from the national snow sculpture competition in Ottawa. I am proud to report they came in second and won the People's Choice Award during this competition. Thank you, Mr. Speaker.

---Applause

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

Member's Statement On Education Week 2005

MRS. GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, the week of February 21st to 25th is Education Week. I believe that this is a good time to celebrate and appreciate all of the teachers across the Northwest Territories.

---Applause

If we take the time to reflect on what teachers do every day, we can develop a clear appreciation of their hard work, perseverance and community commitment. Our children are not always angels, Mr. Speaker, and I have to say that about my own little princess as well. I know when she gets to school, she is not an angel, so I apologize to her teachers. Mr. Speaker, I think that we all have admiration for teachers who deal with everyone and, I am sure, sometimes have to grit their teeth on some occasions.

Mr. Speaker, in today's society, we depend greatly on our teachers for helping our children develop into healthy, happy, educated, and successful adults. We spread their resources very thin and often challenge their classrooms with students who display disruptive behaviours which distract from the learning of others. Mr. Speaker, for various reasons, some children cannot cope in a regular classroom environment. Their resulting disruptive behaviours result in long periods of repeat suspensions and absenteeism from school. Mr. Speaker, it is a mandatory responsibility of this government to provide an

education to every child in the Northwest Territories. If they are not in school, how is the government actually meeting this legislative mandate?

It is understood that not every child is equal in their ability, level of learning and social development. It is up to us to provide an education and environment to help these children to become productive members of society. This will require us to be creative in contemplating alternatives for students who cannot succeed in the mainstream environment.

Mr. Speaker, I will be addressing this issue through oral questions today. Mr. Speaker, if we see any teachers this week, we should take the time to congratulate them and to show how much we appreciate their efforts and how important they are to our children. Thank you, Mr. Speaker.

---Applause.

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

Member's Statement On Land Use Access And Consultation Requirements

MR. VILLENEUVE: Mahsi, Mr. Speaker. Mr. Speaker, over the weekend I had an opportunity to go snowmobiling without hunting, for the record...

---Laughter

...around some of the lakes just north of Yellowknife. Although the outing, Mr. Speaker, was very relaxing -- the land seemed quite serene and uninhabited most of the time -- but I was particularly concerned with the number of so-called cabins that littered the shorelines of many of the small unknown bodies of water and also some of the well-known lakes in the area.

Mr. Speaker, I would like to inform this House, the NWT residents and especially the non-residents who want to build structures on the land without proper authorization from this government, the federal Department of Indian Affairs or the local First Nations organizations, they are not only violating the territorial lands act under section 20, but also violating the stewardship values of the local First Nations who have lived in this area since time immemorial.

SOME HON. MEMBERS: Hear! Hear!

MR. VILLENEUVE: Mr. Speaker, I realize that this issue has been ongoing for many years without result, but now that this concern of the lack of proper consultation by this government over the land that the Akaitcho First Nations have shown interest in, near the city of Yellowknife, the issue is all of a sudden a major concern because the city says it is.

Where was this high level of concern when the local First Nations were telling this government and the federal government the exact same story about the lack of proper consultation on traditional land use permits, building permits and exploration permits being issued almost daily for the last 25 years?

To me, Mr. Speaker, this is a good example of why First Nations seem to get frustrated with this government. It

seems that when the tables suddenly turn in their favour and the issues become very complicated and seemingly cumbersome for this government to work in a timely manner, many processes are reviewed, reassessed and reconsidered over and over again which often results in nothing being concluded or resolved, as the issue is of the squatters which is still ongoing now for the last 15 years.

In closing, Mr. Speaker, I would like to see some action soon by this government in working with the Akaitcho Territory Government to finding an amicable solution, process or plan that will allow certain individuals, organizations or industries to use the traditional lands under certain conditions that the First Nations deem as fair and sensible, based on their traditional values and culture. Mahsi, Mr. Speaker.

---Applause

MR. SPEAKER: Thank you, Mr. Villeneuve. Item 3, Members' statements. The honourable Member for Kam Lake, Mr. Ramsay.

Member's Statement On Secondary Diamond Industry

MR. RAMSAY: Thank you, Mr. Speaker. It has been a few days since I have last brought up the word diamonds in this House, and I would like to begin...

SOME HON. MEMBERS: Hear! Hear!

---Applause

...my Member's statement, again addressing diamonds and the secondary industry here in the Northwest Territories. I have listened intently to both the Minister of Finance and the Minister of Resources, Wildlife and Economic Development as they spoke about the failed bid by the Leviev Group to take over the Sirius diamond factory.

Mr. Speaker, I haven't been satisfied with the responses I have gotten to date, nor given any assertion of where we go from here and what exactly is the game plan going forward.

Mr. Speaker, as one Member of this Legislative Assembly, I believe we must support the secondary diamond industry here in the Northwest Territories. As I have mentioned in a previous statement to this House, I was in Israel in July to see what could be the future of a secondary industry here in the Northwest Territories. I was, and still am, of the opinion that as a government we can make things happen here in the Northwest Territories to encourage the secondary industry. We have to diversify our economy, create new jobs, grow our manufacturing industry and firmly put the Northwest Territories on the map as a global diamond centre.

In getting to where we are today, the Government of the Northwest Territories has spent a tremendous amount of time, effort and financial resources on growing and supporting the secondary industry. What I would like to see the Government of the Northwest Territories do is conduct an investigation or an inquiry into why we have not had the success that we had envisioned for this industry. Some of the items an inquiry or an investigation could get to would be: what happened to the deal with the Leviev Group and why didn't the producers want to sell to the world's largest cut and polish manufacturer? Exactly

what was the Government of the Northwest Territories' involvement in the process and why didn't we step in? What has the Government of the Northwest Territories spent on developing this secondary industry in the Northwest Territories for the period of 1998 to 2005 -- and this should include loan guarantees -- Aurora College courses like valuation, cutting, polishing and jewellery making, the total cost to staff, to operate and maintain the diamond projects division at RWED, and costs of consultants worldwide? I wonder about other costs like travel, legal and professional fees and other O and M for advertising, promotion, research and any other government support to the secondary industry.

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

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

MR. RAMSAY: Thank you, Mr. Speaker. What the Government of the Northwest Territories needs to do -- and I would like to demand of it -- is that it get a handle on a true cost-benefit analysis of this industry. I believe that we need to know the true costs and we should have some options that are presented to us and the sooner the better. Thank you, Mr. Speaker.

---Applause

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

Member's Statement On Inuvialuit Regional Corporation Hockey Tournament

MR. MCLEOD: Thank you, Mr. Speaker. I would like to congratulate the new daduk, Calvin.

---Applause

Mr. Speaker, this weekend in Inuvik, the 14th Annual IRC Cup Native Hockey Tournament was held. The tournament brings together teams from the Beaufort-Delta and Deline who have always tried to make the trip. This is a good opportunity for people in the region to get together and see old friends and classmates and compare weight gain and grey hair. I lost on both counts.

I was told, Mr. Speaker, that at least 600 people took in the final game on Sunday. On the "A" side, Northwind Industries of Inuvik defeated Tuktoyaktuk. On the "B" side, Paulatuk defeated Fort McPherson, which goes to show the improvement of some of the smaller communities, and that bodes well for the future of the tournament.

---Laughter

---Applause

Special thanks, Mr. Speaker, has to go to the Inuvialuit Regional Corporation for their financial sponsorship of the tournament and Donny and Wilma Hendricks for their efforts in organizing the tournament. Mr. Speaker, that concludes today's sports report. Thank you.

---Applause

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

Member's Statement On Status Of Secondary Diamond Industry

MR. BRADEN: Mr. Speaker, from the sports desk we will go over to the business desk and...

---Laughter

...take a look at the status of our secondary diamond industry in the Northwest Territories.

Mr. Speaker, this government has made some very sound and very good investments and great policy moves in the secondary diamond industry. We have established internationally recognized standards in our training programs for diamonds. We have boldly, and I think correctly, gone into some areas regarding the branding and the certification of diamonds, something again that was new to the world and seems to be well received. We have used the diamond industry to our advantage in cultivating the image of the Northwest Territories in our tourism product and we certainly set a strong line, when we sought a 10 percent allocation from diamond miners of their product to stay behind here in the NWT.

Mr. Speaker, these areas, while they have been a sound and very intelligent support of the industry, we have made some real blunders in the risk side, in the actual frontline involvement in the diamond cutting industry itself. We initially had to come back in and back up a loan guarantee for the Deton'Cho Diamond Corporation in the \$1 million neighbourhood. We got involved in a very protracted and expensive Polar Bear trademark issue with the Sirius diamond company and now we face a \$3 million and growing tab with the coverage of our loan guarantee at Sirius.

It is folly, Mr. Speaker, for our government to continue to paper over our mistakes with taxpayers' money. We need to realize that things are not going well for us as investors, as frontline players, in the secondary diamond industry. It is indeed important for us to continue to support the secondary diamond industry with initiatives like training and the business environment, but we cannot afford any longer to risk taxpayers' money on high-risk ventures that we do not understand. Thank you, Mr. Speaker.

---Applause

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

Member's Statement On Vacancies In The Public Service

MR. HAWKINS: Thank you, Mr. Speaker. Mr. Speaker, something that came as a real surprise while reviewing the budget this year was the number of budgeted positions, salaries and benefits that don't consistently account for how many positions are both vacant and filled. Mr. Speaker, in some cases we are being asked to approve money for ghost positions that have been vacant for many years and months. Mr. Speaker, two weeks ago I tabled some comments with regard to how long the Audit Bureau has had missing positions. Mr. Speaker, this

budget year, 2005-06, we have \$186 million in salaries and benefits. That doesn't include the money that's going directly to the health and education authorities to pay their staff. It's just a simple snapshot. On September 30, 2004, we had 406 vacant positions in the government and Aurora College out of our 2,534 positions. Mr. Speaker, that makes about a 16 percent vacancy rate. If we applied 16 percent across the board against our \$186 million budget for salaries, we roughly come up with \$30 million. That's \$30 million and I wonder where it's going.

Mr. Speaker, some people call this unused salary money as their unofficial slush fund. It's not the real money accounted for positions, it's money that could be going to who knows where. I could give you a few good examples of where that money could be used, but it was meant to be used on salaries. It could either go to employ the public service as promised, or it could go to projects like for my good colleague here has suggested, on the Nahendeh gym.

---Applause

Mr. Speaker, we have kids out there that this money could be better used for. We could make them active and we could keep them out of trouble and, as mentioned earlier, we could also help to keep them healthy.

I know in some cases these vacancies are short term and I'll be honest by recognizing that some only last a few weeks, but I'm concerned with the potential abuse by some departments that recognize this loophole and keep these positions vacant to provide them with a source of funding at their discretion that gets passed in this Assembly. I find this very troubling, Mr. Speaker, because later on this month we will be voting on our budget with the impression that that money is going to staff our hard-working public service. Mr. Speaker, it bothers me seriously and I have to admit, are we truly being accountable? Thank you, Mr. Speaker.

---Applause

MR. SPEAKER: Thank you, Mr. Hawkins. Item 3, Members' statements. Item 4, returns to oral questions. The honourable Minister of Finance, Mr. Roland.

ITEM 4: RETURNS TO ORAL QUESTIONS

Further Return To Question 395-15(3): GNWT Audit Bureau Reporting Model

HON. FLOYD ROLAND: Thank you, Mr. Speaker. I have a return to oral question asked by Mr. Hawkins on February 16, 2005, regarding GNWT Audit Bureau reporting model.

The Audit Bureau is administratively located in the Financial Management Board Secretariat. The director of the Audit Bureau reports to the comptroller general/secretary to the Financial Management Board on administrative matters.

Operationally the Audit Bureau receives direction from the Audit Committee composed of deputy ministers of Education, Culture and Employment, Health and Social Services, Public Works and Services, the secretary to Cabinet and the secretary to the Financial Management Board. The Audit Committee, chaired by the secretary to the Financial Management Board, reports to the chairman

of the Financial Management Board through Financial Administration Manual directive number 603 providing further detail on the internal Audit Bureau. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Roland. Item 4, returns to oral questions. The honourable Minister of Education, Culture and Employment, Mr. Dent.

Further Return To Question 352-15(3): Aurora College Palmistry Course

HON. CHARLES DENT: Thank you, Mr. Speaker. I have a return to oral question asked by Mrs. Groenewegen on February 9, 2004, regarding the Aurora College palmistry course.

Mr. Speaker, Aurora College does not have a specific policy on the use of campus facilities by religious organizations. It is the policy of Aurora College to provide space for continuing education courses to be run in college facilities as a public service, provided that this activity does not interfere with either private enterprise or with college activities. Thank you, Mr. Speaker.

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

ITEM 5: RECOGNITION OF VISITORS IN THE GALLERY

MRS. GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, in the carrying out of our duties as MLAs it necessarily often involves the support and participation of our spouses, and, on that note, Mr. Speaker, I would like to say how much I have appreciated your wife, Mr. Speaker, Davida Delorey. She's your wife, but she's my constituent and I've enjoyed working with her very much.

---Laughter

---Applause

MR. SPEAKER: Thank you, Mrs. Groenewegen. Item 5, recognition of visitors in the gallery. The honourable Member for Kam Lake, Mr. Ramsay.

MR. RAMSAY: Thank you, Mr. Speaker. I would like to recognize Ms. Julie McNeice who is with us today, a constituent of mine. Thank you.

---Applause

MR. SPEAKER: Thank you, Mr. Ramsay. Item 5, recognition of visitors in the gallery. It's with great pleasure today that I would like to recognize some very special guests in the gallery, again, I'd like to recognize our very good friends from Scotland who are over here visiting with us and have spent the weekend with us, Gordon Walker and Lynda Brise, and it gives me great pleasure to introduce to you today my wife who is in here with us today. Welcome to the Legislative Assembly, Davida.

---Applause

Also with them is my assistant from Hay River, Deb Mageean.

---Applause

MR. SPEAKER: Welcome to the House. It was indeed a pleasure to have you over here, Lynda and Gordon, for the weekend. We took them out on Great Slave Lake and gave them some experiences in our northern playtime that I think they really appreciated. Item 5, recognition of visitors in the gallery. Item 6, oral questions. The honourable Member for Range Lake, Ms. Lee.

ITEM 6: ORAL QUESTIONS

Question 432-15(3): Record Profits In The Insurance Industry

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker, as I stated earlier in my statement, the insurance industry made a profit in one year -- just in one year -- in the amount of \$4.2 billion and in case I didn't repeat that enough, that is four times more than the money we need to run our government annually. That is a lot of money, especially in light of the fact that we all had to pay into that. We have been seeing rising costs of insurance on everything and, Mr. Speaker, this is an issue that I've raised many times in various forums and I've been told that the regulation of the insurance industry is not within our jurisdiction, but that is not, I don't believe, Mr. Speaker, to say that there is nothing we can do. One of the things that is being done by a group called CFIB, which is the Canadian Federation of Independent Business, are asking the federal government to hold hearings to get to the bottom of the rising costs of the insurance industry and I would like our government to get involved with that as well. So could I ask the Minister responsible for insurance, the Honourable Floyd Roland, to see if the government could intervene? Thank you, Mr. Speaker.

---Applause

MR. SPEAKER: Thank you, Ms. Lee. The honourable Minister of Finance, Mr. Roland.

Return To Question 432-15(3): Record Profits In The Insurance Industry

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Mr. Speaker, we could I guess with interest, see what the federal government would do and see how we could plug into anything that they've adopted and move forward in the area of insurance regulations. Thank you.

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

Supplementary To Question 432-15(3): Record Profits In The Insurance Industry

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker, I stated the results from the survey done by CFIB and I would like to know if our government does any statistical surveys or analysis to see what the cost of insurance is in the North for the individuals, businesses and even governments and what the impacts of that are on business. Do we keep any record of that? Thank you, Mr. Speaker.

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

Further Return To Question 432-15(3): Record Profits In The Insurance Industry

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Mr. Speaker, we have, as a government, looked at the impact of the insurance industry and the rising costs on us as a government. We haven't done a territorial survey on the impact of individuals. We know the general trends and have kept track of them, but we haven't done any specific survey across the North on individuals. Thank you.

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

Supplementary To Question 432-15(3): Record Profits In The Insurance Industry

MS. LEE: Thank you, Mr. Speaker. Mr. Minister made a commitment to see how we could get involved and, Mr. Speaker, I don't think we can play a meaningful role at the federal level or any other industry level unless we have good information ourselves. So could I ask the Minister to commit to doing our own territorial study on the insurance rates and the impact of insurance for everybody, not just for the government? Thank you, Mr. Speaker.

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

Further Return To Question 432-15(3): Record Profits In The Insurance Industry

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Mr. Speaker, I did commit to the Members of the House to put some information together and provide a briefing to Members about the impacts of the insurance and what we've been doing. Also, we're encouraged to work with CFIB, I believe it is called, and have agreed to do that. Through the department, we have made some initial contacts and will be getting back to Members with what we've found. Thank you.

MR. SPEAKER: Thank you, Mr. Roland. Final supplementary, Ms. Lee.

Supplementary To Question 432-15(3): Record Profits In The Insurance Industry

MS. LEE: Thank you, Mr. Speaker. I noticed that the Minister cleverly avoided my question. In doing that background work that he has committed to, could I get the Minister to at least commit to looking at the possibility of doing a statistical study to see what the rising cost of insurance has been for the last three years? Also, to see what negative impact it has on the businesses, as well as individuals. Thank you, Mr. Speaker.

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

Further Return To Question 432-15(3): Record Profits In The Insurance Industry

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Mr. Speaker, we have done some work on looking at the trends of the industry, much like we have in a number of other areas that we, as a government, have tried to keep a pulse on in the sense of the costs that impact the residents of the Northwest Territories. So I guess the first step is to get the material together that I had committed to, sit down with Members and, at that time, if there's a feeling that we need to go the next step, then we'll look at doing that. Thank you.

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

Question 433-15(3): Sirius Diamonds Receivership

MR. BRADEN: Thank you, Mr. Speaker. My questions this afternoon are for the Minister of Finance, and they follow up on the issue of our involvement in the secondary diamond industry. Mr. Speaker, we are currently in the midst of trying to resolve the sale of one facility, the Sirius diamond facility, to a new owner. We've recently had an unsuccessful deal with what I believe is called the Leviev Group in the secondary diamond industry. Now, the question that I would like to ask is whether the GNWT is still involved in any way with the Leviev Group in the sale of this failed venture; the disposal of the Sirius plant. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Braden. The honourable Minister of Finance, Mr. Roland.

Return To Question 433-15(3): Sirius Diamonds Receivership

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Mr. Speaker, our involvement has been through the receiver. Once we had gone through the courts and asked that one be appointed, we were involved through the receiver. The last bit of information we were looking for was a waiver from the Leviev Group so that the receiver can go on with the process. That's been the final bit of communication that they've had, is my understanding. Thank you.

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

Supplementary To Question 433-15(3): Sirius Diamonds Receivership

MR. BRADEN: Mr. Speaker, it has, I think, been at least two weeks now since Mr. Roland advised us of the unfortunate news that we didn't have a deal with Leviev, yet it still seems that we're encumbered by this deal and we can't go on with a new sale. So I just want to seek some clarification here. Are we indeed hung up on some paperwork and restricted or curtailed in any way from trying to move this sale along? Thank you.

MR. SPEAKER: Thank you, Mr. Braden. Mr. Roland.

Further Return To Question 433-15(3): Sirius Diamonds Receivership

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Mr. Speaker, through the receiver, they have been working with the lawyers from all the parties and we have received the release. The receiver is now making contacts with interested parties regarding the Sirius facility. Thank you.

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

Supplementary To Question 433-15(3): Sirius Diamonds Receivership

MR. BRADEN: Mr. Speaker, we continue to put money in to continue to maintain the plant as a going concern, hoping that there will be a qualified buyer out there. Does the Minister have any sort of criteria on this; for instance, any deadlines, any drop-dead dates? At what point, Mr.

Speaker, might we be making a decision that there is no qualified buyer out there and we have to go to plan B? What kind of criteria are we looking at? Thank you.

MR. SPEAKER: Thank you, Mr. Braden. Mr. Roland.

Further Return To Question 433-15(3): Sirius Diamonds Receivership

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Ultimately, the criteria would be a financial one if it was, in fact, still financially viable to continue with this process, or if it was time to pull the plug, as they say. Thank you.

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

Supplementary To Question 433-15(3): Sirius Diamonds Receivership

MR. BRADEN: Mr. Speaker, in any of these moves, are we going to continue to expose the taxpayer -- unnecessarily, in my view -- to try to attract new businesses in the secondary diamond trade? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Braden. Mr. Roland.

Further Return To Question 433-15(3): Sirius Diamonds Receivership

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Mr. Speaker, our focus has been to continue working with the ones that are in the Northwest Territories. There is a policy within the government about the secondary industry and we have avenues for that support. Our goal is to minimize that area of the Government of the Northwest Territories and tighten it up. Through this process, we have done that. For example, any loan guarantee would have a lifetime of five years before we'd have to be released from that. So that's one of the things that we've done in that area, but our goal is to work with the existing operations we have and we're not going out and seeking further parties for new operations at this time. Thank you.

MR. SPEAKER: Thank you, Mr. Roland. Item 6, oral questions. The honourable Member for Hay River South, Mrs. Groenewegen.

Question 434-15(3): Alternative Schooling Options For Hay River

MRS. GROENEWGEN: Thank you, Mr. Speaker. Mr. Speaker, my questions today are for the Minister of Education, Culture and Employment. In my Member's statement, Mr. Speaker, I mentioned that it was Education Week and there's a lot to celebrate. But I think there's also a need to turn our attention to the lack of support for alternatives to mainstream schooling.

Mr. Speaker, I believe that there are alternatives out there that are being employed -- perhaps here in Yellowknife and in the South -- and the time is now for alternative solutions in the community of Hay River.

Mr. Speaker, on May 31, 2004, I stated to the Minister that the special needs funding available is not sufficient for programming for the community of Hay River and its school. As an alternative solution, I asked if they could make application for additional funding. The Minister commented that special needs funding had grown from \$6

million to \$16 million and he would be issuing a directive in the fall to the DEC chairs outlining what is an acceptable use of these special needs funds. So today, Mr. Speaker, I'd like to ask the Minister if he could please advise this House as to the nature of that directive that was contemplated. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mrs. Groenewegen. The honourable Minister of Education, Culture and Employment, Mr. Dent.

Return To Question 434-15(3): Alternative Schooling Options For Hay River

HON. CHARLES DENT: Thank you, Mr. Speaker. We have been working with our colleagues in the DEC's to try and come up with an accountability structure, to make sure that the funding that we provide to the boards is being spent as it should be -- to provide needs to students with special needs -- and it hasn't been issued as a directive at this point, but we are working with them.

I'm hoping that fairly shortly we will be able to outline better what our expectations are. The boards now clearly understand what we're looking for. There's been a significant amount of discussion. The important factor is to define how the money should be spent, while leaving enough flexibility for local boards to deal with the local problems that they face; that's where we are right now with it.

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

Supplementary To Question 434-15(3): Alternative Schooling Options For Hay River

MRS. GROENEWGEN: Thank you, Mr. Speaker. Mr. Speaker, I'd like to ask the Minister, at this time, if there are alternative school options for students in Yellowknife. Thank you.

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

Further Return To Question 434-15(3): Alternative Schooling Options For Hay River

HON. CHARLES DENT: Thank you, Mr. Speaker. I'm not certain as to the answer to that question. If there are students in the public system or publicly-funded system, their board would have to be responsible for assisting or for allocating funds to put a student in a special service, if that was found, and that would have to be acceptable to the parents. So it has to be a local solution, because the DEC or DEA has the money to work with kids with special needs and they would have to allocate how it is being spent. Thank you.

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

Supplementary To Question 434-15(3): Alternative Schooling Options For Hay River

MRS. GROENEWGEN: Thank you, Mr. Speaker. I assume from that answer that the Minister doesn't actually know if there is funding that is being allocated for students to attend alternative schools. Maybe the Minister could please tell us whether alternative schools can be financed

at this time, today, through special needs funding. Thank you.

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

Further Return To Question 434-15(3): Alternative Schooling Options For Hay River

HON. CHARLES DENT: Mr. Speaker, it could be financed through contributions from DECs or DEAs. The department does not provide funding directly to any institution to provide schooling to NWT residents, but we do know that there are some DECs and DEAs that provide, by way of contract, funding to alternate schools to provide schooling to some of their students. Thank you.

MR. SPEAKER: Thank you, Mr. Dent. Final supplementary, Mrs. Groenewegen.

Supplementary To Question 434-15(3): Alternative Schooling Options For Hay River

MRS. GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, would the DEA in Hay River right now be able to divert special needs funding for alternative school options? Something within the community not under contract to someone else, but within the mandate of their school budget, could they develop an alternative? Thank you.

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

Further Return To Question 434-15(3): Alternative Schooling Options for Hay River

HON. CHARLES DENT: Mr. Speaker, I suspect that they could. It would have to work within the parameters that we are setting up. But I think that the discussions are far enough along in terms of what's expected for school districts to be able to know whether or not what they're proposing would fit into the system. So I would suggest that the DEA needs to talk to the South Slave Divisional Education Council to get an understanding, but in all likelihood the answer is yes.

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

Question 435-15(3): Analysis Of The Secondary Diamond Industry

MR. RAMSAY: Thank you, Mr. Speaker. I want to direct my questions today to the Minister of Finance, Mr. Roland. It gets back to diamonds and the Government of the Northwest Territories' involvement in the secondary diamond industry here in the Northwest Territories. I've heard the Minister of Finance and the Minister of RWED stand up here in the House and say maybe we have to re-evaluate where we're going. My questions get back to that re-evaluation. I think any time you have a look at something you have to know exactly what it is you're talking about in order to make a decision. I haven't seen much in terms of evidence to indicate one way or another what Regular Members on this side of the House should do with the secondary diamond industry. So I'd like to ask the Minister of Finance when Members might be able to expect a cost-benefit analysis of the secondary industry here in the Northwest Territories. I'm talking about the

government's investment from 1998 to 2004. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Ramsay. The honourable Minister responsible for the Financial Management Board Secretariat, Mr. Roland.

Return To Question 435-15(3): Analysis Of The Secondary Diamond Industry

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Mr. Speaker, as part of the process that we have initiated within FMBS is to review just what the Member has been discussing and beginning to put that work together on doing a cost-benefit analysis around the secondary industry around diamonds. Thank you.

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

Supplementary To Question 435-15(3): Analysis Of The Secondary Diamond Industry

MR. RAMSAY: Thank you, Mr. Speaker. Mr. Speaker, I mentioned in my statement today that I believe there should be an inquiry, an investigation as to what happened with the Leviev Group and why their proposal to take over the Sirius plant failed. They weren't able to get diamonds from the producers. Coupled with that is the discussion around what the investment the Government of the Northwest Territories has into the secondary industry and I'd like to ask the Minister of Finance if he would support an inquiry, an investigation to get to the bottom of what exactly happened and what the GNWT's role in all of this was. Thank you.

SOME HON. MEMBERS: Hear! Hear!

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

Further Return To Question 435-15(3): Analysis Of The Secondary Diamond Industry

HON. FLOYD ROLAND: Thank you, Mr. Speaker. As we look at the picture, we know what the problem was between the group that we'd selected going forward and the mining operations. They could not come to an agreement and that's what scuttled the deal. So that side of it is pretty well straightforward. We might not like what happened, but that's the fact. The other side of it, we are doing some work on the cost-benefit analysis of that secondary industry in the Northwest Territories. Thank you.

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

Supplementary To Question 435-15(3): Analysis Of The Secondary Diamond Industry

MR. RAMSAY: Thank you, Mr. Speaker. Mr. Speaker, my assertion is that the government doesn't know what the problem is today. Nobody seems to know. There are two sides to this story and the government is caught in the middle. I believe an investigation or inquiry would get to the bottom of why the world's largest producer of cut and polished diamonds couldn't get a deal done with our producers here in the Northwest Territories and the government stood by and watched it happen. Thank you, Mr. Speaker. I'd like to ask the Minister when we might

expect some answers and when he will call an inquiry into what happened here. Thank you.

---Applause

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

Further Return To Question 435-15(3): Analysis Of The Secondary Diamond Industry

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Mr. Speaker, I will not be calling an inquiry into this area. We have done some internal work. We're aware of where our situation is and we continue to work on the cost-benefit analysis. Hopefully we'll be able to come forward with that by early spring and be able to provide the layout of what's happened right from when we got involved as a government and all the programs involved and try to see if, in fact, it was a wise decision or not by the government. That will help formulate where we go as a government. We also know, for example, the socioeconomic agreement that's in place with one of the operations is not very strong for the Government of the Northwest Territories and is a very broad one. So we already have impacts and know where things haven't quite worked and are working on those fronts. Thank you.

MR. SPEAKER: Thank you, Mr. Roland. Final supplementary, Mr. Ramsay.

Supplementary To Question 435-15(3): Analysis Of The Secondary Diamond Industry

MR. RAMSAY: Thank you, Mr. Speaker. Mr. Speaker, any type of work like this, an inquiry, an investigation, the work that the Minister spoke of that FMBS is going to be doing, that's a huge piece of work, Mr. Speaker, and I'd like to know if we're just going to use resources that are in house or if we're going to bring in somebody to finally find out where we're at, what we've spent and where we go from here. Thank you.

---Applause

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

Further Return To Question 435-15(3): Analysis Of The Secondary Diamond Industry

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Mr. Speaker, it's our goal to try to do the work internally; to work with what we have, the knowledge we have and the personnel we have and if we find that we are unable to do it, then we will look at bringing in other resources to do this. Thank you.

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

Question 436-15(3): Costs Of Keeping Sirius Diamonds Operational

MR. BRADEN: Mr. Speaker, to continue on the area of the diamond traffic here, how much money are we losing, Mr. Speaker? My question is for the Minister of Finance again. How much money are we losing as we keep the Sirius factory open and seek another buyer? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Braden. The honourable Minister responsible for the Financial Management Board Secretariat, Mr. Roland.

Return To Question 436-15(3): Costs Of Keeping Sirius Diamonds Operational

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Mr. Speaker, we have calculated that and we're aware of the ongoing costs between keeping a receiver in place, as well as keeping the plant operational until we have a new buyer. The receiver has entered into calls now with other interested parties and I don't feel it appropriate to give you the actual number here as that might impact on final numbers that we can come to agreement on hopefully with a new buyer. Thank you.

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

Supplementary To Question 436-15(3): Costs Of Keeping Sirius Diamonds Operational

MR. BRADEN: Okay, Mr. Speaker. Respecting the confidentiality of that number right now, surely, Mr. Speaker, the government must have some sense of when enough is going to be enough. Could the Minister give us any sense at what point we're going to declare that this is a business that we should not be in and say, okay, enough is enough? When is that point going to be, Mr. Speaker? Thank you.

MR. SPEAKER: Thank you, Mr. Braden. Mr. Roland.

Further Return To Question 436-15(3): Costs Of Keeping Sirius Diamonds Operational

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Mr. Speaker, as we move down this process and I feel that we don't have a solid proposal on the table, I would bring a recommendation back to my FMBS colleagues by the end of March, early April. Thank you.

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

Supplementary To Question 436-15(3): Costs Of Keeping Sirius Diamonds Operational

MR. BRADEN: Thank you, Mr. Speaker. Related to this has been the belief and advantage, at least on the surface, that the 10 percent allocation of diamonds by value, I believe, is a great advantage to northern cutting and polishing shops. But as my colleague Mr. Ramsay has pointed out, this has been very troublesome for the Northwest Territories and cutters and producers to really work with. Is this a good thing for us to continue to work with, Mr. Speaker, or is the 10 percent allocation, as strong and beneficial as it may have been, really not the way for us to go? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Braden. Mr. Roland.

Further Return To Question 436-15(3): Costs Of Keeping Sirius Diamonds Operational

HON. FLOYD ROLAND: Thank you, Mr. Speaker. The 10 percent allocation has been problematic in a number of ways. One, from our side of it and from the information available through the cutting and polishing plants we're involved with, all the plants, I believe, actually, cut and

polish in the Northwest Territories runs about 2.5 to three percent. Now, the mining companies state that in fact they supply much more than that and they may do that. We're unaware of that final amount, but we know that the quality or the size of those stones are not economically cut in the Northwest Territories and are returned. So when we talk about numbers of 2.5 to three percent, that's what is able to be cut in the Northwest Territories at a viable place. So it is one of the areas of concern. If the companies could fully utilize 10 percent, we'd be doing a lot more business in the Northwest Territories, but they have not been able to, based on the economics of cutting some of those stones. Thank you.

MR. SPEAKER: Thank you, Mr. Roland. Final supplementary, Mr. Braden.

Supplementary To Question 436-15(3): Costs Of Keeping Sirius Diamonds Operational

MR. BRADEN: Mr. Speaker, the dilemma over this is something that a lot of us face. We try to read and understand and listen to all sides of the story, but quite frankly I don't know really who to believe in this. What kind of advantage or leverage do we have as the Northwest Territories government, to try to make this deal work? Is there anything that we have yet to try? Thank you.

MR. SPEAKER: Thank you, Mr. Braden. Mr. Roland.

Further Return To Question 436-15(3): Costs Of Keeping Sirius Diamonds Operational

HON. FLOYD ROLAND: Thank you, Mr. Speaker. I believe there are a number of areas that are of benefit to the Northwest Territories. The stones out of the Northwest Territories are seen as quality stones. Through the industry, Canadian diamonds are one of the things to talk about. They're of just quality and the marketing of them has been a benefit to us. As well, through the work that's been done, a certification process has been established for those taking part. It also represents where their stone has come from and cut from. There are some benefits to the Northwest Territories but, at the same time, as we've heard around the table, there's a concern about how this is operating and do we have to go back to the days when the first diamond mine was being talked about in Canada and the Minister of the day talked about enough tax to choke a mule. Is it time to revisit that? It may be. Thank you.

MR. SPEAKER: Thank you, Mr. Roland. Item 6, oral questions. The honourable Member for North Slave, Mr. Zoe.

Question 437-15(3): NWT Literacy Strategy

MR. ZOE: Thank you, Mr. Speaker. My question today is for the Minister of Education, Culture and Employment. Mr. Speaker, as I said earlier in my Member's statement, the NWT Literacy Strategy is for the mental success and the wellbeing of the Northwest Territories. Would the Minister consider increasing the investment in the NWT Literacy Strategy? Thank you.

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

Return To Question 437-15(3): NWT Literacy Strategy

HON. CHARLES DENT: Thank you, Mr. Speaker. I'd love to. Is the Member offering me some money to put into that strategy? I would agree with the Member that literacy is an extremely important issue in the Northwest Territories and it is certainly an area in which we're happy to work with our partners, to make sure that we can improve on literacy as much as possible. If we can find a way to increase our investment, I would certainly welcome that. Thank you, Mr. Speaker.

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

Supplementary To Question 437-15(3): NWT Literacy Strategy

MR. ZOE: Thank you. Mr. Speaker, the honourable Minister indicated that he'll be working with partners. I'd like to ask the Minister, the partners that he's making reference to, have they come forward in terms of investment so that the NWT Literacy Strategy can be enhanced? Thank you.

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

Further Return To Question 437-15(3): NWT Literacy Strategy

HON. CHARLES DENT: Thank you, Mr. Speaker. I have in the past year met with the president of the NWT Literacy Council as one of our partners and talked to them about our investments in literacy. The college is a partner of the literacy strategy, as are private employers. We have a number of partners and the dialogue is ongoing with all of those partners as we look for ways in which to improve on literacy in the Northwest Territories. Thank you, Mr. Speaker.

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

Supplementary To Question 437-15(3): NWT Literacy Strategy

MR. ZOE: Thank you, Mr. Speaker. As I said earlier, the funding barely is keeping up the strategy as it is right now in the Territories. Mr. Speaker, I'd like to ask the Minister, if he's not going to enhance or increase the investment in our strategy, would he commit to maintaining the current level of funding that we have? Thank you.

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

Further Return To Question 437-15(3): NWT Literacy Strategy

HON. CHARLES DENT: Thank you, Mr. Speaker. I have certainly told all of our partners that it would be my goal to come as close to maintaining that level of commitment as possible, but they are also aware that the Minister of Finance has worked with his colleagues at FMBS and all Members of this House to say we have to find some economies. So there may be some impact, but we are doing our best to make sure that any impact is minimized. Thank you.

MR. SPEAKER: Thank you, Mr. Dent. Final supplementary, Mr. Zoe.

Supplementary To Question 437-15(3): NWT Literacy Strategy

MR. ZOE: Thank you, Mr. Speaker. I'd like to ask the Minister if he would convey to his colleague, the Minister of Finance, that it's very critical to maintain this strategy, as I said in my Member's statement. Would he make an effort to convince his colleague to maintain the level of funding for this particular strategy? Thank you.

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

Further Return To Question 437-15(3): NWT Literacy Strategy

HON. CHARLES DENT: Thank you, Mr. Speaker. It's an issue that I discuss with my Cabinet and FMB colleagues on a regular basis. This government has, over the past year, increased its investments in some areas that deal with literacy. For example, language nests which deal with aboriginal language literacy. So we have in fact managed to increase the funding that we put into some areas and we do continue to spend a good deal of money on literacy, but, yes, we will continue to look for ways to improve on how we can deliver that important programming. Thank you, Mr. Speaker.

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

Question 438-15(3): Long-Term Care For Seniors

MR. MENICOCHÉ: Thank you very much, Mr. Speaker. My questions today are for the honourable Minister of Health and Social Services. Last week I spoke about long-term care for our elders and seniors and how I believe that some of them are only taking in almost \$800 a month to live, and to stay in long-term care they're paying as much as \$750 a month. I'm just wondering, perhaps the Minister can explain to me and this Assembly a little bit more about why that expense is there and why we are charging our elders to stay in long-term care, especially those with minimal income and that's their sole source of income. Thank you, Mr. Speaker.

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

Return To Question 438-15(3): Long-Term Care For Seniors

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, long-term care facilities are those facilities that require 24-hour-a-day supervision. There's access to nurses and trained staff and the people residing in those facilities are at the point in their lives where they need that 24-hour a day coverage. It's not a coverage that's covered under health care or non-insured health benefits and the cost of \$720-some a month has been there for a number of years. I'd like to point out as well that in most other jurisdictions the cost for that type of service would be in the many thousands of dollars depending on the facility that was being accessed and it is a very high quality of care, Mr. Speaker. Thank you.

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

Supplementary To Question 438-15(3): Long-Term Care For Seniors

MR. MENICOCHÉ: Mr. Speaker, this topic kind of frustrates me because here we have an environment where we're giving multinational corporations and companies like the diamond industry all kinds of huge breaks where those could have been revenues for our coffers, yet we're taking revenues from our elders who are in long-term care and that's their absolutely last stop on Earth, Mr. Speaker. They have nowhere else to go. They have to have and need this care. So I'd like to ask the Minister if he's looking at that. Is there a way we can subsidize these elders and seniors who are in our long-term care facilities? Thank you.

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

Further Return To Question 438-15(3): Long-Term Care For Seniors

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, the reality is we don't charge any health care premiums, but the cost for these facilities exceeds the amount of revenue that's generated. These are not revenue-generating operations. There's a small cost put towards the running of these facilities for the reasons that I've already stated. There are no plans at this point to waive those fees, given the financial considerations that we all work under. Thank you.

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

Supplementary To Question 438-15(3): Long-Term Care For Seniors

MR. MENICOCHÉ: Thank you very much, Mr. Speaker. It is indeed a small cost if we're talking salaries of \$100,000 a year plus, but these elders are only making \$800 or \$900 a month, Mr. Speaker.

---Applause

So I'd like to ask the Minister again, will he consider at least some type of subsidy for the long-term care facility for our elders and seniors and give them the respect they deserve? Thank you.

SOME HON. MEMBERS: Hear! Hear!

---Applause

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

Further Return To Question 438-15(3): Long-Term Care For Seniors

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, the reality is that we have some of the best seniors programs in the country in the Northwest Territories.

SOME HON. MEMBERS: Hear! Hear!

HON. MICHAEL MILTENBERGER: We have a very high regard and respect for the seniors and elders who have come to that point in their lives and whose footsteps we are following. So, Mr. Speaker, we already provide a

service, as I indicated, that is already subsidized and that plan is to keep the current arrangement in place. Thank you.

MR. SPEAKER: Thank you, Mr. Miltenberger. Final supplementary, Mr. Menicoche.

Supplementary To Question 438-15(3): Long-Term Care For Seniors

MR. MENICOCHÉ: Thank you very much, Mr. Speaker. Just on a similar topic would be with respect to treaty rights. Some of our elders are in there and they're paying for health care. Do we not have a fiduciary responsibility to our aboriginal seniors to take care of their health? Will the Minister answer that, Mr. Speaker? Thank you.

MR. SPEAKER: Thank you. That's pushing a bit of a different line of questioning, I think, Mr. Menicoche, but I'll allow Mr. Miltenberger to answer. Mr. Miltenberger.

Further Return To Question 438-15(3): Long-Term Care For Seniors

HON. MICHAEL MILTENBERGER: Thank you, Mr. Speaker. Mr. Speaker, we have arrangements with the federal government where we administer some programs on their behalf, non-insured health benefits as well as medical hospital services to Indian and Inuit, but long-term care is not covered under that arrangement. Thank you.

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

Question 439-15(3): Public Service Vacancies

MR. HAWKINS: Thank you, Mr. Speaker. Mr. Speaker, I rise with questions to the Minister responsible for the Financial Management Board Secretariat with regard to my Member's statement made earlier today. Mr. Speaker, can the Minister tell me what, if any, restrictions or standards are in place for departments to spend money they've saved from vacant positions? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Hawkins. The honourable Minister responsible for the Financial Management Board Secretariat, Mr. Roland.

Return To Question 439-15(3): Public Service Vacancies

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Mr. Speaker, every department budgets what they think they're going to need to have to operate for that fiscal year. That, as well, means having the personnel to do the job. If they're unable to fill those jobs, then they keep the money or they can use it to hire a part-time contractor to try to fill up some of that void if the work becomes absolutely necessary and is critical to getting the job done. Otherwise, for example, if we're putting out and trying to hire people to fill those positions, we have to have the dollars on hand at that point. So if the positions are filled, those dollars then apply. If they're not filled for three-quarters of the year, then potentially the department and the managers within that department have an ability to move some of that money around to where they need more money, whether that be in the travel area or different parts of the department. Of course, as they do that reporting procedures kick into place; for example,

interdepartmental transfers come into play and we report that as we go forward. Thank you.

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

Supplementary To Question 439-15(3): Public Service Vacancies

MR. HAWKINS: Thank you, Mr. Speaker. Thank you, Mr. Minister. Mr. Speaker, my next question for the Minister would be what policy directs that money if it's not spent on salaries? When he described moved money, how is that reported into the House with that policy or lack of policy that exists? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Hawkins. Two questions there. Mr. Roland.

Further Return To Question 439-15(3): Public Service Vacancies

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Mr. Speaker, one of the things that kicks in is on a quarterly basis when departments do a variance report and submit them to FMBS. As well, for transfers that happen within departments from one approval area to another, there's a report that's brought to this House and it's an interdepartmental transfer activity. That's one of the ways we do it. As well, if they're unable to spend that money by year end -- not that we encourage it -- if the money that's allocated isn't spent, it's put back into the consolidated revenue. Thank you.

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

Supplementary To Question 439-15(3): Public Service Vacancies

MR. HAWKINS: Thank you, Mr. Speaker. Mr. Speaker, I know that there are places out there that are starving for money to hire maintainers for buildings and whatnot, yet we have certain departments that have continuous vacancies. Would the Minister be willing to look at addressing this by way of a new policy that directs the dissolution of a position that has remained vacant for over a year, so we can assist other departments that struggle for justifying positions? Would he be interested in looking at a policy? Thank you, Mr. Speaker.

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

Further Return To Question 439-15(3): Public Service Vacancies

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Mr. Speaker, we, as a government, have undertaken a number of initiatives now to identify and improve on our human resource systems and one of the areas of our Human Resource Service Centre approach is to consolidate information and have a clear set of criteria for every department to use. So we undergo on an annual basis, and on a monthly basis with some departments, an accounting for where they're spending their money. The Ministers already do that through the budget exercise we go through. In this case, we're capping the growth of government and each Minister was then given direction to find the 4.15 percent from within their budget and then, based on committee recommendations, some adjustments were made. So to actually come up with an

overall policy, it's something that the government has already considered and when the Ministers come forward for the reductions, that's one of the areas they use to identify positions they think they can get on with on an annual basis without having an impact on delivery. Thank you.

MR. SPEAKER: Thank you, Mr. Roland. Final supplementary, Mr. Hawkins.

Supplementary To Question 439-15(3): Public Service Vacancies

MR. HAWKINS: Thank you, Mr. Speaker. Mr. Speaker, this still causes me a lot of concern that we do not have a firm policy that clearly directs the money that's left over. My vote goes towards approving the budget and the number of positions and the money that's allocated to those positions. Would the Minister consider implementing a standard of requirements for all departments to follow in their budgeting and accounting for money saved through vacancies where we can avoid the potential stigma of the appearance of unaccountable slush money? Thank you, Mr. Speaker.

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

Further Return To Question 439-15(3): Public Service Vacancies

HON. FLOYD ROLAND: Thank you, Mr. Speaker. The Member, on a couple of occasions now, has talked about slush money. In fact, there is no pot of slush funding out there. The money is accounted for and approved in this House and any movement from what's been approved in this Assembly has to be accounted for. Departments come forward with their plans, they identify the necessary resources, whether it's capital side, operations and maintenance side; and on the operations and maintenance side, how many personnel they need to deliver that service. It's approved in this House and it has to be used for the purposes that it's approved for. Any changes to that have to come back and be accounted for. Thank you.

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

Question 440-15(3): Investment In The Secondary Diamond Industry

MR. RAMSAY: Thank you, Mr. Speaker. I'll pick up where my previous questions left off. I'd like to ask the Minister of Finance if his quest for answers and numbers, I guess, in terms of what the government spent to date on its investment on the secondary diamond industry will in fact include government-wide spending. I'm talking about all the money spent at ECE, RWED and FMBS. Thank you.

MR. SPEAKER: Thank you, Mr. Ramsay. The honourable Minister of Finance, Mr. Roland.

Return To Question 440-15(3): Investment In The Secondary Diamond Industry

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Yes, it will include accounting from all departments that have spent money in the area of the secondary industry. Thank you.

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

Supplementary To Question 440-15(3): Investment In The Secondary Diamond Industry

MR. RAMSAY: Thank you, Mr. Speaker. Mr. Speaker, I'm wondering if the Minister can answer the question of whether or not looking into the numbers is going to include the years from 1998 to 2004-05. Thank you, Mr. Speaker.

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

Further Return To Question 440-15(3): Investment In The Secondary Diamond Industry

HON. FLOYD ROLAND: Thank you, Mr. Speaker. As I stated earlier, we would be looking back from when the government first got involved in the secondary industry. So, yes.

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

Supplementary To Question 440-15(3): Investment In The Secondary Diamond Industry

MR. RAMSAY: Thank you, Mr. Speaker. Mr. Speaker, I'm just wondering if those numbers will include loan guarantees and losses associated with loan guarantees. Thank you.

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

Further Return To Question 440-15(3): Investment In The Secondary Diamond Industry

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Yes, it will incorporate all activities that all departments are involved with around the secondary industry and areas such as training and other matters like that. Thank you.

MR. SPEAKER: Thank you, Mr. Roland. Final supplementary, Mr. Ramsay.

Supplementary To Question 440-15(3): Investment In The Secondary Diamond Industry

MR. RAMSAY: Thank you, Mr. Speaker. Mr. Speaker, I'm wondering if the Minister can let us know who in the government or what group of employees in the government might be tapped on the shoulder to conduct this type of investigation on behalf of the government and the Minister of Finance. Thank you.

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

Further Return To Question 440-15(3): Investment In The Secondary Diamond Industry

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Mr. Speaker, it's been directed to the department that's been directly involved in business development in the Northwest Territories; so the Department of Resources, Wildlife and Economic Development or as we go forward after April 1st, ITI.

MR. SPEAKER: Thank you, Mr. Roland. Item 6, oral questions. The honourable Member for Hay River South, Mrs. Groenewegen.

Question 441-15(3): Special Needs Funding In Hay River

MRS. GROENEWEGEN: Thank you, Mr. Speaker. Mr. Speaker, I would also like to pick up again where I left off with my questions to the Minister of Education, Culture and Employment. Mr. Speaker, after I sat down after that set of questions, I am not sure I was any wiser than I was before I started asking. I asked about Yellowknife and the Minister didn't know about Yellowknife. He said he was going to issue a directive about special needs funding but didn't issue that directive. I asked if Hay River developed the plan and proposal. He said we had to check with the district education council to see if it needs criteria. Essentially, Mr. Speaker, I know less than before I started asking the questions. I would like to ask the Minister very specifically, are there any additional funds that could be applied for to address the education needs of students in Hay River not able to access their education through a regular classroom? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mrs. Groenewegen. The honourable Minister of Education, Culture and Employment, Mr. Dent.

Return To Question 441-15(3): Special Needs Funding In Hay River

HON. CHARLES DENT: Thank you, Mr. Speaker. As I indicated to the Member the first time she was asking questions, the department does not provide funds directly to any centre. The department provides all funds for schooling to DEC's. That money has to then flow from the DEC to the DEA for use in the community. So the money is already going out to the DEC's to provide services to children with special needs. The DEA would have to access the funds from the DEC and then spend them as they see appropriate. Thank you.

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

Supplementary To Question 441-15(3): Special Needs Funding In Hay River

MRS. GROENEWEGEN: Thank you, Mr. Speaker. Is there anything in place right now in terms of existing policy that would preclude the DEC from allocating funding to the Hay River DEA to set up an alternative school, storefront for students who cannot participate in the regular school system? Thank you.

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

Further Return To Question 441-15(3): Special Needs Funding In Hay River

HON. CHARLES DENT: Thank you, Mr. Speaker. No.

MR. SPEAKER: Thank you, Mr. Dent. Supplementary, Mrs. Groenewegen. Thank you, Mrs. Groenewegen. Item 6, oral questions. The honourable Member for Yellowknife Centre, Mr. Hawkins.

Question 442-15(3): Multi-Year Funding For Municipalities

MR. HAWKINS: Thank you, Mr. Speaker. Just quickly, last week, I was asking questions to the Minister responsible for the FMBS. All I was asking was for him to

hear the point of view of the City of Yellowknife. Mr. Speaker, in regard to the administration of the FAA act, would the Minister responsible for the FMBS be willing to hear the point of view of the City of Yellowknife before he points fingers to the Minister of MACA? Thank you.

MR. SPEAKER: Thank you, Mr. Hawkins. The honourable Minister responsible for the Financial Management Board Secretariat, Mr. Roland.

Return To Question 442-15(3): Multi-Year Funding For Municipalities

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Mr. Speaker, I am well aware that the city council and the mayor would have a point of view as well as every other mayor and council across the Northwest Territories. Municipal and Community Affairs has been working with the municipalities and communities on the issue of budgeting. I am willing to work with the Minister of Municipal and Community Affairs to see what we can do. Thank you.

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

Supplementary To Question 442-15(3): Multi-Year Funding For Municipalities

MR. HAWKINS: Thank you, Mr. Speaker. I am not really sure what that answer meant when he said that he is willing to work to see what he can do. With that response, did the Minister agree that he would help facilitate and hear the concerns directly from the City of Yellowknife, demonstrating the open-door policy of this government? Thank you, Mr. Speaker.

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

Further Return To Question 442-15(3): Multi-Year Funding For Municipalities

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Mr. Speaker, I think we've established on a number of occasions that Municipal and Community Affairs has been open when you look at the budget we are presenting and a new deal for community governments. We are open and looking at how we can work with the communities in trying to ensure that they have the adequate resources. We understand it is tight and difficult in planning. The Department of Municipal and Community Affairs has been working with municipalities in the area of budgeting. I am willing to work with my colleague from Municipal and Community Affairs and see what we can do. Thank you.

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

Supplementary To Question 442-15(3): Multi-Year Funding For Municipalities

MR. HAWKINS: Thank you, Mr. Speaker. It looks like it is going to be a long couple of weeks because I am going to keep asking this question. A simple yes will do. Mr. Speaker, we have the FMBS Minister pointing at the MACA Minister and the MACA Minister pointing at the Finance Minister. So, Mr. Speaker, we have two people pointing at each other. I just need a yes from this Minister saying he'd hear the concerns of the City of Yellowknife specific to the FAA act that this Minister takes care of. If he says yes, we are done. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Hawkins. That question has already been asked. You can only ask the same question once, so I will rule that question out of order.

---Ruled Out of Order

Final supplementary, Mr. Hawkins.

Supplementary To Question 442-15(3): Multiyear Funding For Municipalities

MR. HAWKINS: Thank you, Mr. Speaker. Mr. Speaker, will we get a yes this time from the Minister responsible for the FMBS? Thank you, Mr. Speaker.

MR. SPEAKER: Mr. Hawkins, I didn't hear a question there. Item 6, oral questions. The honourable Member for Range Lake, Ms. Lee.

Question 443-15(3): Insurance Costs In The NWT

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker, I would like to pose another question to the Minister of Finance about the insurance industry. I have had many discussions with the Minister, Mr. Speaker, and there seems to be a very strong acceptance in the North that the government really can't interfere with the insurance industry, that it is an independent industry. I don't agree with that necessarily. I do believe we can go forward more. There are other jurisdictions where insurance rates have become election issues, and many governments have taken active roles in that. I would like to know if the Minister is willing to do more than just dealing with the CFIB to curtail the insurance costs. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Ms. Lee. The honourable Minister responsible for the Financial Management Board Secretariat, Mr. Roland.

Return To Question 443-15(3): Insurance Costs In The NWT

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Mr. Speaker, the issue of insurance is one that is cyclical in any jurisdiction. We have definitely felt the impacts in the Northwest Territories. We, as a government, have had to make adjustments, as the Member has stated earlier, about how we deal with the insurance end of it. Our ability at this time is to monitor and provide for the brokers or the sellers of insurance, that is the extent we have with the insurance industry to date. To go beyond that, we'd have to look at possibly bringing in another act. I haven't got to that detail yet. With the volume in the Northwest Territories, I think we would right now be better off to try to work with other jurisdictions in this area. Thank you.

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

Supplementary To Question 443-15(3): Insurance Costs In The NWT

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker, I would like to point out that, in this jurisdiction, we don't have a Minister responsible for consumer advocacy or civil rights. We are just really paying through the nose. The government ought to do something. Mr. Speaker, could I get the Minister to make a commitment to contact his counterparts at the federal level, the Canadian Minister responsible for Insurance, and see what the federal

government is proposing to do about the cost of insurance. Thank you, Mr. Speaker.

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

Further Return To Question 443-15(3): Insurance Costs In The NWT

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Yes, we are willing to work with the other jurisdictions, the federal government, to see what initiatives may be undertaken. As I stated earlier, we are putting together some information so that we can sit down with Members and have a more detailed discussion in this area. Thank you.

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

Supplementary To Question 443-15(3): Insurance Costs In The NWT

MS. LEE: Thank you, Mr. Speaker. I appreciate that the Minister has indicated that Members will have a chance to discuss this further. In doing that, I would like to ask the Minister if he would be willing to send his officials to talk to some of the deliverers of insurance in the North and ask what the industry is going through and what kinds of things could the government do to mitigate the high cost of insurance. That is really impacting the small businesses. We know about the individuals. We know about our insurance bills, but, I tell you, 94 percent of small businesses in the Territories have said that this is one of the biggest negative factors in doing business. Could the Minister talk to the insurance industry in the North? Thank you.

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

Further Return To Question 443-15(3): Insurance Costs In The NWT

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Mr. Speaker, I have committed to Members in preparing this information, to have a detailed discussion on the insurance and its impacts, work with the CFIB who has done some of this work, and we can also probably do a bit of a survey on those that provide the service in the Northwest Territories to help around that information. Thank you.

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

Question 444-15(3): Involvement In The Secondary Diamond Industry

MR. RAMSAY: Thank you, Mr. Speaker. Mr. Speaker, my questions are again for the Minister of Finance. It goes back to what he mentioned in his last answer to me and the fact that looking at expenditures government-wide in terms of developing a secondary industry. He mentioned the fact that it was going to be done in house and that FMBS and RWED were going to be involved. I would like to ask the Minister, has he given any thought if it has to be done in house, given any thought to having the Audit Bureau investigate the expenditures? Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Ramsay. The honourable Minister responsible for the Financial Management Board Secretariat, Mr. Roland.

Return To Question 444-15(3): Involvement In The Secondary Diamond Industry

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Mr. Speaker, I guess there are a number of things there. I am sure Members will get more information. Internally, we do our own audit reviews to make sure that the money that has been approved by this House is spent according to how it has been approved. As well, if departments feel that certain areas of things they want to have looked at, they will make contact with the Audit Bureau, and we will arrange for that work to happen. On top of that, we, as a government, will have the Auditor General of Canada's office review our operations and, as they have in the past, highlight to a certain degree our involvement in the secondary industry. What avenues we need to take to ensure that we do a proper accounting to come up with the best next steps we need to do, we will look at. Thank you.

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

Supplementary To Question 444-15(3): Involvement In The Secondary Diamond Industry

MR. RAMSAY: Thank you, Mr. Speaker. Thank you, Mr. Minister, for the reply. I'd say that any type of investigation would have to be as transparent and as impartial as possible. I would like to ask the Minister if he could at least entertain the notion that the government look outside for somebody to come in and take a forensic look or a detailed look at what the expenditures are or, if he is going to get the Audit Bureau to do it, can he at least entertain that? Thank you, Mr. Speaker.

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

Further Return To Question 444-15(3): Involvement In The Secondary Diamond Industry

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Mr. Speaker, this whole area of the secondary industry, the question is not whether money was not spent appropriately or accounted for. The question is one more of policy. Should we have a secondary industry? How should we support that secondary industry? What avenues do we have to ensure that support is there? Our question and our work need to focus on the policy end of how we do this. As well, we are going to do an accounting, as committed to in this House, of all the dollars and losses and put that together and bring it forward to Members. Thank you.

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

Supplementary To Question 444-15(3): Involvement In The Secondary Diamond Industry

MR. RAMSAY: Thank you, Mr. Speaker. I am just looking for a reply from the Minister in terms of looking outside of the organization of the Government of the Northwest Territories. Will he entertain looking outside, or is it going to be in house? If it is in house, I have some issues with that. Thank you, Mr. Speaker.

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

Further Return To Question 444-15(3): Involvement In The Secondary Diamond Industry

HON. FLOYD ROLAND: Thank you, Mr. Speaker. Mr. Speaker, as I stated earlier, the first look we do is one from the resources we have available to us now. That is working through RWED as well as FMB. Once we have that work, if we find there is a need to go outside that, we would look at that. But we will do the work and bring it back to Members. Thank you.

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

Question 445-15(3): Housing Rent Scale Changes

MR. MENICOCHE: Thank you, Mr. Speaker. Last week, I spoke about the rent scale changes, and the Minister responsible for the NWT Housing Corporation did provide me with some answers. I just would like to hear that answer again, Mr. Speaker, with regard to rent scale changes. Is he really looking at redoing the amount of increase that the rent scale changes? Thank you, Mr. Speaker.

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

Return To Question 445-15(3): Housing Rent Scale Changes

HON. DAVID KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, I have heard from the Members with regard to their concerns they have raised in the House, especially with regard to the phasing in of the rent scale and lifting the moratorium for the next two years. I had the department look to see what is the practicality of doing it and are there any legal implications by moving forward. I have consulted with the department to look at the possibility of phasing in so the impact won't be that great on our tenants. We are looking at the possibility instead of a 30/10 phase in over two years, we are looking at a 20/20, similar to what the Member suggested. A 25 or 15. I figure if we look at something like a 20/20 percent phase in over the next two years, hopefully that is something we can look at. Again, that is something that I am hoping to bring to the House by way of a Minister's statement. Thank you.

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

Supplementary To Question 445-15(3): Housing Rent Scale Changes

MR. MENICOCHE: Thank you very much, Mr. Speaker. I would like to thank the Minister responsible for his answer. I am pleased that the people have been heard.

---Applause

It does provide that little bit of window for clients to make alternative arrangements, Mr. Speaker. Can the Minister assure this Member that his officials are looking at this scale and that he will give me an answer soon, Mr. Speaker? Thank you.

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

Further Return To Question 445-15(3): Housing Rent Scale Changes

HON. DAVID KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, I could make this formal commitment to the Member and to the Members of the House today that I will be coming forward by way of a Minister's statement announcing that we will be making such a change. Right now, it is in the works. I would like to commit to the Member that I have looked at it, and I will be bringing it forward to the House.

MR. SPEAKER: Thank you, Mr. Krutko. Time for oral questions has expired; however, I will allow you to finish your supplementary question, Mr. Menicoche.

Supplementary To Question 445-15(3): Housing Rent Scale Changes

MR. MENICOCHÉ: Thank you very much, Mr. Speaker. Has the Minister given our tenants and our clients anything in notice at all of a potential change in the implementation of the rent scale? Thank you.

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

Further Return To Question 445-15(3): Housing Rent Scale Changes

HON. DAVID KRUTKO: Thank you, Mr. Speaker. Mr. Speaker, we have informed our people through our LHOs that this is coming. Again, until the announcement is made in this House, technically it is not public. So once I make it official, it will be official then.

---Laughter

MR. SPEAKER: Thank you, Mr. Krutko. Thank you, Mr. Menicoche. Time for question period has expired. Item 7, written questions. The honourable for Yellowknife Centre, Mr. Hawkins.

ITEM 7: WRITTEN QUESTIONS

Written Question 76-15(3): Vacancy Rates In The Public Service

MR. HAWKINS: Thank you, Mr. Speaker. My question is for the Minister of Finance.

- 1) What was the average rate of vacant positions in GNWT departments, including WCB and the Housing Corporation, for the last three fiscal years?
- 2) Which departments reflect an expected vacancy rate in their budget, and what is the percentage of expected vacancies used in calculating the compensation and benefits budgeted for those departments?

Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Hawkins. Item 7, written questions. Item 8, returns to written questions. Item 9, replies to opening address. Item 10, petitions. Item 11, reports of standing and special committees. Item 12, reports of committees in the review of bills. Item 13, tabling of documents. The honourable Premier, Mr. Handley.

ITEM 13: TABLING OF DOCUMENTS

Tabled Document 108-15(3): Nation Building: Framework For A Northern Strategy

HON. JOE HANDLEY: Mr. Speaker, I wish to table the following document entitled, Nation Building: Framework for a Northern Strategy. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Handley. Item 13, tabling of documents. The honourable Member for Range Lake, Ms. Lee.

Tabled Document 109-15(3): Canadian Federation Of Independent Business Presentation

MS. LEE: Thank you, Mr. Speaker. Mr. Speaker, I wish to table a report from the Canadian Federation of Independent Businesses entitled, Small Businesses Priorities in the NWT. Thank you, Mr. Speaker. It has information on the insurance rates. Thank you.

MR. SPEAKER: Thank you, Ms. Lee. Item 13, tabling of documents. Item 14, notices of motion. Item 15, notices of motion for first reading of bills. Item 16, motions. The honourable Member for Kam Lake, Mr. Ramsay.

ITEM 16: MOTIONS

Motion 27-15(3): Appointment Of Commissioner Of Official Languages, Carried

MR. RAMSAY: Thank you, Mr. Speaker.

WHEREAS section 18(1) of the Official Languages Act permits the appointment of a Languages Commissioner by the Commissioner of the Northwest Territories, after the approval of the appointment by resolution of the Legislative Assembly;

AND WHEREAS the Legislative Assembly considers the appointment of a Languages Commissioner essential for ensuring recognition of the rights, status and privileges of each of the official languages and compliance of the spirit and intent of the Official Languages Act;

AND WHEREAS the term of the Languages Commissioner has expired;

AND WHEREAS the Legislative Assembly is of the opinion that the appointment of a Languages Commissioner shall now be made;

NOW THEREFORE I MOVE, seconded by the honourable Member for Nahendeh, that pursuant to section 18 of the Official Languages Act of the Northwest Territories, Shannon Gullberg be appointed as Languages Commissioner;

AND FURTHER that the appointment be effective February 22, 2005.

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

SOME HON. MEMBERS: Question.

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

---Carried

Item 16, motions. Item 17, first reading of bills. Item 18, second reading of bills. Item 19, consideration in Committee of the Whole of bills and other matters: Bill 15, Tlcho Community Services Agency Act; Bill 17, Modernization of Benefits and Obligations 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; and, Committee Report 12-15(3), Standing Committee on Rules and Procedures Report on the Review of the Report of the Chief Electoral Officer on the Administration of the 2003 General Election. 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 19: CONSIDERATION IN COMMITTEE OF THE WHOLE OF BILLS AND OTHER MATTERS

CHAIRMAN (Mr. Ramsay): Thank you. I call Committee of the Whole to order. What is the wish of the committee? Mr. Menicoche.

MR. MENICOCHÉ: Mr. Chairman, the committee wishes to consider Bill 19, Appropriation Act, 2005-2006, with consideration of Health and Social Services. Thank you.

CHAIRMAN (Mr. Ramsay): Thank you, Mr. Menicoche. Is the committee agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Ramsay): Mr. Miltenberger, do you have witnesses to bring in?

HON. MICHAEL MILTENBERGER: Yes, I do, Mr. Chairman.

CHAIRMAN (Mr. Ramsay): Is the committee agreed?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Ramsay): Sergeant-at-Arms, please escort in the witnesses.

For the record, Mr. Minister, please introduce your witnesses.

HON. MICHAEL MILTENBERGER: Thank you, Mr. Chairman. I have with me Mr. Dave Murray, the deputy minister of Health and Social Services; and Warren St. Germaine, the director of financial services. Thank you.

CHAIRMAN (Mr. Ramsay): Thank you, Mr. Minister. Welcome, Mr. St. Germaine and Mr. Murray, to the proceedings this afternoon. I don't have anybody on the list. We left off on page 6-23, program delivery support. We were going through the detail, operations expenditure summary, \$31.274 million. Mr. Braden.

MR. BRADEN: Mr. Chairman, thank you. There is a bit of a description on this page regarding authority and board administration costs. I am on page 6-24; I'm sorry, Mr. Chairman. I am comparing one set of books here to

another. I am one page ahead of you. I will defer my question until we are ready to go to page 6-24.

CHAIRMAN (Mr. Ramsay): Thank you, Mr. Braden. Page 6-23, program delivery support, operations expenditure summary, \$31.274 million.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Ramsay): Page 6-24. Mr. Braden.

MR. BRADEN: Thank you, Mr. Chairman. On this page is a detail entitled authority/board administration costs with an estimate of \$14.743 million for the coming year. I wanted to see if the Minister could provide a bit of detail. Of that \$14.743 million, how much of that is regulated to the costs of the authority itself and how much to the board? Is there some kind of distinction you can give us here or are we just dealing with words? Thank you.

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

HON. MICHAEL MILTENBERGER: Thank you, Mr. Chairman. We spend, on average, around five percent on administration costs. If the Member is asking a specific cost that we spend on board trustees, I don't have that level of detail, but we could commit to get that. Thank you.

CHAIRMAN (Mr. Ramsay): Thank you, Mr. Minister. Page 6-24.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Ramsay): Page 6-25, program delivery support, grants and contributions, contributions \$17.313 million.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Ramsay): Page 6-26, program delivery support, active positions.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Ramsay): Page 6-27, program delivery support, active positions.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Ramsay): Page 6-28.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Ramsay): Page 6-29, health services programs, operations expenditure summary, \$135.3 million.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Ramsay): Page 6-30.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Ramsay): Page 6-31, health services programs, grants and contributions, grants, total grants, \$25,000. Mr. Braden.

MR. BRADEN: Thank you, Mr. Chairman. Mr. Chairman, if I may, I would like to go into an area in the Telehealth program and I don't know if I am on the right page for that or not. I hope I am at least in the neighbourhood, so I can

ask about some of the Telehealth programming. I guess what I am looking at here, Mr. Chairman, is some of the forecasts for activity in the Telehealth area. I think it's projected that in the 2003-04 fiscal year, the 2005-06 fiscal year, that we are only projecting a 10 percent increase in the number of files or cases where Telehealth is applied. That seems to be a very modest increment, Mr. Chairman. In fact, it would only be an increase of about 15 or 20 new files that are added to the Telehealth program. It just struck me as being very, very slow or small over a three-year period. We have been really quite excited about Telehealth and the changes that it could make, but I don't know if they are coming as quickly as I might have been led to believe. Can the Minister help me out there? Thank you.

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

HON. MICHAEL MILTENBERGER: Thank you, Mr. Chairman. Mr. Chairman this is an area that we think, well, we know, has tremendous potential. As I indicated in this House last week, we have spent the first few years on focusing almost exclusively on setting up the technology and it's become clear that we had, in fact, needed as well to look at the program side. The technology was there but we had not done enough work to make sure that the staff sees this opportunity for what it is; an opportunity to have a better service for the people and to allow better service for people in the communities.

We, in fact, have put in place a program champion on the Telehealth side whose function is going to be not only to make sure that the technical work continues, but that the work is done, to make sure that this becomes a part of the corporate culture of Health and Social Services with all the health professionals, doctors, nurses, CHRs and everybody else, that can make use of this service. Thank you.

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

MR. BRADEN: Thank you, Mr. Chairman. It's a little disappointing to hear that we haven't got the uptake, if you will, internally on what this service could do. I can understand that it's one of those changes within an organization that may take time. I would leave on record some comment that the growth in how our Telehealth system is being used is quite slow and if there are ways that the department can find to expand this, it would certainly keep up with my expectations. I appreciate the explanations and that is all the questions that I have on this page.

CHAIRMAN (Mr. Ramsay): Thank you, Mr. Braden. We are on page 6-31, health services programs, grants and contributions, grants, total grants, \$25,000. Contributions, total contributions, \$83.655 million, total grants and contributions, \$83.680 million.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Ramsay): Page 6-32.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Ramsay): Page 6-33, supplementary health programs, operations expenditure summary, \$17.661 million.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Ramsay): Page 6-34. Mr. Braden.

MR. BRADEN: Thank you, Mr. Chairman. This is related to the coverage that northern residents by and large enjoy with our health care system, whether they are resident here in the NWT or part of the overall Canadian system.

I encountered a situation with a constituent earlier, or last year, Mr. Chairman, where, regrettably, an illness in the family occurred when this constituent was traveling outside the NWT. Emergency health procedures were required. These were performed in Calgary and they were performed quite satisfactorily.

Mr. Chairman, where we ran into some difficulty was when this constituent, who was caring for her mother, also a northern resident, really found it necessary to be with her mother in Calgary for a period of several weeks. There were hotel and living expenses incurred and it took several more weeks for our health care system to make a decision, Mr. Chairman, fortunately in my constituent's favour, to reimburse her for her living expenses while she was out of the Territories caring for her sick mother.

The point that I wanted to make here, Mr. Chairman, is that I appreciate the decision that came down in favour of my constituent and so do they...By the way, it was several thousands of dollars; however, it took our system many weeks to make a decision on whether or not to reimburse this family for their expenses. I wanted to ask at least in our policy area, if not our funding area, is there some work that we could do to clean up the policy here; the definitions, the limitations on where we can go when we are covering our residents when they are outside of the territory?

This issue caused this family some hardship and quite a deal of stress and uncertainty while this decision was being made. I am wondering if the Minister could see if he could perhaps do some cleanup in that area. Thank you.

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

HON. MICHAEL MILTENBERGER: Thank you, Mr. Chairman. Mr. Chairman, the plan will be that when we come forward in the spring, as we talked about with the report on the review of supplementary health benefits, that we will have been able to address some of those issues. Of course we are trying to respond to many issues on any given day; the majority of them are satisfactorily handled.

Southern travel tends to present sometimes unique circumstances, but I appreciate the Member's concerns. We encourage people to make sure they have, if they don't have third party coverage, to make sure they have insurance for any kind of requirement to move between health facilities or to come back to the North. Invariably there is a unique mix of circumstances that sometimes cause exceptions and we try to respond to those as expeditiously as possible. Thank you.

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

MR. BRADEN: Thank you, Mr. Chairman. I will look forward to seeing what we can do there. I concur with the

Minister that when people do at least undertake to travel outside of the NWT, that we all have some responsibility to make sure that we have that kind of coverage. Many northerners do, through their employers. They do have some kind of additional coverage there, but oftentimes it is non-existent or it is inadequate. Perhaps one of the things that could be done is some kind of advertising or a reminder campaign to people who are travelling to make sure that we do take the responsibility to look after ourselves. I am onside with that kind of thing. That is all. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ramsay): Thank you, Mr. Braden. Mr. Minister. That's okay. We are on page 6-34. Mr. Pokiak.

MR. POKIAK: Thank you, Mr. Chairman. Can the Minister just explain to me with regard to the Métis health benefits, with regard to the 2004-2005 Main Estimates which were \$415,000; the revised was \$415,000. In 2005-06 we are going to \$945,000. Can you give me an explanation on that? Thank you.

CHAIRMAN (Mr. Ramsay): Mr. Pokiak. Mr. Minister.

HON. MICHAEL MILTENBERGER: Thank you, Mr. Chairman. Mr. Chairman, this is an area of growth that is causing us some concern. What we think is occurring is that the Métis Health Benefits Program, is supposed to be a program of last resort. What we are assuming, as we are trying to sort through this, is in fact many people are eligible under Métis health benefits or going first to the Métis health benefits and they are accessing the program and we are only catching up after the fact. This occurred mainly once the benefits were raised from 80 percent to 100 percent in non-insured health benefits. Thank you.

CHAIRMAN (Mr. Ramsay): Thank you, Mr. Minister. Mr. Pokiak. That's good. We're on page 6-34.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Ramsay): Page 6-35, supplementary health programs, grants and contributions, contributions, \$10.343 million.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Ramsay): Page 6-36.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Ramsay): Page 6-37, community health programs, operations expenditure summary, \$62.289 million.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Ramsay): Page 6-38. Mr. Braden.

MR. BRADEN: Thank you, Mr. Chairman. Moving right along here, again, I'm taking some aspects out of the business plan, Mr. Chairman. Looking at the forecast for acute care patients, Mr. Chairman, one of the things that we want to do is to move or help patients move from very expensive hospitals and institutions after they have received treatment and care or their medications or whatever and then move them into home care situations. Mr. Chairman, I think our forecasts from 2003-04 suggested that we had 211 such cases where people were able to be moved from acute care situations into home care situations.

Our forecast for 2005-06 is for 265 such movements. That's about a 25 percent increase over three years and I just wanted to ask the Minister how we are doing in terms of capacity. Is this a realistic forecast or are we again maybe exceeding our reach a little bit on this? I just want to see how doable this is. Thank you.

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

HON. MICHAEL MILTENBERGER: Thank you, Mr. Chairman. Mr. Chairman, this is an area where there is a way to offset, as the Member said, reliance on the more expensive facilities. We've added some resources, in terms of positions. We're trying to improve the training and we're looking to work with, of course, the federal government, using some of the health care money coming to be able to improve these services. The long-term care projections, as well, are predicated on the assumption that we're going to be able to have better housing and better home support for individuals in their homes to be able to stay in their homes longer.

We're also working on things like non-medical respite. We have a pilot project that has just been concluded to, once again, provide assistance for people that previously wasn't there because there was only medical respite; recognizing that we have a vested interest in working with families to help them look after their loved ones in their homes as much as possible. Thank you.

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

MR. BRADEN: Thank you. Another area that I wanted to explore -- and did so a couple of days ago in question period -- was on the information recently circulated on sexually-transmitted infections. From my perspective, a shortcoming in this area, Mr. Chairman, is that a fair amount of effort has gone into working with other groups in the Northwest Territories -- some of the NGOs and certainly with staff and medical practitioners -- through the report, Sexually-Transmitted Infections, A Strategic Directions Document, and a lot of good work and actions and options were outlined, but no real targets or measurable objectives or deliverables were outlined, so far. So in this area of community health programs, I'm wondering if the Minister could revisit that area and give us some idea of whether or when we can expect some more detail on this plan. Thank you.

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

HON. MICHAEL MILTENBERGER: Thank you, Mr. Chairman. Mr. Chairman, there is the main document; this was for the public. There is another more comprehensive document that was done. As well, there was a draft work plan done with a schedule and some specific goals and costs attached to it. The big issue was, of course, that they didn't have the funds to proceed at this time. So now we're trying to find a way to, in fact, move on this and find some of the funding to make it a reality. It's information that we could share with the committee.

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

MR. BRADEN: Thank you, Mr. Chairman. Is it information that can be shared not only with the committee, but with the broad community? This is where I applaud the department, Mr. Chairman, in moving information like this out into the public realm. But I'd really like to see us expanding this information reach, if you will, and get it into the hands of the people who will have responsibility and could help make a difference on the spread of STDs. I'm talking about the public health nurses, teachers, people with any frontline connection with those at risk. So can that detail be circulated on an as-wide-as-possible basis? Thank you.

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

HON. MICHAEL MILTENBERGER: Thank you, Mr. Chairman. Mr. Chairman, we have a number of initiatives, as the Member is aware, where we've proposed some expenditures of federal money yet to come, but we've been careful, before we go off into the public, to make sure that we have the funds in hand and that it's clear and we have agreement to do that. This is one of these cases. I indicated, for example, that we're proposing there be \$1 million put towards prevention activities for youth. That's one area where we could possibly divert... well, not divert, but use some of those funds; it would be a perfect fit.

But we don't have those funds available to do that yet. We have a work plan, we have the basic document, and we have the groundwork ready. So we'd like to be able to make sure that the funds are nailed down and we can put out a list across the board of all the things that the money is going to be put towards and we've talked about as potential at this point. Thank you.

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

MR. BRADEN: Thank you, Mr. Chairman. One other general area, and I appreciate the information on the STI issue. Like in a lot of other areas, I hope we're going to see these federal dollars come through and our ability to spend them that way. Again, taking a note out of the business plan, Mr. Chairman, in community health programs there was a bit of information in there that indicated that we have something like 80 wellness contribution agreements with communities and NGOs; 80 different agreements.

The cost to administer and monitor and report, of course, is part of the business that we're in. I guess this number struck me as being quite cumbersome and I'm wondering whether the department has looked at this. Is there cause, is there good reason to have so many different kinds of agreements out there, or is my perspective maybe off base? Can you help me out there? Have we got too many deals for our own good, if you will? Thank you.

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

HON. MICHAEL MILTENBERGER: Thank you, Mr. Chairman. Mr. Chairman, the Member is correct, but we're dealing with First Nations and Inuit wellness programs through Health and Social Services, as well as other programs funded by the Northern Secretariat plus the amount we put in. The combined total is \$12.7 million.

Of that, \$8 million goes towards things like Brighter Futures, Canada Prenatal Nutrition Program, Tobacco Control Strategy, work on FASD, and the aboriginal diabetes initiative, for example.

The Northern Secretariat of Health Canada funds Aboriginal Head Start, AIDS Community Action Program, and the Hep C Canada Diabetes Strategy. Then we, in turn, have our own funding for the Healthy Children's Initiative, which is a joint fund between Education and Health, as well as the health promotion fund and our contribution is \$2 million. Of the combined \$12 million pot, some of it is time-specific like the aboriginal diabetes initiative, which is one that we're hoping won't be continued. So there are two parts of it: the federal government, plus ours, plus all the communities. So it is a lot of administration. Thank you.

CHAIRMAN (Mr. Ramsay): Thank you, Mr. Minister. Mr. Braden, that's good. We're on page 6-38.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Ramsay): Page 6-39, community health programs, grants and contributions, contributions. It continues on to page 6-40, community health programs, grants and contributions and is continued again on page 6-41, community health programs, grants and contributions, \$47.476 million.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Ramsay): Page 6-42, community health programs, active positions. Mr. Braden.

MR. BRADEN: Thank you, Mr. Chairman. An aspect of this which is reflected in a number of other parts of it here goes to the geography, Mr. Chairman. On this page entitled community health programs, active positions, it goes on to list, by various regions and headquarters, where we have staff. There are one, two, three, four, five, six, seven different regions outlined in here, Mr. Chairman. Most of them are very obvious.

The ones we are quite familiar with are the Beaufort-Delta, Sahtu, Deh Cho, and Fort Smith. Now, here are the two that I wanted to ask about. They're defined in this document, Mr. Chairman, as Tlicho and North Slave and on my map those are the same regions. That is, essentially, the Dogrib regions and Yellowknife. So I wanted to ask the Minister which communities specifically are being referenced in the North Slave region and in the Tlicho region. Could I get some definition there? Thank you.

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

HON. MICHAEL MILTENBERGER: Thank you, Mr. Chairman. Mr. Chairman, the Tlicho comprises Wha Ti, Gameti, Rae-Edzo and Wekweti. The North Slave comprises the Yellowknife Health and Social Services Authority, as well as we have services out of Stanton.

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

MR. BRADEN: Okay. Alright. So then North Slave, Mr. Chairman, is really exclusively the city of Yellowknife, if you will, and the FMB. Okay. I guess for ease and accuracy here I'm wondering whether or not we need a

name change of the North Slave, which for folks like me and maybe for a lot of others really encompasses quite a large area, but in reality it's the city and the neighbouring communities of Ndilo and Detah. As I say, for accuracy and clarity going forward, would the department reconsider changing the name? Thank you.

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

HON. MICHAEL MILTENBERGER: Thank you, Mr. Chairman. Mr. Chairman, we'll look at the issue. One of the concerns is trying to make sure we distinguish always between headquarters operation in Yellowknife and the community program areas, but I will take the Member's point. Thank you.

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

MR. BRADEN: Thank you, Mr. Chairman. Again, just for clarification, the Yellowknife Health and Social Services Authority also encompasses Lutselk'e and Deninu Kue or Fort Resolution, as well as the city. Maybe I have a bias here, but perhaps the name Great Slave...

---Laughter

I know, I know, it's the name of my riding. Perhaps the name Great Slave would be more distinctive and would set it apart. Just a suggestion. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Ramsay): Thank you, Mr. Braden, for the suggestion. Mr. Minister, comment?

HON. MICHAEL MILTENBERGER: I appreciate the suggestion and we'll note that. Thank you.

CHAIRMAN (Mr. Ramsay): Thank you, Mr. Minister. Back to 6-42, community health programs, active positions.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Ramsay): Agreed. Page 6-43, community health programs, active positions.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Ramsay): Page 6-44, work performed on behalf of others. Page 6-45, work performed on behalf of others continued. Page 6-46, work performed on behalf of others continued, total, \$17.331 million.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Ramsay): Back to page 6-7 for the department summary. Page 6-7, \$252.706 million.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Ramsay): Agreed. We'll now turn our attention to starting with page 5-3 in the capital book, infrastructure acquisition. We'll come back to 5-3. We'll start on page 5-4, directorate, infrastructure investment summary, total net book value and work in progress, \$17,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Ramsay): Page 5-5, program delivery services, infrastructure investment summary, total net book value and work in progress, \$450,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Ramsay): Page 5-6, Health and Social Services, infrastructure acquisition plan, program delivery services, total activity, \$100,000.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Ramsay): Page 5-7, activity summary, health services programs, infrastructure investment summary, total net book value and work in progress, \$118.562 million.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Ramsay): Page 5-8, infrastructure acquisition plan, health services programs, total activity, \$6.608 million. Mr. Braden.

MR. BRADEN: Mr. Chairman, a project that has received some discussion here has been the need for a facility that is designed and dedicated to the care of dementia patients in Yellowknife. In the whole area of our aging population, this condition -- being a part of that demographic -- is well upon us. Over the last couple of years, the Minister and the department have responded, I believe, very well and positively to the work of an organization in Yellowknife; the Yellowknife Association of Concerned Citizens for Seniors, a volunteer group that has advanced a heck of a good plan to assist with getting a facility like this built in Yellowknife. Regrettably, I don't see anything in the capital plan to address that project and I'm wondering if the Minister will be able to give us some update on where the status of that project is. Thank you, Mr. Chairman.

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

HON. MICHAEL MILTENBERGER: Thank you, Mr. Chairman. Just quickly, there was a proposal on the table for a dementia facility with a proposed financing arrangement that basically would be a lease, which would not be in the capital plan. The O and M you would combine with the lease payments to run the facility. There was a request for \$1 million; basically that we'd co-sign the loan and they'd get the money and pay us back so they could do further detailed work. That report was on the table at the same time as we were concluding the work on this facilities review and prior to coming to an agreement with the federal government on the health funding arrangements, both on the CHT side and on the northern health fund.

So we intend to move on this. It has clearly been identified there is a need. Our demographics are there; the statistics are there. What we are planning to do on this much-anticipated proposed list of uses we'd like to put the money to is identify \$1 million to proceed to the next step to work with YACCS and the department; to look at the more detailed issues of the design, required number of beds, and we also want to look at the financing arrangements. If we can avoid having to take out an expensive long-term mortgage, that would save us millions of dollars; we want to look at that potential as well. As I indicated, that proposal was done before we knew we

had access or that there was some health funding flowing that we may be able to put to use. Thank you.

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

MR. BRADEN: Okay. Thank you. Moving it right along then, does the Minister have any sense of whether we will need to wait a long time before we have some sense of whether or not this federal money can accommodate this project? Thank you.

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

HON. MICHAEL MILTENBERGER: Thank you, Mr. Chairman. Mr. Chairman, we're looking towards the end of March or April to hopefully have things nailed down, in terms of the processes and agreements with the federal government that would allow the money to flow and where we would know what's possible. Thank you.

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

MS. LEE: Thank you, Mr. Chairman. I'd like to just express my appreciation for all the work that the Minister and the department has done so far for the dementia facility and hopefully things will move right along. I have a question on page 5-8 on the capital acquisition plan and it's to do with the plans for Stanton Territorial Hospital. There are two line items there.

In this House, the Minister and I have exchanged questions and answers about redesigning or reprofiling the emergency department at the hospital. I'm just wondering, because I don't see anything under emergency until 2006-07, but I was under the impression that might be in the works a little sooner. I'm wondering if part of the budget for the territorial hospital -- the one above that of \$1.5 million for this year -- would have anything to do with the emergency unit reprofiling. Thank you, Mr. Chairman.

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

HON. MICHAEL MILTENBERGER: Thank you, Mr. Chairman. Mr. Chairman, the Stanton master development plan is going to incorporate both the pieces and the money laid out here is how it was proposed to flow. But when the design is done and the sequencing agreed to, then this may possibly be adjusted. The key point being the money is approved and in the capital plan. Now we just have to work out the details of what's the best way to sequence it to do all the work which is required, which is a fairly extensive amount; about \$16 million worth. Sorry, \$26 million in total.

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

MS. LEE: I guess it might sound too technical, but if it's a \$26 million project, why do you have to split one into emergency and the other into territorial hospital in general? Thank you, Mr. Chairman.

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

HON. MICHAEL MILTENBERGER: Thank you, Mr. Chairman. Mr. Chairman, in reality, the main Stanton renovation was done and then there was enough work done on the emergency section, or part of the operation, to make us realize it would require over and above the funding that was available in the \$20 million. So there were further funds incorporated to try and address what seemed to be the requirements for a properly-functioning emergency ward.

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

MS. LEE: Thank you, Mr. Chairman. I'd like to ask my next question on the diagnostic imaging medical equipment. My questions have to do with the mammography machines at the hospital. People are telling me that there's not enough of either the equipment or resources to run equipment or the staffing to run the equipment and I'm hearing that there are days when the machine is only running for half an hour. Not half an hour, sorry; half a day or half the time that it can be. Can I ask the Minister whether there are any plans for more mammography machines at the hospital? Thank you.

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

HON. MICHAEL MILTENBERGER: Thank you, Mr. Chairman. Is the Member asking if there are sufficient staff, or if we're buying more equipment?

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

MS. LEE: Thank you, Mr. Chairman. I was asking both because I'm not certain where the problem is. First of all, can the Minister confirm whether or not we have enough resources to do mammography imaging as much as needed? Because I'm hearing for both reasons -- lack of staffing as well as lack of equipment -- that women who need them might not be getting them as often as they should, and there are waiting lists to get mammography done. I'd like to know whether or not the Minister is aware of that and whether this various item under diagnostic imaging, medical equipment, has anything to do with that. Thank you.

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

HON. MICHAEL MILTENBERGER: Thank you, Mr. Chairman. My understanding is that the current mammography equipment is up to date. We have arrangements as well, or we had arrangements in the South Slave with northern Alberta with their mobile mammography, but our capital lists tell us that there are no plans to add any more mammography equipment at this point. Thank you.

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

MS. LEE: Thank you, Mr. Chairman. I wanted to bring up the mobile mammography machine as well. I'm wondering if we're doing that now. How are the women in communities, where there are no mammography machines, getting their mammography done other than to fly to Yellowknife? Why do we not have that mobile service available, or do we? Thank you, Mr. Chairman.

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

HON. MICHAEL MILTENBERGER: Thank you, Mr. Chairman. Mr. Chairman, we had an arrangement, as I indicated, with Alberta. We don't have any mobile mammography equipment of our own. Yes, for mammographies, oftentimes women outside of Yellowknife have to travel. Thank you.

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

MS. LEE: Is there a plan in the works to get our own mobile mammography machine, or is that more economical to borrow from Alberta? Thank you.

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

HON. MICHAEL MILTENBERGER: Thank you, Mr. Chairman. Not at present. Thank you.

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

MS. LEE: Can I get the answer to the second part? Is it more economical to borrow? Because he said we don't have that now, but he didn't say whether the department is looking into the possibility of getting a mobile mammography machine. Thank you.

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

HON. MICHAEL MILTENBERGER: Thank you, Mr. Chairman. Mr. Chairman, we have a detailed capital list of equipment that we have and mobile mammography at this point is not on that list. Thank you.

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

MR. MENICOCHÉ: Thank you very much, Mr. Chairman. Just a couple of questions. One is on that line item with respect to Nahanni Butte. I am in no way going to suggest anything other than it be spent on the log cabin health centre for Nahanni Butte, Mr. Minister. I was just wondering what exactly this specific expenditure was for, Mr. Chairman.

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

HON. MICHAEL MILTENBERGER: Thank you, Mr. Chairman. Mr. Chairman, those are just to bring the facility up to code. Thank you.

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

MR. MENICOCHÉ: Thank you very much. I assume the Minister is aware that it sits on a wooden foundation and if there was a quake, then I don't think that building would stand or be there very long. So is that part of the upgrades as well?

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

HON. MICHAEL MILTENBERGER: Thank you, Mr. Chairman. Yes, we're aware that the facility was built, by our records, in 1990 and that the foundation is going to be in need of repair and if this estimate is insufficient and there's questions about structural integrity, then that will be dealt with. Thank you.

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

MR. MENICOCHÉ: Thank you very much. It's not a very sound foundation in that structure so I'd like the Minister to pay some attention to that. But my other question is, I had requested and spoke with the Minister about expanding the long-term care facility, particularly in Fort Simpson. I don't know what line item it would fit under. We're getting full to capacity and I was just wondering how the Minister would address that need for the long-term care facility in Fort Simpson.

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

HON. MICHAEL MILTENBERGER: Thank you, Mr. Chairman. Mr. Chairman, our planning is done on demographic projections. What is the occupancy, what is the population growth, what is the age of the population? The Member is correct that our statistics tell us that we are going to be requiring beds across the Territories in the coming years. We're addressing some of those issues. There was some work done fairly recently in Fort Simpson. If there is a waiting list and if the statistics change, then those are forced-growth issues that we will be dealing with; not only in Fort Simpson, but they're occurring in other places as well. So we'll attempt to anticipate those and see it coming with forced growth where we can plan a bit ahead of time. Thank you.

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

MR. MENICOCHÉ: Thank you very much, Mr. Chairman. That's one of the trends that I see this year; that our elder and senior population in the Nahendeh region are very old. I don't know what happened this particular year, but a lot of them need long-term care. I think we had four or five empty beds at this time last year and now we find that we're full and there's even a waiting list. I don't know what steps the Minister can take to address this need or to start looking and planning for expansion of the facilities, because that's an immediate need that I see and I would ask the Minister to address that. Thank you.

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

HON. MICHAEL MILTENBERGER: Thank you, Mr. Chairman. Mr. Chairman, I will note the Member's concern and, just to reassure the Member and other Members in this House, we work on a daily basis with the authorities looking at all the program areas and trying to anticipate, through our planning, the needs, both present and future. This is definitely one of the areas where we're going to be paying close attention. Thank you.

CHAIRMAN (Mr. Ramsay): Thank you, Mr. Miltenberger. Page 5-8, health services programs, total activity, \$6.608 million.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Ramsay): Page 5-9, activity summary, community health programs, infrastructure investment summary, total net book value and work in progress, \$10.401 million.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Ramsay): Page 5-10, infrastructure acquisition plan, community health programs, total activity, \$167,000, total department, \$6.875 million.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Ramsay): Thank you. We'll go back to page 5-3 for department summary, infrastructure and investment summary, total net book value and work in progress, \$129.430 million.

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Ramsay): Does committee agree that the departmental review of Health and Social Services is concluded?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Ramsay): Thank you, committee. I'd like to thank you, Mr. Miltenberger, Mr. St. Germaine and Mr. Murray, for joining us this afternoon. We'll take a short 15-minute recess. Thank you.

---SHORT RECESS

CHAIRMAN (Mr. Pokiak): Good evening. I will call the meeting back to order. We are now on the Department of Industry, Tourism and Investment's main estimates. Can I ask the Minister to make his opening remarks, please?

HON. BRENDAN BELL: I am pleased to present the proposed 2005-2006 Main Estimates for the Department of Industry, Tourism and Investment. These estimates propose total operational expenses of \$34.9 million. This represents a net increase of \$1.7 million, or a five percent increase over last year's budget of \$33.2 million. This increase is a net effect of sunset and expenditure reductions of \$2 million and offset by an increase in new initiatives of \$3.7 million.

These main estimates reflect the commitment of this government to the implementation of our strategic plan. These estimates relate to our collective vision of creating a territory that has self-reliant individuals, sharing in the rewards and responsibility of healthy communities and a prosperous and unified territory.

The mandate of this proposed new department links directly to the strategic plan developed by Members of the 15th Legislative Assembly. The priority of this government's commitment to diversify our economy, enhance access to markets and maximize benefits from resource development, including the proposed Mackenzie gas project, aligns with the mandate of the new Department of Industry, Tourism and Investment.

The Northwest Territories has experienced an unprecedented level of economic growth over the past several years and, with that, increased demands on our resources. Not only has there been a perception of conflicting mandates within RWED, but we must continue to strive to develop optimal organizational structures to effectively serve our clients. The creation of this new

department will assist in addressing these important issues.

Today, Mr. Chairman, I bring forward these main estimates in order to ensure that we have the capacity to meet our targeted April 1, 2005, implementation date. I would like to take a few moments to highlight some initiatives in the main estimates for the Department of Industry, Tourism and Investment, which link to the strategic goal of diversifying our economy.

The tourism industry is critical to the NWT economy. It is a sector that can be an important wealth generator for every region of our territory, for communities both large and small. We are pleased to see that our tourism numbers are rebounding from geopolitical events over the past several years. The department will continue to work closely with the Standing Committee on Governance and Economic Development through the chair to see how best to plan for an NWT theme week at Expo 2005 in Aichi, Japan. We have developed a planning process that fully engages private sector stakeholders with an interest in Japanese and Far East markets. The private sector is showing a keen interest in participating with us in Expo 2005.

The government's strategic plan also identifies several key priorities related to the development of the Mackenzie gas project, such as maximizing northern benefits. To accomplish this, the Government of the Northwest Territories announced the creation of the Mackenzie Valley pipeline office. The additional proposed investment of \$1.988 million will significantly increase our ability to support regions, communities and businesses to realize economic benefits from natural gas development. Staffing is currently in progress and we expect the office to be operational by the beginning of the new fiscal year.

I would like to thank the members of the Joint Cabinet/AOC committee for their work and guidance on the Mackenzie gas project. Having members from the Standing Committee on Accountability and Oversight has provided important insight and direction in assisting us in moving forward with planning. We recently held a committee meeting in Norman Wells and it was a success by all accounts, Mr. Chairman. I look forward to our next committee meeting scheduled for April in Fort Simpson. I believe we have made much progress since this committee was created. We have much more work to do to plan for the Mackenzie gas project, which will ensure that all northerners benefit from this development.

Mr. Chairman, legislation has been introduced to create a new Northwest Territories Business Development and Investment Corporation. The new corporation will combine the operations of the Northwest Territories Development Corporation, the Business Credit Corporation and the department's business programs under a single board and administration. This one-window approach will substantially improve business support services to clients in all regions of the NWT.

In conclusion, Mr. Chairman, I would like to thank you for the opportunity to provide these remarks on the main estimates for the Department of Industry, Tourism and Investment. I want to assure the committee that your input and suggestions are reflected in these main estimates. This feedback is important to the business planning process. I look forward to the committee's comments

today and I am prepared to answer any questions you may have. Thank you.

CHAIRMAN (Mr. Pokiak): Thank you, Mr. Bell. Now I would like to call Mrs. Groenewegen to make her remarks.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Chairman. The Standing Committee on Governance and Economic Development met with the Department of Resources, Wildlife and Economic Development, RWED, on January 13, 2005, to review the 2005-2006 Draft Main Estimates. The restructuring of RWED into two new departments will occur in the new fiscal year but had yet to divide as of this report. In this unique year, the main estimates of the Departments of Industry, Tourism and Investment, ITI, and Environment and Natural Resources, ENR, were reviewed simultaneously by the committee and defended by the Minister of RWED.

The mandate of the Minister and the Department of ITI is to promote economic self-sufficiency through the responsible development of the Northwest Territories natural resource industries and the promotion and support of tourism, trade and investment, business and manufacturing to create a prosperous, diverse and sustainable economy for the benefit of all NWT residents.

Cost Of Restructuring

The committee appreciates that the government restructured RWED into the two new departments to improve program delivery. The committee also appreciates the difficulty in trying to quantify the cost of restructuring versus the cost of lost opportunity. However, the fact remains that the creation of Industry, Tourism and Investment alone will cost the government \$1.765 million in ongoing costs. The committee is concerned about this expenditure.

Investment And Economic Analysis, IEA, And The Business Development Investment Corporation, BDIC, Amalgamation

The committee understands the focus of the IEA and the BDIC are different. The BDIC's main mandate is to help clients access programming in order to start businesses while the IEA provides economic strategic and policy advice to the government.

However, the committee believes there is still opportunity to amalgamate portions of these two programs. There are several positions within IEA that either duplicate positions in the proposed BDIC or may be more effective there. The NWT/Canada Business Centre would be one of several examples.

Amalgamating portions of the two programs would not only conserve resources but would streamline services to the public. The committee was pleased to hear that once both the BDIC and the Department of Investment, Tourism and Industry are operational, the Minister is prepared to further discuss this issue with the committee.

Expo 2005 Japan

As the committee observed in their review of the 2005-2008 Business Plans, the government plans to devote to the 2005 Expo only a fraction of the millions spent on past expos in Spain and Vancouver. The Japanese tourists

spent an estimated \$16 million last year in the Northwest Territories.

The committee argued this Expo requires a larger expenditure than \$500,000 because there is competition from other places in the world for aurora viewing.

However, after hearing more information about the plans for the proposed funds, the committee is more confident of ITI's ability to increase the NWT tourism industry's exposure to the Japanese and international tourists at Expo 2005.

For instance, ITI will be maximizing private sector involvement by developing a sponsorship program to ensure that the private sector is involved. Furthermore, ITI has consulted with the NWT Tourism Association on the best dates for the NWT to exhibit at the Canadian Pavilion where one of three themes will be the aurora borealis.

Mackenzie Valley Pipeline

The committee is concerned about the government's human resources for the Mackenzie Valley gas project. The committee wrote to the Government House Leader on October 6, 2004, asking for a list of all the government positions devoted to the Mackenzie Valley pipeline project. The list was to include all positions both existing and proposed, including those in the regions and in all of the departments that are on the task team.

Further, the committee asked to see a justification for each position and explanation of what their role contributes to the planning and monitoring of the Mackenzie Valley pipeline. Finally, the committee asked how all of the information is collected, coordinated and communicated to the lead department.

The committee has received some of the information but believes it to be incomplete because the response only shows positions for two departments and fails to identify those housed elsewhere in the government.

The committee is also concerned about the complicated committee structure. There are five interdepartmental committees that report to the Deputy Ministers' Pipeline Steering Committee. The Governance and Economic Development committee is unsure of these committees' responsibilities and their membership.

Finally, although not all of the staff has been hired for this initiative and the office will not be operational until April 2005, all of the money for compensation, benefits, operations and maintenance has been expended for 2004-2005. ITI is still operating the MVPO on a transitional approach between Yellowknife and Hay River until the Hay River office can open.

The committee has expressed all these concerns during their review of the 2005-2008 Business Plans and is disappointed to see that no positive changes have been made, in order to safeguard their interest and to answer any questions the public might have.

Recommendation

The committee recommends that the Department of Industry, Tourism and Investment develop a communication strategy to advise the public how the government is organized;

And further, that a senior MVPO position be placed in the Deh Cho to better enhance communications in that region.

Thank you, Mr. Chairman.

CHAIRMAN (Mr. Pokiak): Thank you, Mrs. Groenewegen. At this time, I would like to ask the Minister if he would like to call in witnesses.

HON. BRENDAN BELL: Yes, I would. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Pokiak): Does the committee agree?

SOME HON. MEMBERS: Agreed.

CHAIRMAN (Mr. Pokiak): Sergeant-at-Arms, please escort the witnesses in.

Mr. Minister, for the record, please introduce your witnesses.

HON. BRENDAN BELL: Thank you, Mr. Chairman. Mr. Chairman, with me today is Peter Vician, deputy minister of ITI; I also have Jim Kennedy, director of corporate services. Thank you.

CHAIRMAN (Mr. Pokiak): Thank you, Mr. Bell. General comments. Mr. Menicoche.

MR. MENICOCHÉ: Thank you, Mr. Chairman. I certainly spoke in favour of the splitting of the departments in order to better serve the people of the NWT. As it's laid out before me, another initiative that I did speak for was that tourism has to be brought to the forefront of our government as it is a growing industry, particularly in my riding. It's something you want to capture as much as the tourism dollars are passing through right now aren't being captured enough as it is. Some of the things that are important are we do have the Acho Dene Craft Store that wishes to capture more tourists. A lot of tourists end up in Fort Simpson; go over to the Nahanni Mountains down the South Nahanni River to Nahanni Butte. There is a bit of a craft shop there that takes advantage of them. They come out to Blackstone and they drive back to Fort Simpson, completely missing Fort Liard altogether. It would be a huge boon to that economy if we could somehow capture that piece of the market.

Another thing that happens is that every year starting sooner, a lot of people drive the Alaska Highway. When they are passing Fort Nelson, there is a nice paved road that goes up to the border, but that's for another department. They pass our road and there is no significant signage that says here is the path to the NWT, come and see Fort Liard. That's another way we could capture more tourism. I think there is a small sign that says up to the Northwest Territories, but we need a nice big sign. I don't know if studies have been done to see if increasing signage will increase tourism for people who want to come North. In fact, I don't know how much advertising there is in B.C. about using our Deh Cho connection. There is a big loop there that we could use to capture more tourists during the summer months. In fact, it can act like a gateway into the parks and to see our natural resources, Mr. Chairman. That's something I spoke in favour of and that's something we are going to have to develop and capture those natural resources and take advantage of them.

It's not clear how much our tourism budget has increased over last year. Perhaps the Minister can speak to that, Mr. Chairman.

CHAIRMAN (Mr. Pokiak): Thank you, Mr. Menicoche. Mr. Bell.

HON. BRENDAN BELL: Thank you, Mr. Chairman. I want to thank the Member for those points and for the question. I would agree that tourism is a vital component of a diversified economy and we think has a lot of potential in the Northwest Territories. We just recently completed a sectoral analysis and I know that committee has seen that document. There are a number of action items in that document and we look forward to working with all Members and with committee to see if we can't realize our full potential in tourism. As the opening comments mention here today, one of the important things that we recognize is there truly is the ability for all communities, small and large, to develop some product around tourism. We can certainly play a supporting role as government in helping to develop that product. Every community, I would say, in the Northwest Territories has immense potential to improve and increase the tourism revenues to their economy.

When we toured Liard some months back with the Member, I heard a number of the points that he had been continually raising with me at some community and public meetings and that was certainly a good opportunity for me to get the sense that these were issues that were shared by the community and, in fact, he was responding to community needs in our discussions.

I would agree Liard is certainly a very beautiful community that has a lot of potential, but issues such as tourism signage came up. I want to assure the Member that after those meetings I spoke with our deputy minister who approached the Department of Transportation and they sat down and agreed to put a project in place -- and there is a project underway now -- and I understand that there will be a new border sign on the Liard Highway ready, prior to road season. I think the money probably flows through DOT, but we have been involved in advocating that that needed to happen.

I think the Member makes a very good point. It is difficult to expect that we are going to generate tourism traffic, if we don't have adequate signage. We heard the Member and the community on that issue and are moving forward.

Also, I would like to say that we continue to support and work with and on the Deh Cho connection initiative. We think that that is something very important for that region and we look forward in future to advocating regional approaches to tourism and working with communities, to better understand the kinds of things that they have to offer and how we can help people take advantage of their potential.

In terms of main estimates, this year to last year, if I look at the 2005-2006 mains there are about \$5.7 million; 2004-2005 Main Estimates were about \$5.578 million. Admittedly, we haven't increased tourism spending as much as we would like to, but we have undertaken a joint study with the NWT Association of Tourism, who has a new name -- the new name escapes me at this point -- to look at how we spend our tourism dollars to better understand the roles and department, vis-à-vis the industry organization in terms of research, product

development, destination marketing. I expect that we will have the conclusions of that study in a month or so.

It has taken a little longer than we thought. I think it's because we had two organizations involved jointly driving this project, so we had to do a lot of collaborative work. I think what we will see in the end is a much better product because we did collaborate quite closely with the industry association. Thank you, Mr. Chairman. If I've missed anything, the Member can draw my attention to it.

CHAIRMAN (Mr. Pokiak): Thank you, Mr. Bell. Mr. Menicoche.

MR. MENICOCHÉ: Thank you, Mr. Chairman. While we are on this specific topic, perhaps the Minister can reference the page number that had the line item of \$5.5 million for me.

CHAIRMAN (Mr. Pokiak): Thank you, Mr. Menicoche. Mr. Bell.

HON. BRENDAN BELL: Sorry, Mr. Chairman. I should have mentioned it. It is in program delivery details on page 11-27 in your mains. Thank you.

CHAIRMAN (Mr. Pokiak): Thank you, Mr. Bell. Mr. Menicoche.

MR. MENICOCHÉ: That is good, Mr. Chairman. I will end my comments on this topic for now and allow another Member to have their say.

CHAIRMAN (Mr. Pokiak): Thank you, Mr. Menicoche. Mr. Hawkins.

MR. HAWKINS: Thank you, Mr. Chairman. At this time, I will be very brief. I wish to emphasize the Minister's statement, recognizing the area of tourism as a vital component of the economy, although I will not go into it at length and I'm sure he will appreciate that. He has already heard from me a couple times in regard to my concerns about investment in Aichi, Japan, with expo.

I do want to say my support for the leadership provided at this time with the division of RWED, and, therefore, it will help establish a clear mandate for the industry and tourism side. The only thing I would like to stress at this time beyond that, other than looking forward for the BDIC Act to come forward, into full implementation, I am looking forward to the opportunity where we can truly discuss about the Territories taking full control or becoming a full partner in the Mackenzie gas project.

What I would like to hear from the Minister is how he envisions from the legislative point of view, whereas the Territories people can help maximize those benefits. As I see it, legislation will be our key and if it's simply a legislation mechanism, such as legislation clearly draws out that gas coming down the pipeline has to be tied in by industry, things of that nature, that's the type of thing that would inspire me. I want to see us being able to maximize our benefits and I would kind of like to hear some of the Minister's thoughts in that regard about us maximizing these.

I would like to see what he has envisioned, taken those words a little further, so maybe we can help see some of this. Thank you very much, Mr. Chairman.

CHAIRMAN (Mr. Pokiak): Thank you, Mr. Hawkins. Mr. Bell.

HON. BRENDAN BELL: Thank you. Just to be clear; the Member is looking for our vision and how we expect the people of the Northwest Territories will be able to maximize benefits from the development of the Mackenzie gas project?

CHAIRMAN (Mr. Pokiak): Thank you, Mr. Bell. Mr. Hawkins.

MR. HAWKINS: Yes, absolutely. If there is a legislative component that could be built into that, as I cited the example, does he envision legislation coming forward? Well, I will just say it; that helps tie hands of industry to help enable our people to get those types of benefits. Does he envision that type of thing? Thank you, Mr. Chairman.

CHAIRMAN (Mr. Pokiak): Thank you, Mr. Hawkins. Mr. Bell.

HON. BRENDAN BELL: Thank you, Mr. Chairman. It's a very good question and something that, upon our election and the start of this government, we had a lot of discussion around, about how we could best take advantage of the opportunity that is coming.

One of the first things that we did was to strike the joint committee of Cabinet and AOC members to advise our government on its role and its coordinated effort in terms of the Mackenzie gas project. We recognized that there were a number of departments who were all conducting individual activities. For instance, Municipal and Community Affairs working with communities to develop capacity, working with communities to better understand their infrastructure challenges and needs; RWED, of course, involved from both the environmental perspective, but also working with communities and would-be entrepreneurs to take advantage of opportunities coming their way; ECE involved from an employment and training perspective, and, of course, we know and we have had some discussion around the social envelope departments and their role in ensuring that where there are negative impacts that we do what we can to mitigate those.

This steering committee is advising our government on all issues related to the pipeline. We have created the Mackenzie Valley pipeline office, which we are in the process of staffing up to ensure a coordinated government effort. But I think the short answer to the question around legislative initiatives is no.

We see that the most effective approach we can take is to negotiate a socioeconomic agreement with the Producers' Group and make sure that all the various different line departments are plugged into our committee and ensure that we negotiate the best agreement that we can on behalf of the peoples of the Northwest Territories.

There are a number of other mechanisms available to us as well. We have registered and are in the process of sharing information with, proponents around the JRPEA, the Joint Review Panel Environmental Assessment, and the NEB process to come. Members can expect that we will advocate strongly for the interests of northerners in those processes. They are two separate processes. One is more of a technical nature, related to tolling and tariffs around the pipeline and how the pipeline will technically

be reviewed and should be best structured so that we cannot only develop the three anchor basins that we have all talked so much about, but we also want to ensure that we develop the entire basin going forward, because we think that a lot of the benefit to northerners will come from the exploration and activity that follows having the actual conduit in ground.

We have a number of different roles we are playing, and I would say that those are really the main tools that we have available to us in terms of ensuring that benefits stay in the North. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Pokiak): Thank you, Mr. Bell. Mr. Hawkins.

MR. HAWKINS: Thank you, Mr. Chairman. The Minister mentioned socioeconomic agreements and I'll first start off with, because he's also the Minister in charge of the BIP. Some constituents have been concerned about, for example, potential projects coming forward under this big, mega project and the example that they really cite is they can't compete with the mega projects just because of scales of economy. They're small contractors and I think even Mr. Menicoche had once mentioned an example, and it was a very good example, of a supplier in his community who could supply 50 trucks or 20 trucks, but they wanted three times as many by one supplier. What is our government doing to help ensure that when industry comes knocking, that industry examines that?

Let's break some of these contracts up into useable, feasible sizes that the small guy can jump on board and the small guy in the community, the same guy that supports the hockey team, the same guy that walks his daughter around selling Girl Guide cookies, the same guy that shovels snow at Granny's house down the street for no reason other than he cares about his community, has that chance. As it stands now, I haven't heard, and it's not that you haven't said those words, but I'm not hearing that we have that potential built in, that industry is going to be encouraged.

Now I'm going to tie it back into the socioeconomic agreement. Right now the Minister of Finance is meant to be the leg breaker on these things. When the RWED agreement moves forward in the future, ITI will create these socioeconomic agreements. Part of the problem is that they don't really have legs. As the Finance Minister had said, these are pretty tough to enforce. I can recall that Mr. Dent had words in the last Assembly when he was sitting on this side of the House saying that for this diamond company, you have to give away your next born. There's such a solid agreement and yet, at the end of the day, they're very difficult to enforce and we've had our second in command here say, look, they're just tough to enforce.

I don't need to go endlessly into examples. I don't think there's a need. I think the point is there. Before moving on, the issue is why would we consider socioeconomic agreements as the promised land to our future when we have a history that can be proven at a moment's notice, whereas we fall down on these things and we just can't use them to the effect that they're built with the intent and the honesty that people have come forward to build these items together with. Why wouldn't we create legislation that just broad brush deals with some of these issues? I think it would be very competent of us. It stabilizes the environment for industry. Industry knows exactly what

they have to do. There are no hidden rules and there's no interpretation from legislation. It's pretty straightforward and without negotiation.

So I'm kind of concerned that I'm not hearing legislative initiatives to help deal with this. I hate to think that once a socioeconomic agreement is struck, which I can appreciate...They're an ongoing negotiation. I don't have to mention again the Minister responsible for the FMBS is taking the heat for the diamond problem, which is arguing over how much rough is coming across the table, whether it's 2.5 percent or 7.5 percent, who knows. We shouldn't be arguing this. It should just be simple here's the law, here's the land, this is it. How does the Minister feel that the socioeconomic agreement will truly take us to the promised land so that the little guy out there, wherever the little guy is, will take advantage of these things? I don't have to underscore it any further about how important the little guy is to the community long after these mega projects have come and gone and no longer continue to invest in our communities. Thank you, Mr. Chairman.

CHAIRMAN (Mr. Pokiak): Thank you, Mr. Hawkins. Mr. Bell.

HON. BRENDAN BELL: Thank you, Mr. Chairman. I appreciate the points the Member is making and, of course, we've grappled with how to best ensure benefits stay in the North. But maybe let me explain why we've arrived at this mechanism as potentially the most effective one, we believe. I think the Members know that through access and benefits negotiations that are happening in regions, there will be beneficiary companies that are so identified in order to be available for business opportunities and we aren't privy to the detail of these negotiations, but I think we can assume that companies will be identified that qualify and there will be efforts made by the proponent to use those companies much the same as we've seen with the diamond mines.

Now in terms of northern businesses and in terms of benefits for all northerners, we are negotiating a socioeconomic agreement. There are obviously details of this that have yet to be negotiated, but probably no surprise if I speak in generalities that there will be a chapter on northern business opportunities. Of course, we'll have to arrive at a definition the way we did with the diamond mines at what constitutes a northern business. We've got some work to do there. There are a number of things we could do. The Member indicated that sometimes you have northern businesses that don't have the capacity or the sheer size really to take on some of the bigger projects. I think our experience has been that oftentimes businesses can be encouraged to cooperate to put together joint bids so they can bring the resources to bear on a project. We can also encourage a proponent to scale contracts or, in fact, break them down into more manageable sized contracts so that some of our smaller businesses can take advantage of the opportunities.

We're going to work to ensure that there is a significant amount of involvement on behalf of northern businesses. What the Member is proposing in terms of legislation on the flip side or something with more teeth, I understand what he's proposing and what he's suggesting. I think though that we'd find very quickly that if we were to try to do something like that, we'd run afoul of trade agreements between provinces and potentially even international trade agreements. I think you'd end up creating a regime that was so inefficient and would, I think and believe, really

become a disincentive to future investments. You'd be hard pressed to find companies who are willing to come and invest in mega projects in the Northwest Territories if they knew that we were going to lay out legislative requirements that they use the companies that we wanted them to. I think it's just much too much protectionist. I think we have to operate with certain principles, the principles of free market.

Having said that, we can use a tool like the SEA to try to steer benefits toward northern companies. The SEA won't get into this or that company gets the business. The SEA will get into the types of business that we would like to see used and then, as we know with the diamond mines, there will be reporting mechanisms so that we can tell if commitments are being met and lived up to. I think that's what we have at our disposal and I think we can make very effective use of these SEAs, but it is important that we structure it appropriately and that we set as our priorities things that are easily measurable and things that make sense and are achievable. I think we've had a lot of discussion around employment targets. I think what we'll find in a project of this magnitude is that people with adequate training are not going to have a difficult time getting employment. So maybe we need to focus more on the actual training than indicating which jobs can go to northerners. These are just some of the things that we're considering.

Obviously it's early days in the negotiation of the socioeconomic agreement. Mr. Vician is heading up those negotiations with Imperial and is taking direction from the joint AOC and Cabinet steering committee. We'll be able to report back in future, but at this point it's early days. But we do feel it can be a very effective mechanism. Thank you.

CHAIRMAN (Mr. Pokiak): Thank you, Mr. Bell. Now I have Mr. Ramsay.

MR. RAMSAY: Thank you, Mr. Chairman. I just wanted to start off with a few general comments on ITI. I guess I could have photocopied the transcript from last year's Hansard in terms of a couple things I'm going to talk about. The first one is tourism. I know some other Members have touched on this as well. Again this year, there's no increase to tourism. I know the department has gone through a process where they hired a consultant and are looking at the inner workings inside the department as well as Northwest Territories tourism to try to find some common ground perhaps, and make sure that what finite resources are there are utilized the best way possible. I'm really looking forward to seeing the completion of that, where the dollars are going and how better we can serve the tourism industry here in the Northwest Territories.

I don't believe we've seen an increase in tourism funding in a number of years. I think it's going on six or seven years, perhaps. I think it's time we had a look at tourism. I know it's easy for the government and this is the argument I'll make: It's so easy for the government to spend millions of dollars and lose millions of dollars on bad investments in other areas, but when it comes to tourism it always seems to be the poorer sister or brother, however you want to phrase it. We have to do more as a government to promote and market ourselves internationally and nationally. So that's one thing I wanted to touch on.

The other thing I wanted to mention is I'm very supportive of the move to split the Department of RWED into ITI and

ENR. However, the one thing that causes me some concern, and caused our committee some concern as well, is the cost going forward in the area of \$2.5 million, if you add up what it's going to cost for both departments. This causes me some concern. I know the Minister has mentioned this to us before about trying to get that number down. I'm looking forward to perhaps working with him through this process so we can try to maybe realize a smaller number. It is a big price to pay on an ongoing basis. I think what we're doing, Mr. Chairman, is duplicating positions in a lot of cases and I don't know if a service centre type model could be utilized for superintendents. New superintendents of both departments could perhaps look at working both sides of the fence. I don't know, but we're hiring a substantial number of new employees.

The other thing I wanted to mention is any of the ads that I've seen that have gone out for new positions with either one of the two departments have been open to indeterminate employees only. That causes me some concern, Mr. Chairman, because it doesn't allow for the department to bring in any new blood. It's just folks who are recycled through the system basically and that's what you're going to get. I don't know if there was any thought given to perhaps looking outside the current public service to try to bring in some new blood, especially when you're starting up two new departments. Those are my comments on that.

In terms of investment and economic analysis, I do believe that there is some overlap and duplication there, perhaps, in some of the functions and roles that IEA plays and the Development Corporation currently plays and BCC currently plays. There's some work there I think needs to be done. I'm looking forward to the committee working with the Minister to try to get us where we want to go with that.

Again, I could have gone back and got my script from the last budget session when dealing with the Mackenzie Valley pipeline office. I don't think we've been given the information that we need, Mr. Chairman. What we're looking for is a list government-wide of positions that dealt specifically with the pipeline and what we got was a list, but it wasn't a comprehensive list. It wasn't an accurate list. I think what we need is to really get a grip on the positions that we have government-wide, where they're located and what they do. As a member of GED today, I don't really know where all these positions are or what they do or anything. I think that's something that I'm looking forward to seeing.

Again, the pipeline office in Hay River, I can understand and appreciate the staffing difficulties in trying to get that office up, but here we are, it's been a year and the office still isn't open. That's a shame. I think it should be open. We should be getting the ball rolling here. We've been asleep basically for five years on this, meanwhile they're planning for an \$8 billion pipeline down the Mackenzie Valley. Really, as a government, I don't know where our coordinated approach is. It just isn't evident. We have a long way to go in that. Again, I know the committee and myself were looking forward to working with the Minister to try to get that coordinated approach and it's going to take not just the Minister of ITI or ENR to work this through, it's going to take the commitment from the Premier and the rest of Cabinet to get these positions on the table and get some coordination. It's very convoluted, the reporting function amongst deputy ministers and committees and

where the information goes and how it's disseminated, it's very confusing to the lay Member of this House, that's for sure.

I just wanted to end on a positive note. I know the committee and myself have had a good relationship with the Minister and I know the Minister has shown evidence to want to work with the committee and he does actually take what we say and work with us on trying to implement some of the recommendations that we bring forward. It's been a good working relationship and I look forward to working with the Minister to accomplish a few more things here in the next year. Thank you.

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

HON. BRENDAN BELL: Thank you, Mr. Chairman. A number of areas that the Member touched on, I first want to thank the Member and committee for their continued support and advocacy for tourism. I think that's something that I have especially noted, was the committee's focus and belief that tourism can really play an integral role in diversifying our economy. I want Members to know that despite the reduction exercise that we engaged in here, their support and advocacy was noted and we were able to ensure that there were no reductions to the tourism budget and NWTT's budget this year. We have and are proposing to create a new tourism position through the reorganization exercise. We do recognize that this is a priority and it is something that committee has pointed to as a priority and I'm looking forward to trying to support and work together with committee to further support and enhance tourism in the Northwest Territories. I think this review underway should point us in the right direction, which I am very optimistic about. But I look forward to sitting down with committee to go through that as we talk about moving the tourism agenda forward.

The Member also pointed to the reorganization expense and I know that we had a lot of discussion as a department and we came back and forth with committee a number of times and did settle on the least cost option that would allow us to still roll out an effective program and service delivery. I think Members would realize and understand that there were going to be some costs. In order to create the two departments out of one, there was an additional expense. We tried to keep that expense to the bare minimum by setting up things like the shared services structure so that much of the administrative work can be shared between the two departments and not, in fact, duplicated. But in some areas where we had thought that there might be more savings, we ended up realizing that in order to really deal with the issues that were driving us, we weren't able to do so. For instance, policy departments. You can imagine if you're trying to deal with a perceived conflict between the existing department, you really need the heart of the matter; the heart of the issue is the need for two separate policy shops. So we've done that. Superintendents have to be separated, we believe. There have to be two different superintendents in the regions. So it's an additional superintendent position in each region, but we think it's absolutely necessary. It did drive some additional office requirements in certain locations, but we felt that it was important. So when we looked at the options in terms of one-time costs and ongoing, we looked at a few and really came down to the option that we thought was going to be effective while still being the cheapest. Given our fiscal reality, that did drive

some of our decision-making. So we tried to keep the cost to a minimum wherever possible.

The Member pointed out, and the committee makes note of it as well, and we had a number of discussions around this issue in committee, but the new BDIC and his suggestion that there were in fact still some duplication between our investment and economic analysis division in RWED and the new BDIC and talked about where these positions might best be located.

I do like the recommendation about the NWT service centre and that is certainly something that we want to look at. I appreciate the recommendation from committee. I think that's a very good one. But I would say to Members that we are dealing with these issues and, as I mentioned and committed to before, once the board is up and running, I will direct a program and service review for our business programming and we can have some discussion around these issues and where these positions would best be housed.

Pipeline employees; I will acknowledge that I fell down here in terms of responding to committee. I initially did not grasp that you were not only looking for RWED positions but government-wide positions. We've now moved on that and we're going to the various different departments and collecting and tabulating that information. We'll come back to committee with a discussion around those issues. It is a more extensive exercise, so it's going to take us some time, but I will commit to coming back with that information to committee and we can sit down and talk about it. You're right; it is important that we have this overall government coordination and it is important that we adequately understand what each and every department is doing in this regard to make sure that there is the best use of resources possible and that we're not duplicating efforts.

MVPO money, regarding the Member's disappointment that we haven't been able to move more quickly, in the June session we did get the supplementary approved and we have moved forward to an RFP process for office space. The office is currently being constructed and we think it will be ready by the end of March. We haven't waited for that. We do have one employee who's moving down, I believe, maybe at the end of this month. The communications person for the MVPO, one of their tasks will be exactly the recommendation committee makes, if I can go to Committee Report 10-15(3), and that was a recommendation that ITI develop a communication strategy to advise the public how the public is organized around this project. That will be one of the first tasks for the communications person at the MVPO and as further employees come on stream, they will move to Hay River and take those jobs. But we don't expect that is likely to happen until the end of March. April 1st was our time commitment; we think we're going to be ready to have people moving into that office as of April 1st.

I think that was the number of issues that Mr. Ramsay had asked me for some information on. He also mentioned indeterminate hiring around some of the positions. We would acknowledge that we are looking to GNWT employees first. We think this is a great opportunity and wanted to offer, specifically in regions, the opportunity for superintendents to come from the existing public service. Where we aren't able to staff those positions then we will go and have a broader look, but we were trying to move quickly and thought this was certainly a good opportunity

to grow and develop our public service. Thank you, Mr. Chairman.

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

MS. LEE: Thank you, Mr. Chairman. I would like to take this opportunity to make some general comments on the Minister's opening statement, as well as on the department. This is my first chance to publicly respond to the unveiling of the division of the department. I have to say that I know that the Minister and his staff have been working diligently over at least a year in working this out and I'm sure it was difficult, but I was expecting something new and more innovative. I have to tell you that I am disappointed that we are going to be creating new positions. I'm not going to say that it was an easy thing to do, but I was expecting more. To see that last year, under RWED, we had five superintendents and about 10 directors, I think, and we're going to create virtually the exact replica with the exception of creating five more superintendents and two positions sharing administration. I guess we could always justify why we need to have new bodies or enough bodies to do our work, but in the big scope of things we're not being responsible in doing it this way, I believe.

I note that \$1.7 million that's going to go into the carrying out of this mandate, \$1.7 million of new dollars that needs to go in, that is \$1.7 million every year. I wonder what the tourism industry could do with \$1.7 million every year that was not able to be found when the tourism industry asked for more money in tourism and other investments. But it seems like it's available for every year forever, now that the government has decided to create this new department. I also note that \$1.7 million could build an indoor facility in Nahanni Butte. That's about exactly the money that we're looking for and every year we could be creating a \$1.7 million indoor gym to Kakisa, to Nahanni Butte, to a number of other communities. I know we're supposed to stay within the department's mandate, but for the people who are sitting outside in the communities, they have to look and wonder how the government sets out priorities. The government sets out priorities that this department's mandate was conflicting and we're going to do something about it. They send off a Minister and the deputy minister, they work hard for a whole year, and they come back and create a structure that is the twin of each other and that creates five new superintendent positions. People have to wonder how they get \$1.7 million every year to do what they need to do in communities. It seems to me this is a result of nobody losing anything. It was like, if you needed to be convinced that there will be a new department created nobody has to be affected about anything because they're just going to...it's like osmosis. It's just going to be easy. Just create two of everything almost. I am really disappointed with that.

Another thing is this new outline of organizational structure, when you look at ITI and then you look at ENR, to me it really speaks to the philosophy of the government as well. Everything about ITI is staying intact and ENR is looking a lot like a very junior department. I really think it reflects the philosophy of government of being very pro-development, pro-pipeline, and I don't know if any of the latest broadcasts in the media and the attention that we're hearing from the communities, if that's any indication people out there are not ready. I don't think people are ready for the pipeline. I don't think they really care that we have really nicely designed, neat departments that we've

created. I don't mean to be harsh, but I find it hard to sit here and look at RWED from last year and ITI is an exact replica, except that you took out two or three directors and created five new superintendents. I wonder why we don't have pipeline readiness under ENR and a director in charge of social development. If we had to create all those new senior positions I wonder -- I know there are persons attached to these positions, so when I'm saying this I hope nobody takes this personally -- why we need a director of minerals, oil and gas and then we have diamond projects, which is a mineral, and then we have a director of energy which is the same as oil and gas. The Mackenzie Valley planning office has to do with oil and gas development. It seems that everybody needs to have a hat and we had to keep the two ADMs and nobody had to lose anything.

So this is my first opportunity to say anything about this and I just think it would have been harder, but it should have been done in a way that would not have created \$1.7 million a year every year going forward, because that money could not be found when the tourism industry asked for that sort of money or we're not able to...I don't know how we prioritize the government spending. That's one big objection that I wanted to bring to this. I'll just end it there because I think the Minister will probably out speak me on this thing. So I'll just see what he says. Thank you.

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

HON. BRENDAN BELL: Thank you. I will try to keep the answers short. I appreciate the Members want to get a number of questions in. The total employees for the new departments, in ITI, it is going to be 189 employees and a budget of about \$34.9 million. In ENR, we are talking about 276 employees, so almost 100 more employees and over \$50 million in proposed budget. I would certainly disagree with the Member's suggestion that we are entirely focused on economic development. I think you can see from the numbers of employees and the bulk of the budget being in ENR that we take this very seriously and take the role of environmental stewards very seriously. I think this division of the departments will allow us to do that and continue to move that agenda forward without the perception that somehow it is better.

The creation of new positions out of whatever that is, 480 some employees; we are talking about 23 new positions created when we create the two new departments. So we aren't duplicating all of the positions. One of the things we needed to do was to build regional capacity. That is why we have additional superintendents in every region. We think it is very important. We don't think we can ask a superintendent to be a superintendent of two separate departments. We also have three positions to create an energy policy office. If you look now and take a good close look at our energy policy, I think there is really a void. I don't think we have a good handle on both demand side and supply side issues. As a government, I don't think we are doing an adequate job around energy policy. I think that is what this addition of these positions speaks to. This is about trying to build more capacity at the regional level. That requires new positions. Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Bell. In fact, you have a minute left on the clock. Ms. Lee.

MS. LEE: Thank you. My reference to the replicating of the structures really spoke to the senior management. I

am going by the organizational charts in ITI and ENR in this budget as compared to the last year's budget, which I have here. Really, if you look at RWED and ITR now, it is almost an exact replica except for the fact there are shared services directors. Anyway, we don't want to get into that debate. I understand that there are lots of people employed to do ENR positions that are not indicated in the organizational chart. I think it really speaks to, if we keep...Every dollar we spend here is a statement about our priority. Surely anybody could justify creating 23 positions because we absolutely must have to do it. I am sure Minister Bell could convince us of that. But in the larger scheme of things, after we've done everything we can, we need to take care of our own in house. How does the money get left over to do other things? For the people who are looking at us from out there, the people in Nahanni Butte who are looking for a new indoor centre, can they understand that Yellowknife needed to create these two departments because they have conflicting mandates, and they just had to create 23 new jobs? There was just no other way about it. Not only that, we are going to spend \$1.7 million every year extra; about the same amount of money that it takes to build one new indoor facility every year. Where do we answer to that? I don't think that the problem is entirely on the Minister. I need to ask the whole government to look at the departmental redistribution. Public Works has three superintendents. Transportation has four superintendents. ITR is going to have five superintendents for one department, and then ENR is going to have five superintendents, too. But, technically, you could argue that these positions have less work now because they have been divided in half. So why couldn't there have been a new reducing of other senior management positions? The Minister and I could argue about that. I know this was not done without care. I understand that, but from where I sit, I have to stay on the bird's eye view and from that critical analysis, I believe that we have fallen down. Thank you.

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

HON. BRENDAN BELL: Thank you. I do agree that you can follow the money. You can follow the positions, and you can find what a government's priorities are. Clearly, we have made this as a priority of this government because we don't feel that we have the capacity specifically in the regions to be able to respond to development challenges and to be able to ensure that we are doing everything we can to make sure we are protecting our wildlife and the environment as development becomes a reality. So I don't look to the creation of five new superintendents and suggest that everybody is going to work half as much. I think what we've recognized for some time is that people are moving at full speed. Our superintendents were being asked to do a lot. I believe that there is a lot that they are unable to do. I think there will be further additional challenges and pressures that we have to be ready to respond to. I don't think we can compare a gym in Nahanni Butte to spending in this department. I think you have to recognize and acknowledge that we have a role and a duty to play in making sure people in all of the regions are able to take advantage of the opportunities that are coming their way. That means we need additional support for business. We need additional support for would-be entrepreneurs in regions to make sure that people can take advantage of business opportunities. That requires capacity in the regions. That is what this is about. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Minister Bell. Next on the list for general comments is Mr. Pokiak.

MR. POKIAK: Thank you, Madam Chair. My general comments are going to speak on terms of tourism right now. In the Beaufort-Delta, it is really important when industry comes in the summertime. There are a lot of people who drive up on the highway and end up in Inuvik. After Inuvik, they don't have anywhere to go except fly to Tuktoyaktuk. Like I say, for a lot of my constituents back home, they are involved with tourism. They do have a good tourism business going, both in Inuvik and in Tuktoyaktuk and also in Paulatuk. I am just wondering, Madam Chair, with regard to that, I know it is a big dream, but one of these years, I hope that we can get that Tuk-Inuvik highway. Then they will be able to drive all the way to Tuktoyaktuk and bring more money into the communities. I wish the Minister can sit down with his colleague in the Transportation department and look at something like that. I am not too sure if it is the right place to put it, but I will bring that out anyway, Madam Chair.

Also, with regard to the Mackenzie Valley pipeline office, I, too, am sort of disappointed that it is not up and running right now. I think I heard the Minister speak earlier that there is one person that is presently being looked at for communications. Correct me if I am wrong, Madam Chair, through the Minister. If I understand correctly, there is a communications person that is going to be going down to Hay River shortly. At the present time, also, I understand that the office that is supposed to be in place now, they are still looking for office space or it's actually being built. I am just wondering, Madam Chair. It is too bad right now we are in the process where I received information and am going to bring it up again, Madam Chair. Inuvik is prepared to handle this kind of situation. My understanding is that there is office space available up there. If things don't happen by April 1st, will the Minister consider the option of looking at the Beaufort-Delta Mackenzie Valley pipeline office? I, too, am sort of disappointed, Madam Chair, with regard to the restructuring of it although I like the idea. Some of my colleagues spoke earlier about the cost of it, but, again, I wouldn't dwell too much with that because I am just going to touch on things I would like to bring out; mainly the tourism and also the Mackenzie Valley pipeline office. Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Pokiak. Mr. Bell.

HON. BRENDAN BELL: Thank you, Madam Chair. First, to tourism in the Beaufort-Delta. I think it is not only specific to that region, but we do know that the more infrastructure investments we are able to make, the more successful our tourism industry will be. I would acknowledge that it is difficult for the Member's communities -- Tuktoyaktuk, Paulatuk, Holman and Sachs -- with their limited access. I would acknowledge that it is expensive for people to fly into these communities in order to be able to spend tourism dollars. That is an additional challenge for tourism operators when they are sitting down to develop product. As the Member knows, we continue to have discussions as an Assembly and as a Cabinet on our funding priorities around infrastructure. I know that my Cabinet colleagues and the Minister of Transportation have heard the Member's comments and, I am sure, considering them right now in relation to the road from Inuvik to Tuktoyaktuk.

The Member also raised some concerns and wants some clarification around the Mackenzie Valley pipeline office. We have hired a communication officer who is currently employed here temporarily and moving this month to Hay River. There is office space. I didn't mean to mislead Members. There is office space already constructed in Hay River. What we are doing is having tenant improvements made. Public Works has handled that process for us. It has been contracted out and should be ready, we are told, by the end of March and will be fitted up and ready for those offices.

This really amounts to phase one in terms of our government's response to resourcing oil and gas. This is only the first phase, only the first approach we have taken here. I think we need to do more. I have asked the department to go back and look at options for adequately resourcing our oil and gas response in the valley. I think that is what I would like to focus my efforts on now, instead of talking about moving our already limited resources around. I think we know we need this capability on behalf of this government. We feel it is adequately located in Hay River and are very optimistic about the role this office will play, but would acknowledge that we need to look to future resourcing in other communities in the valley as well. I want to assure the Member that we certainly haven't forgotten about that. I have tasked the department with coming back with some options. I will certainly be prepared to sit down and discuss those with committee at that point. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Minister Bell. Next on the list for general comments is Mr. Braden, and then Mr. Menicoche. Mr. Braden.

MR. BRADEN: Thank you, Madam Chair. In looking at these two departments, Madam Chair, I am not part of the economic standing committee; so much of what I am doing is from a sort of a more general level. I am not into the detail. One of the things that I wanted to touch on here was the reason that these two portfolios were brought together and now the reason that we are taking them apart...the conservation protection mandate as opposed to the development exploitation mandate. I am very supportive of the separation even to the point of view where, if I am going to be contradicting a couple of my colleagues where it may certainly be regrettable or unfortunate that we actually have to spend some more money to do this. Madam Chair, one of the things we should accept is that this is an extremely complex economy. It is one of the fastest growing and most diverse in Canada. I do not regret or I really have no objection to, in reasonable measure, spending some more money to make sure that, administratively, the jobs are handled properly. If we could have avoided it, it would have been great, but I don't object to the increment that we are showing here.

But more to the point, Madam Chair, I guess, in terms of looking at the vision and the mission and the goal statements, these are things that are important to me because they help set out the philosophy and drive and the purpose and the delivery of what these new agencies are going to do for us. I must say that the vision of this new department, as set out in the book here, is quite a conservative piece of work, Madam Chair. Perhaps I had an assumption or an expectation that this Department of Industry, Tourism and Investment would sort of be the cheerleader for the Northwest Territories; the rah, rah we want to get out there and get the dollars working. We want

to make sure they go in the right place. We are going to be the leaders and the pacesetters of economic development and diversification in the NWT. But if we read the vision statement, as is put down on the main estimates here, our sustainable and diverse economy will be built on the strengths of self-reliance and the wise use of natural resources, and incorporates traditional lifestyles with a modern economy for a long-term viability and benefit of our children and our future. It is the most politically correct mission statement. It has a lot of buzz words. It has all the politically correct stuff all jammed into one. It really waters down, for me, what could have been or could be a really crisp, clean message about the importance we put on attracting and building good investment here. As I say, this is an awfully conservative statement of what this department believes it should be doing.

Maybe I will just leave it there and see if the Minister has any response to that. In this particular area, I wanted to reflect, Madam Chair, that, for me, this department is coming up a bit short -- quite short, in fact -- on the tone and the type of message that I believe it could be coming out with. Thank you.

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

HON. BRENDAN BELL: Thank you, Madam Chair. Thank you, Member, for the input. A little bit of history. I believe it was probably fiscal year 1996, 1997; we are trying to remember. At that point, we had three departments that handled the mandates that you now see in existing RWED. Renewable Resources is one. Energy, Mines and Petroleum Resources and then Economic Development and Tourism. At the time that those three were amalgamated into one department, it was largely a cost-saving exercise and I think one that saved the government somewhere in the neighbourhood of a \$7million or \$8 million one-time savings. I think at that point it was a good decision. We needed to save the money. We didn't have the kind of development pressures then that we do today. We weren't faced then with the same types of challenges in terms of the conservation and protection mandate, as Mr. Braden has indicated, and the need to develop our resources. I think we are much more challenged today to be able to carry out the functions that we have in front of us and the mandates that we have in front of us as one department. I think we have the further challenge of recognizing, from the Prime Minister's commitment, that somewhere two years on the horizon, we will be looking at hopefully devolution and greater control over lands and resources and the responsibility falling to this government and to aboriginal governments. We have to ensure that we will be devolution ready. That is going to be a challenge in the next two years because, certainly, I don't want to give the expectation that you can take those additional mandates and, lock stock and barrel, transfer them into these existing two departments. The framework is here. Now it is important that we develop that and make ourselves devolution ready.

I appreciate the Member's comments. Maybe we were too conservative in writing about the vision of this new department. I think the Member has laid it out very nicely. We should look to be leaders. We should look to be pacesetters in creating this new economy for the North. I think that the kinds of things he is speaking about are the kinds of things that are well articulated in the Northern Strategy, which the Premier is leading on our behalf. I

certainly appreciate the support. I know we have been to the committee with some discussion around the new establishment policies for the two departments. We look forward to their feedback in that regard. Again, I appreciate the Member's support. Thank you.

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

MR. BRADEN: Thank you. The Minister is giving me a lead into a couple of areas here. He talked about devolution. Another assumption of mine, not having been party to all that much discussion about where this new shop was going, is this department of ITI going to be the receptor for the transfer of resource responsibility as that job is devolved from Northern Affairs? Is this department the natural place that we are going to look to to receive this mandate? Has the planning and the thinking gone that far? Thank you, Madam Chair.

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

HON. BRENDAN BELL: Thank you. Thank you, Member, for the question. I think that the primary receiving department would more likely be ENR for most matters that we are looking to gain control over, but ITI does play a role, obviously, in oil and gas and the devolution of those responsibilities. Essentially, much of what DIAND does in the Northwest Territories will be coming not only to this government but to aboriginal governments as well. We have to figure out how in the next couple of years, obviously. That is the challenge that has been thrown to us, how to adequately structure ourselves to take on these new responsibilities. We have some work to do there. I think that, on behalf of this government, ENR would be the recipient of more of that mandate and role, but ITI certainly as well, so the two of them. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Bell. Next on the list I have Mr. Menicoche for general comments.

MR. MENICOCHÉ: Thank you very much, Madam Chair. Just with respect to what is going on in the Nahendeh riding in regard to development and the fact that the Deh Cho region, of course, is like a political hotbed when it comes to the Mackenzie Valley gas pipeline project. I believe that our government can help a bit if we do something I keep bringing up with regard to our pipeline office is that, if we establish a senior position in Fort Simpson, it will help our government establish with the residents and with the region that, yes, you have an interest, we have someone here you can talk with. I think just being exposed to the community and to the region is one of the key things that I supported in the creation of this position in Fort Simpson. The whole concept of our pipeline project office is coordination of government of departments. What I am getting in the region as I travel is that people are saying, well, who is the contact for the Social Services department? Who is the lead on their committees? I am saying that I don't really know, but, if we did have someone from our pipeline committee established in Fort Simpson, I assume that would have been the role is to know the internal workings of the government committees. Correct me if I am wrong. I am assuming that Transportation have their own internal committee of how the pipeline project is going to impact their department, as well as ECE. I am thinking that is the role of this position. If I narrow it down, Madam Chair, I

think it is more like an ombudsman of where people go to this position and inquire about how our government fits in or what department is acting on what aspects of their internal workings, as well as it provides a share of information between government industry and the communities like the Village of Fort Simpson. They certainly have a big stake in the development of the pipeline project. That is kind of where I see this position going, Madam Chair, like an ombudsman type position. With that, Madam Chair, if the Minister can answer for me, what is his department doing in terms of this concept of establishing the position in Fort Simpson as related to the pipeline office? Thank you.

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

HON. BRENDAN BELL: Thank you, Madam Chair. I thank the Member for the questions. As I mentioned earlier, we are, and I have to ask the department with looking at resourcing options up and down the valley. Even prior to that, the points that the Member is making are points that we have had a lot of discussion around. In the Nahendeh region, we have been admittedly challenged to fill some of our existing positions. I want to assure the Member and his constituents that we are working very diligently to do that and will ensure that we have those positions that aren't currently filled as quickly as we can. The regional petroleum advisor was a position that has been unfilled for some time.

The Member's point about a senior position in the region that would focus on oil and gas, the Member knows ITI really will have the lead coordinating role now for oil and gas development. I think this was one of the discussions we had. We have a regional petroleum advisor. When we can have that staffed, it will report now to a new position. That new position will be the additional superintendent that we have created; the new superintendent for ITI. That person will play a coordinating role on behalf of our government's responsibilities related to oil and gas development in the region. Reporting to that superintendent will be the RPA, regional petroleum advisor, that we are trying to staff. Having said that, as I have already mentioned, we are looking at other resourcing options up and down the valley because we do recognize the communities are challenged with all of the activity. Thank you.

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

MR. MENICOCHÉ: Thank you, Madam Chair. Just on a related topic with respect to the Mackenzie Valley gas pipeline project, our government is underway on the initial stages of developing a socioeconomic impact agreement. Perhaps the Minister can let me know at what stage they are at with this, because some of the input that I am getting back from the communities is that, hey, we want a say in how our government develops a socioeconomic agreement. We want input. So I am thinking, okay, are we going to do some public consultation as to the type of socioeconomic agreement we are going to have? I see it like a growing thing, Madam Chair. Particularly, the first pipeline project with Norman Wells, with Imperial, at that time, is that we did have a socioeconomic agreement there but it lacked teeth. I think that is the word we are using these days. It lacked any bite. It was just kind of there saying, okay, you guys be nice to communities. They did it for a few years and then started withdrawing

services and helping out the communities. Nobody ever said anything. Okay, well, we will keep taking away services from the communities. Pretty soon, they are just there and they are not doing anything for our communities. The Enbridge pipeline now is just there. It has jobs and they are buying some materials from the communities, but if you really look at it, they are not providing any impact benefits at all. It has been there for almost 20 years. I still think that they got it for free. Industry sees that and they want this next pipeline project for free, too. I am not going to give it to them. I will do everything I can to stand in the way to make sure that our communities benefit today and for the long term. Just learning from our experience too from the diamond resources, our socioeconomic agreements have some bite but maybe not enough. This new socioeconomic agreement that our government is obligated to negotiate with them -- RWED or ITI being the lead department on this -- I would like to see something firm, something solid for our future. I will just leave that with you, Madam Chairperson. I would like the Minister to comment upon where we are going with our socioeconomic agreement, in terms of the Mackenzie Valley gas pipeline project. Thank you.

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

HON. BRENDAN BELL: Thank you, Madam Chairperson. There are a number of parts to the point that the Member is making here related to benefits. Our socioeconomic agreement negotiations affect benefit and access negotiations with the claimant organizations. I think he is making the point that we have certainly heard as we have traveled in communities. I have been in Inuvik now and around the process in the forum that MACA and RWED shared in Norman Wells. As well, I look forward to discussions in Fort Simpson.

I think that the main point for us to make is that we do believe the socioeconomic agreements, by and large, have been very successful, in terms of the diamond mines. If you look at the business opportunities that have been generated, if you look at the massive employment for northerners that has been created and the huge shot in the arm to the territorial economy that has come because of benefits being left here in the North, I think that you get the bigger picture of the extent of the benefit of the socioeconomic agreement.

Yes, we are working through this and are trying to find support for value-added industry. I think, as there was discussion in the House today, we have got some work there to discuss how we can more broadly support that industry, and we are prepared to do that. By and large, these socioeconomic agreements have been, I believe, a huge success and you have seen these mines leave major benefits in the North.

Currently underway in the pipeline project is the environmental impact statement review, and we are certainly paying attention to all of the interventions that are being made. We are using that intervention process to understand the kinds of things that we need to ensure that we focus on, as and when we are creating the socioeconomic agreement. Additionally, we are taking our direction from the Joint Cabinet/AOC Pipeline Planning Committee, and we do expect that Members are in constant touch with their communities and constituents and can provide us the kind of feedback we need.

That work is being done, we are coordinating with departments and soliciting their departmental input to better understand the various different aspects of the socioeconomic agreement. I don't think we can forget the benefit and access negotiations currently underway with claimant organizations. This government has been involved with industry and with the federal government in funding some of these discussions, through the RPDP program, Resource Pre-development Program, that was recently -- in the last couple of months, I think -- announced.

We are doing a number of things and our Joint Cabinet/AOC Pipeline Planning Committee will continue to do consultation, will continue work with its membership and with the various different line departments to ensure we come up with the best socioeconomic agreement possible. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Bell. On the list, I have Mr. McLeod.

MR. MCLEOD: Thank you, Madam Chairperson. I just want to make a few comments on what I've been hearing. I, too, am disappointed with where the Mackenzie Valley pipeline office is. Maybe we just missed the boat on that one.

The Mackenzie Valley gas project has an office up in Inuvik, and I think, I could be wrong, but it was partially funded by industry to inform residents of all the pipeline development. The next time Members are in Inuvik, in April, I would encourage you to go and visit this office. They have a lot of useful information there. The businesses in the Beaufort-Delta have been doing a good job with exploration the last few years. They have been able to handle all the contracts that have been coming out. They believe they are ready for the pipeline, and the leadership up in the Delta believes that they are ready for the pipeline.

Tourism. Travel all the time and you will see how much emphasis they put on tourism there; they promote it aggressively. The NWT has just as much to offer, if not more, as the Yukon. We just need to promote our tourism as aggressively as the Yukon. That is all I have to say for now, Madam Chairperson.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. McLeod. Mr. Bell.

HON. BRENDAN BELL: I want to thank the Member for his comments and questions. I do acknowledge and recognize that there has been some discussion and the Member has raised it again; his disappointment around the location of the Mackenzie Valley pipeline office. The leadership in the Beaufort-Delta are also expressing that disappointment. I have certainly indicated to them, both in writing and in discussions, that we are looking to adequately resource our oil and gas response up and down the valley, and that includes the Inuvik region and we will be doing that.

As I have indicated, I have asked the department to come forward with some options that I can take to Cabinet, because we will fall down if we don't have a more adequate response throughout the entire valley. We will need additional resources to be able to cope with the magnitude of this project and obviously Inuvik is logically placed for us to have this oil and gas response.

The MGP -- Mackenzie Gas project office -- that the Member speaks off, which is headed up by Imperial on behalf of the proponents, has an office in Inuvik, Norman Wells, Hay River, and in Simpson, as well. I would agree that this could be a very valuable resource and I'm certainly glad that the Member has pointed that out.

Tourism was another issue that you raised and I am always aware -- and more aware when we go to federal/provincial/territorial meetings of tourism Ministers -- about what other jurisdictions are doing and it's always very clear that the Yukon spends a significant amount of money and places quite a significant amount of focus on tourism.

You are right; we have a natural beauty that is without compare and, really, there is much that we can do in tourism to ensure that this is a meaningful industry for all corners of the Northwest Territories. We have to work on that going forward. It is not a defence, but I think we are challenged because of the amount of development that we have here in the Northwest Territories; the development pressures and our need to respond and make sure people can take advantage of those opportunities.

The Yukon is starting to have some oil and gas exploration now. They don't have the amount of mining that we do have currently, but they are looking at some placer mines, going forward. I think that they will be under pressure, as well, to continue that support for tourism with some of these other things competing for investment. Certainly, they do a wonderful job in supporting tourism and there is much that we can learn as a jurisdiction from them and we will work on that. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Bell. Next on the list, I have Ms. Lee. General comments.

MS. LEE: Thank you, Madam Chairperson. I would like to spend just a few minutes discussing the issue of the Mackenzie Valley pipeline and, generally speaking, I think it is quite clear that the GNWT is in support of the pipeline project.

Of course, it is conditional on the people and this government getting our fair share of the resources. What is not clear though is what exactly the role of the GNWT is in this whole complicated picture. It certainly is a very multi-pronged project. There are various aboriginal and regional governments in support of the project who are really advocating and pushing hard for the project, as well as their share of it. Then we also have aboriginal governments who are not as much in support, and that part of the argument is in the mix as well.

What I am interested in knowing about is what sort of plan the government has and how it sees itself playing and I'm not sure if it would be entirely the responsibility of RWED, but there certainly is a vacuum out there I believe on the dialogue and discussion that needs to be had in getting ready for this. I do understand that there is a review process going on and that process is supposed to create the opportunity for the people and various organizations to come and speak on that issue, but it seems to me that we're in a situation where that process is getting lost on the people. Once again when you look at the eagle eye view or the bird's eye view of the big picture, the people up and down the valley really don't care who is facilitating this, whether it's the federal government, territorial

government or whether it's the review process people. To them we are all just big structures out there who are not being responsive to some of the very real and intimate questions that they were asking. For example on The Current, I really enjoyed listening to that because it really was very direct forms of communication for the people to say what's on their mind, and it's really too bad that we can't have a 24-hour phone-in program where people all over the North could call in and really tell us what they think and talk directly to all the people that are in the position of decision-making power to consider and to know as we go forward through this project.

I know that the Status of Women Council spent quite a bit of money talking about the socioeconomic impact of this project. I know that they submitted their report to the Minister responsible for women, but what sort of resources and structures are in place for RWED or ITI or ENR, I don't know who is doing what, but not only readiness physically and not only a socioeconomic deal, but in terms of how we address the socioeconomic impact of the development, as well as getting our people ready for the development. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Ms. Lee. At this time, before I go to the Minister, I would just like to recognize in the visitors' gallery today a constituent of mine from Hay River South, Mr. Tom Lakusta, and he is the manager of RWED forest management in Hay River.

---Applause

Thank you and welcome. Mr. Bell, please.

HON. BRENDAN BELL: I thank the Member for those comments and I'll try to be as succinct as possible, however, it's a very broad question with maybe no very obvious and immediate answers in all areas. But let me start by saying that the Member is right that in terms of this project we do have conditions as a government and as a territory, and that is that adequate benefits will accrue to northerners and we start with that premise, we start with that as our highest principle. Then our role becomes very evident I think, but it flows from that. Clearly we have a responsibility for a number of mandates by departments. We have responsibility for the environment. We have responsibility to support the business efforts and aspirations of our people. We have a responsibility to mitigate potential negative social impacts and I think that the Member is very much aware of those issues as chair of that committee.

We also have a responsibility I believe to maximize all opportunities potentially available for northerners in a wide range of areas, and this involves employment, this involves training and I think it's important that we recognize that it will be a skilled workforce, by and large, that's able to take advantage of these opportunities. We do, as a government, have a mandate for training and need to work with our people to ensure that they are able to take advantage of these opportunities and those opportunities don't pass our people by.

Clearly we also have obligations that we have to meet for the environmental review and regulatory process that's now underway. We have mandates in areas like environmental protection. We have areas of responsibility in areas like wildlife and forestry. So we have a mandate. We will be intervening on behalf of people in the Northwest Territories and we will certainly make sure that

we advocate those areas of responsibility and we take that role very seriously.

I'd also like to say that our government's role involves supporting our aboriginal organizations across the territory in order to achieve their objectives in terms of this project, and I think of our funding and contribution, our ongoing support for the Aboriginal Pipeline Group. Really I think that their work in this model will be a successful model going forward. I think it speaks to a new level of aboriginal involvement in some of these mega projects. I think truly if you're going to benefit from development, you have to be involved at the ownership level and that's in fact what we have here and I think that's why so many people are optimistic about the future of this project.

We will also be completing the socioeconomic agreement. I think we've had quite a broad discussion around those issues that fall under the socioeconomic agreement, but maybe something that we didn't touch on was our desire to ensure that legacy infrastructure flows from that socioeconomic agreement and that is one of the areas that we will highlight.

I take the Member's point about communications to our constituencies. That is our government's role. I like the committee recommendation that in fact ITI develop a communications strategy to advise the public on how our government is organized and what our government's response constitutes. We are in the process of doing that due, in large part, to the direction and work and support of committee and that's underway and we look forward to coming back to committee with some discussion around that communications strategy in future. Thank you.

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

MS. LEE: Thank you, Madam Chair. The Minister outlined a number of ways in which the government is going to be involved in this process, but I didn't hear anything about any resources being made available to public bodies or individuals who might want to get directly involved in the process. I appreciate that the GNWT is going to, for example, be intervening in the process, as well as the money that we fund to aboriginal governments for them to play a role, but there are people outside of that process who want to get involved as well. So could I ask the Minister whether in any of these infrastructures that he has in place whether they be MVPO. Actually, I want to know more directly whether or not the GNWT has any plans to provide resources who want to appear before the pipeline review process, maybe not to NGOs who might be able to find funding by their own means, but I'm talking about the individual, women's groups or other social groups in the Territories who want to be able to take part in it, but not able to because they don't have their own resources. Thank you.

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

HON. BRENDAN BELL: Thank you, Madam Chair. This is a very common enquiry that we get and that is around intervener funding and I think the Member is probably aware of some of the funding that has already been announced. There have been a couple of phases of intervener funding announced by DIAND, and that money will flow soon and that is in order to help people prepare the work that they need to in order to participate in both

the NEB...Actually I think it's the Joint Review Panel environmental assessment, not the NEB process. One of the things that we've done recently is submitted or passed around to Members a document that was created by the federal government titled the Mackenzie Gas Project – Get Involved, and in that leaflet there is some discussion around the environmental assessment and regulatory review and the participant funding program. Included are eligibility criteria so that people can see that not only individuals, but non-profits, aboriginal and public governments with an interest in the proposed project can be involved. There is a contact and contact numbers in this document at the Northern Gas Project Secretariat, also at CEAA, the Canadian Environmental Assessment Agency. There are phone numbers and the funds that flow from CEAA and the Mackenzie Valley Environmental Impact Review Board.

So I think that is a particularly helpful and useful document, but I know members of the public have a number of questions about how they actually access intervener funding and I think that these are the appropriate points of contact to pursue those questions. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Bell. Next on the list I have Mr. Ramsay. General comments.

MR. RAMSAY: Thank you, Madam Chair. I didn't get a chance earlier in my comments to speak about the BDIC and the amalgamation of the BCC and the Dev Corp, and I can understand and I appreciate why it's happening and I am supportive. Of course, I was supportive of Bill 16 that was here a few days ago. As we move forward, I believe the Minister knows that we have to work towards the true one-window approach or the one-stop-shopping approach that really was the crux of bringing the BCC and the Dev Corp together was to try to get to that. Not that Bill 16 absolutely gets us there. I think we've got a long way to go to get there and I wanted to just bring up a couple things on the cost-effective ways to look at program delivery and support of that and to get us toward this one-window approach or this one-stop-shopping approach.

The first thing I would like to say is on a regional basis for each region, maybe what the BDIC could do is look at getting together a one-page brochure that outlines programs and services and agencies that are available in the region. For most people in the regions it's very complicated when you've got BDF, grants to small businesses, Community Futures loans, BCC, BDC, ABC, the Dene/Métis development fund; there are a number of funding agencies that are out there and it gets very confusing to the person that wants to start a business, wants to do something and they don't know where to turn, they don't know which window to go to. So that would be, I think, the most cost-effective way of trying to let people know what's out there. I know it doesn't currently exist, but that's something that in the next little while I think the department or BDIC could put that type of work in place so that people know where to go and know where to turn.

The other thing when the rollout of the BDIC happens one of the other things that I'd like to mention to the Minister is perhaps co-locating development officers in the regions and I think that would serve a number of purposes like client access especially. I'm not talking about all the regional staff being co-located. That wouldn't be what I would be envisioning, but all the development officers. So

when you have them under one roof it's a lot easier for a potential client to come in there and get serviced and to get the response and what they need to make things work for them, because everybody is different and I think that would take away a lot of the confusion that's out there. Right now I think most people in the regions are still somewhat confused when you have a number of different avenues and venues to seek funding. I know Bill 16 was supposed to get us towards this one-stop shopping. So those are a couple of examples that I'd like the Minister to just comment on and see if they'd be supported by the BDIC. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Ramsay. Mr. Bell.

HON. BRENDAN BELL: Thank you. I want to thank the Member for what I think are some very excellent suggestions. As the Member has pointed out, and we've discussed, not only when we undertake this program and service review going forward do we have to understand what we're currently doing and what we should be doing, we have to have a discussion around how we communicate, in fact, what we're doing. Because I think you're right and I think that this was the crux of some of the problems that we've had, and that was constituents and residents didn't understand how to adequately get service and how to adequately engage our various different programs and employees in the regions. I think that that's where the frustration has come and that's why we've been pushing for this one-window approach.

I think it's an excellent suggestion, that we should put out some communications to let people know what we're doing. I think we could even go farther and ensure that they understand what DIAND is doing and what Aboriginal Business Canada is doing and not just simply focus on our BDIC, but take a broader look at all the economic development programs available to people in regions because that's where we should be going. We should be going with closer integration. We know that we have this enabling legislation that's going to allow now, thankfully, for partnerships with other organizations. I think that's an important thing to recognize.

Also again the suggestion of co-locating development officers and I presume that the Member is talking about our EDOs and our business managers of trade and investment. Again, an excellent suggestion. We are looking to move to one-window models in the regions. We acknowledge that these things are going to happen at various stages and at various paces in regions, and it will be different in the various regions. There is no boilerplate model for this. It will change and it will evolve as regions are ready, but, again, another very good suggestion. I think we want to ensure people do have that one contact that can steer them to all of the various programs, ours and the federal governments. Good suggestions. Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Bell. Mr. Ramsay.

MR. RAMSAY: Thank you, Madam Chair. I appreciate that response from the Minister. The first suggestion that I had made about the one-page brochure, I know the BDIC is rolling out, but when might the BDIC be able to produce something like this so that folks in the regions know where to go and they know who to see and they know who

supplies what in terms of programs and services? Thank you.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Ramsay. Mr. Bell.

HON. BRENDAN BELL: Thank you. That's something that I can ask the board to look at as soon as they are constituted. I could see something like this could certainly happen I'm sure by spring and then as we go through the program and service review, obviously it would have to be adjusted as changes are made. But in terms of our current program delivery, that's something that wouldn't be too difficult and could be rolled out fairly early in the new life of this new organization. I'll certainly have that discussion with the new board. Thank you, Madam Chair.

CHAIRPERSON (Mrs. Groenewegen): Thank you, Mr. Bell. General comments on Industry, Tourism and Investment. Any further general comments? Mr. Braden.

MR. BRADEN: Thank you, Madam Chair. There are a couple of further aspects I'd like to pursue in terms of the go-forward objectives of this department. As stated in the business plan in goals, goal number six states that the department is to ensure that NWT residents gain control over their resources and are the primary beneficiaries of development in the Northwest Territories. This is a bid on the... (inaudible)... It's a good statement of where we'd all like to be, but I'm a bit confused about how it actually connects with this department. My information, Mr. Chair, is that the Ministry of Aboriginal Affairs, I think the Financial Management Board Secretariat and certainly the Premier's office and the Executive have responsibility for the negotiations toward devolution of resources. Now what I wanted to do is see if I could get a bit of clarification in terms of how does this goal as stated here to ensure that residents gain control. Does that mean that ITI also has a hand in the negotiation and the delivery of devolution here in the Northwest Territories? Thank you.

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

HON. BRENDAN BELL: Thank you. I think the important point that we would make is that all departments play a role on behalf of this government's negotiations in terms of devolution and resource revenue sharing, and obviously ITI and ENR will play a critical support role to the efforts of MAA and to the efforts of the Premier's office. We are involved in devolution support. As we mentioned earlier, many of the programs that really are about control over lands and resources currently housed in DIAND will find their way into this government; many of them into the two departments we are talking about here. So we have a key support role to play in terms of providing a lot of technical backup and technical support to the negotiation team. Thank you.

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

MR. BRADEN: Alright. That's good. One aspect that's developed a little in the business plan is in the area of energy policy and programming. It's also stated in the plan that this new department will take the lead on all energy initiatives including hydroelectric. I am wondering if what we are seeing here is a signal that there is a transfer from the office of the Premier, Mr. Handley, for the

hydroelectric file. Is that going over to this shop, Mr. Chairman? Thank you.

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

HON. BRENDAN BELL: Thank you, Mr. Chairman. No, there is no transfer. We believe we are filling a very necessary gap in terms of our government's energy policy development. The Power Corporation is a vehicle of this government to carry out our strategic direction and initiatives, and it has been tasked with pursuing some of the hydro options available to it. We are talking about the broader creation of energy policy that would give rise to these kinds of strategic initiatives. I think what we have here is a vacuum in terms of our energy policy, both on supply side and demand side issues. We are seeking to address that need. Thank you, Mr. Chairman.

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

MR. BRADEN: You know, I think that about does it, Mr. Chairman. I am done. Thank you.

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

SOME HON. MEMBERS: Detail.

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

MS. LEE: Thank you, Mr. Chairman. Just one more point and it's on tourism. It's with regard to the investment the government is making at Expo 2005 on aurora tourism along with, I hope, other tourism promotions. I am not going to comment on whether or not \$500,000 is good money or not enough money. I definitely believe that this government is not spending enough money on tourism, but that's for another day. While Yellowknife is very well located in terms of aurora viewing and I think that has been the essential component of the success because when aurora visitors come to Yellowknife, they have almost 100 percent chance of seeing aurora over a three to four-day period, something that's not possible in other parts of the world, I understand, where aurora can be seen.

At the same time, Mr. Chairman, I have seen ads promoting aurora that read and the pictures looked like the Northwest Territories, but when you look at the fine print it could be northern Alberta or northern Newfoundland or any other parts where aurora viewing is possible, just not as good as Yellowknife.

I worked at expo in 1993 in Asia, and for lots of people in that part of the world, Canada is Canada. It's really hard to grasp the...Hey, be quiet. Sorry. In that part of the world, it's hard for them to distinguish between northern NWT versus northern Alberta. For us it's very clear, but not there. It's important that in whatever important promotion material we provide or whatever pitch we do in terms of presentations and everything else that goes on, it is really important that we make ourselves be distinguished. I was curious about what the government has in place to make sure this gets done. Thank you.

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

HON. BRENDAN BELL: Thank you, Mr. Chairman. We believe expo is the ideal venue to create and to further

work on a lot of the exposure that the aurora industry has gained in Japan. Really, we clearly have a foothold now in terms of awareness and it's important for us to build on that and it's hard to imagine a more appropriate or adequate venue than this expo. So with that in mind, as we put together this program, we are very cognizant of that.

I think the future of this industry is broader than just Yellowknife. We are starting to see some activity in Fort Smith and in Hay River as well. I know that some of the Yellowknife operators are also looking at tours outside of Yellowknife because people are looking for a different experience, not everybody is looking for that urban experience. Many people are looking to go off the beaten path. I think we can give them that opportunity here and it's just really a matter of supporting our communities to develop the infrastructure that has started to be created here in Yellowknife.

So we think this expo is going to drive increased opportunities for product development in a number of communities. The hard part really is driving people to the Northwest Territories. I think we are really seeing a rebound if the passenger numbers that we just anecdotally see when we go to the airport...I was there yesterday evening at 9:20 and you couldn't move in the terminal building in Yellowknife with the number of Japanese passengers. The task now is to ensure that that filters out of the main airport and main centre into other communities in the North. That's our challenge. We will have to be focussed on that as we support product development in other communities.

I think this expo is a wonderful opportunity to drive increased traffic to the North, and we have to get them here first for this to be a reality. Thank you.

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

MS. LEE: Thank you, Mr. Chairman. I couldn't disagree with the Minister's statement that we have to get them here. I am just wondering what we are doing to get them here. We could group the NWT as a whole and get people to Smith or Hay River. I can just imagine the Japanese tourists would be ecstatic to be in Nahanni Butte or Colville Lake. I couldn't imagine anything more beautiful. Let's just put the NWT as a group, but how do we distinguish the characteristics of the NWT versus northern Alberta, northern Saskatchewan, Newfoundland, northern Ontario? There are many parts of the country where aurora can be seen and the challenge is to leave that impression on the minds of hundreds and thousands of visitors who are going to go through the pavilion for them to remember that if they want to go to Canada, not only Canada but the Northwest Territories, to see aurora and not Fort McMurray or somewhere in northern Saskatchewan. I tell you, when you are sitting in that part of the world, that's a pretty fine distinction that takes a lot of effort to make into reality and make it more visible. Thank you.

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

HON. BRENDAN BELL: Thank you, Mr. Chairman. Very good question. I think this government, a number of years back, made the determination that it was best to work with an industry organization, and that is the NWT Tourism

Association now, in terms of understanding how we best market the Northwest Territories as a destination. We've had a bit of discussion around the budget and I know we'd like to see more investment in tourism, but it has gone from \$1.2 million in 2003-04 to \$1.8 million this year. So we are making improvements in that area, but these folks who constitute that board are involved in the tourism industry. We believe they are experts in branding, and this is something that in our current system we believe is best handled by this association as opposed to government. Government has a role to play, but we think it's more in terms of working to develop product and working with some of the businesses in the Northwest Territories.

We also invested last year, as the Member will remember, \$250,000 in the Aurora Recovery Program, which worked to brand the Northwest Territories as a destination for aurora in Japan. That project was very successful in leveraging additional industry and federal government money through the CTC, the Canadian Tourism Council. I think that raised almost \$1 million to be put towards the aurora tourism industry and creating interest and a presence in Japan.

So I think we've done a number of things, but all of our efforts, which are led by NWT Tourism, do focus on the Northwest Territories specifically and they are working very hard to brand the Northwest Territories as a destination and create that separation from other organizations. I can assure you that they are playing on our strengths and looking to differentiate our offering from that of other competitors. Thank you, Mr. Chairman.

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

MS. LEE: Thank you, Mr. Chairman. I don't believe I got the information I was looking for. How much of that \$500,000 allocated for expo will be invested to the tourism industry directly? The Minister indicated that this government decided long ago that it's the industry that knows best. So perhaps the round about way of getting that answer is to see where we are spending that little money we have allocated for expo to the industry, so they can go and do the job they are best at doing, which is to sell the NWT as a unique and distinguishable product. Thank you.

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

HON. BRENDAN BELL: Thank you, Mr. Chairman. I certainly understand what the Member is getting at here and my initial reactions, when thinking about planning this expo, was to approach the ED for NWT Tourism and talk about who would be best to lead this effort in Japan. We talked about the potential \$500,000 budget at that time. I didn't have the money approved, but his indication to me was the department had more of the resources and support services and would be better able to lead the project, but they wanted to play a key support role and be involved in the decisions and direction in terms of destination marketing.

So we do have the acting president sitting on the advisory committee, to myself and Co-chair Groenewegen. We have the executive director who sits on our ADM committee that really is the working level committee providing direction to our expo effort. In terms of the \$500,000, there are no contributions in that. That is the

base budget that we are using for hiring the contractors, the travel and the week-long show that we are putting on. As I indicated earlier, we are looking to the private sector for partnerships. We expect that the NWT Tourism folks have already indicated their interest in hosting a specific event in partnership with us. So they are playing a role on many fronts, but they are key in advising us and directing us on how best to present ourselves at expo. So their input is very important and we are certainly using it. Thank you.

CHAIRMAN (Mr. Ramsay): Thank you, Mr. Minister. Mrs. Groenewegen.

MRS. GROENEWEGEN: Mr. Chairman, I move that we report progress.

CHAIRMAN (Mr. Ramsay): There is a motion to report progress. The motion is in order. All those in favour? All those opposed? The motion is carried.

---Carried

I will rise and report progress. Thank you, Mr. Minister. Thank you, Mr. Vician and Mr. Kennedy, for your attendance this evening. Thank you.

MR. SPEAKER: Item 20, report of Committee of the Whole. The honourable Member for Kam Lake, Mr. Ramsay.

ITEM 20: REPORT OF COMMITTEE OF THE WHOLE

MR. RAMSAY: Mr. Speaker, your committee has been considering Bill 19, Appropriation Act, 2005-2006, and Committee Report 10-15(3) and would like to report progress, and, Mr. Speaker, I move that the report of Committee of the Whole be concurred with.

MR. SPEAKER: Thank you, Mr. Ramsay. Do I have a seconder for the motion? The honourable Member for Great Slave, Mr. Braden. The motion is in order. All those in favour? All those opposed? The motion is carried.

---Carried

Before we go any further, Members, I would just like to mention that our ladies curling team that is at the Scott Tournament of Hearts is sitting with a record of three wins/two losses after a 10/6 win over Ontario today.

---Applause

Item 21, third reading of bills. Mr. Clerk, orders of the day.

ITEM 22: ORDERS OF THE DAY

CLERK OF THE HOUSE (Mr. Mercer): Mr. Speaker, orders of the day for Tuesday, February 22nd, 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. Petitions
11. Reports of Standing and Special Committees
12. Reports of Committees on the Review of Bills
13. Tabling of Documents
14. Notices of Motion
15. Notices of Motion for First Reading of Bills
16. Motions
17. First Reading of Bills
 - Bill 20, Supplementary Appropriation Act, No. 3, 2004-2005
18. Second Reading of Bills
19. Consideration in Committee of the Whole of Bills and Other Matters
 - Bill 15, Tlicho Community Services Agency Act
 - Bill 17, Northwest Territories Business Development and Investment Corporation 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
 - Committee Report 12-15(3), Standing Committee on Rules and Procedures, Report on the Review of the Report of the Chief Electoral Officer on the Administration of the 2003 General Election
 - Minister's Statement 86-15(3), Northern Strategy
20. Report of Committee of the Whole
21. Third Reading of Bills
22. Orders of the Day

MR. SPEAKER: Thank you, Mr. Clerk. Accordingly, this House stands adjourned until February 22, 2005, at 1:30 p.m.

---ADJOURNMENT

The House adjourned at 7:38 p.m.

