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Speaker: The Hon. Red Pedersen, M.L.A.

# LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES

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YELLOWKNIFE, NORTHWEST TERRITORIES

MONDAY, FEBRUARY 13, 1989

MEMBERS PRESENT

Hon. Titus Allooloo, Mr. Angottitauruq, Mr. Arlooktoo, Hon. Michael Ballantyne, Hon. Tom Butters, Hon. Nellie Cournoyea, Mr. Crow, Mr. Ernerk, Hon. Stephen Kakfwi, Mr. Kilabuk, Mr. Lewis, Hon. Jeannie Marie-Jewell, Mr. McLaughlin, Mr. Morin, Mr. Nerysoo, Hon. Dennis Patterson, Mr. Pollard, Hon. Red Pedersen, Mr. Pudluk, Mr. Whitford, Hon. Gordon Wray, Mr. Zoe

ITEM 1: PRAYER

---Prayer

SPEAKER (Hon. Red Pedersen): Orders of the day. Mr. Allooloo.

Point Of Order

HON. TITUS ALLOOLOO: Point of order, Mr. Speaker. I can see that the Hon. Michael Ballantyne, the Minister of Finance of our government, is breaking tradition by not wearing new shoes for his Budget Address.

SOME HON. MEMBERS: Shame, shame!

HON. TITUS ALLOOLOO: With your permission, Mr. Speaker, I have just the right shoes that he might be able to use for his Budget Address. They come from a very special area, Baffin Island, and they are made of sealskin which I believe was caught off Baffin Island and made by one of the major shoe manufacturers in the world. Mr. Speaker, cowhide shoes are good for a southern legislature, but up here I believe that we should have something that comes from the Northwest Territories when we address our budget. Thank you.

With your permission here are your shoes.

---Applause

MR. SPEAKER: Thank you, Mr. Allooloo. As the rest of the House could not be privy to the observation of your point of order, I am sure we are all delighted to take the honourable Minister's word for the fact that Mr. Ballantyne was not properly attired. We are pleased that he now is.

Orders of the day for Monday, February 13, 1989. Item 2, Budget Address. Mr. Ballantyne.

ITEM 2: BUDGET ADDRESS

HON. MICHAEL BALLANTYNE: Thank you, Mr. Speaker. I would like to thank my colleague. I think that now I can honestly say that I represent a Legislative Assembly that is well-shod yet not well-heeled.

---Laughter

Mr. Speaker, it is my privilege today to present my second Budget Address to this Assembly. Before presenting the main portion of the budget speech I wish to take a few moments to speak about the economy of the Northwest Territories.

### The Economy

As Members know, cabinet has met on a number of occasions to discuss strategy and to develop sound directions for the 1990s. These directions are based on the belief that a strong, dynamic and self-reliant economy will help remedy many of our social problems and will give us even more confidence in the pursuit of our common political and constitutional goals.

In this regard, Mr. Speaker, I am pleased to be able to report that 1988 marked an upswing in the economy of the Northwest Territories. This is a very welcome change from the weaker performance experienced between 1985 and 1987. I am even happier to say, however, that this economic recovery is expected to continue into 1989. We see this as an opportune time to lay the foundation for a stronger and more stable economy. Total employment in 1988 increased by 7.1 per cent over 1987, representing a gain of some 1300 jobs. In percentage terms, this employment growth was distributed evenly between the production of goods and the service sector.

Another major indicator of economic performance, the level of investment, shows that there is increased confidence in our economy. Total investment is estimated to have risen by some 13 per cent last year. Growth in primary sector investment increased by about 15 per cent. This marks the first annual increase in the overall level of investment since 1982. In addition to that, the value of output in our renewable resource industries is at an all-time high. Production increased to about \$10.4 million in 1987-88, almost twice the value of output in 1985-86. This bodes well for the longer-term health of this industry -- an industry that is crucial to the generation of cash income in the communities.

The government recognizes that the benefits of the current economic recovery are not equally shared among our regions. Reducing regional economic inequalities has been, and very much remains, a priority. Though significant advances have been made in bettering economic opportunities all across the Northwest Territories, it is recognized that enhancing the economic well-being of residents in all regions requires the continued and sustained commitment of our government and of our Legislature.

Overall, opportunities for investment and employment across the North over the longer term are encouraging. Large-scale oil and gas development and pipeline construction, when realized, will create employment for hundreds of northerners. Oil and gas from the Northwest Territories will form an integral part of Canadian supply during the next century. In addition, we are encouraged by mineral exploration activity in the Territories. Promising deposits of gold, rare earth metals and other minerals have been discovered. The high level of exploration activity indicates that there is great potential for new mineral development.

Mr. Speaker, I noted in my last Budget Address that there was some concern that the reduced attractiveness of flow-through shares, arising from federal tax reform measures, would reduce mining exploration in the Northwest Territories. We are pleased that, after numerous representations by the mining community and by this government, the federal government introduced a new mining exploration grants program in 1988.

Oil and gas and minerals are important exports, and exports are crucial to our sustained economic growth. In 1987, exports of fuels and minerals totalled \$950 million, or about 59 per cent of gross domestic product. Future development of these important export industries is essential to the development of longer-term economic opportunities and of job creation.



Positive as they are, however, we must be attentive to these developments. We must ensure that northerners participate meaningfully in resource development. We must ensure that the special circumstances of our region are recognized in any ongoing international trade discussions.

Of particular concern is the health of our hunting and trapping industry. We must continue our efforts to safeguard our fur industry from attacks by those who do not, or who will not, appreciate the possible effects of their actions on traditional lifestyles. Hunting and trapping are the most important renewable resource activities in the Northwest Territories. These activities are a substantial source of cash income in the communities.

#### Accomplishments Of 1988-89

During the past year the Government of the Northwest Territories entered into new agreements of great historical importance with the Government of Canada.

First, the formula financing agreement between our government and the Government of Canada was extended for two years until the 31st of March, 1990. This was a major accomplishment. The agreement sets out the terms of our financial arrangement with Canada, which next year will account for approximately three quarters of our revenues. Determining the terms of this agreement is crucial to the development of our expenditure plans. During the coming year we will be entering into negotiations for the renewal of the agreement. We will be facing a federal government which is understandably trying to further reduce its deficit. Our challenge will be to ensure that the pressing needs of the North are not sacrificed. We will be looking for a long-term arrangement which will enable us to develop budgetary strategies and provide a basis for our long-term economic planning.

Second, an enabling agreement on the Northern Accord was signed last September. By transferring province-like powers over oil and gas resources to the territorial government, the Northern Accord will, in the long term, constitute one of the single most important steps toward provincial status and financial self-sufficiency. The accord will transfer oil and gas revenues as well as legislative and administrative responsibility for the oil and gas sector, to the Government of the Northwest Territories.

In preparation for this, and in response to this government's growing responsibilities for minerals, I am announcing today that the government's existing Energy, Mines and Resources Secretariat will become the new Department of Energy, Mines and Petroleum Resources in 1989-90. It will provide the government with the capability to exercise future provincial-type powers and responsibility for the management of oil and gas and mineral resources in the NWT. The government, in co-operation with aboriginal groups, will be concentrating on the negotiation of a final agreement on the Northern Accord and on the development of the structures to implement its new responsibilities for oil and gas management.

Third, an agreement-in-principle was signed by the Dene/Metis, the Government of Canada and the Government of the Northwest Territories. It marked a major advance in the process of permanent recognition of the role of northern aboriginal people in shaping social and economic decisions affecting them and in achieving greater economic self-sufficiency. The final settlement will include an assured land base and a cash transfer which will provide a base for greater economic opportunity.

Fourth, the remainder of health services was transferred from the federal to the territorial government. This transfer and the related contribution agreement for the Indian and Inuit health care amounted to \$58.6 million, or close to seven per cent of our expenditures. It was an essential step to ensure that decisions on health services are made in the North, by northerners.

Finally, the Northern Canada Power Commission was purchased by the Government of the Northwest Territories and now operates as the Northwest Territories Power Corporation. For the very first time, the private sector invested \$53.5 million in Government of the Northwest Territories notes to finance this purchase. This is a clear demonstration that investors view the



Northwest Territories as a sound place to invest. All operations of the corporation will be relocated to the Northwest Territories and we are now assured that necessary capital investment decisions will be made here in the North. Increases in utility rates should also be lower than they would have been under the previous owner.

With these developments, most provincial-type responsibilities have been transferred to the Northwest Territories. It is therefore imperative that the Northwest Territories formally participate in Finance Ministers' Conferences which provide a forum for decisions affecting the economy and the North. On September 6, 1988, the Prime Minister made a commitment to establish a set of guidelines which would ensure territorial participation at First Ministers' Conferences and Ministers of Finance Conferences. The Government Leader and I will actively pursue this objective in co-operation with the Government of Canada and the provinces.

#### 1988-89 Financial Review

Mr. Speaker, when I presented the 1988-89 Budget Address last February, I expected the budget to be balanced. The projected 1988-89 year-end financial situation is considerably improved. We now expect to have a surplus for that year of \$20.8 million, with most of the additional revenue coming from a higher grant from Canada under the existing formula financing agreement.

Turning to our accumulated surplus, it is now expected to be higher due to better 1987-88 final results and 1988-89 estimated results. A detailed review and explanation of changes to the fiscal positions since last year's Budget Address is given in Appendix A of the Budget Address document. I would like to emphasize that our projections are based on a number of volatile factors. As a result, the actual figures at year-end may be different from our current projection.

#### Fiscal Strategy

Mr. Speaker, the budget I am presenting today tackles a number of important social issues and provides a framework for the further development of a strengthened economy for the Northwest Territories. It will do this by: maintaining our commitment to existing programs; introducing new initiatives that address priority areas, particularly those identified by the Legislative Assembly; and setting up a framework to encourage lasting economic development and employment.

You will remember that my first budget last February was a response to the difficult challenge of meeting the pressing needs of northern residents without jeopardizing our government's fiscal integrity. We met that challenge and today's budget goes a step further by addressing the social and economic priorities identified by Members of the Legislative Assembly -- one of the key objectives of this budget. To deal with these priorities while maintaining our current social and economic programs, cabinet must present a budget that calls for a small, but manageable deficit. It is a deficit that will not get us into any trouble -- a manageable deficit that will be easy to offset from our accumulated savings.

Mr. Speaker, our accumulated surplus, or savings, reflects this government's wise fiscal management. The surplus is best defined as the balance in our savings account, and like any savings account, it should be spent on projects that will have long-term benefits for the residents of the Northwest Territories and will not place a continuing burden on the financial resources of our government.

#### Maintaining Existing Programs

This government has made a commitment to maintain the current level of funding for existing programs in 1989-90. Cabinet had to walk a fine line between responding to the needs of Northwest Territories residents and maintaining the fiscal integrity of the government. While we attempted to limit expenditure growth, we could not jeopardize the progress we have made since assuming office.



As a result, I am stating today that we will spend \$470 million, or one half of our total budget, on health, social services, housing and education. This amount includes a number of initiatives, such as child care, that are a direct result of the wishes of this Assembly and of the residents of the Northwest Territories. Since we have held the line in other areas, these initiatives can be undertaken without jeopardizing our financial situation.

### Economic Development

In addition, Mr. Speaker, it is recognized that long-term development of the economy and employment growth are among the cabinet's and the Legislative Assembly's foremost priorities. Creating jobs is vital to solving many of the North's social problems. Therefore, most of our accumulated savings will be earmarked for expenditures that are essential to economic development.

Mr. Speaker, a \$25 million fund will be set up for long-term expenditures on transportation infrastructure such as roads, airports and marine facilities.

AN HON. MEMBER: Hear, hear!

HON. MICHAEL BALLANTYNE: Without this infrastructure, we cannot develop a balanced economy in the North. With this in mind, I am announcing that this financing will be part of a long-term transportation policy to be developed by the new Department of Transportation. This department will be responsible for programs formerly in the Department of Public Works and Highways, Government Services and Municipal and Community Affairs.

These transportation-related functions will be grouped under one department to provide a focal point for the development of a comprehensive transportation strategy for the North. The government has already begun discussions with the Government of Canada on federal participation and financial support in the development of this plan. As well, the new Department of Transportation will prepare for the transfer of the airports program and the balance of the highways program from the federal government.

Mr. Speaker, an additional \$15 million will be earmarked for other economic development initiatives. This reserve will give the government some flexibility in considering both the recommendations of the special committee on the northern economy and other economic initiatives to help achieve the objectives that the government presented in its "Direction for the 1990s" document.

AN HON. MEMBER: Hear, hear!

HON. MICHAEL BALLANTYNE: We intend to present specific proposals to the Legislative Assembly and to make the bulk of the actual expenditures during the 1990-91 and 1991-92 fiscal years. This will give us sufficient time to plan carefully so that the most effective use is made of our long-term savings.

After accounting for these two special reserves and next year's small deficit, as well as allocations to loan funds, we are projecting a March 31, 1990, unallocated accumulated surplus of some seven million dollars.

### Budgetary Expenditures

Mr. Speaker, total 1989-90 voted expenditures are projected to be \$935 million. The budget also projects estimated supplementary requirements, net of appropriation authority lapses, to be \$20 million, for a combined total of \$955 million. Overall, the government will have a small deficit of \$11.4 million during the year after allowing for estimated supplementary requirements and appropriation authority lapses. This deficit represents approximately 1.2 per cent of total expenditure, and it will be financed from the accumulated surplus.



In this budget, cabinet gives high priority to programs that directly help families and individuals. The concerns raised in the Legislative Assembly last fall, therefore, are reflected in this budget. Special attention is being given to child care, education and housing. I am pleased to inform the Legislative Assembly that additional funding has been provided in each of the following areas.

### Child Care

A total of \$4.2 million has been allocated to meet the urgent need for more child care spaces in the Northwest Territories.

--Applause

The Department of Social Services has been allocated \$2.2 million for child care in 1989-90. This will go toward user subsidies, assistance to child care centres, and administrative and training support services. An additional two million dollars has been set aside in the supplementary reserve for this year for further funding of child care. It will be allocated to specific programs as soon as successful cost-sharing negotiations with the federal government have been completed.

### Education

Over two million dollars will provide new or enhanced programs in education. One third of this will fund programs delivered by the Department of Education and by Arctic College designed to increase literacy in the Territories. Increased literacy is essential if Northwest Territories residents are to take advantage of the opportunities that await them.

Arctic College will receive \$500,000 to deliver programs which will train translators and interpreters, native journalism students, and teachers who can teach in aboriginal languages. A further \$300,000 will be used to reintroduce the college's heavy equipment operators program.

The Department of Education will also introduce a parent awareness program to promote more effective public control of education. Funding will be provided for aboriginal language programs at the high school level, and new programs in related fields will be implemented. The school-community counsellor training program will continue, and 10 positions are budgeted for graduates as of January 1, 1990.

Over five million dollars has been allocated to the department to meet increased demands on existing programs.

Funding for student grants and the student loan program will increase by over \$700,000 in 1989-90. In 1988-89, 950 students who received this financial assistance were enrolled in post-secondary school institutions, an increase of over 60 per cent since 1985-86. The number of Dene students has increased from 25 to 106, Inuit from 28 to 154 and Metis from 58 to 110, since 1985-86.

Grades will be extended in two communities at a cost of \$260,000. Twenty-five part-time special needs assistants will be hired in the communities, effective this September, to help special needs students, at a cost of almost \$450,000.

The Department of Education will spend more than \$22 million on capital in 1989-90, over 80 per cent of which will go toward schools. Of this, \$1.7 million represents spending which has been accelerated on the recommendation of the standing committee on finance. An additional \$500,000 will be spent to provide access for the handicapped to schools.

### Housing

The government will continue to respond to our growing social housing needs. This year over 300 new social housing units will be delivered by the Northwest Territories Housing Corporation.

This budget also supports the corporation's ongoing efforts to replace ageing northern rental houses. One hundred replacement units will be built this year. Canada Mortgage and Housing Corporation will fund 75 per cent of the capital and operating costs for the replacement houses. Cabinet has allocated an additional four million dollars in capital for housing in 1989-90, two million dollars for the home-ownership assistance program and two million dollars for other housing programs.

Mr. Speaker, the government is also taking initiatives in other important areas.

#### Social Services

In response to the significant social problems caused by drug and alcohol abuse, \$500,000 has been allocated to establish an alcohol and drug awareness program for youth. A further \$250,000 will be spent to develop an alcohol and drug treatment rehabilitation strategy, addressing program and facility requirements.

A strategy to combat child sexual abuse and to treat its victims will also be implemented in 1989-90. Funding of \$300,000 will be used by community groups and the Department of Social Services for their work on issues relating to child sexual abuse. In addition, a campaign will be conducted which will focus on prevention, intervention and treatment.

#### Justice

One of the major initiatives in the Department of Justice in the coming year will be the family law review. This project is receiving funding support from the Department of Social Services, the Advisory Council on the Status of Women, and NWT Law Foundation, as well as the Department of Justice. It is to be an all-encompassing review of aboriginal custom law, as well as modern family law, conducted under the supervision of a working group with representation from native organizations as well as government and the legal profession.

#### Health

The Department of Health will continue its efforts in the area of preventive health care. Included in this budget is \$350,000 in funding for an AIDS public awareness campaign and \$250,000 for a public awareness campaign on the dangers of smoking, directed toward young people.

In 1989-90, non-native and Metis residents 60 years and over will benefit from the full introduction of the seniors extended health benefits program. These seniors will be eligible to receive a full range of benefits in the areas of dental services, prescription drugs, glasses and ophthalmic goods, special aids to independent living and medical transportation.

Finally, the Department of Health will be continuing a search for information on patients who went south for medical treatment in the 1950s and did not return to the North, and whose relatives report having lost contact with them.

#### Safety

Safety, at all levels of society and the workplace, has been a concern of the government for some time -- even more so at a time of economic expansion and enhanced employment opportunities. To ensure that we have strong and progressive leadership in this important area, the new Department of Safety and Public Services will be created in 1989-90.

Safety, mining inspections, consumer services, fire safety and labour services will be transferred from the Department of Justice to the new department. The creation of this department emphasizes the government's commitment to making worker and public safety a high priority. In addition, the government is currently examining ways to improve safety training in mines and work sites in the Northwest Territories and to better define the roles and responsibilities of



government, industry and labour in this matter. The departmental budget contains over \$400,000 to hire more inspectors to enhance the department's enforcement capabilities.

### Economic Development

As part of this government's strong commitment to develop and diversify the northern economy, the proposed budget of the Department of Economic Development and Tourism will be \$37 million in 1989-90, not including the \$15 million reserve for future expenditures.

Within this budget, we are expanding support to the marine fishery in the Eastern Arctic and to innovations such as aquaculture and fur farming. The campaign to promote the Northwest Territories as a travel destination has been very successful and we will now shift our emphasis to product development. New initiatives will therefore include developing facilities and centres that reflect cultural and historic themes, and expanding the northern arts and crafts sector. In addition, the department has received over \$400,000 to reintroduce the short-term employment program, STEP. This will provide training and experience for those who wish to learn basic skills or a trade.

In order to promote the use of both northern labour and materials purchased in the North, the business incentive policy was amended last year to provide an additional 10 per cent preference to all contractors who use northern subtrades on construction projects. This policy will continue to benefit northern business.

### Transportation

Unless transportation in the North is improved, we cannot develop a strong and stable economy. The programs to be delivered by the new Department of Transportation will include highways, arctic airports, and motor vehicles. These programs have a major impact on all communities in the Northwest Territories. Bringing all of the transportation-related divisions into one department will facilitate the development of policies and programs which complement each other and, therefore, will provide the most cost-effective overall program. The Department of Transportation's proposed 1989-90 budget provides \$26.5 million for O and M and \$8.6 million for capital. In addition, as I have already announced, the government has allocated a further \$25 million from its savings as a beginning, to demonstrate, especially to the federal government, our commitment to this vital sector.

In summary, we are creating three new departments, the Department of Energy, Mines and Petroleum Resources, the Department of Safety and Public Services and the Department of Transportation. I can assure Members of this Assembly that the departments are being set up with the utmost economy and with a minimum of new person years.

### Renewable Resources

The Department of Renewable Resources will spend \$41 million in 1989-90. A total of \$20.5 million will be used to achieve the department's fire management objectives. The department has increased northern benefits from this program by issuing several five year contracts to northern companies. In 1989 the department will also continue to provide political and financial support to combat the international anti-fur lobby. Considerable time, energy and resources have already been devoted to this issue. The withdrawal of the proposed United Kingdom fur tagging legislation and further delays to similar proposals in the European Parliament are signs of the progress we have made in this area.

The Legislative Assembly will be asked, at this session, to approve a special warrant for 1988-89 increasing the department's funding for the community harvester assistance programs and the outpost camp program by \$380,000. These programs provide funding to hunters and trappers associations and to northern residents who wish to pursue a traditional lifestyle away from established settlements. In addition, over one million dollars will be spent in 1989-90 to develop



community-based trapper training and education programs, to fund trap replacement, and to support innovative, new renewable resource based businesses.

### Community Development

Mr. Speaker, this government wishes to provide services at the community level in the most efficient and effective manner. We will look for ways to strengthen and promote elected community governments as the prime public bodies at the community level. Local governments are the cornerstone of public government in the Northwest Territories and we must continue to strengthen their capability to prepare for and manage social and economic changes in their communities. Priority has been given to enhanced training for municipal governments and their administrations. Well trained municipal administrators are essential to assist municipal councils in decision making and service delivery.

Cabinet has recognized, with concern, the increasing financial constraints and costs of services faced by local governments. Accordingly, this budget includes \$1.6 million in additional funding for hamlet operating contributions to restore funding to previous levels. A further \$8.5 million has been allocated for improved community water and sanitation systems. For you, Richard. This funding will assist local governments in meeting the pressing public health needs of their residents.

In recognition of the government's commitment to sport and recreation, this budget will provide capital and O and M funding to assist communities with the construction and maintenance of basic recreation facilities. Funding of \$193,000 will be allocated to the recreational leadership development program in 1989-90. An additional \$210,000 will be directed toward the operation and maintenance of new community recreation facilities.

### Communications

This budget also includes increased funding for research, development and initial program production for the government's participation in Television Northern Canada, the new northern public educational television service. As well, the Department of Culture and Communications is establishing a new heritage training program to enable northerners to complete community-based heritage projects. Enhanced funding in cultural affairs will be directed at the development of oral history projects and the assistance of northern performing artists.

### Revenues

Mr. Speaker, six months ago I released a consultation paper on tax options so that Northwest Territories residents could provide me with their opinions. This paper was intended to initiate discussion on means of financing this government's expenditure requirements in the long term. If the government is required to expand its programs and services, in the long term the financial requirements may have to be partially met through tax increases.

The creation of the \$25 million reserve for transportation and the \$15 million reserve for economic development initiatives which I announced today are part of a strategy to meet longer term requirements. We are financing these two funds from our accumulated surplus, which we now expect to be \$61.2 million on March 31, 1989. We are also using our accumulated surplus to finance the 1989-90 deficit. As a result, our accumulated surplus is forecast to be only seven million dollars by March 31, 1990.

Revenue changes in this budget have been kept to a minimum and have been primarily made to help us meet the costs of the \$500,000 alcohol and drug awareness program for youth, the \$250,000 alcohol and drug treatment rehabilitation strategy and the \$250,000 public awareness campaign on the dangers of smoking for youth.

The tax changes will affect alcohol, tobacco, fuel prices and property taxes. In addition to the revenue they will generate, changes in tobacco and alcohol tax structures will help to achieve



the government's goal of reducing the social costs resulting from the use of these products. The tobacco and alcohol tax changes will also ensure that similar goods will be taxed at the same rate. Changes to property taxes will ensure that taxpayers in similar circumstances will pay similar amounts of tax. The sum total of all these tax changes is expected to add only \$3.7 million to 1989-90 revenues.

Mr. Speaker, I will now describe each of the tax changes and explain why cabinet believes that they will improve the Northwest Territories tax system.

#### Alcohol Pricing

Mr. Speaker, the current pricing formula for alcoholic products provides for a markup based on the purchase price plus the cost of transportation to Hay River. The price does not take into account the additional freight costs required to ship the products to other locations in the Northwest Territories. Effective April 1, 1989, the cost of freight for beer will be passed on to consumers. As well, the markup for liquor, wine and beer will be rationalized. This will result in similar products having similar markups. In addition to rationalizing our alcohol pricing system, these changes will result in higher prices for some products and will raise an additional \$1.9 million annually. A significant portion of this new revenue will be used to fund the alcohol and drug awareness and treatment programs I announced earlier.

#### Tobacco Taxes

The tax on cigarettes in the Northwest Territories is currently lower than it is in any of the provinces. The current tax on cigarettes is 45 per cent and the tax on cigars is 40 per cent of their respective prices. Effective April 1, 1989, I will be increasing the tax on cigarettes and cigars to 55 per cent. This change will bring our tax on these items to a level that is comparable to that in the rest of Canada. Mr. Speaker, for some time now the Northwest Territories has been the only Canadian jurisdiction without a tax on loose tobacco, snuff and chewing tobacco. These products constitute a health hazard as serious as manufactured cigarettes and, starting April 1, these products will also carry a tax of 55 per cent.

These tobacco tax increases will add \$1.5 million annually to government revenues and, hopefully, will discourage the use of cigarettes and other tobacco products, particularly among the young. Together with the measures being undertaken by the Department of Health to reduce the use of tobacco, the tobacco tax increases should also contribute to the reduction of health costs. I will also be recommending some changes to our Tobacco Tax Act to make it easier to enforce and to administer.

#### Fuel Taxes

Fuel taxes in the Northwest Territories are based on the price of regular leaded gasoline in Yellowknife. Because of the harmful environmental effects of lead, leaded gasoline will no longer be sold in Canada after January 1, 1990. Consequently, effective April 1, 1989, our fuel taxes will be based on the price of regular unleaded gasoline. It is estimated that the higher price of unleaded gasoline will make the tax three tenths of a cent per litre higher than it would otherwise be. However, the tax is not expected to go up immediately because the price of gasoline has fallen since the last adjustment to the tax. For 1989-90 as a whole, if there are increases in the price of gasoline, the budget includes an increase in revenue projected of some \$300,000.

#### Property Taxes

Finally, Mr. Speaker, I would like to announce changes to our property assessments and tax rates for 1989. Outside of the Territories' seven tax-based municipalities, property taxes are collected by the Government of the Northwest Territories to help pay for the provision of municipal services.



In 1988 the Department of Municipal and Community Affairs reassessed all property in this general taxation area. For 1989, we have set rates of six dollars per thousand dollars of assessed value for residential property and for most businesses, \$12 per thousand for mines and oil and gas properties, and \$21 per thousand for pipelines. These rates will make the system fairer because all taxpayers of a given class will now be paying the same tax on comparable assessed values.

The intent of this government in setting these new rates is to maintain an overall property tax burden similar to that of last year. In general, residents of communities which had a below average tax burden will pay more, while most residents of communities which had a higher tax burden will receive a lower tax bill. Other factors, such as recent improvements to a property, will also cause the tax to increase.

#### National Sales Tax

One final matter of great importance is the determination of the federal government to introduce a national sales tax. We have participated in federal/provincial/territorial discussions on that proposal over the past two years. The Government of the Northwest Territories is concerned that the tax, which will be imposed on the retail price of goods and services, will cost territorial residents much more than other Canadians because it will be based on higher northern prices. Northwest Territories residents already pay more in federal taxes than do southern Canadians.

The government has no plans to join the federal government and introduce a similar sales tax of its own. We will continue our efforts to persuade the federal government to adequately compensate northerners for increases in their relative tax burden. The Government of the Northwest Territories could not support a national sales tax unless it were to be accompanied by measures to compensate for the greater burden it would impose on Northwest Territories residents.

#### Revenues In Brief

Our revised forecast of 1988-89 revenues indicates that we will raise \$118 million in our own-source revenues this year. Although we will raise more from some sources than was predicted, our overall revenues are down for 1988-89, primarily because of federal government adjustments to prior years' corporate taxes.

Our own-source revenues will be \$143 million in 1989-90, an increase of 21 per cent from the current year's revised total. The government's total revenues will be \$943 million, an increase of eight per cent.

#### Conclusion

Mr. Speaker, I wish to conclude by emphasizing the need for positive co-operation between all Members and the people we represent, in meeting the many challenges that face us. The future holds great promise, but that promise will not be realized unless we all work together toward common goals.

The budget I have presented this afternoon will provide us with the resources necessary to consolidate our efforts and to begin moving into the 1990s with a high degree of certainty. There will certainly be some tough times ahead, but tough times have never deterred northerners in the past.

Greater economic self-sufficiency, the reduction of pressing social needs, increased employment opportunities, political and constitutional development, continued enhancement of our cultural distinctiveness -- these are our goals, Mr. Speaker. With your help we feel they will be realized. Thank you very much.

AN HON. MEMBER: Hear, hear!

---Applause

MR. SPEAKER: Thank you, Mr. Ballantyne. Item 3, Ministers' statements. Mr. Allooloo.

ITEM 3: MINISTERS' STATEMENTS

Ministers' Statement 4-89(1): Northern Foods

HON. TITUS ALLOOLOO: Mr. Speaker, in honour of this special budget day, I am pleased to invite my honourable colleagues of this House and the public here today for a small reception in the lobby where we have available a selection of delicacies made from northern foods. As you are well aware, Mr. Speaker, our northern foods are highly sought-after by gourmet food lovers around the world. I do hope that everyone will be able to join us to sample some of the northern foods that are available today. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Minister. For the information of the gallery, I have been advised that this will be available during our normal recess for coffee this afternoon. Item 3, Ministers' statements. Item 4, Members' statements. Mr. Lewis.

ITEM 4: MEMBERS' STATEMENTS

Member's Statement On Budget Address

MR. LEWIS: Mr. Speaker, as an ordinary MLA I would like to take advantage of every opportunity allowed by our agenda to represent the people of Yellowknife Centre. Today in my Member's statement, I would like to compliment Mr. Ballantyne's reading of the Budget Address despite tremendous handicap. I also would like to commend Mr. Allooloo for his point of order, which you pointed out was not a point of order but which covered very well a major concern of our Assembly, which is the promotion of northern products.

I would like to point out to Mr. Ballantyne, however, Mr. Speaker, that although he was well-shod and was not well-heeled as evidenced by his budget, I hope that when he appears before us and we discuss this budget in detail that he will not appear before us scantily briefed because that is a sight which I cannot possibly imagine, given the immense staff that he has to enable him to cover all parts of his budget. Thank you.

MR. SPEAKER: Thank you, Mr. Lewis. Members' statements. Mr. Allooloo.

Member's Statement On Sealskin Shoes And Sealskin Industry

HON. TITUS ALLOOLOO: Thank you, Mr. Speaker. I would like to make a Member's statement on the shoes that I have given to the Minister of Finance of our government. It is unfortunate that the seal industry was successfully killed by the animal rights activists. My area, especially, was affected. To this day, they are suffering from that impact and the hide that was used to make shoes was probably sold by a hunter for less than \$200 per pelt -- for that pelt to make shoes.

I would hope that the shoes would become symbolic where we kick out uninformed, or very badly informed, animal rights activists who have no business in our affairs and who are impacting our traditional economy. I just wanted to make that point; that there are some opportunities, such as hides from seals that are very high quality, that could be utilized by Canadians and the people around the world. Thank you.

MR. SPEAKER: Thank you, Mr. Allooloo. Members' statements. Mr. Zoe.



**Member's Statement On Death Of Barry Yates**

**MR. ZOE:** Thank you, Mr. Speaker. Mr. Speaker, I rise today to express my sympathy and those of all my colleagues in the House here, I am sure, on the sudden death of Barry Yates. Mr. Yates died yesterday of a heart attack. He was a consultant with Neptune Resources and was instrumental in putting in place a socio-economic agreement between the Dogrib region and Neptune Resources. Mr. Speaker, I feel that not only myself but also the House owes him a debt of gratitude for his work in this area.

Mr. Speaker, once again I wish to express my sympathy to Mr. Yates' family. Thank you.

**MR. SPEAKER:** Thank you, Mr. Zoe. Members' statements.

Item 5, returns to oral questions.

Item 6, oral questions.

Item 7, written questions.

Item 8, returns to written questions.

Item 9, replies to Opening Address.

Item 10, replies to Budget Address.

Item 11, petitions. Item 12, reports of standing and special committees. Mr. Pollard.

**MR. POLLARD:** Thank you, Mr. Speaker. Mr. Speaker, may I respectfully suggest that we take a break before I get into the report of the standing committee on finance's review of the estimates for this year?

**SOME HON. MEMBERS:** Agreed.

**MR. SPEAKER:** It would appear to be the wish of the House that we have a recess. The House stands recessed.

**---SHORT RECESS**

**MR. SPEAKER:** The House will come to order, please. For clarification, the Chair wishes to advise that the refreshments referred to in Minister Alloo's Ministers' statement will be available at 3:00 o'clock this afternoon and the House will recess again at that time. The Chair would also like to recognize, in the gallery, a former colleague and Member of this House, Kane Tologanak. Welcome, Kane.

--Applause

We are on Item 12, reports of standing and special committees. Mr. Pollard.

#### ITEM 12: REPORTS OF STANDING AND SPECIAL COMMITTEES

##### Report Of The Standing Committee On Finance, Committee Report 1-89(1)

**MR. POLLARD:** Thank you, Mr. Speaker. In accordance with its terms of reference, the standing committee on finance is pleased to submit its report on the review of the 1989-90 main estimates of the Government of the Northwest Territories. Mr. Speaker, the standing committee on finance met in Yellowknife from November 25 to December 16, 1988, to conduct a review of the 1989-90 main estimates of the Government of the Northwest Territories. The committee met with representatives of 17 departments, two corporations, one directorate, two secretariats and five boards.

I would like to point out to members of the general public that the budget that we reviewed at that particular time may or may not be the budget that the Minister of Finance brings down today. This was the second time that we had reviewed budget documents. The committee had one new Member, Mr. Whitford, for Yellowknife South. In a departure from previous years, where alternates were only called when required, committee alternates were given the opportunity to attend all sessions.

The committee prepared for the hearings by reviewing the standing committee on finance 1989-90 capital estimates summary review; the standing committee on finance 1989-90 main estimates summary review, the short and long versions; and the 1987-88 and 1988-89 main estimates, O and M and capital. The committee also considered material requested from departments both prior to and during the hearings. As well, supplementary material was provided by some departments during presentations.

The rationale for the review of the 1989-90 budget was as follows:

- 1) Determine policy objectives of the department and changes to the objectives from the previous budget.
- 2) Ascertain whether programs are meeting policy objectives adequately.
- 3) Determine what criteria were used for the addition or deletion of programs.
- 4) Determine whether the budget presented was realistic and adequately allowed the government departments to fulfil their mandates.

##### Follow-Up On 1988-89 Recommendations

First of all, Mr. Speaker, just to follow up on the 1988-89 standing committee on finance recommendations. In the standing committee on finance report on the 1988-89 budget review, the committee made four major recommendations to the government:

- 1) The committee recommended that a comprehensive base review of spending be conducted. Our response this year is that the committee believes that the government has not yet begun a base review. In recommendation 26, the committee recommends again that a base review of spending be conducted.
- 2) The committee recommended that an analysis of the potential impacts on O and M be completed for all future capital projects. Our response, Mr. Speaker, is that the committee



believes that this recommendation is being addressed, at least in part, through capital needs committee.

3) The committee recommended that all departments develop comprehensive policies which will provide guidance in all areas of departmental operations. The government appears to have made progress in this area.

4) The committee recommended that each department develop a system of program evaluation to ensure the continuation of effective programs. Although there has been some progress in this area, under recommendation 27 this year, the committee recommends that the government ensure all departments develop systems of program evaluation.

Mr. Speaker, starting on page three of the report, there are 27 recommendations. I would advise everybody that those recommendations in that particular location are out of context and the whole report needs to be read to get those recommendations into context.

We started out with five major issues. I have to say that perhaps there is a sixth major issue because we were told there were to be no tax increases in this particular budget. I am not saying that the standing committee on finance is opposed to those tax increases; I guess what is at issue is the principle whereby we were told there would be no taxation increases and yet when the budget comes down, there are taxation increases.

Mr. Speaker, I think the committee also agrees that it is a foregone conclusion that the government will attempt to spend all its moneys. This report does not deal totally with financial issues and this report is a consensus of the committee. There are Members of the committee who will emphasize one point more than they will others and during the budget that will come to light.

#### Major Issues

With regard to major issues. This year there were five issues of concern to the committee. These five issues are not specific to one department but apply to the government as a whole. The issues are: infrastructure; validity of proposed budget; implications of the land claims agreement in principle and other agreements; education and training; and the creation of new departments.

#### Infrastructure

The inability of the government to meet basic infrastructure needs within the current budget was a reoccurring theme during the budget review. This issue was raised in particular by MACA, the NWT Housing Corporation, Transportation, and Public Works. Departments are unsure of their ability to meet the expanding requirements for both new and replacement infrastructure within the current capital allocations.

The committee believes the first step in accurately determining infrastructure needs is the establishment of a long-term capital plan. In both the 1988-89 and 1989-90 budget reviews, Members questioned the government regarding a five year GNWT capital plan. Some departments indicated that there were five year plans but these were very flexible and subject to change from year to year.

MR. SPEAKER: Excuse me, Mr. Pollard. Ms Cournoyea, we will make an attempt to rectify that. Ms Cournoyea, we will change your unit. The units in others' places are working quite well. We will attempt to have this fixed. In the meantime, Mr. Pollard, would you go ahead?

MR. POLLARD: Thank you, Mr. Speaker. The government indicated that an interdepartmental capital needs committee had been created which would develop a definition of basic infrastructure needs in the NWT, as well as a projected 20 year government capital plan. Members are concerned, Mr. Speaker, with the criteria to be used to determine the definition of basic infrastructure needs. The standing committee on finance requests that the Government



Leader provide the terms of reference and work schedule for the capital needs committee to the standing committee on finance.

That brings in recommendation one, Mr. Speaker: The standing committee on finance recommends that the final report of the capital needs committee be presented to the standing committee on finance as an information item. The report will assist the committee in its review and evaluation of future capital and relating operations and maintenance budgets.

#### Validity Of Proposed Budget

On number two, Mr. Speaker, with regard to the validity of the proposed budget, while the committee is pleased to see that the government presented a balanced budget at that time, Members have concern with how the apparent low growth was achieved. Two items of concern regarding the quality of budgeting arose. The first had to do with departments showing little or no growth and moving funds from other O and M to cover increases in salaries and wages. This was noticed particularly in the Executive, Finance, Government Services, Renewable Resources, Municipal and Community Affairs, Economic Development and Tourism, and Education, Mr. Speaker. During the 1988-89 budget review, the government referred to the 1988-89 budget as one of restraint. If, Mr. Speaker, that budget was restrained, the committee must assume that departments which have reduced their other O and M in favour of salaries and wages in the 1989-90 budget will not be able to provide the level of service previously provided. The committee was assured by the government that departments using this budget technique could still provide a basic level of service.

Therefore, for the departments and tasks concerned that are listed in Appendix A, Mr. Speaker, the standing committee on finance will not recommend any supplementary appropriations to cover other O and M during the 1989-90 fiscal year.

The second item of concern arose when departments were asked if the amount indicated in the budget was sufficient to adequately support a particular program. Some departments, such as MACA and the Legislative Assembly, told Members that the amount was not sufficient and the department planned to come forward with a supplementary appropriation. The committee feels that in these cases the budget documents do not accurately reflect the budgetary requirements of this department.

Upon completion of the 1989-90 budget review, the committee does not believe that the budget presented by the government is an accurate representation of total budgetary requirements. Mr. Speaker, I would again point out that this is based on the documents that were placed before us last November, and obviously we have not had a chance to compare them to the documents that will be presented later on this afternoon.

#### Implications Of Agreement In Principle And Other Agreements

Number three, Mr. Speaker, the implications of the agreement in principle and other agreements. The agreements in principle and other agreements, such as the formula funding agreement and the Northern Accord, will have a significant impact on the delivery of GNWT programs. While these agreements will have an effect on most GNWT departments, the committee did not see an awareness of this tied into the planning of programs and services.

This brings us to recommendation two this year, Mr. Speaker: The committee recommends that the government consider the implications of the agreements in the planning of future policy and programs.

#### Education And Training

With regard to education and training, Mr. Speaker, the committee spent three days of the budget review session with the Department of Education and Arctic College. The quality and consistency of education across the NWT was a major issue. The committee indicated that the increase in the



number of NWT residents being educated is a positive development, but only if the education being received is of high quality and will allow those students to pursue a variety of career options, including those requiring post-secondary education and training.

Members believe that the importance to the long-term development of the NWT of appropriate education and training of northern people cannot be overstated. The government's attempt to substantially increase the percentage of northerners employed in the public service cannot succeed until northerners have the appropriate education or training and experience for all types of government positions. Attempting to staff positions with northerners who do not have sufficient education or experience is unfair to both the employee and the government. Education or training must be available which will allow NWT residents to become qualified for positions in all levels of government.

**Recommendation three:** The committee recommends that the Department of Education make a greater effort to provide appropriate education and training to allow northerners to qualify for entry-level GNWT positions.

**Recommendation four:** The committee recommends that all government departments ensure that employees have access to training opportunities which will allow the development of skills necessary for advancement.

#### Creation Of New Departments

In the 1989-90 budget, the government is proposing the creation of three new departments: Transportation; Safety and Public Services; and Energy, Mines and Petroleum Resources. Although these new departments are formed from secretariats or divisions of existing departments, they do require additional operations and maintenance funding and have the potential for staff growth. The reasons for the establishment of each proposed department were explored thoroughly by the Members. The committee is satisfied that the development of these new departments is justified and serves as a method for providing an indication of the government's priorities.

Mr. Speaker, at this time I would have to say that we have had good responses from the Department of Finance, and that all Ministers, if I may use the term, were pretty well up front with us about their departments and about their programs. Information requested by the standing committee on finance was provided to us prior to, and during, the budget review, Mr. Speaker. I would have to say that this time there was much better attention paid to the documents being provided in the Inuktitut language. I realize that that put a lot of pressure on the government, Mr. Speaker, and also on the language bureau. I would like to thank them for their co-operation.

There is a lot more in this report, Mr. Speaker, that deals with the different departments and we will read that into the record, sir, as we come to those departments in committee of the whole.

Motion That CR 1-89(1), Report On The Review Of The 1989-90 Main Estimates Be Received And Moved To Committee Of The Whole, Carried

Therefore, Mr. Speaker:

I MOVE, seconded by Mr. Lewis, that the report of the standing committee on finance on the review of the 1989-90 main estimates be received and moved into committee of the whole for general discussion.

Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Pollard. The House has heard the motion. All those in favour of the motion? Thank you. All those opposed? Thank you. The motion is carried.

---Carried

The report of the standing committee on finance on the review of the 1989-90 main estimates is ordered into committee of the whole. We are on Item 12, reports of standing and special committees. Mr. Lewis.

MR. LEWIS: I seek unanimous consent to return to written questions, Mr. Speaker.

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: Unanimous consent is being sought to return to written questions. Are there any nays? There are no nays. Mr. Lewis, proceed.

#### ITEM 7: WRITTEN QUESTIONS

##### Question W3-89(1): Polar Bear Survey Tenders To Northern Air Carriers

MR. LEWIS: Thank you, Mr. Speaker. The question is to the Minister of Renewable Resources. Despite this government's commitment to privatization, I have learned that the Department of Renewable Resources will once again contract with the polar continental shelf project to conduct a polar bear study in the Banksland area. Currently this project involves the use of helicopters from southern Canada. No northern company is large enough to provide aircraft for the polar continental shelf project but can easily handle small-scale work such as the polar bear survey. As co-chairman of the special committee on the northern economy, I continue to hear about lost opportunities for northern-based companies. We need to develop and expand our expertise in those areas where we could develop excellence that would be in demand elsewhere. Aerial survey is one obvious area in which the NWT could play a leadership role. Would the Minister commit himself to putting the polar bear surveys to tender so that northern companies can bid on them and begin developing experience in aerial survey work?

MR. SPEAKER: Thank you, Mr. Lewis. We are on Item 12, reports of standing and special committees. Item 13, tabling of documents. Mr. Arlooktoo.

#### ITEM 13: TABLING OF DOCUMENTS

MR. ARLOOKTOO: (Translation) Thank you, Mr. Speaker. I wish to table Tabled Document 23-89(1), NWT suicide statistics, 1978 to 1988, compiled by the Legislative Assembly research services, from the NWT coroner's office. Thank you.

MR. SPEAKER: Thank you, Mr. Arlooktoo. Item 13, tabling of documents. Mr. Ernerk.

MR. ERNERK: Thank you, Mr. Speaker. I wish to table Tabled Document 24-89(1), Keewatin Suicide Prevention and Intervention Study, by Kivalliq Consulting in Rankin Inlet, April, 1988.

Mr. Speaker, I would just like to indicate the main contents of the study: magnitude of the problem; profile of the victims; traditional meaning of suicide; families of suicide victims; contributing factors in terms of changes in the Inuit culture and the family system; the education system and the employment situation; the misuse of alcohol. Recommendations include counselling treatment, public education, youth program, education and training, justice system, practitioner's questionnaire on suicides and information required from families. Thank you.

MR. SPEAKER: Thank you, Mr. Ernerk. The Chair would like to recognize in the gallery, Georgina Rolt, councillor for the town of Hay River. Welcome.

--Applause

Tabling of documents. Mr. Crow.



MR. CROW: Thank you, Mr. Speaker. I wish to table Tabled Document 25-89(1), Review of Mortality Due to Suicide in the NWT, 1975-86. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Crow. Tabling of documents. Mr. Kilabuk.

MR. KILABUK: (Translation) Thank you, Mr. Speaker. Mr. Speaker, I wish to table Tabled Document 26-89(1), Suicide Problem in Baffin, a report by Ken Webster. Thank you, Mr. Speaker.

MR. SPEAKER: Thank you, Mr. Kilabuk. Mr. Pudluk.

MR. PUDLUK: (Translation) Thank you, Mr. Speaker. I would like to table Tabled Document 27-89(1), a document on a report on people who are sent to the penitentiary and are repeatedly sentenced to the penitentiary, and how they can be dealt with in the NWT. Thank you.

MR. SPEAKER: Thank you, Mr. Pudluk. Tabling of documents. Mr. Clerk.

CLERK OF THE HOUSE (Mr. Hamilton): Mr. Speaker, in accordance with Rule 57(10), I wish to table Tabled Document 28-89(1), responses to Petitions 1-88(2), 2-88(2), 5-88(2), 8-88(2), 9-88(2), 10-88(2), 11-88(2), 12-88(2), 13-88(2), 14-88(2), 15-88(2) and 16-88(2).

MR. SPEAKER: Thank you, Mr. Clerk. Tabling of documents.

Item 14, notices of motion.

Item 15, notices of motion for first reading of bills.

Item 16, motions. Item 17, first reading of bills. Mr. Ballantyne.

#### ITEM 17: FIRST READING OF BILLS

##### First Reading Of Bill 1-89(1): Appropriation Act, 1989-90

HON. MICHAEL BALLANTYNE: Mr. Speaker, I move, seconded by the honourable Member for Inuvik, that Bill 1-89(1), Appropriation Act, 1989-90, be read for the first time.

MR. SPEAKER: Thank you, Mr. Minister. All those in favour? Opposed? The motion is carried.

---Carried

Bill 1-89(1), Appropriation Act, 1989-90, has had first reading. First reading of bills. Item 18, second reading of bills. Mr. Ballantyne.

#### ITEM 18: SECOND READING OF BILLS

##### Second Reading Of Bill 1-89(1): Appropriation Act, 1989-90

HON. MICHAEL BALLANTYNE: Mr. Speaker, I move, seconded by the honourable Member for Amittuq, that Bill 1-89(1), Appropriation Act, 1989-90, be read for the second time. Mr. Speaker, the purpose of this bill is to authorize the making of expenditures for the Government of the Northwest Territories for the fiscal year ending March 31, 1990.

MR. SPEAKER: Thank you, Mr. Minister. To the principle of the bill. Are you ready for the question?

AN HON. MEMBER: Question.

MR. SPEAKER: All those in favour? Opposed? Thank you. The bill is carried.

--Carried

Bill 1-89(1), Appropriation Act, 1989-90, has had second reading and is ordered into committee of the whole for today. Second reading of bills.

Item 19, consideration in committee of the whole of bills and other matters: Bill 2-89(1), Electoral District Boundaries Commission Act; Bill 1-89(1), Appropriation Act, 1989-90; standing committee on finance report on the review of the 1989-90 main estimates, with Mr. Angottitauruq in the chair.

ITEM 19: CONSIDERATION IN COMMITTEE OF THE WHOLE OF BILLS AND OTHER MATTERS

PROCEEDINGS IN COMMITTEE OF THE WHOLE TO CONSIDER COMMITTEE REPORT 1-89(1), REPORT ON THE REVIEW OF THE 1989-90 MAIN ESTIMATES; BILL 1-89(1), APPROPRIATION ACT, 1989-90; BILL 2-89(1), ELECTORAL DISTRICT BOUNDARIES COMMISSION ACT

Bill 2-89(1): Electoral District Boundaries Commission Act

CHAIRMAN (Mr. Angottitauruq): The committee will now come to order. We are dealing with Bill 2-89(1) and clause 2. Clause 2, Electoral District Boundaries Commission, as amended. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

CHAIRMAN (Mr. Angottitauruq): Clause 3, quorum. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

CHAIRMAN (Mr. Angottitauruq): Clause 4, eligibility of members. Agreed?

MR. ERNERK: Mr. Chairman, I agree with the clause, but when the Government Leader was speaking very eloquently to this particular clause or making a reference to this particular clause last week, he indicated that under this clause such advisers would be elders. Normally when you talk about advisers, you normally talk about lawyers most of the time. So I am wondering if it would be advisable to include the word "elders" in this particular clause?

CHAIRMAN (Mr. Angottitauruq): Mr. Ernerk, I think the proper thing to do is to make a motion, if you wish to change clause 4. We are supposed to be on clause 4 and I believe you are talking about clause 6. Clause 4, eligibility of members. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

CHAIRMAN (Mr. Angottitauruq): Clause 5, secretary. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

CHAIRMAN (Mr. Angottitauruq): Clause 6, other staff. Mr. Ernerk.

MR. ERNERK: (Translation) I will make this very brief. When we are dealing with this we always want to include the elders in the communities. When the government talks about the elders, they



praise them. Also when the Government Leader made a speech about the elders, he praised them. For this reason I suggest that elders be included in that clause, if you can understand me.

**CHAIRMAN (Mr. Angottitauruq):** (Translation) I understand the Member for Aivilik. Mr. Ernerk, if you wish to draw up a motion, we will take a 15 minute break. There will be food served in the main lobby. We will take a 15 minute break.

**--SHORT RECESS**

CHAIRMAN (Mr. Zoe): Call the committee back to order. Mr. Ernerk.

Motion To Amend Clause 6, Bill 2-89(1), Carried

MR. ERNERK: Thank you, Mr. Chairman. I would like to move the following motion: I move that section 6 of the Electoral District Boundaries Commission Act be amended by a) renumbering subsection (2) as subsection (3); and b), adding the following subsection (2), "advisors", to where the commission engages advisors under subsection (1): "It shall ensure that among the advisors there may be persons who have a special knowledge of the history of the NWT and the culture of the aboriginal peoples."

CHAIRMAN (Mr. Zoe): Thank you. Your motion is in order. To the motion. Mr. Ernerk.

MR. ERNERK: Mr. Chairman, perhaps I should just speak to the motion very briefly. When I hear the Dene people say that they respect the advice of their elders very much, I understand that. When we Inuit talk about elders, we talk about those older people who have guided us in our lifetimes and tried to make us good people, trying to make us knowledgeable about the land, about the sea and about the culture of our own history. So for me, I guess speaking for myself and speaking for the people whom I represent, especially from the Inuit population, I talk about people like Ollie Ittinuar, people like Donat Milortok, who are our elders and knowledgeable about the land, about the sea, about the language, about the traditions, about the cultures of our past.

When I take a look at southern Canadians, they have something very similar to this. As a matter of fact, in the last federal election, they called upon, I believe his name was Emmett Hall, to make some wise judgments with regard to the health care issue of Canada. I guess I am feeling strong enough about this that we as legislators, should be including in areas wherever possible, the older people from the NWT. I guess that is what I mean, Mr. Chairman. Thank you.

CHAIRMAN (Mr. Zoe): Thank you. To the motion. Is the committee ready for the question? Question is being called. All those in favour? Opposed? The motion is carried.

--Carried

Clause 6, other staff, as amended?

SOME HON. MEMBERS: Agreed.

--Agreed

CHAIRMAN (Mr. Zoe): Thank you. Clause 7, duties of commission. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

CHAIRMAN (Mr. Zoe): Thank you. Clause 8, reports of commission. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

CHAIRMAN (Mr. Zoe): Thank you. Clause 9, public hearings. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

CHAIRMAN (Mr. Zoe): Thank you. Clause 10, items to consider. Agreed?



SOME HON. MEMBERS: Agreed.

--Agreed

CHAIRMAN (Mr. Zoe): Thank you. Clause 11, record of proceedings. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

CHAIRMAN (Mr. Zoe): Thank you. Clause 12, rules. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

CHAIRMAN (Mr. Zoe): Thank you. Clause 13, powers of commission. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

CHAIRMAN (Mr. Zoe): Thank you. Clause 14, time for completion of reports. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

CHAIRMAN (Mr. Zoe): Thank you. Clause 15, coming into force. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

CHAIRMAN (Mr. Zoe): Thank you. The bill as a whole, as amended. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

CHAIRMAN (Mr. Zoe): Thank you. Does the committee agree that Bill 2-89(1), Electoral District Boundaries Commission Act, is now ready for third reading, as amended?

SOME HON. MEMBERS: Agreed.

--Agreed

CHAIRMAN (Mr. Zoe): Thank you. The committee will now deal with Bill 1-89(1), Appropriation Act, 1989-90. Mr. Minister, your opening remarks.

Bill 1-89(1): Appropriation Act, 1989-90

Minister's Opening Remarks

HON. MICHAEL BALLANTYNE: Thank you, Mr. Chairman. I will try and keep my opening remarks fairly brief, and the government will have a response to the report of the standing committee on finance which we will present in due course. I do have, for the benefit of Members, some

explanatory notes on the budget which I would like to hand out. This may assist Members in their questioning. What I would like to do, if it is possible, Mr. Chairman, is to reserve general comments about the actual fiscal framework until I present the Department of Finance budget at the end. If we get right into the departments right now, that would be all right.

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

SOME HON. MEMBERS: Agreed.

--Agreed

CHAIRMAN (Mr. Zoe): Thank you. Mr. Minister.

HON. MICHAEL BALLANTYNE: Thank you, Mr. Chairman. If that is the case, perhaps we could get right now into the Department of Public Works and Highways and start the department-by-department look at the budget.

CHAIRMAN (Mr. Zoe): Does the committee agree that we proceed in the manner that the Minister has indicated, that we get into the details of the budget, with Public Works appearing first?

I would like to advise the committee that we will be dealing with O and M first and then capital following that. For the Members' benefit we are dealing with the main estimates, 1989-90. We will go to page 11.03 on the Department of Public Works. I would like to ask Madam Minister if she has any opening remarks for the Department of Public Works.

#### Department Of Public Works

##### Minister's Opening Remarks

HON. NELLIE COURNOYEA: Thank you, Mr. Chairman. Yes, I have. Mr. Chairman, in introducing the proposed 1989-90 main estimates for the Department of Public Works to this Legislative Assembly, I am pleased to have the opportunity to provide you with an overview of some of the department's major plans and objectives for the coming year.

As you know, the operations and maintenance and capital programs that the department manages do play a very major part in the creation of the employment and business opportunities in the NWT. The department has, therefore, over the past several years, developed many goals and objectives that are aimed specifically at ensuring that our traditional responsibilities of designing, constructing, operating and maintaining government facilities are delivered in a way that maximizes the benefits spinning off to northern labour and businesses.

One of the key thrusts of the government which this department will continue to emphasize during the coming year is to maximize local and northern involvement in construction projects, in the leasing of staff accommodation and office space, and in the maintenance of buildings, works and equipment. This initiative is intended to maximize the opportunities for northern residents to gain meaningful employment on GNWT construction projects and for local and northern businesses wishing to participate in the design, construction, leasing and maintenance of GNWT buildings, works and equipment.

To guide the development and implementation of the local northern involvement initiative, a committee of deputy ministers from the Departments of Public Works, Education, Economic Development and Tourism, and the Housing Corporation provided recommendations to cabinet during 1988-89. After reviewing the recommendations, the cabinet has directed that a policy be developed to formalize the approaches now used and the interdepartmental structures required to continue to co-ordinate this initiative of the GNWT and to emphasize the government's high level of commitment to business development, employment and training of northern residents. This policy is to be submitted for cabinet review in early 1989.



### Lack Of Adequately Trained People At Local Level

A major consideration in this issue of employment creation is the lack of adequately trained or skilled people at the local level to be employed on construction projects. This is a key issue being raised frequently by the NWT Construction Association in their meetings with departmental officials. While the Department of Public Works has taken steps to improve or create opportunities for training in respect to its own delivery, my colleagues and I recognize that there is much more that needs to be done in providing appropriate training programs for northern labour.

The department continues to play a major role in the implementation of various policies and directives aimed at achieving a high level of northern involvement. These key policies and directives include: the business incentive policy; privatization policy; leasing of improved real property policy; directive on the use of commercial accommodation by contractors; directive on the selection of architectural and engineering consultants; directive on tender advertisements; and timing of payments directive.

As well, the department has been negotiating with the federal government to have Public Works Canada adopt many of our contracting procedures designed to maximize local and northern involvement, and to turn over to this government the management of some of their construction projects so that our contracting rules can be utilized. For example, an agreement is presently being prepared for the Department of Public Works to manage the construction of the new RCMP detachment and duplex to be built in Fort McPherson in 1989-90.

In addition, the cabinet recently approved a revision to the business incentive policy that ensures subcontractors also receive maximum benefit from this policy. As a result of this revision, all northern subcontractors will receive the 10 per cent preference which was previously available only to the general contractor.

As an indication of this department's support for the development of the North's economy, businesses and residents, in 1987-88 the department awarded to northern contractors 80 per cent of 710 construction, maintenance and service contracts. The value of these contracts was \$42.1 million, which represents 85 per cent of the \$49.5 million in contracts awarded to all firms. It is important to note that although the percentage of contracts awarded to northern contractors is high, in the case of some of our construction contracts the successful northern prime contractors often use southern subcontractors and suppliers because of lower prices. The 1987-88 local and northern involvement reports indicated that about 69 per cent of the total value of contract work went to northern or local businesses and residents. This should be addressed, however, as a result of the revision to the business incentive policy which I just described.

### Other Objectives Pursued By Department

In addition to the thrust related to increasing local and northern involvement, the department has been pursuing a number of other objectives. The department has been actively decentralizing functions from Yellowknife headquarters to the regional centres. The property management functions related to the staff housing and office space leasing programs were fully decentralized in 1987-88. This has resulted in improved services to landlords, such as prompt payments, and enhanced communications between landlords and the government. The department, over the past few years, has also decentralized some of the project management functions to the regions. Emphasis will continue in 1989-90 on further decentralizing project management activities.

Since 1985-86 the percentage of the capital program managed in the regions has increased from 17 to 29 per cent, and the ratio of headquarters to regional project management staff has decreased from 2.69 to one, to 1.48 to one. The response from the private sector has been positive, as they are better able to deal with locally resident project managers that are more familiar with their particular circumstances and problems. It has also contributed to the establishment of consultant firms in Iqaluit, Fort Smith and Inuvik.



### Services To Health Boards

The Department of Public Works now provides design, construction, property management, operation and maintenance services to regional health boards as a result of the transfer of the health services program from the federal government. I understand that the new regional health boards are satisfied with the level of services being provided by the department, which are a vast improvement over the services previously provided by the federal government. The department will continue to play an active role in future devolution of federal programs to the Government of the Northwest Territories by carrying out evaluations of the assets being transferred to ensure that they are in reasonable condition and that the appropriate operation, maintenance and replacement funding is included in the transfers.

With the objective of reducing the cost of constructing, operating and maintaining GNWT facilities, Public Works will continue to promote the standardization of building systems. Currently, standard designs are being applied in the construction of primary schools, offices, warehouses and group homes, garages, tank farms, water and sewage systems and recreational facilities. These designs incorporate quality standards based on minimizing the lifetime cost of the systems and buildings.

As another example of this department's attempt to provide business and employment opportunities in the NWT communities, privatization of departmental services continues to be an objective that is actively pursued.

The present capital funding which our government receives from the federal government is insufficient to meet the needs of the communities of the NWT. Therefore, Public Works is currently highly involved with other major departments in developing a well substantiated and comprehensive capital needs assessment which will identify capital requirements for the next 20 years. The needs assessment will identify those capital projects necessary to either maintain or to bring our community infrastructures up to levels of service provided across Canada. This assessment will assist the GNWT in substantiating its funding request to the federal government. The final results of this assessment are to be submitted to the cabinet in early 1989-90.

### Arctic Sciences Exchange Program With USSR

The Department of Public Works continues to actively participate in the Canada/USSR Arctic Sciences Exchange Program under the theme of northern construction. This program is strongly supported by the GNWT. The protocol agreeing to the exchange was signed by Canada and the USSR in 1984, and the program is currently in its second phase.

The initial phase of the northern construction theme consisted of a number of reciprocal familiarization visits by engineers, architects and northern consultants, on a broad range of topics related to the design, construction and maintenance of housing, public buildings, and water and sewage facilities. Based on those initial visits, the current phase of the exchange is focussing on more specific topics or projects where we believe that there is significant success in identifying new Soviet knowledge or technology that will benefit the Canadian North's development.

A major project is the design of a town plan for the growth of an agricultural community, named Votcha, in the Soviet North. The plan is being prepared by staff of DPW and MACA and is based on our technology and materials. Our hope is that the Soviets will proceed with implementation of this plan and will thus call upon our own consultants and contractors in that development. In addition, we will be identifying an area, or gap, in current technology that both parties might address by participating in a joint development project. For example, we have suggested that we establish, using Canadian and Soviet experience and technology, a project to jointly develop a water or sewage treatment plant which would better meet Arctic conditions. These areas will be negotiated for phase three of the exchange.

The northern construction program is of particular interest to the Soviets because of the obvious advantages that have been developed in our northern infrastructure programs. It therefore



provides some leverage for Canada in respect to the other themes. The total exchange program is a significant plank in Canada's external relations with the USSR, and we feel that our contribution is a major factor in its success. It is particularly important at this time when this very significant market is opening up and Canada, being a leading exporter of engineering expertise, can benefit from this direct government-to-government contract.

The various programs and services that DPW delivers affect all communities in the NWT as well as all GNWT departments. It is important to recognize that many of the services provided are in response to initiatives implemented by other GNWT departments. Public Works will continue to deliver its services and programs in support of overall Government of the Northwest Territories priorities and objectives in a way which maximizes northern business and local employment opportunities.

#### Little Change From Previous Year In DPW Budget

The proposed 1989-90 main estimates for the Department of Public Works reflect very little change in the O and M funding level from 1988-89. The department's total O and M budget is only two per cent above the 1988-89 main estimates. The major component of the increase in the department's funding levels relates to program transfers from the federal government and does not place any demand on the GNWT's limited resource base.

With regard to person years, the department's proposed estimates reflect an additional six PYs, of which four PYs relate to additional requirements in providing project management, property management and maintenance management services, as a result of program transfers. The other two PYs relate to the additional project officer term positions required to deliver the community granular supply and dust control programs for 1989-90.

To summarize, the department's 1989-90 proposed O and M budget is \$101 million, while the capital budget is six million dollars. In addition, the capital projects budget that we will be carrying out on behalf of all territorial government departments is expected to be approximately \$74 million.

Through implementation of these combined capital and O and M budgets of approximately \$181 million, the Department of Public Works will continue to play a very important role in stimulating and supporting the northern economy, by maximizing the dollars that are spent in the North, for the benefit of all northern people and businesses.

Thank you, Mr. Chairman. If the committee agrees, I wish to have the deputy minister of Public Works, Mr. Larry Elkin, and the director of finance, Mr. Dave Waddell, join me at the witness table to help answer your questions.

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

---Agreed

Mr. Arlooktoo.

MR. ARLOOKTOO: (Translation) Thank you, Mr. Chairman. I am having a hard time understanding the documents. They are hard to read. I want to leave because I cannot understand the documents here.

CHAIRMAN (Mr. Zoe): To accommodate some of the Members, because the material is not readable, maybe the committee will recess for five minutes until we rectify the problem.

---SHORT RECESS



**CHAIRMAN (Mr. Zoe):** I would like to call the committee back to order. Madam Minister, for the record, can you reintroduce the witnesses that are appearing before our committee?

**HON. NELLIE COURNOYEA:** Mr. Chairman, I have at the witness table the deputy minister of the Department of Public Works, Larry Elkin, and the director of finance, Dave Waddell.

**CHAIRMAN (Mr. Zoe):** Mahsi cho. Member for Hay River, as chairman of the standing committee on finance, do you have any comments?

Comments From The Standing Committee On Finance

**MR. POLLARD:** Thank you, Mr. Chairman. The committee was pleased, Mr. Chairman. This is not one of the departments where we saw a move from O and M into salaries. In fact it might have happened in one area in this department so it was not an offender in that respect, Mr. Chairman. We are pleased that the department is going to consider emphasizing the maximization of local northern involvement in their projects. We are glad to see that they are working to improve the level of training for local people employed on construction projects. The negotiations with Public Works Canada to provide consistency in contracting will certainly clear the air, Mr. Chairman.

Again, we are pleased that the department is pursuing decentralization of functions to the regional centres. I guess the best thing is we are getting into developing a comprehensive 20 year capital needs assessment and we are all greatly in favour of that, Mr. Chairman. There was one concern and that is the use of older buildings, Mr. Chairman. Throughout the budget review, the capital portion anyway, Members raised concerns regarding replacement of buildings. Members questioned how a decision was made that a building needed replacement and what was done with the building when it was no longer suitable for its original purpose. All departments indicated that the responsibility for determining replacement need and disposal was with Public Works. The Minister explained the criteria where repair or replacement was necessary and indicated that the analysis involved long-term considerations. That brought up our recommendation 18, Mr. Chairman, which is that the standing committee on finance recommends that the Department of Public Works continue to carefully evaluate replacement decisions and where possible, determine alternative economical uses for GNWT buildings. Thank you, Mr. Chairman.

**CHAIRMAN (Mr. Zoe):** Thank you. General comments. Mr. Arlooktoo.

**MR. ARLOOKTOO:** (Translation) Thank you, Mr. Chairman. I do not know exactly how to -- I have been told to present this from my constituency. It might not involve the DPW mandate, the two points that I am going to raise. I have been told to present this from my constituency in regard to wharves. The wharves are made in some communities for ships to dock. When will the docking facilities be improved or renovated? I was asked to look into that. In some of the communities there are no docking facilities or wharves in our region. The shoreline and the tides extend so far in Cape Dorset and Lake Harbour. Has DPW the responsibility to provide wharves or docking facilities for these communities? Thank you.

**CHAIRMAN (Mr. Zoe):** Madam Minister.

**HON. NELLIE COURNOYEA:** Mr. Chairman, if the honourable Member would refer to that when we come to the Department of Transportation, we have the information, but could we deal with that when we are dealing with the Department of Transportation.

**CHAIRMAN (Mr. Zoe):** Thank you. Mr. Arlooktoo.

**MR. ARLOOKTOO:** (Translation) Thank you. As well, I want to state that there is not enough housing for teachers in communities. Are there any plans for providing housing for teachers in the communities? Is there going to be housing provided in the communities for teachers? Thank you.



CHAIRMAN (Mr. Zoe): Madam Minister.

HON. NELLIE COURNOYEA: Mr. Chairman, I am aware that the Department of Personnel is planning to bring forward a building program for some of the teachers. That should be addressed under the Department of Personnel. Once the Department of Personnel determines where they are going to locate the units, then the Department of Public Works will be instructed to proceed with the construction plans. I will make a correction. I am taking information, or taking responsibilities over, I should not. That will be directed toward the NWT Housing Corporation. The corporation will be instructed to put those units up once they have been determined.

CHAIRMAN (Mr. Zoe): Thank you. General comments. Member for Aivilik,

MR. ERNERK: I thank you, Mr. Chairman, very much. It makes me feel bigger than Ludy, to be recognized first for a change. If my comments are not of a general nature, please feel free to cut me off, Mr. Chairman.

During the second session of the 11th Assembly, April 7, 1988, -- and I want to make a comment to the same Minister's opening remarks. First of all, during that particular session, I talked about the issue of construction training at the community level and indicated that training of local people within the construction industry should be one of the first priorities of the Government of the Northwest Territories. Recently, when I was fortunate enough to travel with the Minister responsible for the NWT Housing Corporation, Mr. Butters, we heard from every community that northern construction should be done by the people at the community level. One of the things that I asked about last year, was if the government was moving toward providing construction training to local people. I indicated then that if that is the kind of thing that the government is going to be doing, then I welcomed the idea very much because it is good for local people with regard to employment opportunities, as well as economic development. Money remains at the community level if you employ more people at the community level; but if we continue to employ southern people -- and I am talking about construction companies like Poole Construction -- money does not remain at the community level.

When I made a statement that the government should be taking a look at providing training to the local people so that they could establish their own companies, his answer was, "Correct." That is a direct quotation out of the Hansard report of April 7, 1988. Firstly, Mr. Chairman, my question to the Minister is, how far is the government in pursuing this training program at the community level?

CHAIRMAN (Mr. Zoe): Thank you. Madam Minister.

HON. NELLIE COURNOYEA: Mr Chairman, I would like to assure the honourable Member, and other Members of the Legislative Assembly, that this is an ongoing process, and that in tendering local contracts we do specify that the contract should contain a certain amount of local content and make efforts to have people come in on a training program. We have set up an interdepartmental committee with the Department of Public Works, Housing, Education and Economic Development to pursue those objectives. Mr. Chairman, I believe that there has been an improvement over the last few years, but we feel that we have a long way to go. Given the identification of the need and priority, and the value of hiring locally, we continue to pursue it, so I do not believe there will be any end to continuing to improve that system of training and local involvement. So, Mr. Chairman, all I can assure the Member is that process will continue. The assessment of how far we are going to go would probably have some indication from the Members if we are not keeping up with our objective of continuing to improve that system of involvement of local people and training.

CHAIRMAN (Mr. Zoe): Thank you. At this time the Chair would like to recognize Mr. Joe Enook, chairman of the Baffin Divisional Board of Education. Welcome.

---Applause



**Mr. Ernerk.**

**MR. ERNERK:** Thank you, Mr. Chairman. I am not sure whether my question was totally answered. I will try again. I guess what I would recommend strongly to the GNWT is that local training of people be undertaken, just so that people could establish their own construction companies. This is what I thought the previous Minister indicated when he said, "Correct." I understand what the Minister is telling me, but I am not sure if she is totally understanding me with regard to my point. From this debate from the department last year, I thought that the Minister was agreeing with me when I said that we should take a group of people, train them to become carpenters. And I am quite aware of the Ministers' statement with regard to the three departments that are taking this initiative, because it was mentioned during the winter session in 1988. So what I am pushing for is that we take a number of local people from the communities and train them so that they could establish a company in the community, for the community, and sometime down the road, for the region, for the benefit of the region. Some day I would like to see a company operating in the communities, equivalent to that of Poole Construction. Because that is what I thought that particular program was all about, when we were talking about construction training at the community level.

"On page 11.10 it indicates that the department will be addressing and implementing new ways and means to achieve these goals, and in particular will be addressing, with the northern construction industry and the GNWT departments and agencies involved, ways and means of providing construction training to local persons." I read that particular one out of the Hansard and I read that particular statement out of the budget estimates last year. So I really thought that was where the government was moving toward.

**CHAIRMAN (Mr. Zoe):** Mr. Ernerk, I understand your line of questioning, but the question that you are raising does pertain a little to the Department of Public Works and it may be appropriate when the Department of Economic Development and Tourism comes up. You may wish to make the same type of comment again when we are dealing with Economic Development. Madam Minister.

**HON. NELLIE COURNOYEA:** I suppose at the beginning I should have made my answer a little shorter and just replied to the honourable Member that we totally agree with him. We totally agree that the initiative to include local involvement in the construction industry, toward the objective of having people have their own companies to work in the communities and the region, we totally agree with that. And as the Department of Public Works, we will continue to strive to reach that objective. I believe we have had some successes and we still have a long way to go.

**CHAIRMAN (Mr. Zoe):** Mr. Ernerk.

**MR. ERNERK:** I was talking with regard to one of the departmental goals where it says the maximum employment of northern and local residents and the maximum use of northern and local businesses in the design, construction, etc., are achieved.

**Disposition Of Old Victor Sammurtok School, Chesterfield Inlet**

Secondly, I would like to ask the Minister, what do you do with old buildings? I am particularly talking about the Chesterfield Inlet school. It was built during the early 50s for students from the communities within the Keewatin Region, Igloodik, as well as the Pelly Bay region. It is a very good building and maybe I should...

**HON. DENNIS PATTERSON:** That is not what they said when they wanted a new school.

--Laughter

**MR. ERNERK:** I think you misunderstood them.

--Laughter



This summer Willie Adams and I were tearing apart an old school which was made into a community hall in Rankin Inlet some years ago. The construction of that building was very, very good. The lumber they used years ago was very good. The building that I am talking about, the old school -- Mr. Butters will agree with me, because he was just there not long ago, that it is very well built. Good quality construction. When the people of Chesterfield Inlet decided to get this new school, the problem was there as to what to do with the building. I understand that the Department of Education transferred it to the Department of Public Works to maintain.

There was a public meeting held in August of 1988. The public meeting consisted of various interested organizations from the hamlet, including the hamlet council, education, hunters and trappers organization, housing associations, as well as a number of other people. As it turned out, the community wanted to keep it for some good use in the future and I understand this building was transferred to DPW. I am wondering what the present status of that building is in terms of planning for the future.

CHAIRMAN (Mr. Zoe): Thank you. Madam Minister.

HON. NELLIE COURNOYEA: Mr. Chairman, in regard to that specific issue, to my knowledge the Department of Public Works has not received any recommendations or requests. However, if the Member would like, we could show you the policy and guidelines for the disposal of buildings. There is generally a review of the structural competence of the building, an assessment of need, if the community brings forth needs, and whether that fits into it, a look at the cost and whether it would meet that need. So we do have a general policy and guidelines for disposal of buildings.

We would look very closely at those older buildings so that we would not put too much operation and maintenance costs on future users of the building. So an assessment is done. But at this time, in this particular building, we have not received an official request. But if we should, we will certainly look at what is being requested.

CHAIRMAN (Mr. Zoe): Thank you. General comments. Member for Aivilik.

MR. ERNERK: Yes, Mr. Chairman, I am sort of aware of what the feeling is of the people of Chesterfield Inlet. The old school is an historical building. It produced a lot of successful Inuit leaders today. Just the fact that it is named after this famous Victor Sammurtok, an elder -- there is a lot of sensitivity toward the old school. I should indicate to the Minister of Public Works, as well, that when we were visiting that community just around the 26th or 27th of February, the same issue was brought up, that it could be made into many uses, whether it is Arctic College or part of it, or a northern museum. A number of organizations might like to make some use out of it for the future.

I think the people of Chesterfield Inlet would like to see that building remain as is until some good use is found by both the people of Chesterfield Inlet and the government. I, for one, would like to see it remain as is because as I said, it is a very, very historical building. I have no further comments at this point in time, Mr. Chairman, thank you.

CHAIRMAN (Mr. Zoe): Thank you. General comments. Member for High Arctic.

#### Consideration By School Architects Of Projected Population Growth

MR. PUDLUK: (Translation) Thank you, Mr. Chairman. My comment is going to be very brief. Last week, I had a question that I put forth regarding the artists...(technical interruption) you will answer my question. I just want to make a general comment. I am not sure what designers there are. I think they are not prepared enough. For example, in Arctic Bay they built a school in 1985. I do not think they had in mind the growth that will be coming to the community. Now that it is 1988, the school is too small. There was another building that was able to be put to the school which cost \$130,000 for renovations. Perhaps the designers should look into the possibility of a community's population growth.



We know that the community will not disappear and I know that some of the communities will not all be like that but there are researchers and designers that I think should look into the future because they could make an estimate of population growth. This has been the problem in some of the communities which are growing rapidly. If you do not answer me right away it is okay because I had asked already about this question. I just wanted to make some more comments on the designers because I think they are very expensive to hire. Architects, I am sorry.

CHAIRMAN (Mr. Zoe): Thank you. Madam Minister.

HON. NELLIE COURNOYEA: Mr. Chairman, I believe that this government and the Legislative Assembly only in the last two or three years began to come to grips with the exploding northern population. I believe that is good advice for all departments who are planning projects. The Department of Public Works only takes a project after a request from the client group. They tell us how much space they want and what we should design the building for. So we do work for other departments, but generally, before we get the job at the Department of Public Works, it is already figured out as to whether it is an eight classroom school or nine classroom school. I know this was not a question for me to answer but I think it is good advice and I believe that this government has realized the very, very important planning that we have to do because of the severe population growth that probably was not totally expected about four or five years ago, or not as seriously as now.

CHAIRMAN (Mr. Zoe): Thank you. General comments. Member for Tu Nede.

MR. MORIN: Thank you, Mr. Chairman. To start off, Madam Minister, I would like to start off with a positive tone and commend yourself and your department as well as the past Minister, Mr. Gordon Wray, for having the good sense and knowledge, the patience and the flexibility to negotiate capital projects with two of my communities, which are Snowdrift and Fort Resolution. Both projects are going well and we are managing to carry them out with only bringing in one outside person, out of the community, and maximizing all the local labour and all the benefits from these projects.

In saying that, what I am wondering is if your department and yourself will be continuing to operate in good faith and to continue to negotiate these types of projects with communities, small communities, where they can get the maximum benefit or the capital dollars that are being spent in the community.

#### Ongoing Training Programs Lacking

One thing I do see lacking in these projects is any continuity, or ongoing training programs. Possibly in your deliberations at the cabinet level you could share some of your experiences with your colleague, Mr. Butters, and the Housing Corporation on how to establish this type of working relationship in the block funding type work in the communities. That is my first question.

CHAIRMAN (Mr. Zoe): Thank you. Madam Minister.

HON. NELLIE COURNOYEA: Mr. Chairman, the Member responsible for the Housing Corporation and I have had several discussions. As you know, the Minister responsible for Housing previously had portfolios that really had the responsibility that lent itself to being in Yellowknife and not really travelling a lot. I know that Mr. Butters is very excited about the tours that he has made into the communities, and we have talked a lot about how maybe we can share experiences and co-ordinate activities. This is already in the works, and I am sure that with the very good tours that Mr. Butters has had to the communities and the very positive approach that has been taken, that certainly we will be able to work together very well.

CHAIRMAN (Mr. Zoe): Thank you. Mr. Morin.

MR. MORIN: Thank you, Mr. Chairman. That is good to hear. What was the answer to the question of if you would continue to negotiate capital projects with the communities?



CHAIRMAN (Mr. Zoe): Thank you. Madam Minister.

HON. NELLIE COURNOYEA: Mr. Chairman, since the negotiating of these contracts has been very successful in maximizing local involvement, we certainly intend to continue that practice.

CHAIRMAN (Mr. Zoe): Thank you. Mr. Kilabuk.

Use Of Warehouses In Communities

MR. KILABUK: (Translation) Thank you, Mr. Chairman. I will keep my comments brief. As we are all aware, our cabinet -- everything is not up to their discretion nowadays when it comes to decisions. I have been advised by my constituents that the Department of Public Works has warehouses or storage rooms in the communities that are not being fully utilized. Some of the things that are in the warehouses are still in those warehouses, even up until today; the same stuff is still in the same warehouse. Due to the fact that there is still a lot of stuff in the schools, they were wondering if they could utilize the warehouses.

For example, the adult education trainees -- even myself, as an adult, I am still learning how the Assembly goes. Even up until today the older people are still learning new things. Sometimes contractors come from down south. Perhaps if we can train a local person on some of the projects that are being done, perhaps we can consider this kind of training project. Last year in Broughton Island I was told that even in building a pipeline we had to get an outside person from down south to do the bend on the pipes. I was told that there was a person in that community who was able to do that kind of work. That was one of the concerns in one of my communities.

Perhaps the DPW warehouses in the regions, or headquarters, if they are not too full, or if they are available for use, maybe we should consider these warehouses. If they are not too full, could they be utilized by the older people? I am not talking about major items. I am talking about some of the items like trying to teach or train the older people. I do not know if you have ever considered this before, so I was wondering if you give this consideration for the future. Mr. Chairman, I just wanted to suggest this. If the Minister could respond to that, Mr. Chairman.

CHAIRMAN (Mr. Zoe): Thank you. Madam Minister.

HON. NELLIE COURNOYEA: Mr. Chairman, if we do have warehouse space that is not being used, certainly if there is a request and there is room to use it for other projects, we will consider that. However, what I would like to suggest is that these would be done on an individual basis. If there is a specific need, we would request that that specific need be brought forward and we will see what we can do to take care of that need.

CHAIRMAN (Mr. Zoe): Thank you. General comments. Are there any further comments? If not, does the committee agree that we go into detail of the main estimates?

Directorate, Total O And M, Agreed

We are on page 11.08, directorate. Total O and M, \$6,333,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Project Management, Total O And M, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Project management, total O and M, \$5,920,000. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

Accommodation Services, Total O And M, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Accommodation services, total O and M, \$29,450,000. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

CHAIRMAN (Mr. Zoe): Thank you. Buildings and works, total O and M, \$22,947,000. Member for Aivilik.

MR. ERNERK: Thank you, Mr. Chairman. I should have indicated to the Minister, just on this old school in Chesterfield Inlet, the community will probably be coming up with a proposal with regard to the use of that old school building in the not too distant future. I just wanted to indicate to you that that is what the community has indicated to me.

CHAIRMAN (Mr. Zoe): Thank you. Any comments, Madam Minister?

HON. NELLIE COURNOYEA: Mr. Chairman, we will take that as notice.

Buildings And Works Total O And M, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Buildings and works, total O and M, \$22,947,000. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

Vehicles And Equipment, Total O And M, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Vehicles and equipment, total O and M, \$3,742,000. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

Utilities, Total O And M, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Utilities, total O and M, \$29,713,000. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

Operations, Total O And M, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Operations, total O and M, \$3,262,000. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed



Detail Of Grants And Contributions, Total O And M, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Detail of grants and contributions, total grants and contributions, \$50,000. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

Total O And M, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Any questions on the following pages, detail of work performed on behalf of third parties? Total O and M for the Department of Public Works, \$101,367,000. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

CHAIRMAN (Mr. Zoe): Thank you. That concludes the O and M portion of the Department of Public Works. We will now move on to the capital estimates. On page 11.08. Any general comments on the capital before we get into detail? If not, does the committee agree we go into details of the capital estimates?

SOME HON. MEMBERS: Agreed.

--Agreed

Directorate

Buildings And Works, Headquarters, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Thank you. We are on page 11.09, detail of capital, directorate, buildings and works, total headquarters, \$45,000. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

Buildings And Works, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Total buildings and works, \$45,000. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

Equipment Acquisition, Fort Smith, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Equipment acquisition. Fort Smith, total Fort Smith \$9000. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

Directorate, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Total directorate, \$54,000. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

Project Management

CHAIRMAN (Mr. Zoe): Thank you. Project management, buildings and works. Headquarters, total headquarters, buildings and works, \$1,325,000. Agreed? Mr. Pudluk.

MR. PUDLUK: Thank you, Mr. Chairman. Just one little question. On the community dust control program, how many communities have this program?

CHAIRMAN (Mr. Zoe): Madam Minister.

HON. NELLIE COURNOYEA: Mr. Chairman, was the Member asking what projects were done or what projects were planned?

CHAIRMAN (Mr. Zoe): Member for High Arctic, can you clarify your question?

MR. PUDLUK: My question was about the community dust control program. I am talking about how many communities have this program now?

CHAIRMAN (Mr. Zoe): Thank you. Number of communities for this particular program. Madam Minister.

HON. NELLIE COURNOYEA: Mr. Chairman, there are 27 communities on the community dust control program.

Buildings And Works, Headquarters, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Total headquarters, buildings and works, \$1,325,000. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

Project Management, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Total project management, \$1,325,000. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

Accommodation Services

Buildings And Works, Headquarters, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Accommodation services. Buildings and works, headquarters. Total headquarters, \$307,000. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed



Buildings And Works, Fort Smith, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Fort Smith, total Fort Smith, \$133,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Inuvik, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Inuvik, total Inuvik, \$223,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Baffin, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Baffin, total Baffin, \$973,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Keewatin, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Keewatin, total Keewatin, \$96,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Kitikmeot, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Kitikmeot, total Kitikmeot, \$178,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works, Total Capital

CHAIRMAN (Mr. Zoe): Total buildings and works. Mr. McLaughlin.

MR. McLAUGHLIN: Thank you, Mr. Chairman. I have got just one question on office renovations and buildings and works, that applies a little bit to O and M as well as capital. Do we still have the situation, basically where DPW leases all the various buildings and spaces that all the departments use, as far as rental goes?

CHAIRMAN (Mr. Zoe): Thank you. Madam Minister.

HON. NELLIE COURNOYEA: Yes, Mr. Chairman, the Department of Public Works does the leasing on behalf of all government departments.

CHAIRMAN (Mr. Zoe): Member for Pine Point.

MR. McLAUGHLIN: Thank you, Mr. Chairman. So if there are different buildings, some new, some old, there are obviously different costs for renting these buildings. I think what I have seen over

the years is that as new buildings come on line or, as in this case, renovations are required, DPW foots the bill for this and the client department never gets involved in having to pay up. In other words, if a client department wants to get newer or better or higher accommodations, with a better view, they do not actually have to foot that bill on their own budget. Is that correct, basically, in general?

CHAIRMAN (Mr. Zoe): Madam Minister.

HON. NELLIE COURNOYEA: Mr. Chairman, in regard to new leases, the client departments are required to transfer funds to the Department of Public Works for those lease arrangements.

CHAIRMAN (Mr. Zoe): Thank you. Member for Pine Point.

MR. McLAUGHLIN: What I was interested in was, I think it has been brought up once in a while, is there any kind of consideration being given to basically charging each department the actual cost of their accommodation? In other words, something like BC has done, where they have formed a Crown corporation that owns all the buildings and leases any buildings required and then rents them out to the department at the actual cost, and that makes departments aware of their actual costs. So if a department moves from cheap, old accommodations into expensive, new accommodations, it affects their budget directly.

CHAIRMAN (Mr. Zoe): Thank you. Madam Minister.

HON. NELLIE COURNOYEA: Mr. Chairman, we do not follow the BC policy. It would appear that even though there are grey areas of exactly what each client department is using, I believe that creating another bureaucracy would not necessarily more clearly outline responsibilities. I believe that according to Personnel, each department fairly well knows what is being expended on its behalf by the general guidelines that are set down according to how many people, who is leasing and who we are leasing for. So far, there has not been any change in the past policy.

Buildings And Works, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Total buildings and works, \$1,910,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Accommodation Services, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Total accommodation services, \$1,910,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed

Buildings And Works

Buildings And Works, Headquarters, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Buildings and works. Total headquarters, \$879,000. Agreed?

SOME HON. MEMBERS: Agreed.

---Agreed



Buildings And Works, Fort Smith, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Fort Smith, total Fort Smith, \$90,000. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

Buildings And Works, Inuvik, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Inuvik, total Inuvik, \$544,000. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

Buildings And Works, Baffin, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Baffin, total Baffin, \$84,000. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

Buildings And Works, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Total buildings and works, \$1,597,000. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

Equipment Acquisition, Baffin, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Equipment acquisition, Baffin. Total Baffin, \$300,000. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

Buildings And Works, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Total buildings and works, \$1,897,000. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

Vehicles And Equipment

Equipment Acquisition, Headquarters, Total Capital

CHAIRMAN (Mr. Zoe): Thank you. Vehicles and equipment. Equipment acquisition. Headquarters, total \$150,000. Agreed? Member for Aivilik.

MR. ERNERK: Mr. Chairman, it must have something to do with that tax the Minister of Finance introduced today. Mr. Chairman, last year again, on April 7th, 1988 we were talking about

privatization of government vehicles. I was particularly interested in the one in Rankin Inlet. Are you still carrying out this privatization program as part of the government's policy to privatize government properties in this particular function, department, division?

CHAIRMAN (Mr. Zoe): Thank you. Madam Minister.

HON. NELLIE COURNOYEA: Mr. Chairman, in Rankin Inlet we are privatizing the maintenance of the vehicles. We are looking to doing that in other communities, as we see the possibility to do that, but presently the maintenance of vehicles in Rankin is privatized.

CHAIRMAN (Mr. Zoe): Thank you. Vehicles and equipment. Mr. Arlooktoo.

MR. ARLOOKTOO: (Translation) Thank you, Mr. Chairman. I am just wondering if they are talking about new vehicles or the maintenance of vehicles.

CHAIRMAN (Mr. Zoe): Madam Minister.

HON. NELLIE COURNOYEA: Mr. Chairman, the budget figures that we are talking about is for the purchase of new vehicles. If the Member is referring to my statement that maintenance can be contracted out, this would be if, for example, in Rankin Inlet the vehicle maintenance is being privatized, then that would be for all vehicles, old and new. But the present budget that we are talking about is new replacement vehicles.

CHAIRMAN (Mr. Zoe): Thank you. Vehicles and equipment. Mr. Arlooktoo.

MR. ARLOOKTOO: (Translation) Thank you, Mr. Chairman. I would like to ask if some communities, some of them do not have very many vehicles and the Cape Dorset hospital does not have a vehicle -- sorry, Social Services does not have a vehicle. I was just wondering if the community of Cape Dorset Social Services will be provided with a vehicle.

CHAIRMAN (Mr. Zoe): Thank you. Madam Minister.

HON. NELLIE COURNOYEA: Mr. Chairman, in regard to the specific question, in looking at the list of vehicles that are being provided, I do not see on my list a vehicle for Cape Dorset at this time.

Equipment Acquisition, Headquarters, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Vehicles and equipment. Total headquarters, \$150,000. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

Equipment Acquisition, Fort Smith, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Fort Smith, total Fort Smith, \$193,000. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

Equipment Acquisition, Inuvik, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Total Inuvik, \$116,000. Agreed?



SOME HON. MEMBERS: Agreed.

--Agreed

Equipment Acquisition, Baffin, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Total Baffin, \$217,000. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

Equipment Acquisition, Keewatin, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Total Keewatin, \$125,000. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

Equipment Acquisition, Kitikmeot, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Kitikmeot, total Kitikmeot, \$32,000. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

Equipment Acquisition, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Total equipment acquisition, \$833,000. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

Vehicles And Equipment, Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Total vehicles and equipment, \$833,000. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

Total Capital, Agreed

CHAIRMAN (Mr. Zoe): Thank you. Total capital expenditure, \$6,019,000. Agreed?

SOME HON. MEMBERS: Agreed.

--Agreed

CHAIRMAN (Mr. Zoe): Does the committee agree that the Department of Public Works is now concluded?

SOME HON. MEMBERS: Agreed.

--Agreed

**CHAIRMAN (Mr. Zoe):** The Chair would like to thank Mr. Waddell and Mr. Elkin for appearing before our committee. What is the committee's wish at this time? Transportation Department? Could I call upon the government House Leader to indicate which department we should deal with?

**HON. MICHAEL BALLANTYNE:** Mr. Chairman, perhaps we could ask the indulgence of the committee if we just had opening remarks for Government Services, then call it a day.

**CHAIRMAN (Mr. Zoe):** Does the committee agree? Department of Government Services. Mr. Minister, your opening remarks for Government Services.

#### Department Of Government Services

##### Minister's Opening Remarks

**HON. TOM BUTTERS:** Thank you, Mr. Chairman. The main estimate requirements for the Department of Government Services for the fiscal year 1989-90 are \$15.527 million in operations and maintenance, and \$8.699 million in capital. An estimated \$13.747 million will be generated in revenue.

The department operates three revolving funds in addition to charge-back accounts for computer activities with a total estimated expenditure of \$68.091 million. The operation and maintenance estimate represents a two per cent increase over the main estimate for 1988-89. This increase is due primarily to the health transfer, some \$274,000, and infrastructure growth within government of \$96,000. Adjusting for these two factors, the 1989-90 estimate is \$73,000 below that of 1988-89.

The capital estimate represents a 12.3 per cent increase over the main estimates for 1988-89. This is mainly due to deregulation in the airline industry, and our need to provide fuel storage facilities for aviation fuel, and to the new infrastructure in communities, such as housing units, recreation centres, schools and community centres. Major fuel tank projects are occurring in Pond Inlet, Grise Fiord and Pangnirtung.

Mr. Chairman, my department has undergone a reorganization. The division of office services has been disbanded with the tasks of records management and responsibility for the government mail room being transferred to supply services. The responsibility for telecommunications and forms management has been transferred to systems and computer services.

These changes have allowed for more efficient use of resources within the department and have provided for the creation of a policy and planning unit within the directorate. In addition, the motor vehicles division is to be transferred to the new Department of Transportation, and in turn the NWT Liquor Licensing Board is to be transferred to Government Services from the Department of Justice.

Mr. Chairman, the responsibilities of Government Services are as follows: services are provided to the public, government departments, and boards and agencies by the directorate and the department's four divisions of supply services, systems and computer services, petroleum products and the NWT Liquor Commission. The supply services division purchases goods for all departments and most boards and agencies through the competitive tender process and provides for the transportation and warehousing of these goods. It operates a storage revolving fund with an authorized limit of \$1.125 million. Emphasis for 1989-90 will be placed on the tendering process and procedures as well as import replacement for goods not now provided by northern suppliers.

The division administers the business incentive policy. It is responsible for the administration of the transportation assistance program for the communities of Pelly Bay, Snare Lake, Colville Lake.



The handling of government mail and the storage records are complementary responsibilities of this division.

Mr. Chairman, the systems and computer services division operates and maintains the government's mainframe computers in headquarters and in the five regional centres. The division is responsible for the development and maintenance of computer systems and services which are charged back to the client departments. Funding for the division's services in 1989-90 is projected at \$4.296 million. The division provides service and advice to departments on the acquisition of microcomputers. It is responsible for the provision of voice and data communication systems and related equipment and provides forms management services to both government departments and boards and agencies.

Specific services are provided to the public by the petroleum products division and the Liquor Commission. The petroleum products division operates under the Revolving Funds Act with an authorized limit of \$40 million. It provides heating oil, gasoline, naphtha and aviation fuel to 45 communities not served by the private sector. All of our fuel is delivered by private community contractors, costing some \$4.7 million in commissions during 1989-90. The division's emphasis for 1989-90 will be the development -- I guess I made an error. That should be 1988-89. The division's emphasis for 1989-90 will be the development of a common bulk fuel storage facility policy with the NWT Power Corporation.

The Liquor Commission supplies, on demand, a varied selection of alcoholic beverages to the residents of the NWT. It operates on the revolving fund with a set limit of \$5.5 million established under the authority of the Liquor Act. Net revenues to the NWT consolidated revenue fund for the fiscal year 1989-90 are estimated at \$13.097 million. The Liquor Commission, in conjunction with the Department of Renewable Resources, will be pursuing a long sought-after objective in the need to recycle bottles and diminish beer can litter in the NWT.

Mr. Chairman, the directorate provides advice to myself and has managerial responsibility for the department. The directorate also addresses issues such as telecommunications and postal services as they relate to the public generally. During the last year, examples of such involvement have been the sale of NorthwesTel, presentations to Canada Post Corporation for the improvement of postal services to the North, and participation into a study on the effects of competition in the long distance market in co-operation with the Canadian Radio-Television and Telecommunications Commission. My department and I will be actively involved with the new owners of NorthwesTel to ensure that maximum economic benefits accrue to the NWT. Thank you, Mr. Chairman, for the opportunity to present my opening remarks.

CHAIRMAN (Mr. Zoe): Thank you. Mr. Pollard.

MR. POLLARD: I would move that we recognize the clock, Mr. Chairman.

CHAIRMAN (Mr. Zoe): I have a motion on the floor that is not debatable. All those in favour? Opposed? Motion is carried.

---Carried

The Chair will now report progress.

MR. SPEAKER: The House will now come back to order. Mr. Zoe.

**ITEM 20: REPORT OF COMMITTEE OF THE WHOLE**

**REPORT OF COMMITTEE OF THE WHOLE OF COMMITTEE REPORT 1-89(1), REPORT ON THE REVIEW OF THE 1989-90 MAIN ESTIMATES; BILL 1-89(1), APPROPRIATION ACT, 1989-90; BILL 2-89(1), ELECTORAL DISTRICT BOUNDARIES COMMISSION ACT**

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**MR. ZOE:** Mr. Speaker, your committee has been considering Bills 1-89(1) and 2-89(1) and wishes to report that Bill 2-89(1) is now ready for third reading as amended.

**MR. SPEAKER:** The House has heard the report of the chairman of committee of the whole. All those agreed? Opposed?

---Agreed

Item 21, third reading of bills. Item 22, orders of the day. Mr. Clerk.

**CLERK OF THE HOUSE (Mr. Hamilton):** Announcements, Mr. Speaker. There will be a meeting of the ajuuqtit committee tomorrow at 9:00 a.m. and a meeting of caucus at 10:00 a.m.

**ITEM 22: ORDERS OF THE DAY**

Orders of the day for Tuesday, February 14th.

1. Prayer
2. Ministers' Statements
3. Members' Statements
4. Returns to Oral Questions
5. Oral Questions
6. Written Questions
7. Returns to Written Questions
8. Replies to Opening Address
9. Replies to Budget Address
10. Petitions
11. Reports of Standing and Special Committees
12. Tabling of Documents
13. Notices of Motion
14. Notices of Motion for First Reading of Bills
15. Motions
16. First Reading of Bills
17. Second Reading of Bills
18. Consideration in Committee of the Whole of Bills and Other Matters: Bill 1-89(1)



19. Report of Committee of the Whole

20. Third Reading of Bills

21. Orders of the Day

**MR. SPEAKER:** Thank you, Mr. Clerk. This House stands adjourned until Tuesday, February 14th, at 1:00 p.m.

**--ADJOURNMENT**

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